



Toy Industries of Europe

# THE IMPORTANCE OF INTELLECTUAL PROPERTY RIGHTS (IPR)

## ABOUT TIE

Toy Industries of Europe (TIE) is the trade association for the European toy industry. Members comprise national trade associations of European Union Member States as well as major toy companies from across Europe. Over 99% of the sector is composed of SMEs, which have less than 50 employees.

Intellectual property rights (IPR) are very important to the toy industry. The toy sector is highly innovative: over 60% of toys on the market each year are newly developed products. Thus, IPR are of utmost importance as they enable companies to protect their inventions and to continue investing in innovation, and to act against companies that use their creative designs without permission. Intellectual property rights are often a company's biggest asset.

As a strong supporter of free trade, TIE believes that competition is key to drive a company's success. However, competition is good as long as it is fair. Therefore, TIE's position has always been that companies should meet their obligations to prevent any likelihood of confusion between products and to avoid the unfair exploitation of another company's efforts. IPR can be used to prevent such free riding.

The production of counterfeit toys is a global problem. The figures provided by customs authorities in the European Union (EU) show that IPR infringement takes place on a very large scale. Parasitic copying (also known as look-alikes), where many, but not necessarily all, of the distinctive marketing properties of a brand are imitated without infringing any IPR, is a significant problem in the toy sector.

Counterfeit toys can pose serious risks for children's health and safety, as infringers are less likely to comply with the relevant safety standards. Reputable companies take their responsibilities very seriously and are aware that putting substandard products on the market could damage their reputation.

## TIE'S WORK ON IPR FOCUSES ON:

- securing a harmonised system throughout the EU which protects intellectual property rights in their broadest sense
- encouraging effective enforcement of existing and future intellectual property rights legislation and ensuring that future legislation includes strong sanctions with deterrent effect against counterfeiting and commercial pirates regardless of their domicile

As many toys only have a short market life, enforceable and harmonised legislation and quick and affordable measures are needed in order to ensure that toy companies continue to invest in innovative products. In this regard, TIE is engaged in several discussions at the European level and supports the work of the EU on strengthening the legal framework for intellectual property rights.

