

**Confederation of Indian Industry**  
**4<sup>th</sup> International Conference on**  
**Anti-Counterfeiting & Piracy**

**Measuring & Addressing The Cost of The 21<sup>st</sup>**  
**Century Crime & “Cancer”**



**Jack Chang, Senior IP Counsel for Asia, General Electric Company  
Chairman, The Quality Brands Protection Committee  
(QBPC)**

**Aug. 19-20, 2010, Mumbai**



# Quality Brands Protection Committee

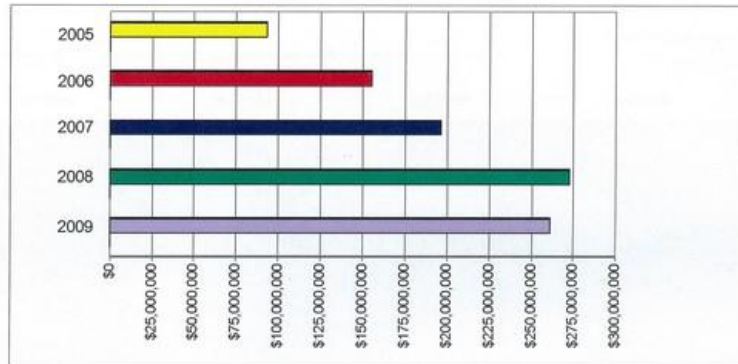


## U.S. Customs Seizures

### Comparison of Yearly Domestic Values of IPR Seizures

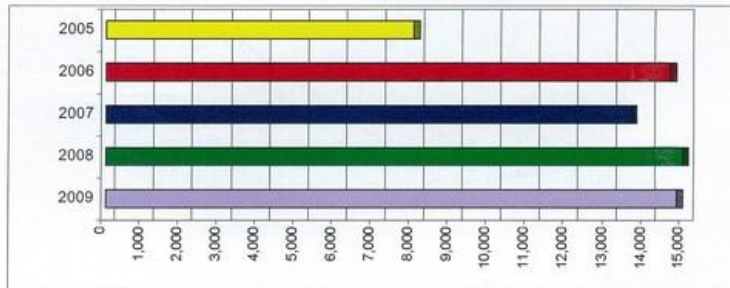
The total value of IPR seizures has increased by more than 25% each year since FY 2005, with the exception of FY 2009 which posted a small decrease. There was a 25% decline of all importations in FY 2009 compared to FY 2008.

Fiscal Year	Overall Total Values (IPR)
2005	\$ 93,234,510
2006	\$ 155,369,236
2007	\$ 196,754,377
2008	\$ 272,728,879
2009	\$ 260,697,937
<b>Total</b>	<b>\$ 978,784,939</b>



### Comparison of Yearly IPR Seizure Totals

Fiscal Year	Number of Seizures
2005	8,022
2006	14,675
2007	13,657
2008	14,992
2009	14,841
<b>Total</b>	<b>66,187</b>



U.S. Customs and Border Protection

Disclaimer  
The information contained on this page does not constitute the official trade statistics of the United States. The statistics, and the projections based upon those statistics, are not intended to be used for economic analysis, and are provided for the purpose of establishing CBP priorities and workload.

