



**“Fighting Counterfeit Products with New Policies,
Technology and Government/Industry
Partnerships”**

ICPHSO ANNUAL Meeting

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Introduction To The IACC

- Formed in 1979 by manufacturers concerned with worldwide counterfeiting.
- To combat counterfeiting and piracy by promoting laws, regulations and initiatives designed to render the theft of intellectual property unprofitable.
- Increase public awareness of the counterfeiting problem through our GetREAL campaign, and change the prevailing attitude that counterfeiting is a 'victimless crime.'



Awareness

- **IACC provides monthly education seminars through the IACC Foundation for local police, customs officials, sheriffs departments, prosecutors, etc.**
- **IACC engages in campaigns directed at the public to increase awareness and understanding about the threats posed by counterfeits.**

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What We Do

- Government Relations / Lobbying
- Legislation and Policy Matters
- Law Enforcement / Government Training
- Media Relations
- Consumer Education

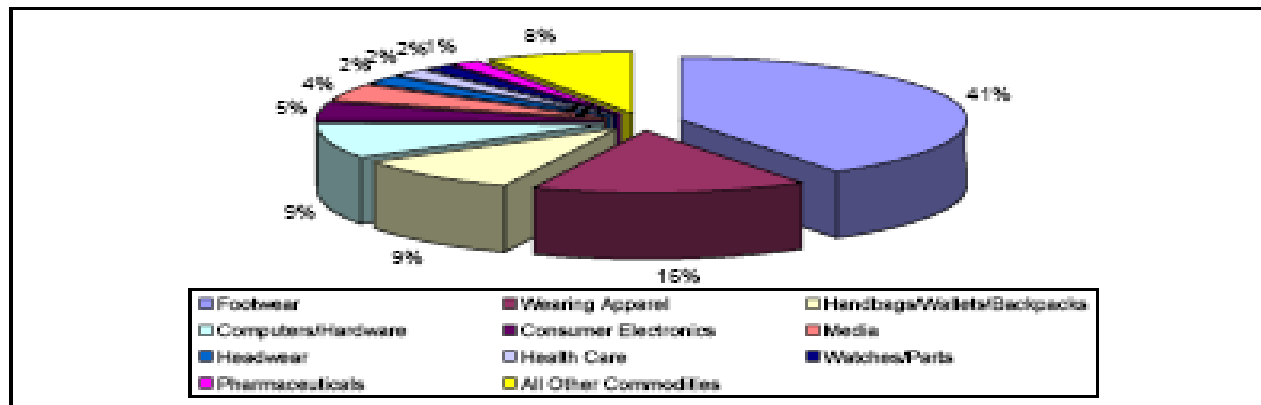
WHY?

Why?



WHY?

Department of Homeland Security
 U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement
 FY 2006 Top IPR Commodities Seized



Commodity	Domestic Value	Percent of Total
Footwear	\$ 63,445,619	41%
Wearing Apparel	\$ 24,320,976	15%
Handbags/Wallets/Backpacks	\$ 14,750,201	9%
Computers/Hardware	\$ 14,287,989	9%
Consumer Electronics	\$ 7,057,034	5%
Media	\$ 6,965,156	4%
Headwear	\$ 3,257,963	2%
Health Care	\$ 3,052,519	2%
Watches/Parts	\$ 2,832,364	2%
Pharmaceuticals	\$ 2,288,694	1%
All Other Commodities	\$ 13,060,321	8%
Total FY 06 Domestic Value	\$ 155,368,236	
Number of Seizures	14,675	

Note: Media includes motion pictures on tape, laser disc, and DVD; interactive and computer software on CD-ROM, and floppy discs; and music on CD or tape. Consumer Electronics includes cell phones and accessories, radios, power strips, electrical tools and appliances.

Why?

