



International **IP Enforcement**
Summit **London2014**

Summit Report

Central Hall Westminster
11-12 June - 2014





International IP Enforcement
Summit London 2014



Contents

2014 International IP Enforcement Summit

Foreword	05
Executive Summary	09
Chapter 1:	15
Introduction	
The micro business	
Chapter 2:	19
Opening addresses – Day one	
A view from the private sector	
Strategic overviews – respect for IP	
Panel 1: IP and the digital world	
Breakout sessions: The internet: burden or bridge	
Evolving technology	
Adapting to change	
Chapter 3:	39
Panel 2: Safeguarding our digital world	
An author’s view	
Breakout sessions: Challenging misuse	
Value and respect	
Enforcing rights and protecting consumers	
Overview of day one – Kerstin Jorna	
Chapter 4:	51
Opening addresses – Day two	
Strategic overviews	
Panel 3: Counterfeiting – challenges and responses	
Breakout sessions: Inland security – fighting back	
At the border	
Beyond our shores – working together	
Moving forward into the Italian Presidency of the EU	
Conclusions and closing remarks – Viscount Younger of Leckie	
Summit Communiqué	67
Glossary	70





International IP Enforcement Summit London 2014

Foreword

2014 International IP Enforcement Summit

On the 11 – 12 June 2014, the inaugural International IP Enforcement Summit was held in Westminster, London bringing together senior representatives from across the world to address a major global challenge. New technologies and international trade flows present huge and positive opportunities for our citizens, our businesses and economies.



Intellectual property (IP) is one of the biggest assets that businesses and indeed nations possess. Research by the Office for Harmonization in the Internal Market through the European Observatory on Intellectual Property Rights, carried out in partnership with the European Patent Office, shows that 35% of EU employment, 39% of GDP, and 90% of external trade is supported by industries that make intensive use of their IP rights.

IP is a key to competitiveness within the EU and plays a pivotal role in the future of the global economy. However without a proper respect for IP rights and unless we can tackle IP abuses such as counterfeiting and piracy, the value of those assets and opportunities will be undermined. It is estimated that 10% of all global trade is in counterfeit goods, with a significant link to organised crime. The impact on our economies cannot be ignored.

No individual nation can succeed in addressing the challenge alone. Therefore the International IP Enforcement Summit brought together expert voices from around the world in a unique opportunity to:

- Understand the International IP enforcement challenge;
- Interact with key policy and enforcement decision makers and enforcement professionals in key markets;
- Learn from contacts in other markets and identify international best practice;
- Identify and develop international relationships which will help strengthen approaches at home;
- Build multilateral approaches to tackling counterfeiting and piracy.

The summit aimed to unite the global efforts to honour the contribution of our entrepreneurs,

innovators and creators through a more effective global enforcement environment. This cannot be achieved by simply passing all the responsibility to the police and customs authorities. The whole of society has a stake in ensuring that IP rights work in the interests of employment and economic growth.

This summit was an important platform for addressing those major global challenges to help us meet the future head on to allow businesses to prosper.







International IP Enforcement
Summit London 2014

Executive Summary

2014 International IP Enforcement Summit

The 2014 International IP Enforcement Summit, held at London's Westminster Hall on 11 and 12 June, was a groundbreaking first in the counterthrust against counterfeiting, piracy and the infringement of intellectual property (IP) rights.



It was attended by over 300 senior delegates representing governments, policy makers, enforcement agencies and multinational businesses from over 35 countries. Together they explored ways to cooperate in the fight against global IP crime (counterfeiting and piracy) and to identify and unite around core principles:

- IP and the safeguarding of the veracity of IP rights is a prerequisite for safe and successful economies;
- traditional threats to IP represented by counterfeiting, smuggling and other illicit operations have been facilitated by the development of the digital economy;
- the benefits of the internet to trade, in knowledge creation and to business and society in general are counterbalanced by the fact organized criminals now have a global reach.

People from over 54 countries were also listening beyond London via online streaming and through nearly two thousand tweets. The event had a Twitter Reach of over 12 million, and conventional media coverage across several UK broadsheet papers, online and international news networks.

At the outset the summit partners, represented by the Right Honourable Dr Vince Cable MP (Secretary of State for Business, UK Government), President Campinos (President of OHIM) and Dr Heinz Zourek (Director General, European Commission), set out the hopes and expectations for the two day event. This centred on sharing a vision of collaboration, shared insight and experience, and of building relationships that would help us all to tackle IP abuses for the good of our economies, our innovators, creators and brands, and for all of our citizens.

The two days which followed were full of lively presentations and discussions which have created a springboard for change, a platform from which a clear message is sent to the IP infringers. Protecting and enforcing IP rights is now a key priority for governments around the world. It is clear that we are united in our determination to tackle it, through smarter and more effective interventions to help safeguard our creative and innovative assets, in a way which works for creators and users alike.

The delegation agreed that commercial scale IP infringing activities (counterfeiting and piracy) impact every corner of society, from health and education to business. These activities undermine investment in innovation and sustainable job creation, causing physical harm to citizens, as well as harm to the local, national and international economies. Hence IP infringement is a key challenge for the EU.

The growth of the online retail market and the rapid advances in technology means that the potential for the transfer of infringing products is no longer restricted to national boundaries, but impacts on a global scale. It is vital that there is greater coordination and collaboration worldwide to understand and share best practice, enabling a more effective response to enforcement issues by the IP community.

