

Addressing Illegal, Counterfeit and Stolen Devices

Overview

- Introduction to the MWF
- The size and nature of the counterfeit problem
- Impact on stakeholders
- Combating Counterfeits: A proposed framework



Introduction

- The MWF is an international non-profit association of telecommunications equipment manufacturers with an interest in mobile or wireless communications.

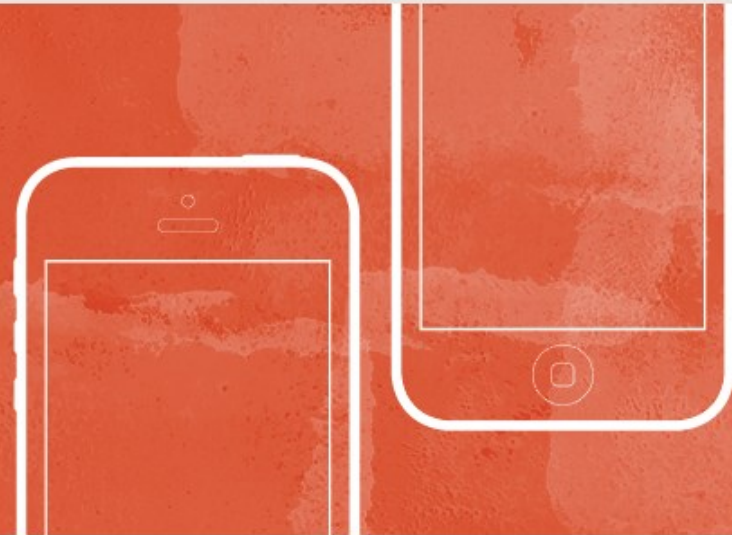


Spot a **Fake** Phone[Home](#)[How To Tell](#)[Why buy Genuine](#)[Publications](#)[Report a Fake](#)[FAQ](#)

Is your mobile phone

COUNTERFEIT?

Counterfeit phones and accessories are a multi-billion dollar business controlled by organized crime. Don't buy into it!

[How to Tell](#)

What's so bad about fake phones?

CONSUMER IMPACT

Buying a fake phone can pose a health risk to you and loved ones who use the device. Other drawbacks, such as network disruption and poor product quality makes buying genuine the clear choice.

NATIONAL IMPACT

With counterfeiters evading taxation, many countries are losing a great deal of revenue, including sales and value added taxes as well as various duties and associated government charges.

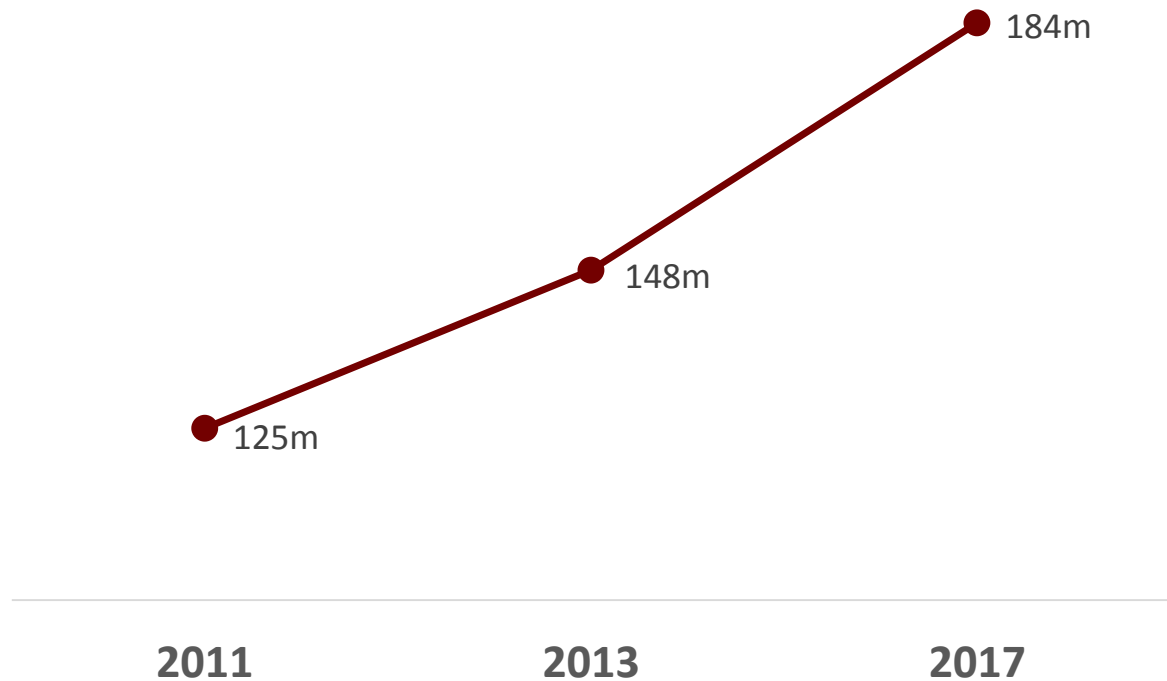
INDUSTRY IMPACT

Black market phones cost the mobile phone industry billions of dollars in lost sales every year. According to some reports counterfeit black market phones made up around 10 per cent of worldwide sales in 2010.

[Learn more](#)

A Growing Problem

Estimated Counterfeit Handsets Globally
(in millions)



A Growing Problem



Recognized by the ITU

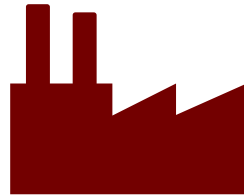
- RESOLUTION 188 (REV. DUBAI, 2018):
Combating counterfeit telecommunication/information and communication technology devices
- RESOLUTION 189 (REV. DUBAI, 2018):
Assisting Member States to combat and deter mobile device theft

Fraudulent Mobile Devices Impact All Stakeholders



Consumer

- ◆ Poor performance and reliability
- ◆ Personal security / privacy issues



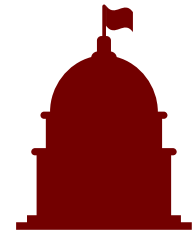
Manufacturer

- ◆ Loss of sales
- ◆ Unfair competition and pricing pressure



Operator

- ◆ QoS
- ◆ Network Capacity/ Spectrum
- ◆ Interference



Government

- ◆ Security
- ◆ Tax Revenue
- ◆ Non-compliant device ecosystem

Impacts: Security Threats

Terrorism

Fraudulent devices with duplicate IMEI's can't be tracked on networks.

