**Abstract**

The European Observatory on Infringements of Intellectual Property Rights was established in 2009 by the European Commission as a centre of excellence on information and data relating to the value of Intellectual Property rights (IPR) and the negative consequences of IPR infringements. The Observatory was entrusted to EUIPO in June 2012 by Regulation (EU) No 386/2012 of the European Parliament and the Council.

The Observatory has developed a specific approach to quantify infringements of IPR in different industry sectors. So far, seven sectorial studies have been published assessing the economic impact of counterfeiting and piracy in different sectors such as cosmetics, clothing and footwear, sports goods, games and toys, luggage and handbags, watches and jewelry and recorded music.

These studies focus on key results such as lost sales and employment, as well as on knock-on effects on other industries and on government revenue using a common methodology. These studies will be followed in the coming months by other similar studies covering additional sectors such as wine and spirits or medicines. A joint research is being done in collaboration with the ITU Telecommunication Development Bureau (BDT) on the economic assessment of counterfeiting of ICT devices.

Taken together, these studies are complementary and provide a complete and objective picture of the negative impact of counterfeiting and piracy and its consequences for legitimate businesses, governments, consumers, and ultimately society as a whole.