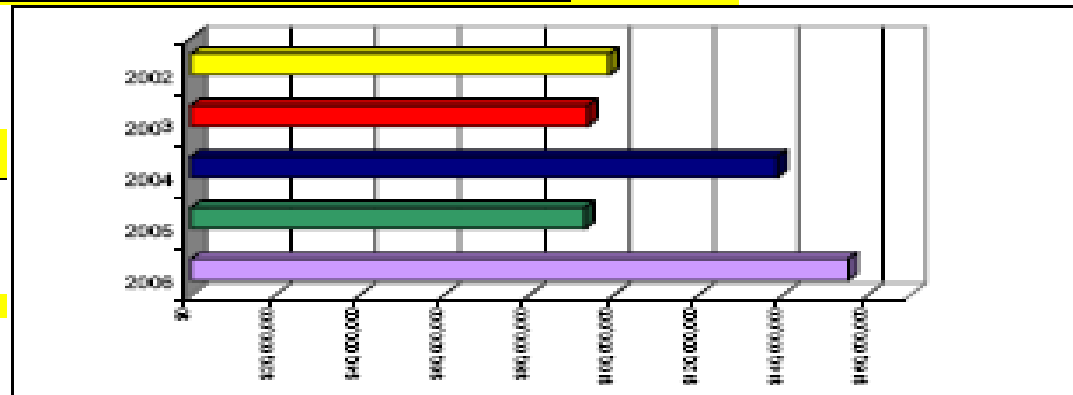
- Counterfeit products are harmful, not only to the bottom line of companies' whose products are copied, but to consumers as well.
 - Auto / Aero Parts
 - Pharmaceuticals
 - Electrical Products
 - Apparel

How Are We Doing?

Comparison of Yearly Domestic Values of IPR Seizures

The value of IPR seizures in FY 2006 increased by 67%, from the value in FY 2005. The FY 2006 domestic value is the highest in the history of Customs/Department of Homeland Security.

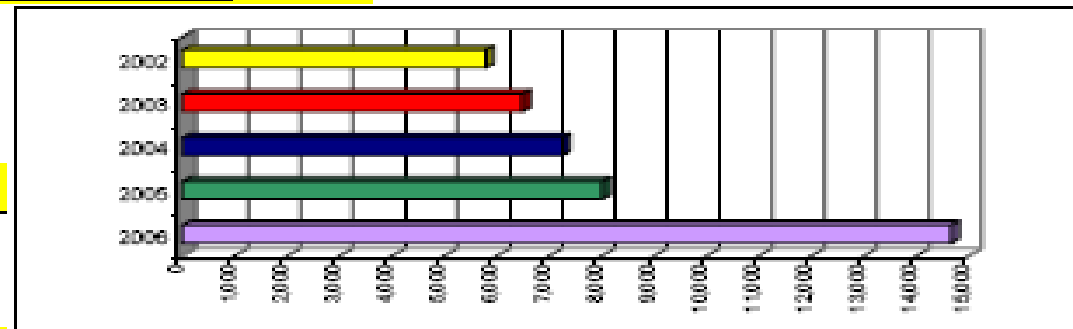
Fiscal Year	Overall Total Values (IPR)
2002	\$ 98,990,341
2003	\$ 94,019,227
2004	\$ 138,767,888
2005	\$ 93,234,510
2006	\$ 155,369,236
Total	\$ 680,381,199