Privacy

Fraudulent devices frequently contain malware that allows personal information to be stolen

Theft

If stolen handsets can be sold and reused without being blocked it encourages increased theft of devices

Impacts: Government & Industry Revenue

- EUIPO: Value of lost smartphone sales due to Counterfeits - €45.3 Billion
- Asia-Pacific/ASEAN lost sales estimated at €9.8B - 28.7% of total sales.
- Government loss of revenue is significant.

Impacts: Consumers



Impacts: Consumers

FAKE APPS

Steal personal and banking information

Send **expensive** SMS messages

Silently activate cameras / access photos

Used for other **malicious** and **criminal** activity



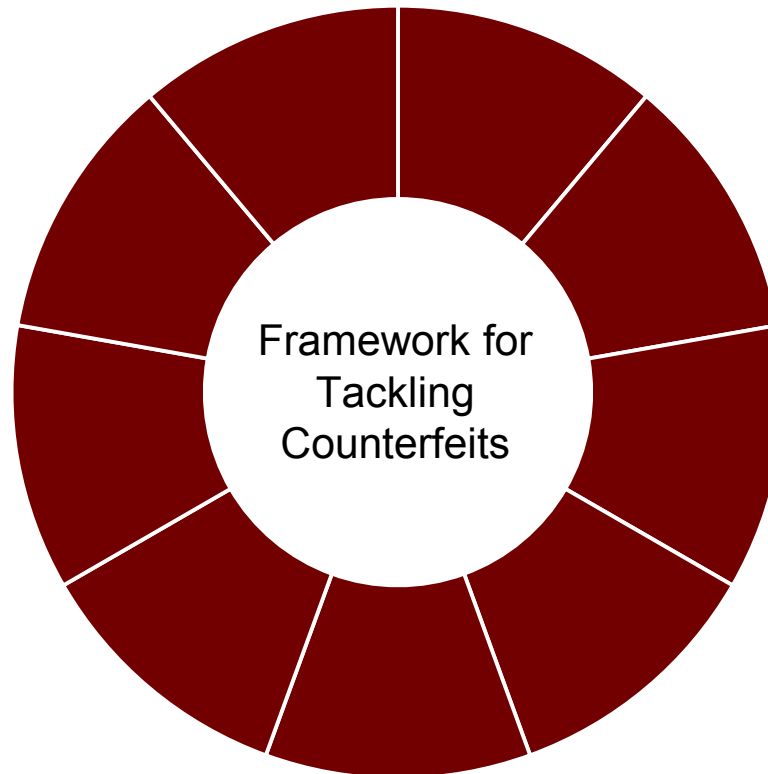
Impacts: Consumers & Operators

POOR PERFORMANCE

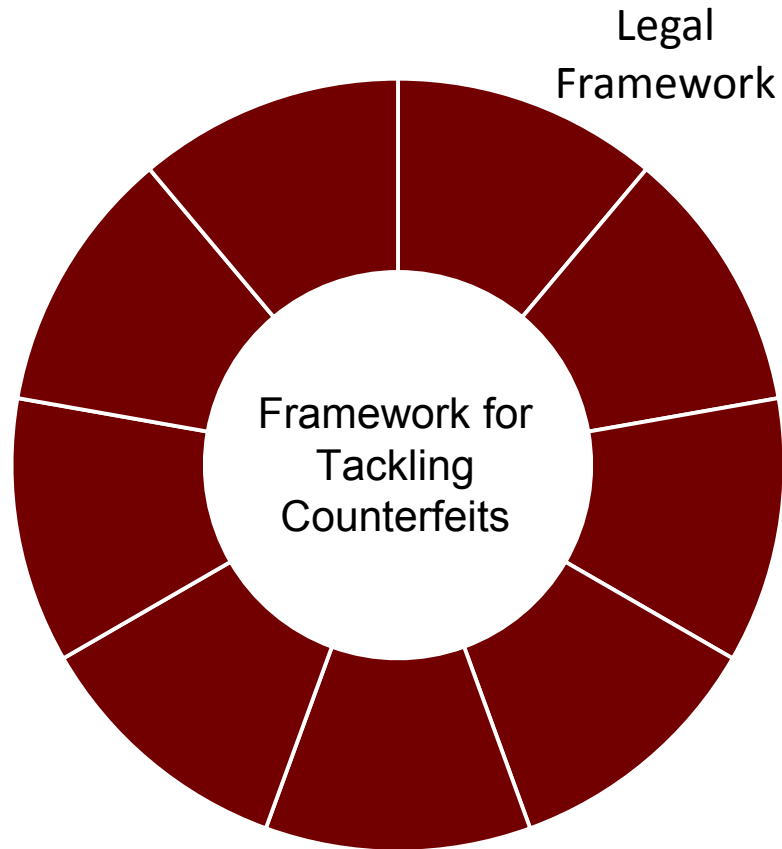


- 34% Handover Failure
- 41% Slower Handovers
- Maintains connection at only half the distance of a genuine device.
- 55% Delay in executing power control

