



Press Release

Brussels, 22 February 2008

U.S. Customs and Border Protection and European Commission Announce First Joint Operation Combating Counterfeit Goods

Today, the European Commission Taxation and Customs Union Directorate General (TAXUD) and U.S. Customs and Border Protection (CBP) announced the results of Operation INFRASTRUCTURE which took place in November/December 2007. Operation INFRASTRUCTURE resulted in the seizure of over 360,000 counterfeit integrated circuits bearing over 40 different trademarks.

Mr R.Verrue, Director General for Taxation and Customs at the European Commission, stated: "We will continue to build upon this operation and a growing cooperation with our U.S. colleagues to combat the global trade in fake goods. The EU and US are fully committed to combating counterfeiting and piracy at home and abroad. In addition, this also shows that Customs administrations are prepared to tackle difficult enforcement challenges and issues, especially when the health and safety of our citizens is at stake."

Operation INFRASTRUCTURE was the first IPR (Intellectual property Rights) enforcement operation undertaken by Customs and Border Protection (CBP) and the European Union. The two administrations worked together to establish mutually beneficial objectives.

"The success of Operation INFRASTRUCTURE clearly demonstrates our commitment to jointly working with our European counterparts to stop the international flow of illicit goods, and protect our consumers and businesses from these harmful products," said CBP Assistant Commissioner Baldwin. "It is important to also recognize that there is a vitally important but discreet role that these components play in the everyday infrastructure of our societies. We therefore need to be able to rely on systems that are supported by them across various sectors, particularly as it relates to national security."

Computer networking hardware is the infrastructure of modern business, healthcare, education, and communication and information networks. The counterfeiting of networking hardware and Integrated Circuits (ICs) have critical infrastructure, national



security and health and safety implications. Counterfeit hardware lacks the quality assurance and manufacturing standards of genuine hardware. As a result, there is a much higher failure rate for counterfeit hardware. Many counterfeit products fail on installation and more fail weeks or months after installation. Failures impose significant labor, equipment and lost productivity costs on individuals and organizations that depend on these networks.

ICs are used in a wide range of applications, including automobiles, aircraft, computers, telecommunications, medical devices, and consumer electronics. IC counterfeiting damages the brand reputation of the rights holders and of the manufacturer that utilizes the counterfeit IC in manufacturing when the final product fails or does not perform to expectations.

At their 2006 Summit, the European Union (EU) and the United States committed to implementing the “EU-US Action Strategy for the Enforcement of Intellectual Property Rights (IPR).” This operation, targeting counterfeit semiconductors (integrated circuits - ICs) and computer networking equipment, implemented the “joint IPR border enforcement action” portion of the strategy as agreed to by the EU and US. These products were selected for the joint operation because they present safety and security risks in addition to IPR infringement risk.

Counterfeit network hardware and ICs are just two examples of the many fake goods that threaten the safety of consumers and the ability of companies to fairly compete in the marketplace. Counterfeiting and piracy is a global problem requiring cooperation between private industry and governments to stem the flow of fakes in order to promote economic development and protect consumers.

For more information on EU customs activities related to the border protection of IPR:

http://ec.europa.eu/taxation_customs/customs/customs_controls/counterfeit_piracy/index_en.htm

http://ec.europa.eu/taxation_customs/customs/customs_controls/counterfeit_piracy/commission_initiatives/index_en.htm

http://ec.europa.eu/taxation_customs/customs/customs_controls/counterfeit_piracy/statistics/index_en.htm

http://ec.europa.eu/taxation_customs/customs/customs_controls/counterfeit_piracy/right_holders/index_en.htm

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