U.S. Immigration and Customs Enforcement



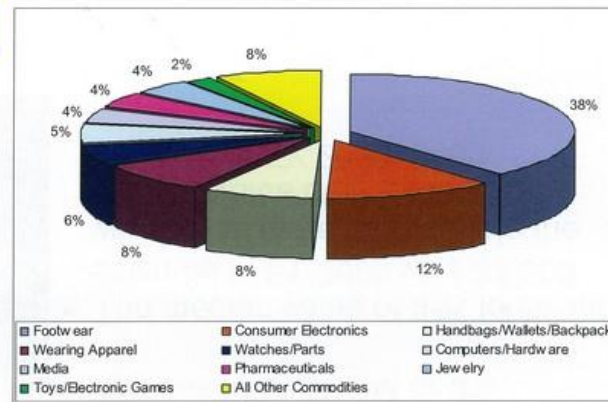
# Quality Brands Protection Committee



## U.S. Customs Seizures

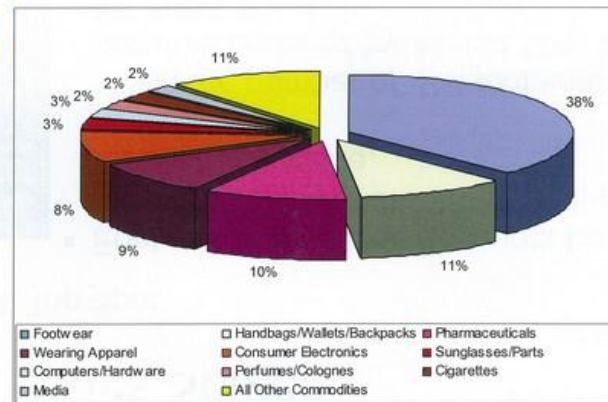
FY 2009 Commodity	Domestic Value	Percent of Total
Footwear	\$ 99,779,263	38%
Consumer Electronics	\$ 31,773,625	12%
Handbags/Wallets/Backpacks	\$ 21,501,614	8%
Wearing Apparel	\$ 21,462,276	8%
Watches/Parts	\$ 15,533,922	6%
Computers/Hardware	\$ 12,546,098	5%
Media	\$ 11,099,758	4%
Pharmaceuticals	\$ 11,057,991	4%
Jewelry	\$ 10,499,243	4%
Toys/Electronic Games	\$ 5,503,143	2%
All Other Commodities	\$ 19,941,004	8%

**Total FY 09 Domestic Value** \$ 260,697,937  
**Number of Seizures** 14,841



FY 2008 Commodity	Domestic Value	Percent of Total
Footwear	\$ 102,316,577	38%
Handbags/Wallets/Backpacks	\$ 29,609,053	11%
Pharmaceuticals	\$ 28,106,578	10%
Wearing Apparel	\$ 25,119,580	9%
Consumer Electronics	\$ 22,997,685	8%
Sunglasses/Parts	\$ 7,919,385	3%
Computers/Hardware	\$ 7,589,534	3%
Perfumes/Colognes	\$ 6,716,735	2%
Cigarettes	\$ 6,444,649	2%
Media	\$ 5,967,332	2%
All Other Commodities	\$ 29,941,771	11%

**Total FY 08 Domestic Value** \$ 272,728,879  
**Number of Seizures** 14,992



U.S. Customs and  
Border Protection

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U.S. Immigration and  
Customs Enforcement



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## U.S. Customs Seizures

FY 2009 Trading Partner	Domestic Value	Percent of Total
China	\$ 204,656,093	79%
Hong Kong	\$ 26,887,408	10%
India	\$ 3,047,311	1%
Taiwan	\$ 2,453,914	Less than 1%
Korea	\$ 1,510,443	Less than 1%
Paraguay	\$ 1,496,043	Less than 1%
Philippines	\$ 1,479,958	Less than 1%
Switzerland	\$ 1,277,646	Less than 1%
Pakistan	\$ 710,658	Less than 1%
Vietnam	\$ 603,529	Less than 1%
All Others	\$ 16,574,934	6%

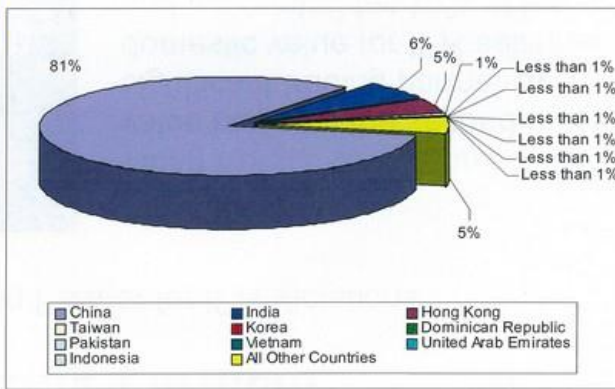
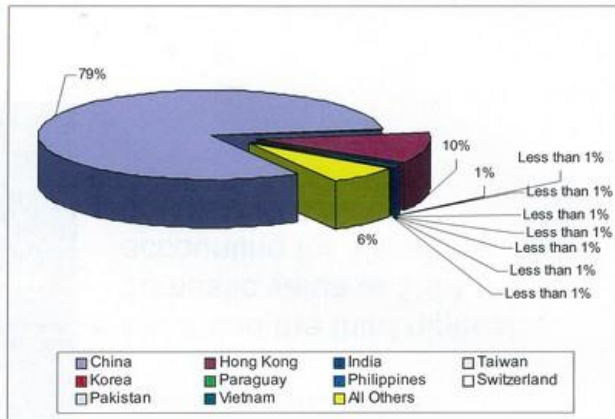
**Total FY 09 Domestic Value** \$ 260,697,937