During this summit a number of delegates from different parts of the IP landscape referred to the 'infringers'. Enforcement officers referred to cross border profiteers - using the internet as a highway to a world of organized crime and dangerous rip offs. The legal professions spoke of difficulty in defining and defending rights in a world where digital technology evolves so quickly, and administrators identified the need to educate the public, particularly young people so that they know early on who the 'infringers' are. We learned how IP crime stifles creativity and reduces employment opportunities by bringing criminals closer to the community with degrading, dangerous organized criminal networks.

A call to action: for honest trade to flourish we must unite in the fight to deliver a fair crime-free market.

The threats against safe trade are now so powerful that they can destabilize industries and hamper the development of economies. Collaboration and cooperation across market sectors, and a willingness to pool information and develop legal remedies that bite across borders, demonstrate to the world that there is a way of making a fair return for our innovation and creativity. We are also redefining online IP crime. We will bring new partners into the circle of partners against IP crime so that honest trade between fair competitors benefits all citizens.

Key actions highlighted during the Summit included:

Inclusive: The Rt Hon Dr Vince Cable MP (UK Secretary of State for Business Innovation and Skills) highlights new trade agreements with China as a significant step furthering international cooperation on trade and IP rights. The European Commission announces EU/China action plan involving cooperation between 30 major ports in China and the EU. John Spelich (Alibaba) advocates trade with China and the use of Chinese IP rights.

Cooperative: Europol announce the development of a cooperation agreement with OHIM. US National IPR Coordination Center highlights collaboration with Europol and other partners in operation In Our Sights.

Collaborative: OHIM, through the European Observatory on Infringements of Intellectual Property Rights, announces a Memorandum of Understanding with World Customs Organization, the development of the Observatory's 'Enforcement Database' in collaboration with the European Commission (DG TAXUD) and, for 2015, a new study report quantifying the impact of IP crime.

Coordinated: The European Commission announces a new 'creative centered' Action Plan on IP Enforcement.

Effective: The Police IP Crime Unit (PIPCU) in the UK, Hadopi in France and US IPR Coordination Center all adopt aggressive take down and anti-counterfeiting measures against online IPR infringers.



Practical: In the UK the National Crime Agency, the Police IP Crime Unit and the UK Intellectual Property Office collaborated to create new enforcement organisations, a new Organised Crime Prevention Strategy was also announced to provide easier access to money trails. There have also been significant international partnerships and successes through joint operations such as OPSON III in which Interpol, Europol, the UK and 33 other countries in the Americas, Asia and Europe combined in 2013 to seize more than 1,200 tons of fake or substandard food and nearly 430,000 litres of counterfeit drinks.

In summary the key themes that echoed through the summit included that:

- **Dialogue is vital, and increasingly at international level.** There is a need for a fresh narrative on IP supported by robust evidence, along with an awareness of the value for genuine and ongoing collaboration between government, creators and brands, users and law enforcement agencies. This is important both throughout the international supply chain from source, transit and destination countries and through sharing of intelligence. This can be done by understanding the mechanisms to do so and developing innovative tools and techniques for better information exchange and setting up of cooperation arrangements between countries using any available legal instruments. This is especially true in the complex landscapes in which we need to combat organized criminal networks. Technology and the internet are both our challenge and our solution.
- **There is a need to think about the right business models.** With rapidly changing technology and changes in user habits, it was identified that the law needs to evolve, but the law can't solve everything. There is a need to look at evolving business strategies and licensing agreements to stay one step ahead.
- **Education is crucial.** All nations and organisations need to unite to educate our citizens, consumers, IP users and crucially our younger generation. There was a need to create a new and fresh narrative that links counterfeiting and piracy to other criminality and encourage the use of consumers to act legally through legitimate options. We must also ensure all of our law enforcement personnel understand the importance and challenge of IP crime.

A Summit Communiqué, published at the Summit, outlined during the event the commitment of delegates who agreed that active cross-border cooperation and international collaboration is needed to provide effective protection for IP rights. The Communiqué calls on our partners in Government, enforcement agencies and business organizations around the world to join our united effort to address international IP abuses.

Delegates committed to working together to:

- build a global understanding of the scope, scale and impact of counterfeiting, piracy and other IP infringements and the principal trends and issues;
- develop balanced and practical solutions based on robust data and credible insight;
- increase the visibility and impact of enforcement activity;
- educate citizens about the growing risks associated with counterfeit goods and content piracy.

The Communiqué added that delegates will work in partnership to support and strengthen the effectiveness of Governments, enforcement agencies, border authorities and regulatory services in addressing IP crime by:

- sharing information and identifying opportunities to improve enforcement approaches and frameworks;
- sharing and applying best practice and the most effective tools, techniques and analysis to enhance detection and deter physical and online IP infringement;
- enhancing public and private sector cooperation at international borders.

Concluding the summit there was a strong and clear voice that this inaugural event should be the first of many. 91% of delegates who completed their feedback forms indicated that there should be another summit. This message is supported by the summit partners who will look to build on the success of the event, encouraging the discussion and debates to be taken forward into the second International IP Enforcement Summit in June 2016.





International IP Enforcement
Summit London 2014

Chapter I - Introduction

2014 International IP Enforcement Summit

The Right Honourable Dr Vince Cable MP (UK Secretary of State for Business Innovation and Skills) welcomed over 300 delegates representing governments from across the globe, world leading organisations within the private sector and in the field of intellectual property enforcement. Dr Cable set the agenda: the digital environment is the powerhouse of the knowledge economy.



It is becoming the cornerstone of wealth creation and as it grows the need to manage it and keep it fair increases. IP crime represents a serious threat to global economic development.