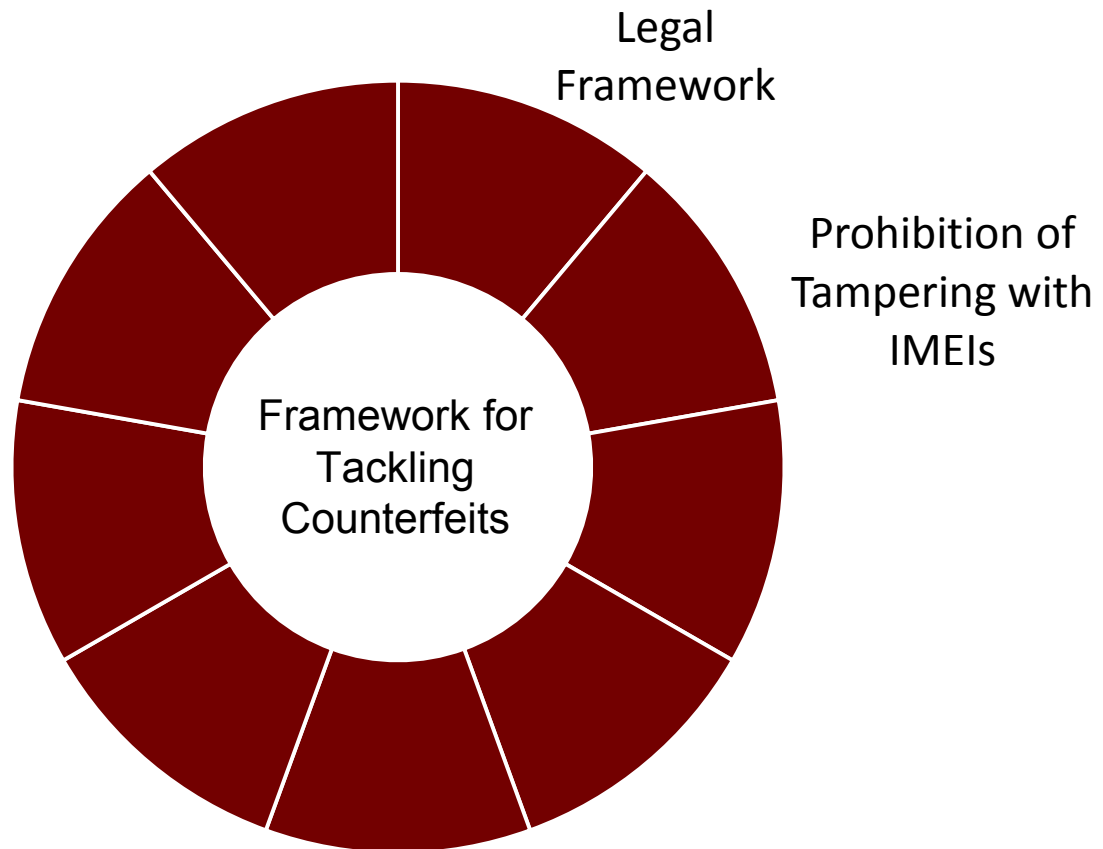
Combating Counterfeits



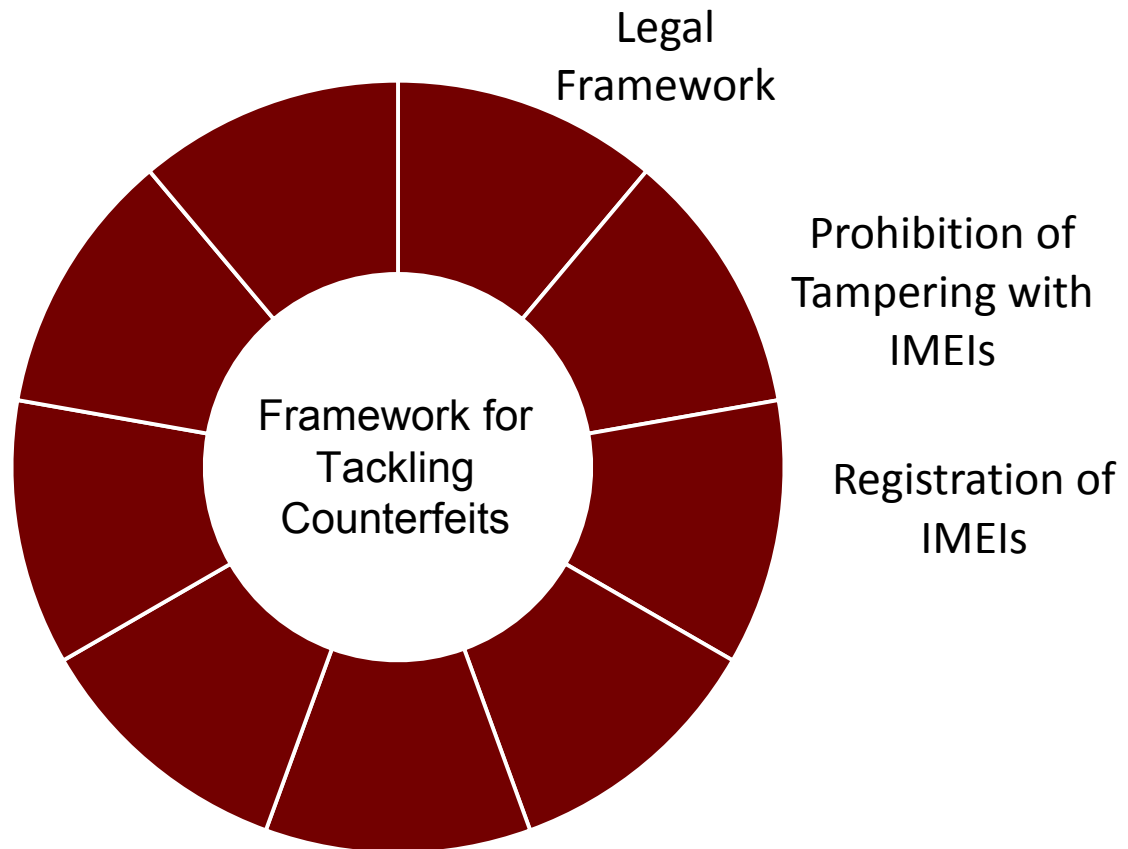
Combating Counterfeits



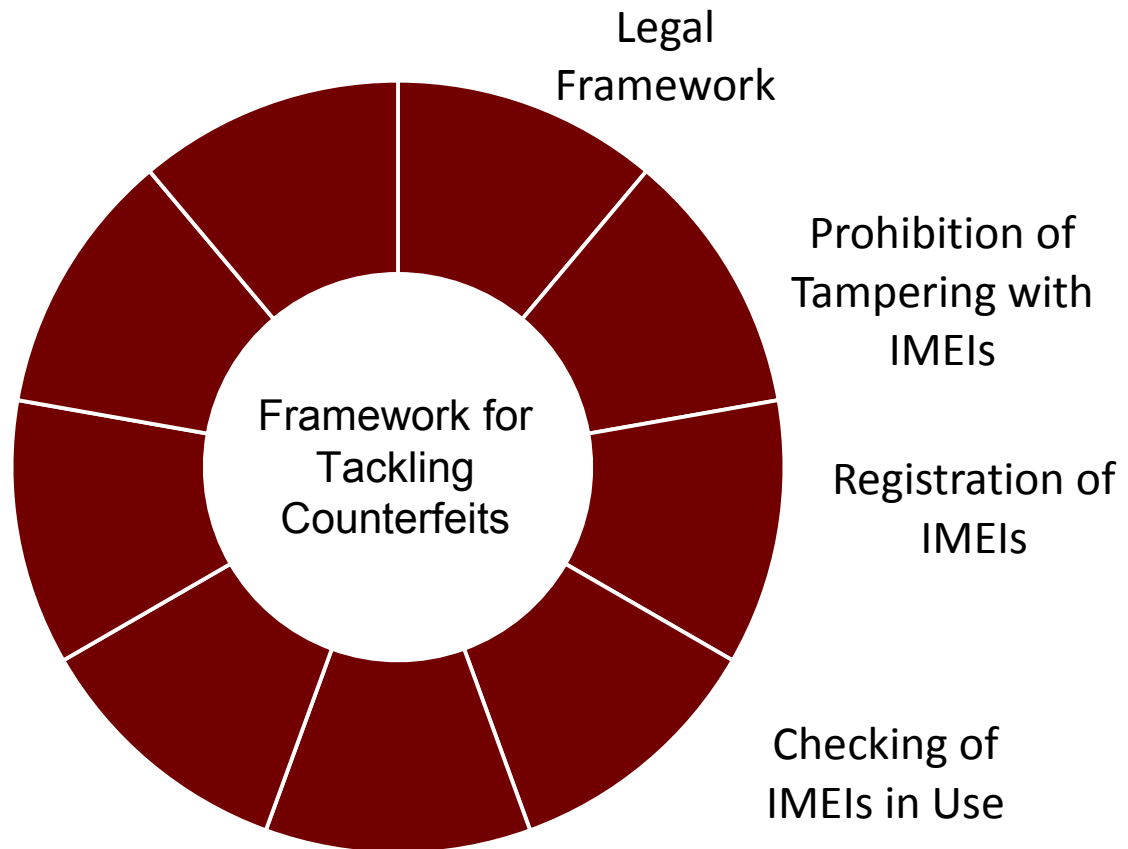
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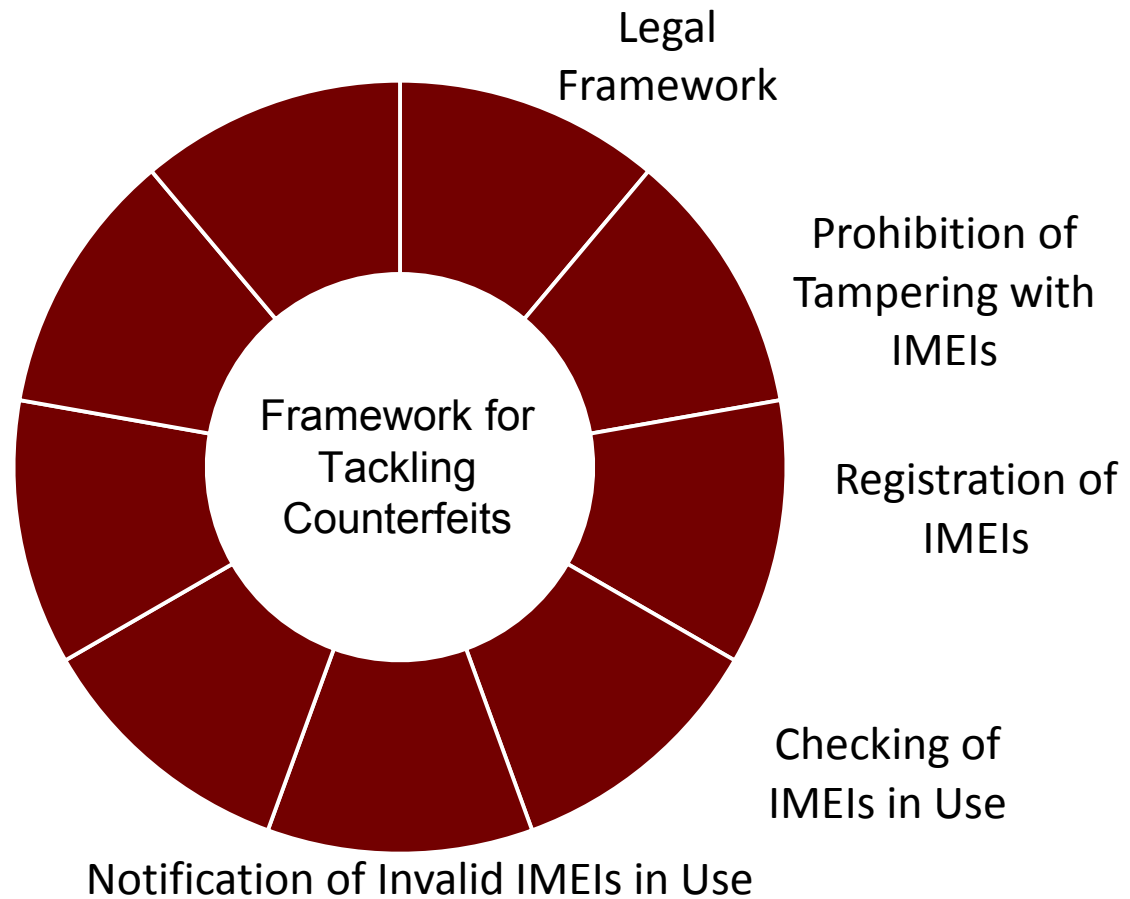