**Number of Seizures** 14,841

FY 2008 Trading Partner	Domestic Value	Percent of Total
China	\$ 221,661,579	81%
India	\$ 16,258,368	6%
Hong Kong	\$ 13,433,606	5%
Taiwan	\$ 2,631,980	1%
Korea	\$ 1,028,348	Less than 1%
Dominican Republic	\$ 942,128	Less than 1%
Pakistan	\$ 780,109	Less than 1%
Vietnam	\$ 747,567	Less than 1%
United Arab Emirates	\$ 658,626	Less than 1%
Indonesia	\$ 649,066	Less than 1%
All Other Countries	\$ 13,937,502	5%

**Total FY 08 Domestic Value** \$ 272,728,879

**Number of Seizures** 14,992



U.S. Customs and  
Border Protection

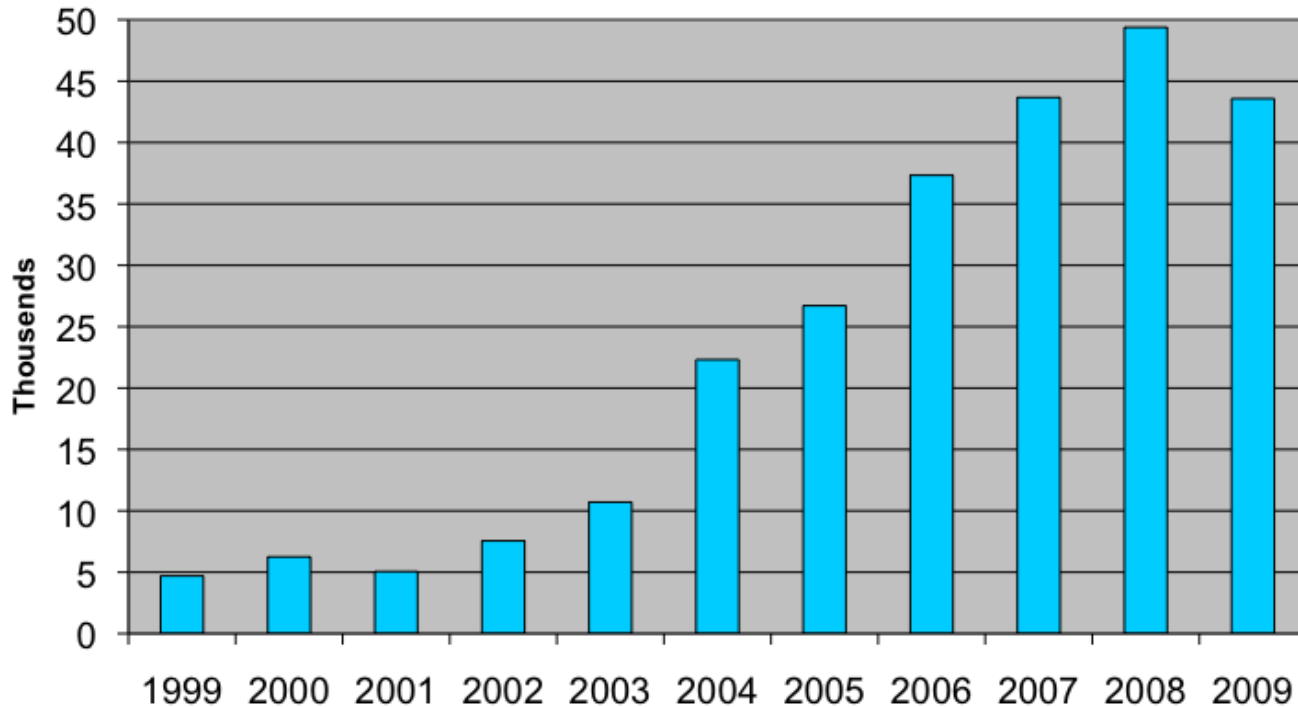
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## EU Customs Seizures