The summit was significant for a number of reasons. As well as characterising the nature of IP management, with its nuanced and balanced approaches to potentially divisive subjects, it crystallized the need for compromise and collaboration in challenging the acute issues facing the global international intellectual property system.



The big picture

António Campinos (President of OHIM) stressed the need to develop a new, cogent and accessible narrative, based on substantive and compelling evidence, as the best way to engage the public with the protection and enforcement of IP rights. He argued that a clear, evidenced-based narrative will facilitate the development of targeted, manageable, deliverable programmes. Rob Wainwright (Director, Europol) emphasised the sophistication of multinational criminal organisations with a global reach. They thrive on the 'wild west' style freedom afforded to them by our permissive attitude to the internet. For him, engagement of online architects has a key role to play in bringing the law to the frontier. CEO of Unilever, Paul Polman's message was both ethical and monetary. He stressed that a perceived lack of trust in brands and political leaders enhanced consumers' willingness to tolerate and engage with counterfeiting, digital crime, illegal downloading and the consumption of copyright rip offs. For Mr Polman customers are 'citizens not

consumers’ : stamping out IP infringers and counterfeiting and piracy will only work if people are able to believe in the brand values of responsible companies and the wider society they embody. These themes: the need for fresh narratives and coherence; an acceptance that freedom does not equate to lawlessness; and an understanding that brand values are actually built on trust and reputation underpinned the theme of the summit.

A strong presence at the summit was the European Observatory on Infringements of Intellectual Property Rights. António Campinos described how, through an unblinking and unbiased research and communication programme, the ‘Observatory’ will illuminate an environment in which realistic IP policies and practical gains can be made in the fight against IP crime. Paul Polman singled out the Observatory as a tremendous force for good saying that: ‘the mission of the Observatory should be to be the best of the best’. Paul Maier (Director of the European Observatory on Infringements of Intellectual Property Rights - OHIM) described how the Observatory, with its close ties to national IP offices could now extend its reach, broaden its programme and define the IP narrative so that consumers and specialists worldwide, can understand, trust and trade.



The micro business

Effective cooperation and collaboration requires real relationships between partners that cross organisational, governmental and market boundaries. Consumer groups, industry representatives, policy makers officials, researchers, academics, trade associations and enforcement agencies need to adapt to one another’s needs and requirements so that an effective IP enforcement strategy emerges and is implemented. The International IP Enforcement Summit provided a forum for global progress. Twenty nine keynote speeches, nine breakout sessions, countless bilateral meetings and informal networking opportunities were packed into two days in Westminster Hall, London. This is a summary of the proceedings.





International IP Enforcement
Summit London 2014

Chapter 2

International IP Enforcement Summit – Proceedings

2014 International IP Enforcement Summit



Day 1

Opening Addresses

The Right Honourable Dr Vince Cable MP, UK Secretary of State for Business Innovation and Skills; Heinz Zourek, Director General, Taxation and Customs Union (TAXUD), European Commission and António Campinos, President of the Office for Harmonization in the Internal Market (OHIM) highlighted as summit partners the key issues for the summit to consider.

The Right Honourable Dr Vince Cable MP **UK Secretary of State for Business Innovation and Skills.**

Dr Cable stressed the fact that the UK is a pathfinder in the search for effective remedies to the digital and 'traditional' threats to the international IP system. Dr Cable suggested that the UK's pole position in Taylor Wessing's Global IP Index¹ results from Britain's long term commitment to the safeguarding of IP rights as a lynchpin of economic development. Dr Cable himself has a track record in this tradition of vigilance – in 2002 he shepherded a Private Members Bill through the UK Parliament increasing penalties for copyright theft and giving authorities powers to search and seize illicit goods.

“a personal track record in IP enforcement”

Rt Hon Dr Vince Cable MP, UK Secretary of State for Business Innovation and Skills



The Police Intellectual Property Crime Unit was launched during Mr Cable's tenure and in the nine months since it was established - in 2013 - it has already investigated £29 million of IP crime. Mr Cable identified key areas where the UK Government is taking action today. Its role is to forge new ways of working together, delivering practical results in the fight against online crime.

¹ See: - <http://www.taylorwessing.com/ipindex/>

Initiatives like The Content Map² demonstrate that effective online signposting, and commitment to that signposting, may significantly reduce a consumer's willingness to engage with illegal providers. The Government is also developing agreements with payment service providers so that they do not support illegal websites, cutting off revenue streams and stifling wider criminality. From the private sector the UK's world leading music industry is pioneering new ways of offering online content. The models created by this sector may be transferrable to others and prove vital in the fight against illegal copying.

Effective education, particularly amongst young men (research shows that most illegal downloading is carried out by young men between the ages of 15 and 24), will reduce the allure of the 'something for nothing' online culture.

International collaboration is vital. To this end, during a recent visit to China, Dr Cable launched the Global Digital Media and Entertainment Alliance – an agreement between the UK and China to develop stronger strategies against IP infringements and IP crime.

Dr Cable stressed that the reasons for action now are clear. Notwithstanding the obvious threats presented to consumers by the presence of unsafe counterfeit goods in our markets, our economies, our jobs, our industries and our culture now depend on a reliable and fair IP environment. At the moment 1 in 10 citizens openly admit to infringing IP rights during the past year. It is projected that the global value of digitally pirated music, films and software could account for as much as £143 billion by 2015. The triple impact of significant growth, high returns and growing crime (and a perception that this kind of crime doesn't matter) poses a significant threat to national and international interests.

Governments, businesses and enforcement agencies must collaborate to defend IP rights through criminal and civil proceedings. Dr Cable also noted that the fast paced change in the digital environment increases the need for institutions to educate and inform consumers about the value of IP and the importance of enforcement.

