International Chamber of Commerce
The world business organization

Policy statement

The fight against piracy and counterfeiting of intellectual property

Prepared by the Commission on Intellectual Property

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Increasingly, the global economy is dependent upon the creation and distribution of intellectual property (IP) to drive economic growth. ICC firmly believes that the protection of intellectual property encourages research and innovation, international trade and investment, and sound economic growth and development. It is therefore profoundly concerned by the rapidly growing piracy of intellectual property rights and production of counterfeit goods. For example, the value of counterfeited and pirated goods has recently been estimated at over EUR 500 billion annually and is escalating rapidly.[1] Copyright, trademark and design industries are particularly affected by IP theft, but virtually no industry is untouched by this illegal activity. Food and beverages, pharmaceuticals, electrical appliances, watches, cigarettes and cosmetics are all popular targets of counterfeiters; and music, movies, videogames, software and other copyrighted digital content are also being pirated, in both the off-line and on-line worlds.

ICC recognizes that piracy and counterfeiting create a drain on the global economy that seriously undermines creativity, international trade and economic investment. This illegal activity is responsible for a widespread loss of lawful employment opportunities and a massive deterioration of tax revenues for governments. Furthermore, it robs the creative community of reward for effort and innovation, undermines local culture by reducing the incentive to invest, and ultimately harms the public by resulting in the availability of less diverse and high-quality content.

In addition to the economic dislocations of IP theft, consumers are increasingly being harmed by counterfeit products, such as foodstuffs, medicines, toys, batteries, and car and airplane parts, which may generate serious health and safety risks. In particular, the thriving market for fake pharmaceuticals and healthcare products poses a direct and serious threat to public health and safety. The proliferation of counterfeit goods also damages consumer confidence in established brands and diminishes the value of geographic indications of product origin.

[1] Official statement from the First Global Congress on Combating Counterfeiting, May 2004

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ICC also stresses concern over growing linkages to organized crime and other international criminal networks, where, as recently confirmed by Interpol, relatively easy profits from piracy and counterfeiting are used to fund criminal activities such as money laundering, violent crimes and drug trafficking.

In view of the enormous economic and societal damage done by piracy and counterfeiting, ICC urges governments to allocate substantially greater attention and resources to combat these illegal activities. It is vital that IP enforcement be strengthened and that public awareness of the problem be increased internationally. Attention should be given to dealing with counterfeiting and piracy in all countries and regions in the supply chain:

- Those geographical regions where the bulk of the world's counterfeit products are produced or where most pirated goods and services originate;
- Those countries through which the goods are transported; and
- Those countries where the counterfeit and pirated goods and services are eventually marketed.

Specifically,

- Governments should promptly accede to and implement current WIPO, WTO and other multi-lateral agreements relating to the protection and enforcement of intellectual property rights.
- Governments are urged to make it a priority to strengthen and/or create a legal framework to ensure implementation and effective enforcement measures against copyright piracy and trademark counterfeiting – especially in view of unemployment, damages to local industry, and the economic harm caused by lost tax revenues. Governments should ensure an allocation of significant financial and human resources correspondent to the magnitude of harm caused by IP theft.
- Business and government should cooperate more effectively in formulating policies to upgrade enforcement measures and deterrent penalties against illegal activities.
- Governments should pursue proactive measures to strengthen enforcement of existing laws to ensure that, at the very minimum, existing sanctions are effectively applied and international treaty obligations are met.
- In order to achieve more effective enforcement, industry and government should cooperate in undertaking training and awareness-building programs on a national and cross-border basis. Training should encompass not only customs and enforcement authorities, but include police and judiciary. International police agencies such as Europol and Interpol must have a role to play in this respect.
- Government and industry sponsored education programs, combined with media coverage of the issue, should be pursued to help raise public awareness of the benefits of IP protection and the tremendous damage caused by piracy and counterfeiting – and to encourage action against these problems. Public education programs must be expanded and sustained worldwide.

- Government, industry and multilateral institutions should improve the collection of data and supplement past studies by multilateral institutions, such as WIPO, WCO, Interpol and the OECD, on the extent and impact of piracy and counterfeiting on societies and economies worldwide.
- Industry sectors, associations and governments should seek to improve their voluntary exchange of information and best practices in order to accelerate the implementation of anti-piracy and anti-counterfeiting policies and measures.

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