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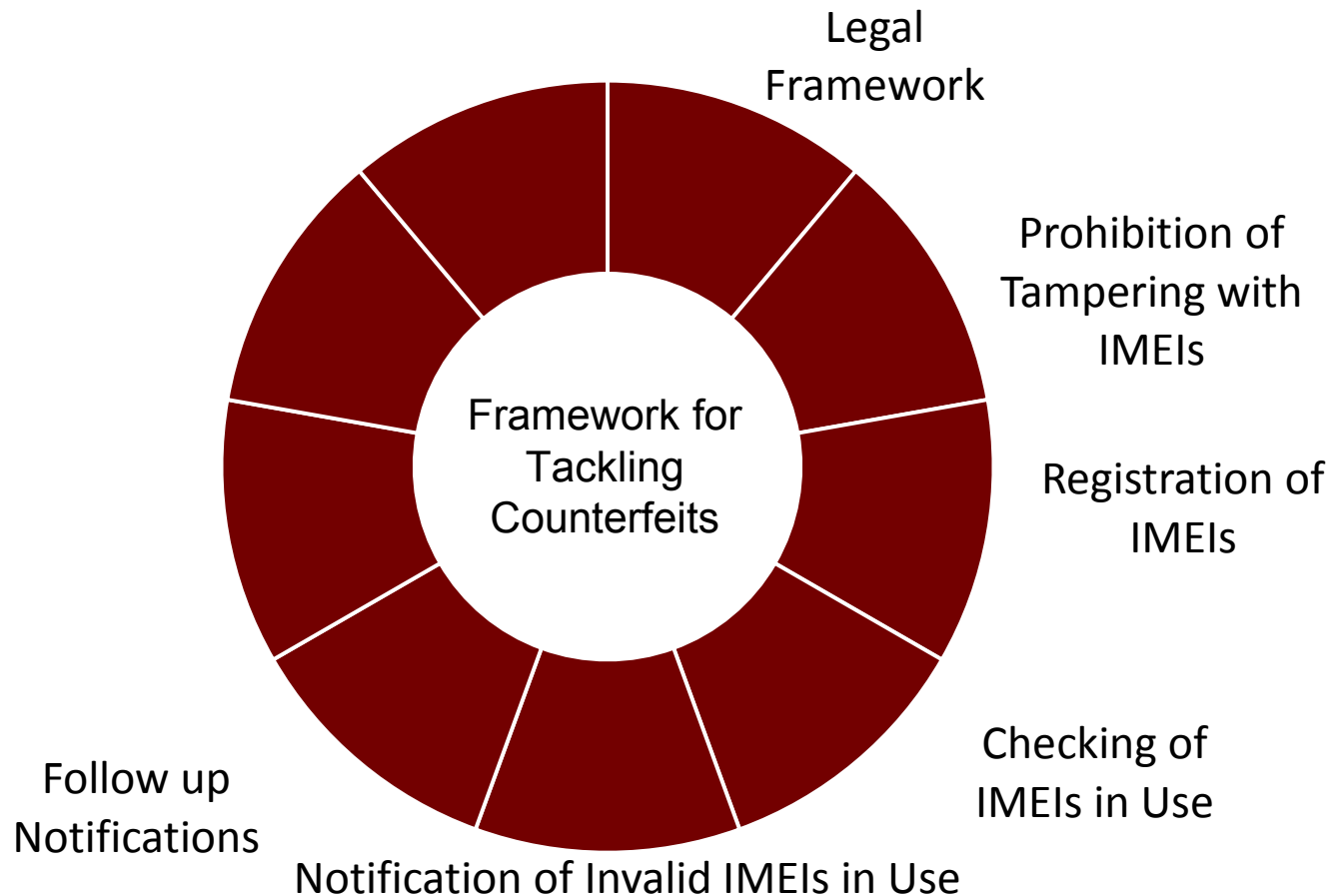
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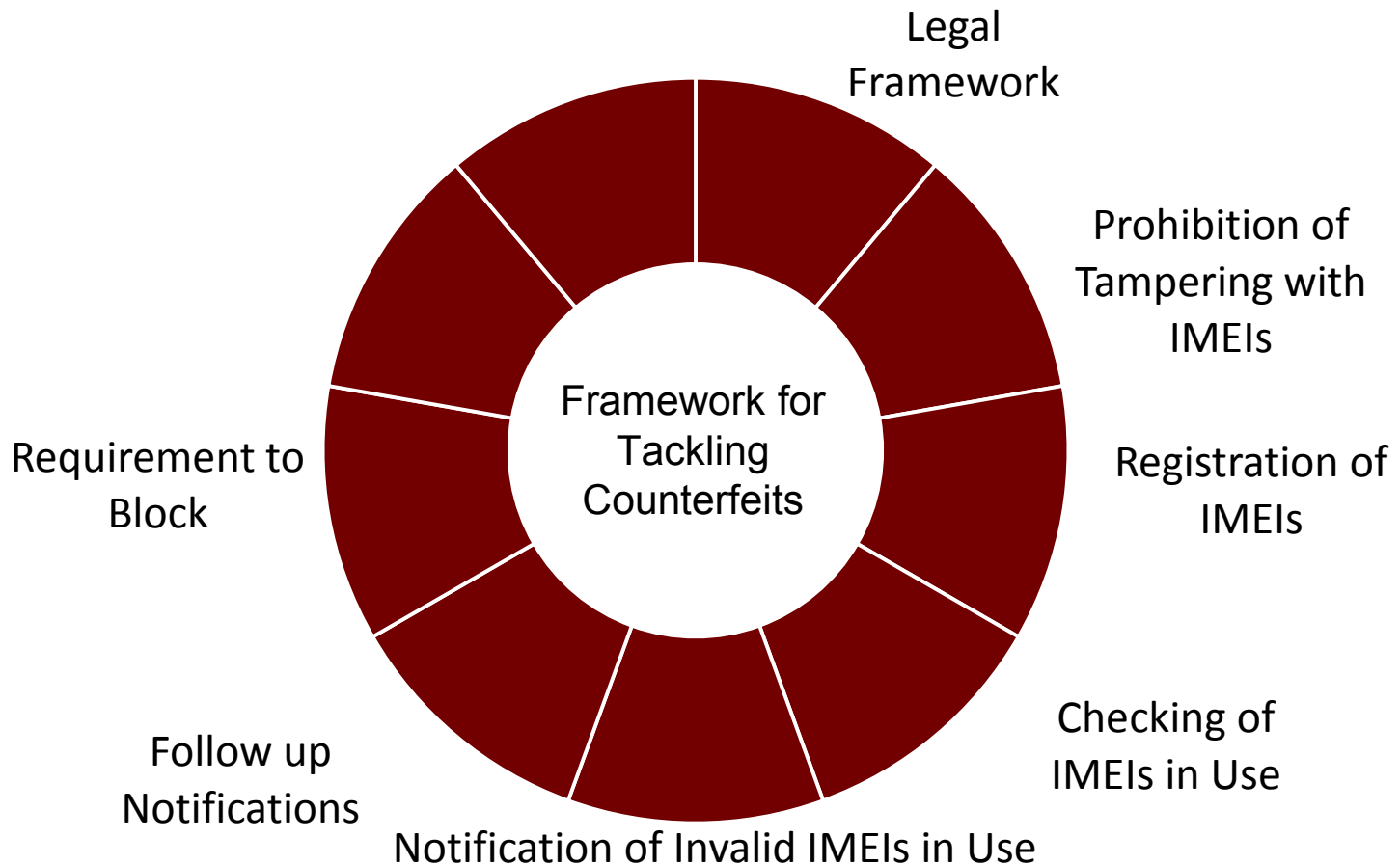
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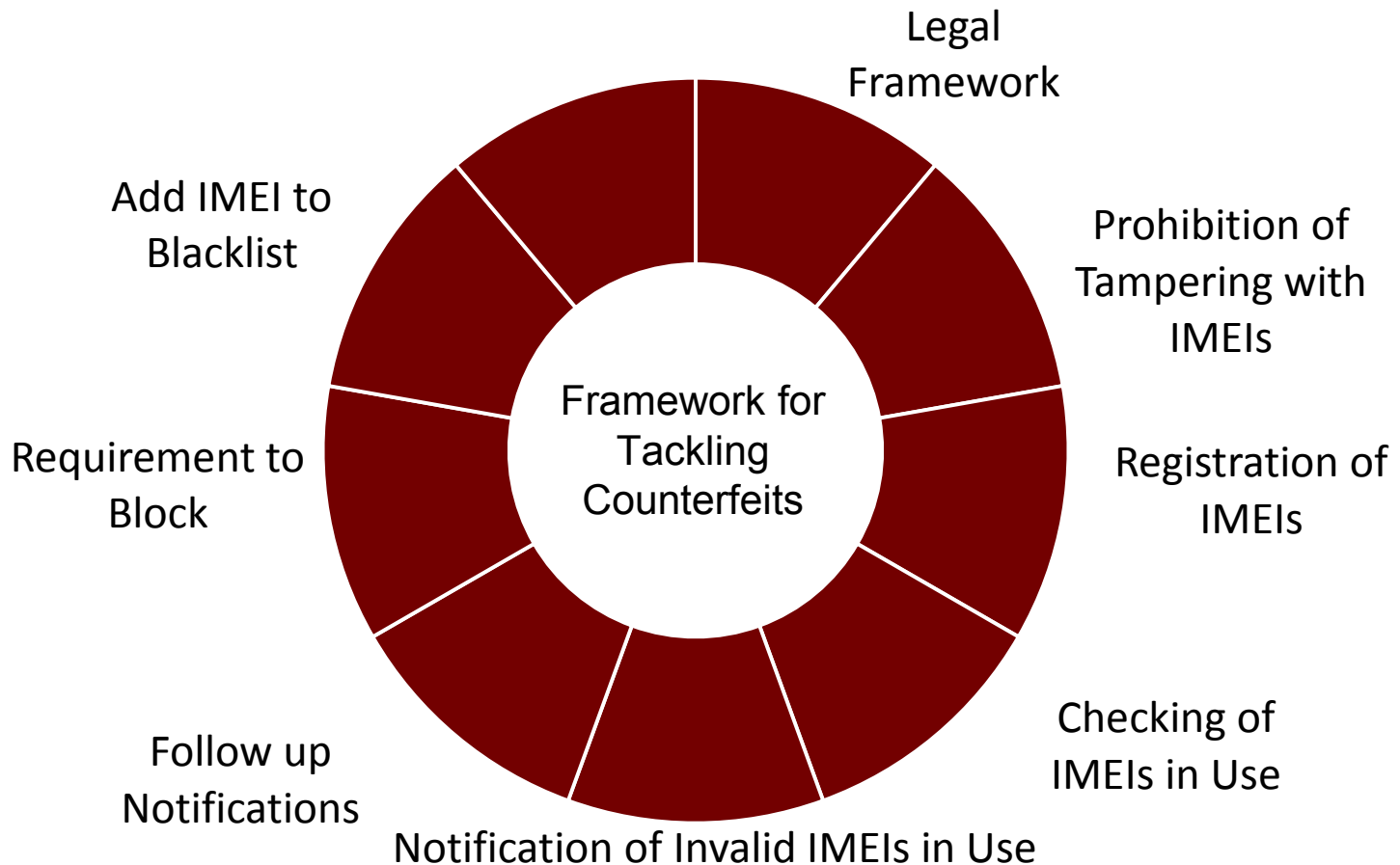