² See 'The Content Map': an industry driven site where consumers can link themselves to bona fide providers of digital content and services at: <http://www.thecontentmap.com/>
See: <https://www.gov.uk/government/news/uk-and-china-agree-2-billion-digital-media-link-up>



António Campinos

President of the Office for Harmonization in the Internal Market (OHIM)

António Campinos' mantra is straightforward: in the end evidence, not generalisations, will supply the information that will inform the narrative and drive the IP enforcement agenda forward. His speech focused on the importance of IP and was informed by collaborative research projects involving the OHIM through the European Observatory on Infringements of Intellectual Property Rights and the European Patent Office, the United States Patent Office the Organization for Economic Cooperation and Development and other partners including the United Kingdom Intellectual Property Office.



“We must provide a narrative young people can understand”

António Campinos, President (OHIM)

A recent Observatory study of the economic importance of IP intensive industries in the EU³ demonstrated that 39% of total economic activity in the EU, amounting to €4.7 trillion, is provided directly by industries that use IP rights intensively. 26% of all employment in the EU directly depends on the IP right-intensive industries and another 9% of jobs relies indirectly on these industries. These sectors account for 90% of external trade.

Another study carried out by OHIM through the Observatory considered our perception of IP⁴. Economists understand the value of intangible assets – but do our citizens see the same picture? In fact, although there is a high level of recognition of the economic and social value of IP, people do not always respect these rights in practice. This is especially the case with younger people who justify infringements saying that they can't find legal sources of IP protected products; or because they believe that swapping the odd file 'for personal use' doesn't add up to much of a crime; or because they genuinely don't believe in the system and wish to protest.

³ For the full report on the economic value of IP intensive industries please follow this link <https://oami.europa.eu/ohimportal/documents/11370/80606/IP+Contribution+study>

⁴ For the full report on the economic value of IP intensive industries please follow this link <https://oami.europa.eu/ohimportal/documents/11370/80606/IP+Contribution+study>

The mismatch between the social and economic importance of IP and its public perception means that effective enforcement cannot simply be achieved by passing all the responsibility to the police and customs authorities. Mr Campinos' warning was clear: 'While intellectual property might speak softly, it carries enormous importance. We are losing the battle to engage with young people.' In his opinion, young people must be encouraged to link the protection of IP rights with things that really matter to them such as their prospects of getting a job, or protecting and developing the fruits of their own creativity.

António Campinos referred to an upcoming report aimed at quantifying the economic damage caused by infringements, this is expected to be published in 2015 and will be of interest to all the attendees at the summit.

In addition to studies, communication and knowledge-building events such as the current summit, OHIM, through the Observatory, is developing tools that will help bridge the information gap between IP right holders and enforcement officials.

The OHIM's Enforcement Database is a good example of an effective new tool that facilitates more effective enforcement. The database has been created in collaboration with the European Commission (DG TAXUD). It allows rights holders to input information which will be accessed by customs officials and enforcement authorities, enabling them to identify and check validity and movement of goods in all relevant languages throughout the EU. A pilot phase for the Enforcement Database was launched last November and over 70 major companies are now registered. It is expected that over 100 companies will participate by the end of this year. The system will coalesce with the World Customs Organization's (WCO) IPM system and, as a first step, a Memorandum of Understanding was signed during the summit.

Collaboration at an international level between governments and organisations is crucial. Mr Campinos referred to a recent agreement signed between OHIM and Europol as evidence of effective, productive, manageable co-working. OHIM has agreed to support Europol's information gathering activities. Both organisations will work together, building knowledge for enforcement and to help produce regular reports on the IP enforcement environment.

Mr Campinos concluded that OHIM's strategy - based on the establishment of reliable facts, the building of relevant tools and the brokering of practical collaborations at international levels - will change the enforcement environment for the better.



Dr Heinz Zourek

European Commission, Director General of DG Taxation and Customs

Dr Zourek set out the agenda for the summit as seen from the position of the European Commission, which is concerned with safeguarding the rights of creators, businesses and consumers in an environment threatened, in particular, by counterfeiters.

Before identifying the policies of the European Commission, Dr Zourek noted that - at a basic level - IP is a fundamental right common to all citizens. Moreover, economically speaking, all signatories to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)⁵ are obliged to abide by its values in trade.

Illicit activity, particularly passing counterfeit goods through a conduit of criminality – from an illegal manufacturing site, via brokers, transport systems, across borders and into markets threatens the basis of global trade and invention.

The Commission identifies three core objectives in the fight against IP infringements: the protection of the Single market, the development of harmonious international trade and the respect for consumers' rights. The challenges presented by counterfeiting embrace all three elements, threatening economies, industries and consumer health and safety. The Commission is seeking means to attack counterfeiters at source and to enhance cooperation between industry and customs.

“Passing counterfeit goods through a conduit of a criminality across borders and into markets threatens the basis of global trade and invention”

Dr Heinz Zourek, European Commission, Director General of DG Taxation and Customs



⁵ TRIPS is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation http://www.wto.org/english/tratop_e/trips_e/intel2_e.htm

As a key driver for growth and innovation within the EU, the Commission considers that it is vital for IP to be respected within the internal market. It will propose new tools to facilitate enforcement across borders enabling enforcement officers to ‘follow the money’ across borders thus hampering the ability of organised criminals to shift assets from one jurisdiction to another.

