

Krampus Operation: A major Anti-Piracy operation in Brazil

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A very well-known problem faced by trademark owners in Brazil, especially trademarks that cover consumer goods, are the popular shopping malls in large cities, which are often distribution centers for counterfeit products.

In these shopping malls, normally based in central locations in those cities, it is possible to find several types of counterfeit products, with special emphasis on clothing, footwear, handbags, toys, electronic items, perfumes and optical items, with the common characteristic of being counterfeit in the vast majority of cases.

In addition to the commercialization of counterfeit goods, these locations are commonly places where other illegal practices take place, such as tax evasion, smuggling, embezzlement, violations of consumer rights, among others

Precisely to combat these set of crimes, the Federal Revenue, the São Paulo City Hall, the Military Police, the Metropolitan Civil Guard and representatives of more than 50 violated trademarks joined efforts to carry out Krampus Operation, which, during last November, interdicted for inspection 5 of these shopping malls in the city of São Paulo.

The inspection occurred in about 2 thousand stores in the Shopping Malls 25 de Março, Tupan, Vermelhinho, Jutha and Saara, totaling almost 2 thousand tons of seized counterfeit products, worth an estimated R\$ 1.2 billion.

More than 500 people attended the operation, among Federal Revenue fiscal agents, military policemen, civil guards and São Paulo City Hall employees, in addition to dozens of lawyers and hundreds of carriers hired by the trademark owners.

The storekeepers were outraged by the interdiction of these places and the seizure of the illegal products, some of them having reacted violently, which resulted in the partial destruction of some police cars that were providing protection, and in the arrest of some aggressors.

The identified shopkeepers will be legally charged with financial crimes as well as crime against registered trademarks. The seized goods were taken to the Federal Revenue warehouse and will be destroyed by the authorities at the end of the process.

According to recent information from the Cooperation and Economic Development Organization, in 2019, 2.5% of the items traded worldwide were connected to counterfeit goods. In Brazil, according to data from the Combating Piracy and Illegality National Forum, in 2014, the sum of losses of 15 Brazilian productive sectors and taxes that were not collected by the government reached R\$ 100 billion. In 2021, this number tripled and reached R\$ 300 billion.

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