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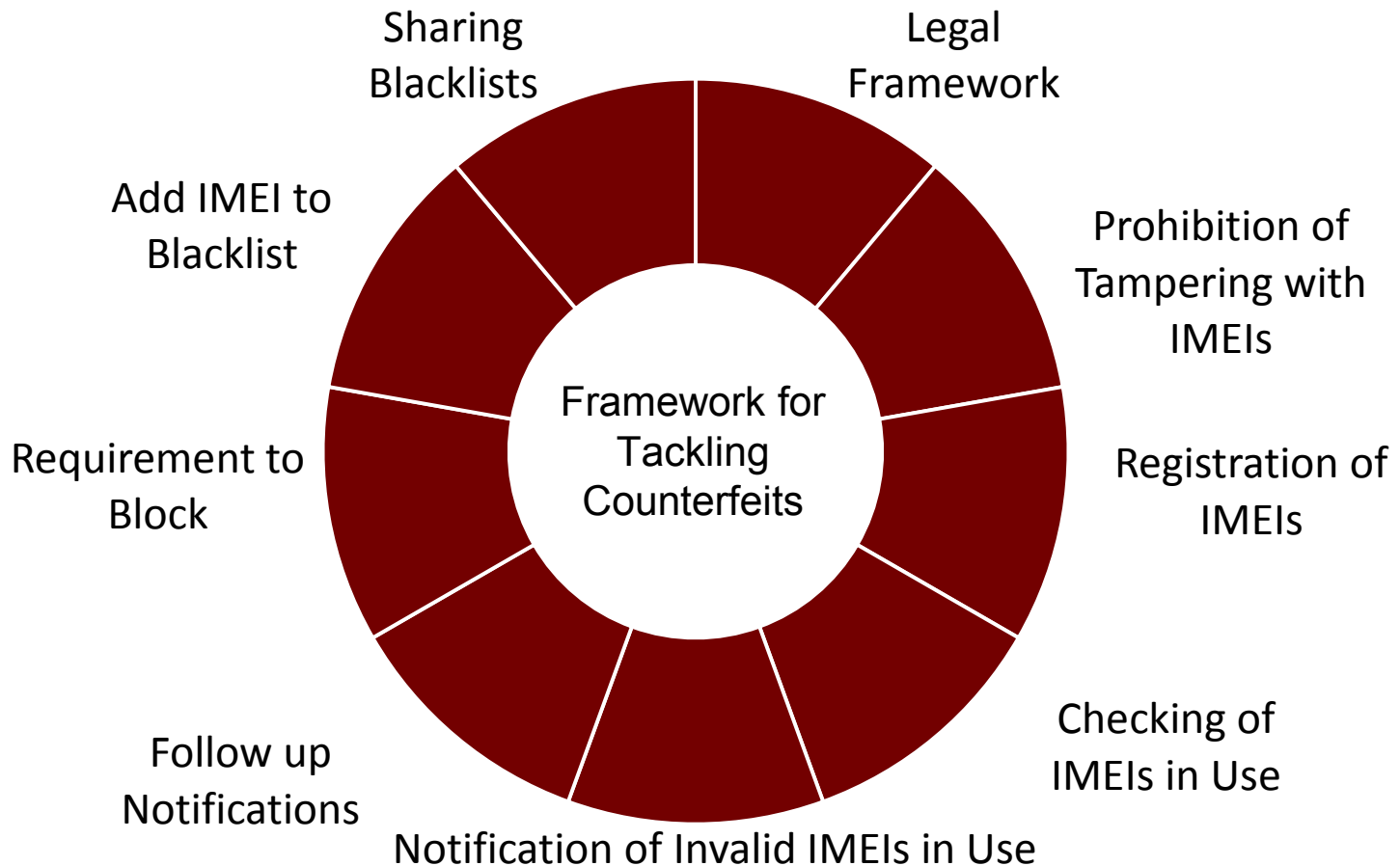
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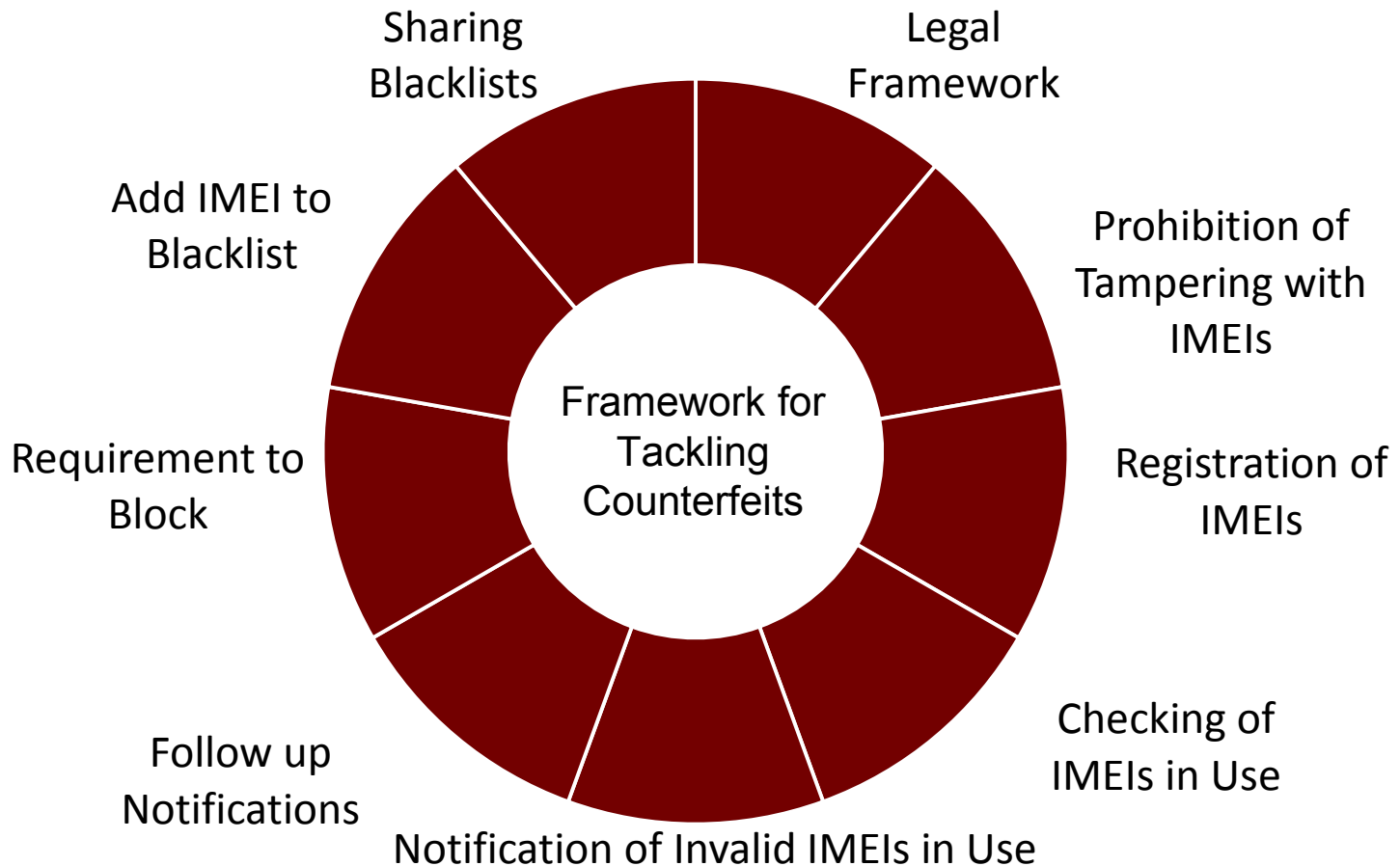
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