Dr Zourek referred to the Commission’s aim of updating its strategies regarding the enforcement of intellectual property rights. The two communications and action plan aim at strengthening IPR enforcement in the EU and in third countries by developing new approaches and focusing on commercial scale infringements⁶. The Commission will also be considering further possible measures. These two communications and the action plan aim to enhance the safety of the international enforcement activity and develop new relationships with countries outside the EU who wish trade with it. Moreover, rather than penalising individuals for infringing IP rights, often unknowingly, the actions set out to pave the way towards a ‘follow the money’ approach, with the aim of depriving commercial-scale infringers of their revenue flows.

As part of its enforcement Action Plan, the Commission is also seeking to reinforce the cooperation between enforcement authorities within the Single market and with customs authorities acting at the border.

Dr Zourek made specific reference to the achievements of UK customs in responding to recent changes in the delivery of illegal counterfeit goods. As well as large scale shipments, criminals are now using the internet to market and distribute small packages of counterfeit goods via postal networks. The UK is a key player in combating this new development.

The challenges posed by counterfeiting and illegal trade are large scale but high level collaboration is paying off. For example, an agreement on mutual recognition of authorized economic operators’ schemes between the EU and China and the development of a common approach to risk management. Similarly, the EU Singapore free trade agreement opens an avenue for a ‘safe and secure trade lane’ designed to prevent illegal trade.

⁶ http://ec.europa.eu/internal_market/iprenforcement/docs/action-plan/140701-10-actions_en.pdf



A view from the private sector

Paul Polman, CEO of Unilever delivered a powerful speech, challenging the summit to address the fundamental questions IP crime and IP non-compliance represent.

Unilever owns 127,000 trademarks and over 20,000 patents worldwide. IP research and development are vital to Unilever's continued success but Mr Polman identified a more fundamental intangible concept as vital to his organisation's wellbeing – reputation. Unilever lost €1 billion to IP fraud in 2013. Unilever's own brand protection team identified 3,000 incidents of IP crime during the first half of 2014. Mr Polman believes that every individual instance of IP fraud erodes the values he and his company are trying to promote.

Mr Polman claimed that the rise in IP crime threatens the credibility of intellectual property. Counterfeits, illegal copy-cat websites - which Mr Polman confessed, can be as good to look at and use as the genuine ones - threaten to destabilise even the greatest of multinational ventures.

The meaning of IP

Mr Polman put it simply: the threat to IP rights 'is not so much a legal issue as a matter of morality.' To Mr Polman, people are 'citizens first'. Companies cannot view consumers as potential assets to be stripped of cash, and consumers, who are cynical of politicians and mistrusting of advertising that spin and make false promises have to be won back. According to Mr Polman we live in a volatile, uncertain, complex and ambiguous world, a place where loyalties to brands must be earned and deserved.



“Trust is a must”

Paul Polman CEO Unilever

To put it simply – if consumers stop believing in the brands they valued and the representatives they voted for, it's no surprise that they seek to subvert or ignore them by buying rip offs, or not shopping at all. A recent survey by Edelman indicated that half the people in the world did not trust politicians or companies. For Mr Polman the ebbing away of trust is the real problem. Banks who rip off investors, markets that crash through unrealistic trading, companies who abuse employment laws, politicians who never deliver are contributing to scarcity of the ultimate intangible: trust.

For Mr Polman the story of how to make enforcement effective does not end with customs officers and police chasing criminals, or downloaders importing free files from copyright free sites – the narrative goes one step further.

If companies and customers trust and respect one another, so that fair prices are charged for meaningful products, then the motivation of lawlessness disappears. Mr Polman explained that he wasn't arguing against the actions of enforcement agencies. The problem of counterfeiting and illegal trade is increasing and fighting it on the streets and in cyberspace is only one part of the response. Mr Polman sees his company as acting 'in the services of society square and firmly, not that of our shareholders.' His company has a 'sustainable living plan' designed 'to maximize our social impact' for its 2 billion daily customers. Although critical of companies he sees as destabilising the trading environment, Mr Polman's view remains optimistic: growing populations, increasing environmental awareness and respect between citizens and companies can produce sustainable growth. And IP is at the heart of that process.

To remove the motivation for IP crime, companies must *earn* and deserve trust.



Strategic Overviews - Respect for IP

Francis Gurry

Director General, World Intellectual Property Organization

There is a perceived need to improve public knowledge about IP, its value, its importance and the consequences of tolerating crimes against it. All contributors stressed the need to bring IP criminals to the attention of the public at large and to make clear the damage to ordinary people that IP crime can cause. Francis Gurry (Director General, World Intellectual Property Organization (WIPO)) pointed to specific examples of collaboration between WIPO and the Korean Intellectual Property Office, where child friendly IP education packages aimed at under tens have had a big impact⁷. The need to reach young people, before they arrive at ‘downloading age’ and the importance of engaging all members of society was emphasised by all speakers.

For Francis Gurry the problems in motivating the enforcement agenda at a global level lie in the economic shift towards intangible and knowledge based products. As long as a significant portion of the general public fail to understand that value resides in these intangible resources, IP crime will continue to prosper.



“Effective education policies should target young people”

Francis Gurry,
Director General, WIPO

Conversely, Mr Gurry also argued that the success of IP in developed economies makes change difficult to motivate. Individuals and companies are intent on securing a competitive advantage using the IP system. Any alterations to this system are difficult to broker.

Three approaches taken by WIPO were highlighted. Firstly, WIPO is committed to building respect for IP through education – from schools to wider society and business. He saw education, especially

⁷ See Pororo – Episode 1 ‘Great Ideas’ : <http://www.youtube.com/watch?v=uda-cFkqOV4>

at a young age, as a practical response to the ‘trust deficit’ identified by Paul Polman. Secondly, the use of supervisory reviews in which countries who want to enhance their IP enforcement systems can benchmark and develop their capacity. Finally, enhanced cooperation between partners, can build networks of good practice which develop in a ‘bottom up’ way.