Number of registered cases 1999 - 2009

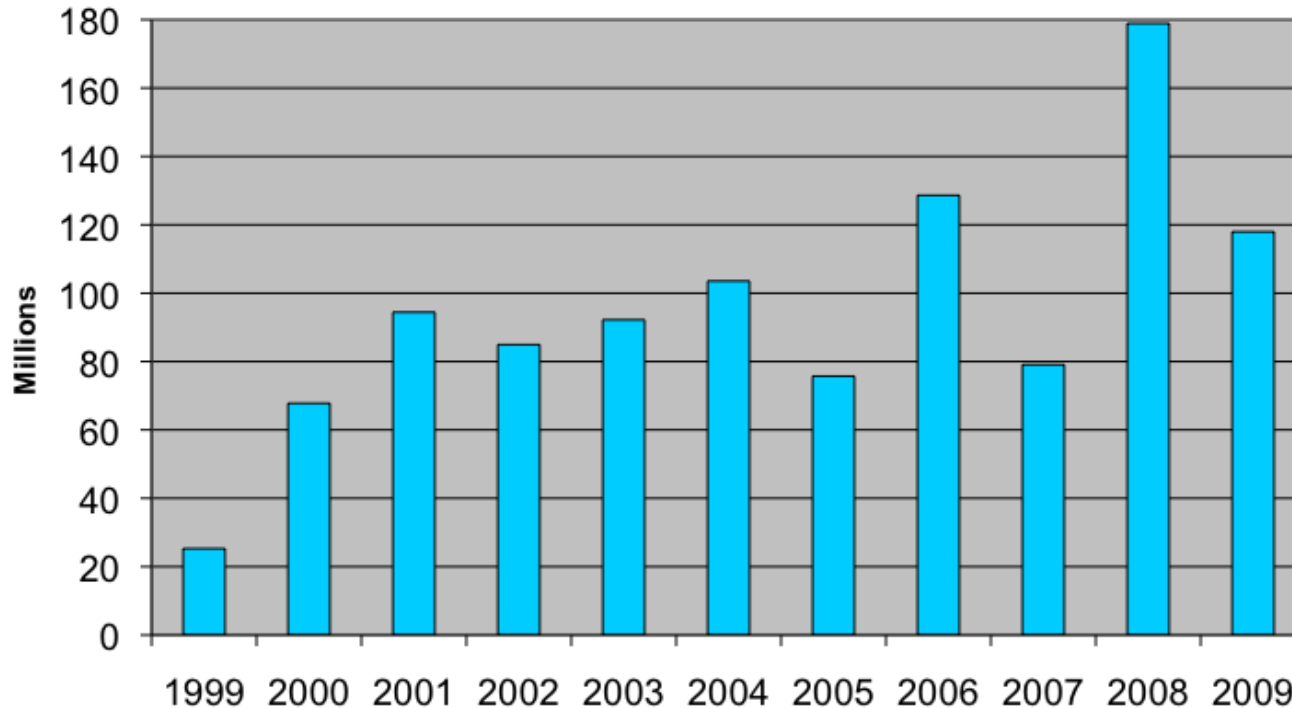


Number of registered cases	
1999	4.694
2000	6.253
2001	5.056
2002	7.553
2003	10.709
2004	22.311
2005	26.704
2006	37.334
2007	43.671
2008	49.381
2009	43.572



