

Digital Traceability in the Fight against Illicit Trade

**Progress and EU regulatory
requirements for enhancing
digitalisation of traceability and
authentication**

**6.11.2017 Jasmin Battista, DG
CONNECT F2, Ecommerce and
platforms**

Context of DG CNECT work

*Policy responses need to be debated in order to:
enhance traceability and authentication in the
fight against fraud throughout the production and
supply chain;*

*improve regulatory requirements and standards
on traceability and authentication;*

*promote cooperation among stakeholders to
crack down on supply-chain anti-counterfeiting
technologies.*

*Discussion in initiatives, i.e. enforcement
regulation proposal, future of ecommerce,
blokchain and technology innovation, QR codes*



Communication on "Tackling illegal content online – towards an enhanced responsibility for online platforms"

COM(2017)555 – 28 September 2017

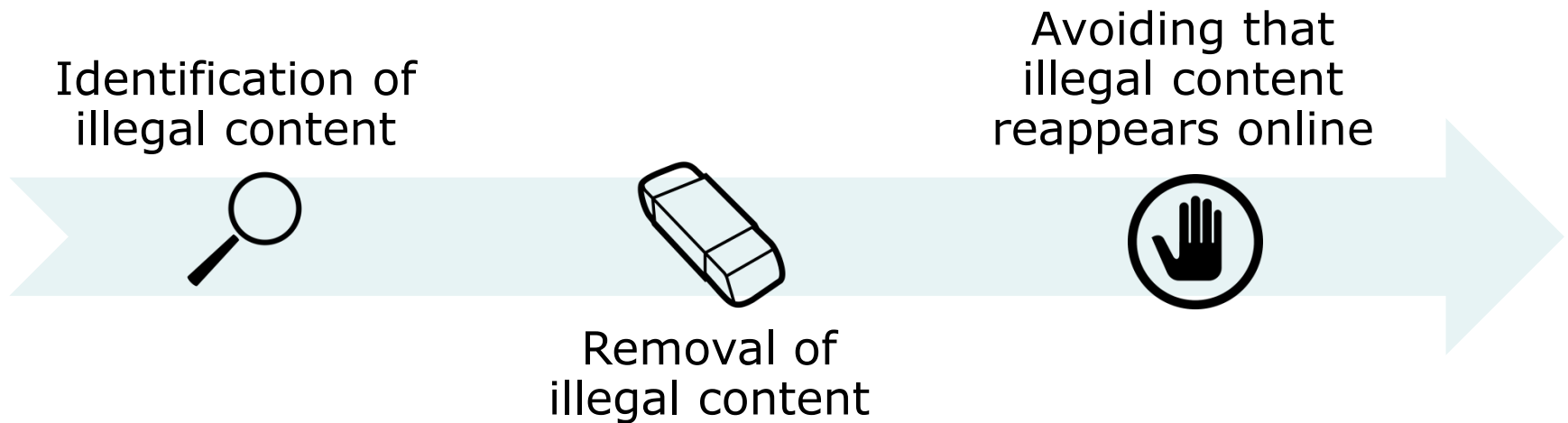
http://ec.europa.eu/newsroom/dae/document.cfm?doc_id=47383

Press material:

<https://ec.europa.eu/digital-single-market/en/news/tackling-illegal-content-online>

Principles and safeguards

*The Guidance outlines principles and safeguards in the **different steps** of the procedure:*



Reflection on the **future** of e-commerce

- **digital transition** of e-commerce businesses
- Impact of technology and innovation
- more/better **product information**
- **level playing field** for European companies
- Urban, local, regional, EU dimension



Future of Ecommerce - Sustainability of product, tracability

Adoption of digital technology is supportive to sustainability (availability of resources in a long-terms perspective) by improving efficiency both on the consumption side and on the production side.

Complete transparency: The most apparent benefit of integrating blockchain into your payment processing is its proposed transparency. Transactions through blockchain offer radical visibility, security, faster processing speed and traceability through the decentralized register of ownership. Every transaction is recorded and visible to the public, including the creation of a block.

In Commission projects funded i.e. for better traceability of goods

In specific projects, i.e. problems arise with spare parts (planes and automotive) causing serious damages and fatalities.

The SDO GS1 is mainly known for bare codes on products, but there will be more plans.

Also (see organic and large area electronics (OLAE): Fund research & innovation activities and support relevant policy to enable emergence and wide market deployment of disruptive tech in photonics, FP7-ICT OLAE Projects, CNECT A4 / A3.