Comparison of Yearly Seizure Totals

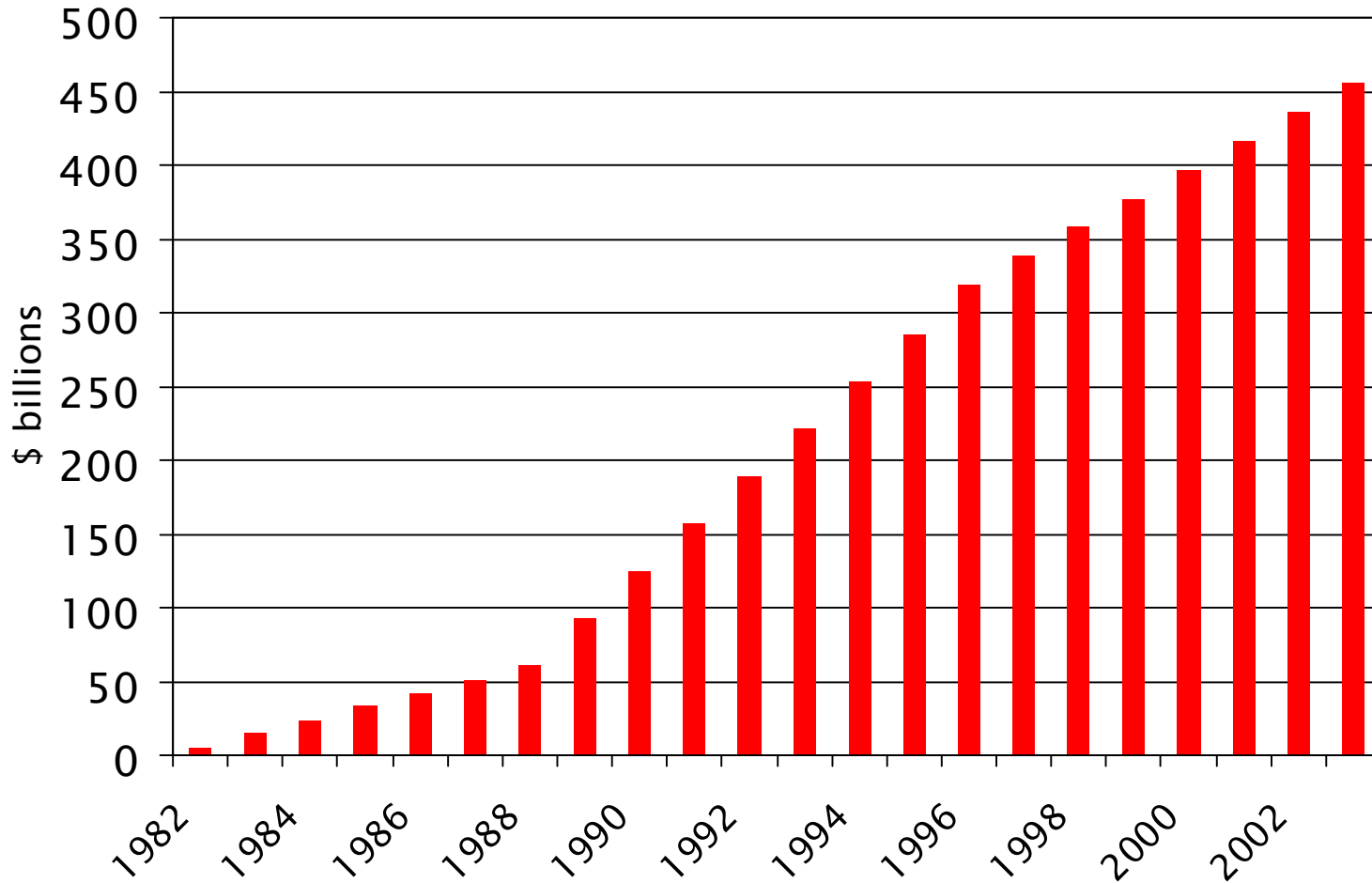
The number of seizures in FY 2006, reflects an increase of almost 83% over the number of seizures in FY 2005, and is the highest number of seizures in the history of Customs/Dept. of Homeland Security. The port of JFK accounted for more than 48% of the total seizures.

Fiscal Year	Number of Seizures
2002	5,793
2003	6,500
2004	7,266
2005	8,022
2006	14,675
Total	42,245



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Counterfeiting – Worldwide Estimates





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What Can We Do?

What Can You Do?

- 4 Main Areas:
 - Government Relations / Lobbying
 - Law Enforcement Training
 - Consumer Education
 - Media Relations



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- Government Relations / Lobbying
 - Current Legislative Agenda
 - S. 522 – IPR Enforcement Act
 - H.R. 780 – Enhanced Penalties for Counterfeit Pharmaceuticals
 - Customs Reauthorization
 - Intellectual Property Protection Act
 - Stop Foreign Aid to Counterfeiters Act



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- Law Enforcement / Government Training
 - Domestic
 - PTO Academy
 - Department of Commerce
 - IACC Foundation
 - China
 - Latin America
 - Europe



- Consumer Education
 - Get Real. Program
 - IACC College Program



- Media Relations
 - Clearinghouse for Speakers and Interviews
 - Op-Ed
 - Response to Negative Coverage



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- Recent Accomplishments
 - Passage of the Stop Counterfeiting in Manufactured Goods Act – March 2006
 - 3+ years effort
 - Legislation originally drafted by IACC
 - Cooperative effort across the IPR community



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - China
 - Remains the top producer and exporter of counterfeits that reach the US market
 - Increased focus on efforts at the provincial level



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - Russia
 - One of, if not the largest source of counterfeits in the European markets
 - Ongoing WTO accession efforts
 - Part IV Civil Code Reform
 - Continued problems with enforcement



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - Middle East
 - Continues to emerge as a major market, and trans-
shipping point, for counterfeit goods produced in China



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - EU
 - Increased cooperation between US & EU governments is essential
 - Both continuing and emerging problems in Central and Eastern Europe



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - IACC Model State Anti-Counterfeiting Statute
 - Continued and Expanded Training Program



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - IACC Model State Anti-Counterfeiting Statute
 - Enhanced Penalties
 - Mandatory Forfeiture and Destruction
 - Mandatory Restitution to Victims



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- Ongoing Projects and Next Steps:
2007 and Beyond
 - Continued and Expanded Training Program
 - Necessity of cooperation between brand owners and law enforcement
 - Better understanding among judiciary and among policy makers of the importance of IPR
 - Increased public awareness of the negative effects of counterfeiting on society