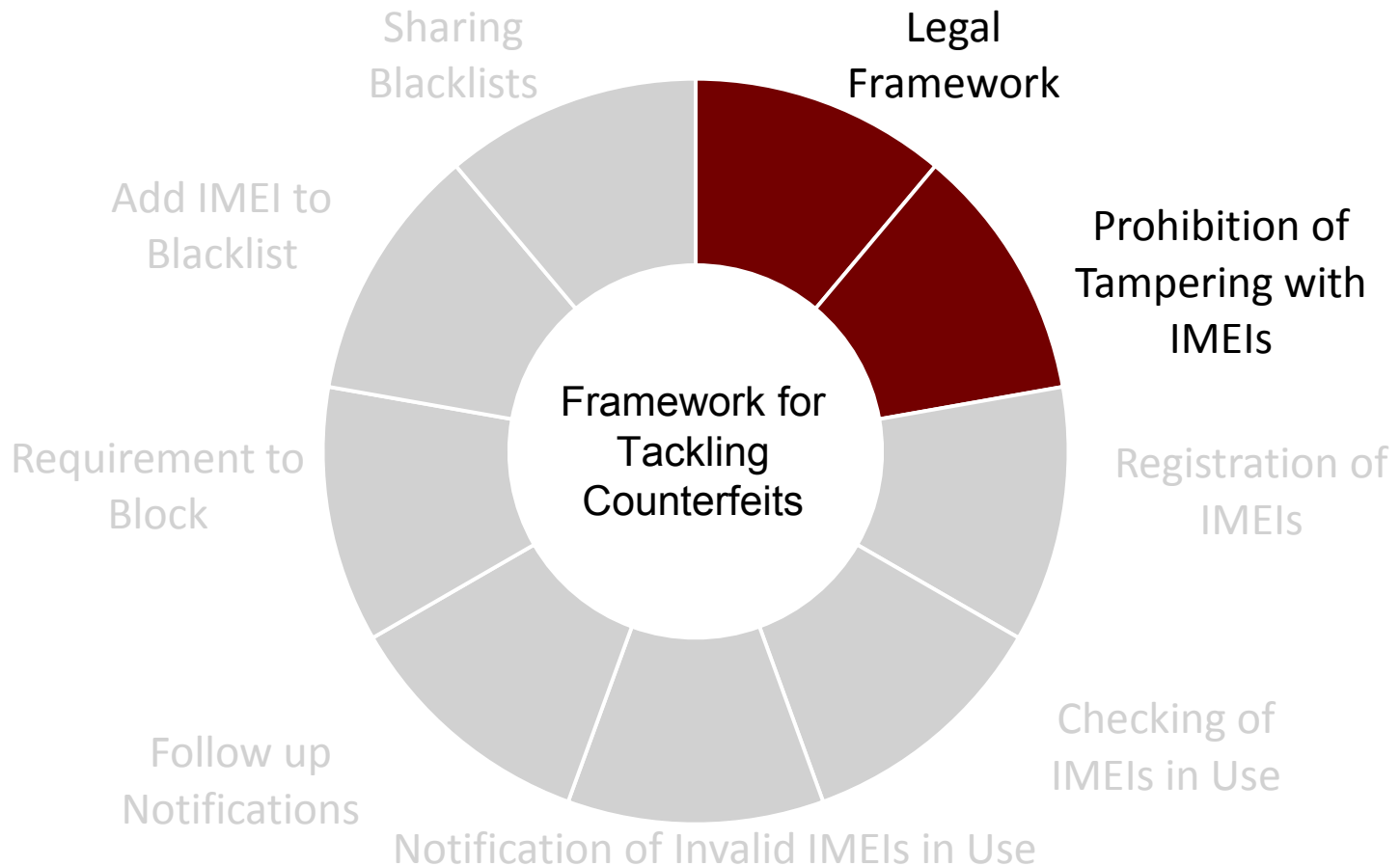
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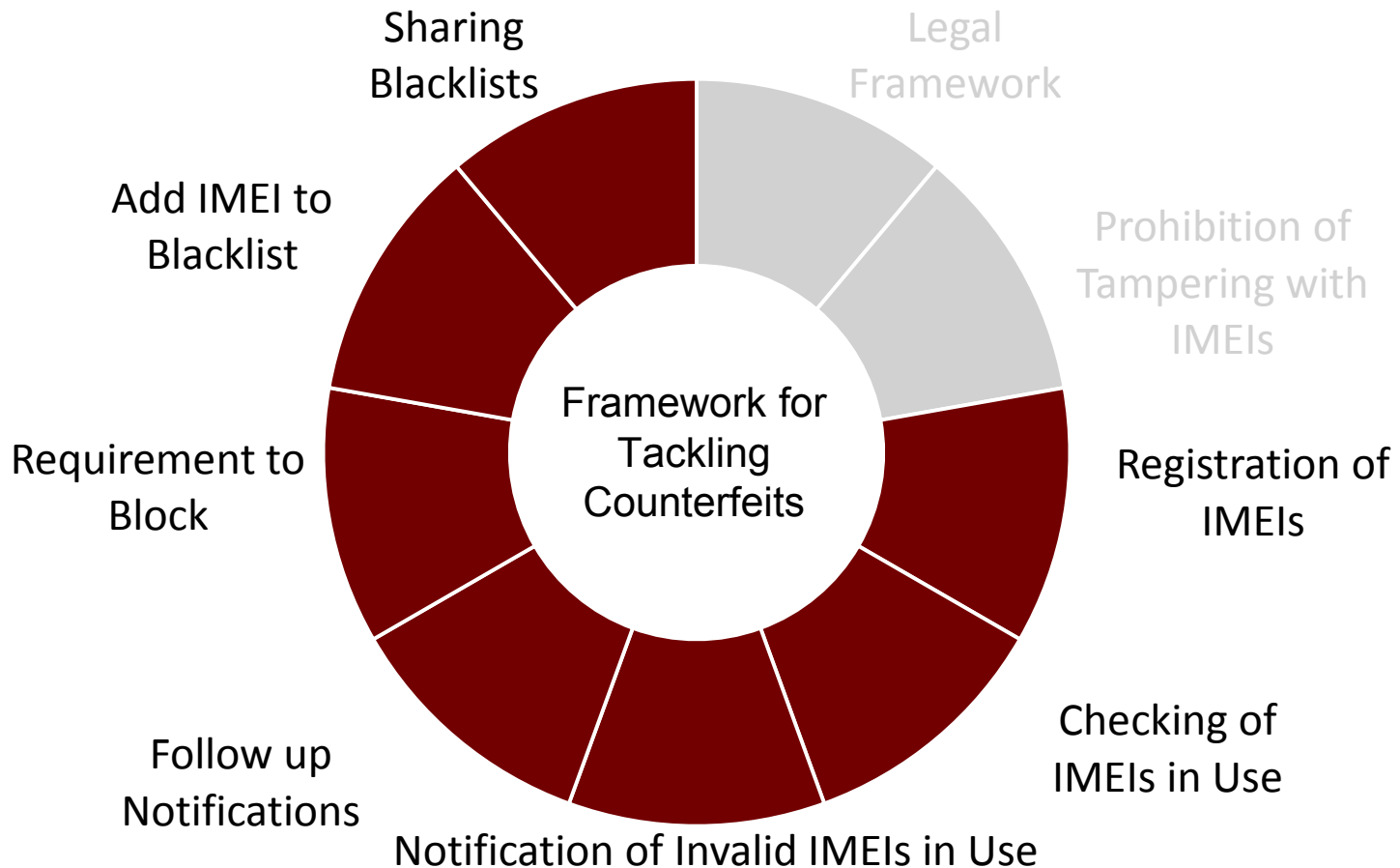
Combating Counterfeits



Implementation



Implementation (via DIRBS)



DIRBS: Device Identification Registration and Blocking System

Conclusion

- A growing problem estimated to cost €45B / year
 - Affecting all stakeholders
- An effective way to address the issue is available
 - Securing government revenue
 - Keeping consumers safe
 - Protecting right holders
- The framework offers a comprehensive solution for governments to implement
 - Legal framework and anti-tampering provisions
 - Other elements are all available by utilizing DIRBS

Thank you

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**Mobile & Wireless
Forum**