BLOCKCHAIN: You can automate the fulfilment of agreements and eliminate counterfeit goods from your supply chain by taking advantage of the transparency of blockchain.

Fraudulent goods are always an issue in online commerce and blockchain offers an ideal solution for this problem. To track counterfeit products Alibaba is investing heavily into blockchain to track genuine food products & verify authenticity.

A group of leading companies across the global food supply chain, including Walmart, Nestlé and Unilever have announced a major blockchain collaboration with IBM. Blockchain is an opportunity to maintain secure digital records & improve the traceability of the foodstuffs that enter the product lifecycle of their brands.

Good work done by business associations & platforms to prevent counterfeiting to build up on

On 4 May 2011, participants in a European Commission Stakeholders' Dialogue signed a non-binding MoU on the sale of counterfeit goods over the internet to encourage collaboration between interested parties in the reduction of the sale of counterfeits via e-commerce platforms.

In June 2016 fight against counterfeighting was stepped up through Memorandum of Understanding signed

Other initiatives business associations



The New Technology and Its Relevance in the IP World

Blockchain and IP, 4 Areas of Interest

(1) IP for Blockchain companies

(1a) Protection of innovation and branding

(1b) Prevention of infringement

(2) Protection and enforcement of IP of non-Blockchain companies

(2a) Supply chain protection, anticounterfeiting

(2b) Digital rights management

(3) Blockchain technology used to register IP

(3a) Trademarks, designs and patents

(3b) Digital deposit systems for copyright, databases and trade secrets

(4) IP crime facilitated by Blockchain technology

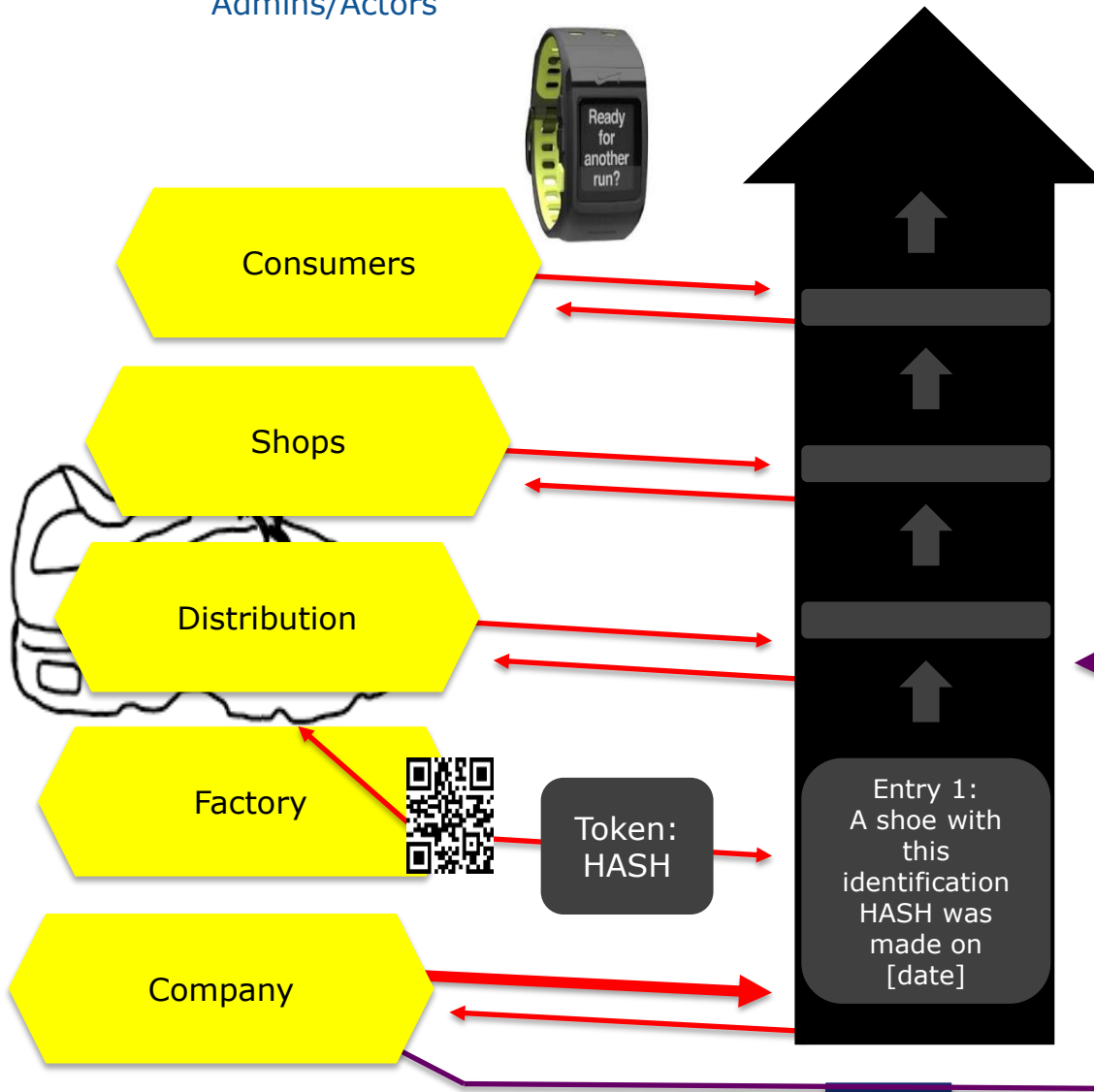
(4a) Illicit payments and money laundering