Senator Chris Dodd (Chairman and CEO, Motion Picture Association of America), focused on the fact that in the UK creative industry is a stunningly successful sector driven by workers who are far removed from the stars who tread red carpets. For him a key aspect of the strategy to fight IP crime in his businesses is to stress the ‘ordinariness’ of the carpenters and engineers who make their living in the film and TV industries. For Senator Dodd, tough, meaningful copyright laws, coupled with enforceable actions which courts can use, is the key to success. In the UK, for example he praised the use of the Copyright, Designs and Patents Act 1988 to issue injunctions against sites knowingly infringing copyright. Senator Dodd went further, suggesting that further negotiations to bring search engines into the fight against illegal content are required. He said: ‘If we convince search engines to shut down sites it will be a major step forward in the fight against illegal content providers. Such companies must take a lead in setting responsible standards.’



“strong copyright enforcement isn’t about red carpets – it’s about jobs”

Senator Chris Dodd, Chairman and CEO, Motion Picture Association of America

For Senator Dodd, enforcement of copyright, is not a negative process. He stressed the need to provide the public with legitimate content, enabling users to access films and TV without using illegal means. He pointed to the fact that globally more than 400 legal services exist, and more, like Find Any Film⁸ and The Content Map⁹, are created every day.

8 See Find Any Film: <http://www.findanyfilm.com/>

9 See The Content Map: <http://www.thecontentmap.com/>



Victoria Espinel (President and CEO BSA – The Software Alliance) echoed the need to educate the public in the specific field of copyright in both established and emerging economies. She stressed the need not to demonize the individual downloader, but to attack the criminal provider. Her background as President Obama’s first IP Enforcement Coordinator had revealed to her the confusion that consumers feel about copyright– for many their experience is negative because, as Senator Dodd pointed out, illegal downloading is often easier than legally accessing content.

Like Senator Dodd, Victoria Espinel favoured strong copyright laws which can be respected and complied with internationally. Her industry, business software, like the film and TV industries, depends on copyright for establishing the legal certainty businesses need to invest and receive a fair return.

Just as Senator Dodd identified legitimate search engines that provide access to illegal sites as a problem; so Victoria Espinel singled out credit card companies whose facilities may be used on illegal sites and therefore must also be mobilized in the fight against organised large scale copyright theft.

Victoria Espinel’s message was clear – as far as the use of unlicensed software is concerned, large organisations and governments, using unlicensed illegal software, are also targets. ‘We will no longer seek to impose criminal liability on people who are downloading without intention of distribution or making a profit,’ she said. ‘Our focus is to make sure companies and governments are using licensed software.’



“EBSA report creates ‘a narrative that resonates’”

Victoria Espinel, President and CEO BSA – The Software Alliance

Echoing António Campinos’ mission to create ‘a narrative that resonates’, Ms Espinel drew the delegates’ attention to a new report commissioned by the BSA¹⁰. The Global Study of Unlicensed Software Use provides the information necessary to enable policies on copyright law and the prevention of software pirating by companies and governments.

¹⁰ See: <http://globalstudy.bsa.org/2013/index.html>

Anders C. Jessen (Head of Intellectual Property Unit, DG Trade, European Commission) noted that the EU Observatory's reports were already bringing clarity to the narrative. From his perspective at the European Commission, he pointed to the international nature of IP crime. The EU is not a big enough island to solve the global problems of IP crime alone, the EU, its members and its international partners need to reach out and engage new economic allies forging trade agreements; engaging in dispute settlement and fostering productive IP dialogues.

Future plans for his department include more public engagement, more outreach, the provision of technical assistance to emerging economies and he identified India as a key potential partner in new enforcement initiatives.

Nigel Kirby (Deputy Director Planning, Performance and Risk, UK National Crime Agency) exemplified Ed Vaizey's emphasis on tough action against IP criminals. He confirmed that IP crime is a serious component of organised crime's £24 billion annual take. In October 2013 the National Crime Agency began work and now initiates its own investigations, in partnership with other law enforcement agencies. As part of this process it has developed networks of enforcers to target resources on IP crime.

Panel I: IP and the Digital World

■ Ed Vaizey MP (UK Minister for Culture, Media and Sport)

■ Adrian Leppard, (Commissioner, City of London Police)

■ John Spelich (Vice President, Alibaba Group)

The UK Minister for Culture, Media and Sport, Ed Vaizey drew the summit's attention to the scale of the problem to the UK's burgeoning creative industry. Ofcom (the UK government's regulatory and competition authority for the broadcasting, telecommunications and postal industries) estimate that in just three months 5 million video games were consumed without the copyright holder's permission, 7 million e-books, 9 million feature films and a staggering 54 million TV programmes were downloaded illegally. The UK is taking practical steps to stem the tide by blocking sites and the newly formed Police IP Crime Unit (PIPCU) is beginning to take action against illegal sites, with 17 registrations and 80 pending cases. Consumers must be made aware of the legitimacy of sites, because very often they can't tell whether sites are legal or not.