## EU Customs Seizures

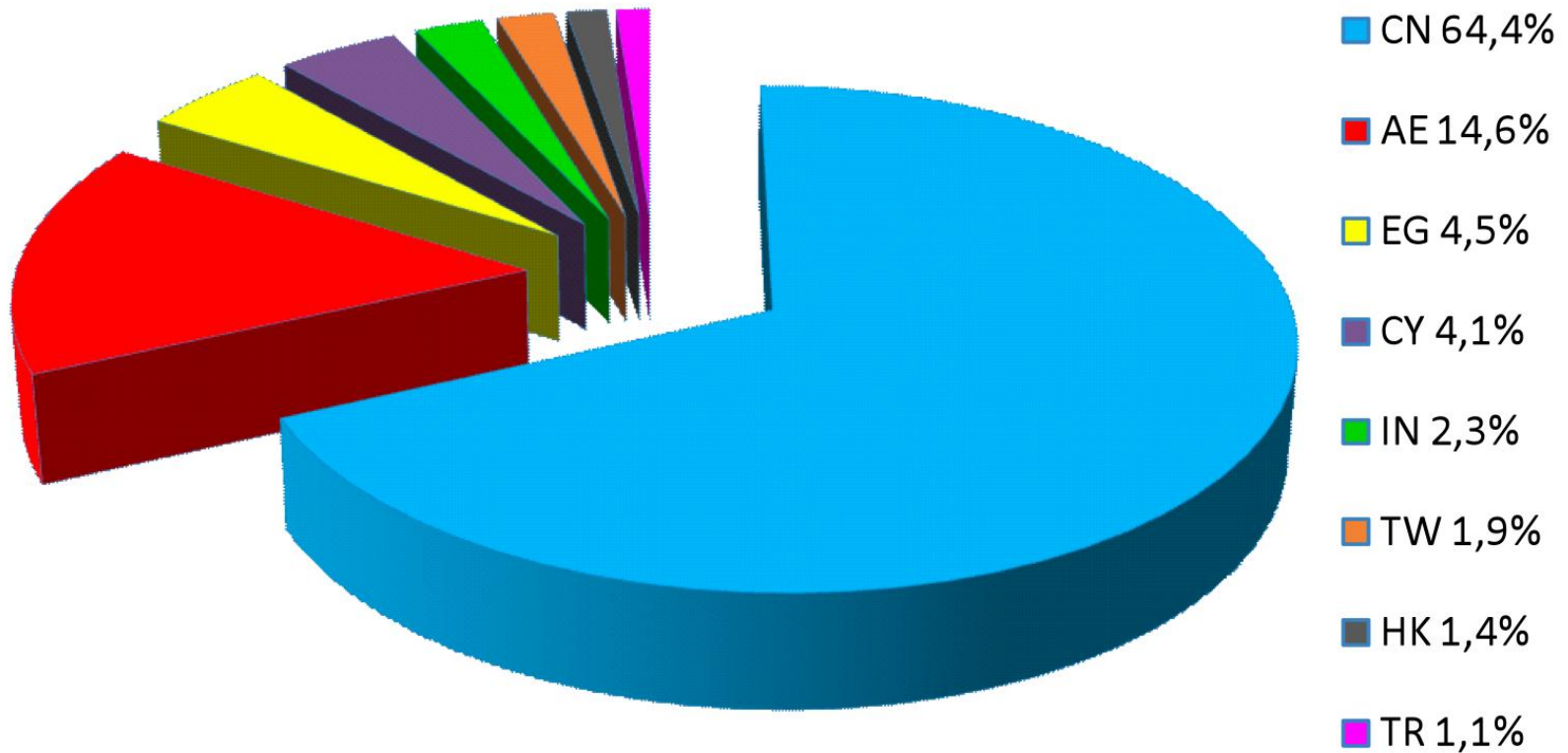
Number of articles seized



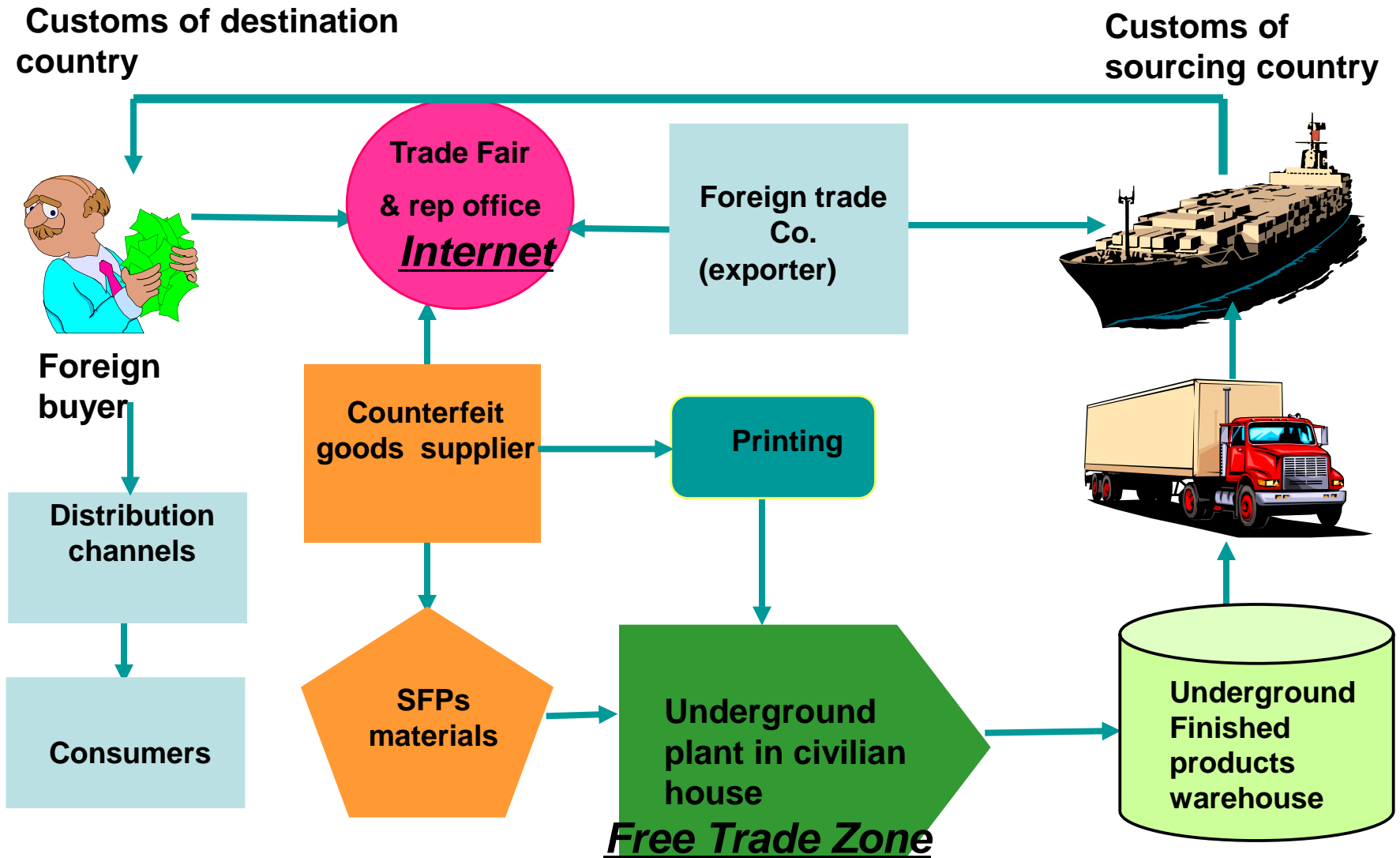
Number of articles seized	
1999	25.285.838
2000	67.790.546
2001	94.421.497
2002	84.951.039
2003	92.218.700
2004	103.546.179
2005	75.733.068
2006	128.631.295
2007	79.076.458
2008	178.908.278
2009	117.959.298



## EU Customs Seizures



# The 1<sup>st</sup> step to stop the cross-border trade of counterfeit is to learn how the game is played





## Counterfeiting is not a victimless act

- Prove connection between counterfeiting & organized crimes
- Are you child labor supporter?
- Protect the next generation





## Action needed-1

- Sourcing & destination countries work hand-in-hand together to generate consumer awareness of the harm to consumers, society & national economic security.



