

BASCAP G8 Communications

Key Messages for Media Materials

- ICC welcomes the fact that the G8 countries continue to recognize that product counterfeiting and piracy are critical global issues that must be addressed at the upcoming G8 Summit meetings as they have been at the 2005 and 2006 Summits.
- The problem is getting worse, and present and future competitiveness in the “knowledge economy” demands immediate attention to the problem of intellectual property theft.
- It is incumbent upon governments around the world to take strong and sustained concrete actions to curb this devastating illegal activity.
- G8 governments need to demonstrate their leadership on this issue by showing clear political determination to take the strong, sustained concrete actions that are necessary.
- ICC has presented a short list of concrete actions that G8 leaders can take immediately to demonstrate their commitment and achieve meaningful results in combating counterfeiting and piracy, and we hope the leaders at the Summit meeting will take steps to move forward on these recommendations.
- The recommendations include the abolishing all known counterfeiting and pirate markets within the borders of G8 countries; prohibiting transshipment of counterfeits through free trade zones; endorsing of the WCO framework standards to combat counterfeiting and piracy and taking a leadership role in being the first to adopt, implement and promote these standards; assessing the capabilities, resources and funding of G8 countries devoted to fight counterfeiting and piracy; and implementing enforcement of laws against counterfeiting and piracy and strong criminal sanctions and criminal penalties that provide real deterrents to IP crimes.

G8 leadership is needed

- ICC very much welcomes the fact that product counterfeiting and copyright piracy have become regular topics on the agenda of the annual G8 Summit meetings.
- Notably, previous G8 summits in 2005 in Gleneagles and in 2006 in St. Petersburg have taken significant steps towards recognizing the social and economic perils of counterfeiting and piracy and outlining commitments for implementing stronger measures to fight this growing problem.
- Counterfeiting and piracy are among the most critical issues confronting business leaders around the world...and we believe that the attention at the highest level of government must reflect the gravity of the threat this phenomenon poses to the economic and social order across the world.

The problem is getting worse – not better

- The problem is getting worse – not better. And there is a continued need for concrete action
- Today's economy is moving from a physical to an intellectual economy. Global investment in intangible assets - intellectual property - is becoming the dominant capital input, more important to economic growth than buildings and machinery.

- As companies seek to deliver products and services to the marketplace, they are investing more and more in “intellectual capital”. The problem is that intellectual property is extremely vulnerable to easy theft – namely through counterfeiting and piracy.
 - Present and future competitiveness in the “knowledge economy” demands immediate attention to the problem of intellectual property theft.
- We can no longer ignore the myriad adverse costs to social welfare and economic development associated with the growth of counterfeiting and piracy.
 - These losses hinder governments’ ongoing efforts to improve social welfare and stimulate economic development in areas such as employment, consumer health and safety, technology transfer, tax revenues and public finance and law enforcement. Counterfeiting and piracy are the province of organized criminals and all the deep-rooted, destabilizing forces that they occasion.
- A current OECD report shows that international trade alone in counterfeit and pirated products is estimated at USD 200 billion, but this does not include what could amount to several hundreds of billions more in the sales of these illicit goods taking place within national borders, or the significant amount of pirated digital products being distributed over the Internet.

Need for taking action

- It is incumbent upon governments around the world to take concrete actions to curb this devastating illegal activity.
- Clear political determination is needed by G8 governments. Many non-G8 governments look to the leadership and precedents established by the G8.
- We therefore urge the leaders meeting at Heiligendamm to consider the following activities:

Government actions

- Abolish all known counterfeiting and pirate markets (physical and online/internet) within the borders of G8 countries.
 - These markets operate in flagrant violation of the law, operate with little fear of penalty and openly target consumers and tourists, who can easily be duped into buying counterfeit and pirated goods.
 - Such unfettered conduct of criminal activity sends a strong signal to consumers and pirates alike that lawlessness of a certain kind is tolerated, including the documented activities of organized crime syndicates in this area.
 - There are many actions that can and must be taken to improve enforcement – and this is a tangible first step.
- Prohibit transshipment of counterfeits through free trade zones.
 - Free trade zones are increasingly abused by counterfeiters and pirates to traffic illicit products.
 - This activity must be stopped.
- Endorse the WCO framework standards to combat counterfeiting and piracy and take a leadership role in being the first to adopt, implement and promote these standards.
 - The WCO is promoting minimum performance levels for customs activities worldwide.
 - This is a major and welcome step forward by WCO and these efforts should be supported and funded. Moreover, the WCO model should be considered for established minimum standards of performance in other key areas, such as law enforcement and adjudication of infringement cases presented to authorities.
- An important step to allocating manpower and funding to fight counterfeiting and piracy is to assess national capabilities.
 - The G8 should assess capabilities of [its member states? The wider world?] in law enforcement, border control, and adjudication capabilities.
- Governments must fortify and implement proactive enforcement of laws against counterfeiting and piracy and implement strong criminal sanctions and associated criminal penalties that provide real deterrents to IP crimes.

Business action – International Chamber of Commerce initiative: BASCAP

- ICC has launched the BASCAP initiative– Business Action to Stop Counterfeiting and Piracy.
- The global, cross-sectoral CEOs that have joined the initiative do so with the objective to emphasize that the protection of intellectual property rights is a social and economic imperative. They are committed to the belief that the erosion of these protections, through the illegal practices of counterfeiting and piracy, are harmful to all companies that invest in intellectual capital and the wider economy. They are equally concerned with the impacts that intellectual property theft presents to our social order – both present and future.
- BASCAP's current focus is to set standards for global performance by governments and companies; framing decisions for policymakers; pushing for the allocation of resources at the highest levels in government; and, improving awareness on a global basis.

ICC BASCAP model IP compliance guidelines

- Notably, in recognition that the private sector has responsibilities to institute effective measures against counterfeiting and piracy, ICC, together with the global business community, has developed a set of model IP compliance guidelines that provide detailed information to help businesses implement practical internal policies, practices and procedures to increase compliance with intellectual property laws, and to reduce the business risks associated with counterfeiting and piracy.
- With your endorsement, ICC will gladly take on the responsibility to work with companies worldwide to secure their endorsement and promotion of the guidelines, thereby complementing the tangible government programmes we are hopeful you will agree to in Heiligendamm.