“As well as persuaders, effective enforcement requires enforcers”

Ed Vaizey MP, UK Minister for Culture, Media and Sport





Ed Vaizey noted that as advertisers realise the detrimental value of sites offering illegal services, their engagement will diminish. The new Digital Economy Act¹¹ will initiate a 'mass information campaign' with millions of notifications being sent to subscribers downloading copyright infringing material. Furthermore, Vaizey drew delegates' attention to the Voluntary Copyright Alert Programme (VCAP)¹³ which is an industry generated scheme informing users of the legitimacy of the sites they are using. Ed Vaizey's message was clear: carrots and sticks must be used to alert the wider public to the consequences of copyright theft. Users of unlicensed copyright material must understand that what they are doing is wrong, they must be encouraged to realise the consequences of their actions. For Ed Vaizey, stealing a work by your favorite artist online is just as wrong as walking out of the UK National Gallery with a masterpiece tucked under your arm.

As well as persuaders, effective enforcement requires enforcers.

Adrian Leppard (Commissioner, City of London Police) identified the USA's National Intellectual Property Rights Coordination Center (IPR Center) as an excellent model of an active, effective approach to IP crime enforcement. To this end the UK's Police IP Crime Unit (PIPCU), funded by the UK IPO, has been set up, mirroring the practices evolved in the US by targeting and removing offending websites.

Commissioner Leppard stressed that IP crime is fraud and, as an expert in fraud prevention, he drew the delegates attention to the difficulty in making any fraud case stick. It is estimated that ninety five percent of fraud in the UK goes undetected. Therefore, to make a difference in the context of IP enforcement, Commissioner Leppard and PIPCU take a pragmatic attitude. Where prosecutions can be made they will be, but results will also be measured where police action results in the cessation of criminality. He cited 'Operation Creative'¹² as an example of a different approach to IP enforcement.



“Operation Creative”

Commissioner Adrian Leppard, City of London Police

¹¹ Now renamed Creative Content UK

¹² See: <http://www.cityoflondon.police.uk/advice-and-support/fraud-and-economic-crime/pipcu/Pages/Operation-creative.aspx>

Organised crime is motivated by money – if the money dries up, criminality will cease. Commissioner Leppard’s officers collect evidence against illegal sites, online advertisers and credit card service suppliers. Instead of threatening criminals they alert advertisers when their IP appears on demonstrably illegal websites and they warn credit card companies that their services are being used in a clearly illegal context. Commissioner Leppard’s approach seeks to disable the mechanisms for illegal online activity.

Commissioner Leppard amplified a theme common to many law enforcement agencies. ‘There has to be a debate over the harm the internet brings as well as its benefits. The benefits civil society receives from the internet also brings great risks and creates huge opportunities for criminality.’ Commissioner Leppard’s observation strikes at the heart of the digital economy and he suggested, in clear terms, that mere ‘enforcement’ is not enough. As well as partnerships with advertisers, credit card suppliers and legitimate businesses, the drive for a new narrative based on evidence is an essential requirement, as was highlighted by António Campinos in his speech. For Commissioner Leppard there is a need for new legislation to control the illegality online.

Alibaba’s e-commerce platforms reach 100 million Chinese consumers each day. Alibaba’s mission is to connect companies and consumers, speeding up commerce and breaking down barriers. **John Spelich** (Group Vice President, Alibaba Group) confessed that trade with new partners like China has risks, but that users, if they are aware of them and take sensible precautions, for example, registering their trademarks and patents in China, they should not be fearful of the new.

John Spelich argued that although platform providers such as Alibaba have responsibilities to prevent crime, other means are also available. Customs officers can control the flows of goods, authorities can close down factories producing counterfeit goods. His own organization took down 114 million items during 2013.

Breakout sessions

The following summaries give a taste of what was discussed in the 3 breakout sessions.

Breakout Session I

The internet: burden or bridge?

■ Neil Crockett, Director of the Digital Economy Catapult (Chair)

■ Julian Ashworth, Group Director Industry Policy, BT

■ Juan Hardoy, Director, EMEA Anti-Piracy and Digital Crime, Microsoft

■ Theo Bertram, UK Policy Manager, Google

■ Richard Mollet, CEO, Publishers Association



The internet is perhaps the most incredible bridge ever built, it exists in the minds of its users who are connected, globally, digitally, instantly. It is, however, not without its potholes. Many IP rights owners feel that in order to allow intellectual property law to achieve the objectives of rewarding invention, encouraging innovation and generating wealth, higher standards of regulation are required online.

In fact, the delegates at this meeting were bullish about the internet. As creative content expands online, individuals and industries are enabled. The threats posed by IP fraud are real but can be solved through cooperation and collaboration. There is no catch-all solution; there are roles for everyone: government, content providers, law enforcement, search providers and, importantly, technology.

With regards to copyright laws, this session felt that the current concept of copyright is flexible to technological change and remain relevant. The internet is not a copyright free zone and rights holders must adopt their own strategies (perhaps in conjunction with trade associations) for responding to the challenges of new technological innovations.

Theo Bertram of Google referred to its “content ID” anti-piracy tool and confirmed that Google also supports the “follow the money” approach to tracking fraudulent dealings across the internet. But there were strong representations both from the floor and the panel, arguing that search engines need to do more to protect the interests of legitimate users and take action to prevent infringing usage of IP rights.

Breakout Session 2

Evolving Technology - 3D Printing, cloud computing, mobile technology etc.

■ Stephan Lechner, Director, Joint Research Centre, European Commission (chair)

■ Allison Mages, Senior Counsel for IP Procurement and Policy, General Electric (GE)

■ Christian Lindemann, University of Paderborn

■ Simon Baggs, Partner and Head of IP Rights Protection Team, Wiggin LLP

In today's global, digital economy technology is advancing at an unparalleled rate, offering society extraordinary advantages. However, this growth also poses increasing problems for businesses striving to advance and maintain sufficient protection of their IP assets.