## Chinese Customs & QBPC-1

- Chinese Customs consecutively won the honor of most effective enforcement agency via membership survey in 2006, 2007 & 2008
- Initiated Customs IP recordal system since Sept. 2004
- System upgraded in Jul. 2010 to allow on-line communication & revising/updating database (8,065 trademarks, 4,469 patents & 518 copyrights recorded up to Aug. 11, 2010)



## Chinese Customs & QBPC -2

- **2009 Chinese Customs seizures:**

- Inspected 67,000 shipments, seized 66,000 shipments

- Total value of exported goods seized: RMB450MM  
(99% of total seizures)

Total volume of exported goods seized: 280MM pieces  
(99.9% of total seizures)

- Seizures of postal/courier deliveries: 63,000 shipments  
(96% of total seizures)

- Seizures of sea shipments: 1,490 shipments  
(2% of total seizures. However, volume-wise: 270MM pieces,

which was 98% of total seizures)



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## Chinese Police & QBPC

- Awareness-Apr. 02 Qingdao
- Priority-Dec. 02 Sanya
- Research-Aug. 03 Shantou
- Action-Nov. 04 Nanning
- TIMELY investigation  
Shanghai Initiative-Apr. 01, Shanghai
- Reaching out  
International cooperation  
-Jul. 07 Shenzhen
- Strengthening partnership  
among stakeholders-Apr. 08 Shanghai





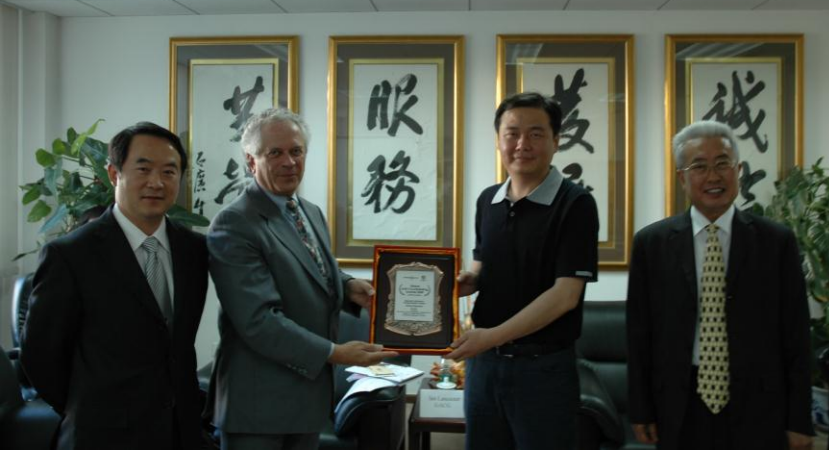
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## The reward



The Global Anti-counterfeiting Group (GACG) recognized 4 Chinese officials as 2009 winners of Outstanding Individual Achievement Award- June 11, 2009 in Paris





## Action needed-2

- Industry groups work hand-in-hand together to provide convincing comments on China's 3<sup>rd</sup> amendment to Trademark Law that **OEM production** of counterfeit & trademark infringement goods for export is not exempted from legal liability.



## Action needed-3

- Industry groups work hand-in-hand with media to *change the mindset of governments & law enforcement*
- Customs duty & TRIPS vs. Protecting villagers of the globe



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## Chinese Media & QBPC

- People's.com.cn works with QBPC on generating consumer awareness not to buy counterfeit & pirated goods and government awareness of the harm of internet sale of





## Action needed-4

- Industry groups set up taskforce teams on Internet Sale of Counterfeit & Pirated Goods to share learning and best practices regularly and systematically
  - Paper companies registered outside of mainland China
  - Identical and/or confusingly similar trademark
  - Lack of control of domain name registrations
  - ISPs' legal & moral obligations?



**Quality Brands Protection Committee**



## **QBPC Commitment**

**Cooperation is the key!  
Always go for mutual benefits!!**

**Thank you**

[www.qbpc.org.cn](http://www.qbpc.org.cn)

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