

Our former Secretary General once said: “Piracy is the crime of the 21st Century”. That’s true. Due to the information age and globalisation of products we have seen an alarming expansion of piracy. There is hardly any type of product that has not been counterfeited.

Piracy is a criminal action. These illicit activities steal market share from legitimate businesses and undermine innovation and economic growth. In fact, the recent OECD report – estimation of ICC/CCS 600 billion Dollar / OECD 200 billion Dollar + – identified nine categories of losses to business, society and economic development. And I think it is appropriate to list them here:

(1) effects on rights holders; (2) effects on consumers; (3) effects on governments; (4) effects on trade; (5) effects on direct foreign investment; (6) effects on economic growth; (7) effects on employment; (8) criminality/organized crime; (9) effects on the developing world. A successful approach to fight piracy must take into account several factors. In the following I would like to focus on two of them: (1) the intensification of research to better understand and

quantify these many losses to our society and (2) what business can do to fight against counterfeiters and pirates.

The increase of piracy crimes within the last few years was so fast that it was not possible for research to keep pace. To validate more correctly the magnitude of the problem, governments, business and other interested stakeholders could do - and hopefully will do - a better job in collecting and analysing the information essential for designing and implementing effective strategies for fighting against counterfeiting and piracy.

Therefore we very much welcomed the news at the end of September that the European Council has established an European Observatory on Counterfeiting. The Council's resolution to establish the observatory was initially put forward by the French EU Presidency.

For the first time the new observatory will bring together European governments and private sector stakeholders. This new body provides a unique and much-needed forum for gathering the expertise of European public and private sector leaders in the region. It is absolutely necessary to increase information disclosure to measure and analyse the counterfeiting and piracy impacting Europe, and develop satisfying solutions to the growing problem.

Drawing on Member-State and private-sector input, the observatory must push forward to develop an annual report identifying places in Europe where counterfeiting and piracy has become rife to identify transit countries for fake goods reaching Europe and put a stop to this activity, and to crack down on Internet sites selling fake products into Europe. It should also study the effectiveness of the legal framework in enforcing intellectual property rights, country by country. Without sound effective laws and sufficient penalties, we have no chance in stopping counterfeiting.

ICC as the world business organisation has created the Business Action to Stop Counterfeiting and Piracy – BASCAP – to connect business sectors fighting counterfeiting and piracy. BASCAP is active in supporting the work of many intergovernmental organisations. In fact we are currently reviewing German legislation and providing business expertise and insights toward improving German IP enforcement. ICC, BASCAP and the ICC National Committees like mine stand ready to support the important work of the Observatory.

Industry also has an important role to manage its own IP, and adopting policies to reduce the risk that counterfeited materials compromise their supply chain or company operations. For this reason, ICC-BASCAP

has developed the IP Guidelines to provide information to businesses on practical steps they can take to protect their own creativity and innovation in IP-based products and services, as well as to protect against the risk of using counterfeit materials or infringing other companies' IP rights.

The launch – this morning – has featured an announcement and description of the IP Guidelines – and how they can help companies large and small in virtually every industry to implement good IP management policies and more effectively protect themselves against counterfeiting and piracy. In addition, business representatives will share information on the nature and scope of piracy problems world-wide.

Angelika Pohlenz, Secretary General of the International Chamber of Commerce (ICC) in Germany