(4b) Decentralised application crimes

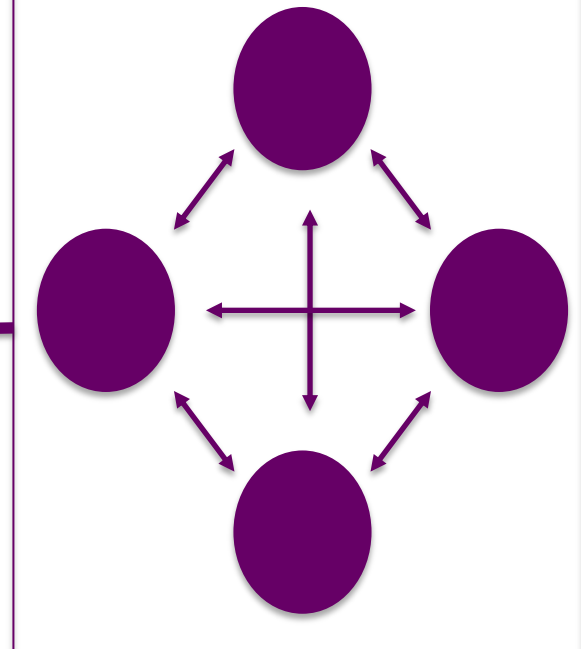
Scenario: Ethereum Track'n'Trace Blockchain for a Series of Running Shoes



Permissioned
Admins/Actors



Ethereum Distributed
Network of Nodes



Ether

Scenario: Ethereum Track'n'Trace Blockchain for a Series of Running Shoe

Permissioned
Admins/Actors



Consumers

Shops

Distribution

Factory

Company

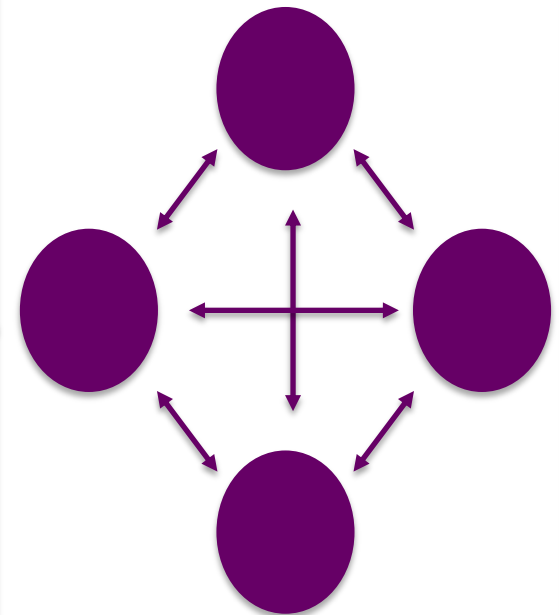


Token:
HASH

Advantage
S:

- Using basic Blockchain features
- Encrypted
- Simple
- Versatile
- Irreversible
- Low cost
- Easy to maintain
- Interoperability

Ethereum Distributed
Network of Nodes



Ether

An event to remember – Blockathon

ONE EVENT

10 TEAMS of the best coders in the world

Competing to find ways to:

TRACK AND TRACE ORIGINAL GOODS IN BLOCKCHAIN

One jury - Many outputs

Collaboration of all the stakeholders in building future solutions to the problems of today



**Interested to be part of a team to
discuss & come up with innovative
solutions?**

Contact jasmin.battista@ec.europa.eu