The session set out to discuss a range of developments that not only have the potential to provide significant benefits for society but on the other hand have the capacity to jeopardize the IP rights.

The panellists and audience all agreed that this fascinating subject was really too big for a single discussion. In fact, all the panellists agreed that the current difficulties IP creators and entrepreneurs were encountering with ‘new’ technology were in part caused by a reluctance to embrace change early on.

The discussion regarding 3D printing exemplified the exciting and challenging developments that will affect IP rights. Simon Baggs saw that from a legal perspective the revolutionary implications of 3D printing may call into question the meaning of some of the most fundamental ideas in trade marks. What does a trade mark mean when it may be possible to replicate almost any product in your own home? Christian Lindemann of Paderborn University explored another aspect of 3D printing - complexity. By creating unusual and complex structures using 3D printers it may be possible for rights holders to add an unexpected layer of protection to their IP rights and make their products extremely difficult to copy.

Chair, Stephen Lechner, of the European Commission’s Joint Research Centre, brought a fascinating discussion to life touching on conflicting ideas about the way IP enforcement and technological advances will mesh together. Clearly, the EU’s efforts to monitor and respond to technological change are a vital part of the development of relevant IP enforcement strategies today and tomorrow.

“envisioning
tomorrow’s
technology today”

*Stephan Lechner,
Director, Joint Research Centre,
European Commission*



Breakout Session 3

Adapting to change - legal offers, voluntary agreements, public & private collaboration, restrictions and law

■ Richard Atkinson, Corporate Director, Global Piracy-Conversion Team, Adobe (chair)

■ Jean Bergevin, Head of Unit, DG Internal Market and Services, European Commission

■ Mark Lichtenhein, Chairman, Sports Rights Owners Coalition

■ Richard Hooper, Director, UK Copyright Hub

■ Vince Bannon, Vice President, Getty Images



The growth of the digital economy, stimulated by internet broadband and enhanced by fast moving technology, computing power and storage has created global markets for both content and rights holders. However, it has also provided platforms and communication tools that have enabled counterfeiting operations to thrive and grow.

The internet has engaged everybody in a complex web of interactions. The panel reached some startling conclusions regarding IP enforcement. It is no longer possible to divide criminals and legitimate businesses/consumers as simply: 'them and us'. Statistics on the perception of intellectual property confirm that almost half of the consumers in Europe are ambivalent towards some kinds of illegal downloading. The picture of IP infringement is of a complex, shifting landscape in which we are all consumers and creators and, sometimes, even 'bad guys'.

The panel agreed that speed in responding to change is essential. Changing laws may not therefore be an appropriate solution to an online technological problem. Changing business models, evolving relevant and timely strategies and developing flexible approaches to business and licensing agreements may offer a more pragmatic way forward.

Case Study – Spain

In 2012 Spain introduced tough new regulations on digital fraud through a Royal Decree on Administrative and Judicial Procedures Concerning Copyright and Related Rights Infringements. The Decree empowers the Spanish Intellectual Property Commission (CPI) to remove infringing content from the internet on the basis of evidence and a declaration by copyright holders that the owner has not given permission to a service provider to use the relevant content. If the claims are valid, the Commission can now order the temporary closure of websites or suspend general public access to the content.

The procedures are not intended as replacement for other important enforcement activities such as education and awareness raising initiatives, nor do they prejudice the use of existing notice and takedown systems, civil or criminal actions. By identifying specific infringers and interrupting/suspending their services through a simple procedure, disruption of criminal activity is achieved and better understanding of infringement activities is gained.

Since it came into force the Decree has resulted in around 410 requests for action by the CPI, leading to the voluntary removal of infringing content from over 170 web sites. Around 24 sites of these were shut down completely.





International IP Enforcement
Summit London 2014

Chapter 3

Panel 2: Safeguarding our Digital World

2014 International IP Enforcement Summit



Panel 2: Safeguarding our Digital World

■ **Eric Walter (Secretary General of Hadopi – Haute Autorite pour la Diffusion des Oeuvres et la Protection ds droits d’auteur sur Internet)**

■ **Professor Cardani, (Chairman of AGCOM, Agency for Guarantee On Communications)**

■ **Jeff Hardy, (Director for the International Chamber of Commerce/Business Action to Stop Counterfeiting and Piracy – (ICC/BASCAP))**

Eric Walter (Secretary General of Hadopi – Haute Autorite pour la Diffusion des Oeuvres et la Protection ds droits d’auteur sur Internet) drew attention to anti online copyright theft measures taken in France, Italy and amongst the wider business community. Perhaps the most notable intervention has been made in France. Hadopi is exclusively concerned with copyright fraud but its approach places the downloader, not the provider of infringing material in the hot seat. Secretary General Eric Walter sees the issue of illegal downloading in a broad cultural context, one in which Hadopi has a responsibility to preserve the quality of culture online. To this end, where users of illegal websites come to Hadopi’s attention a series of warnings are sent, alerting users to the nature of the site they have used and informing them that illegal downloading is a criminal offence. According to Eric Walter’s statistics, the succession of three warnings produces a reduction in illegal use from 3 million hits, to 300,000 hits, to 100,000 hits. In other words, informing and warning users of the nature of the sites they are using and the consequences of their action dramatically reduces engagement with illegal sites. When coupled with the positive endorsement of Hadopi approval such as labelling on legitimate sites, Hadopi’s famous graduated response, (originally referred to as ‘three strikes and out’) is deterring widespread illegal usage.

Professor Cardani, Chairman of AGCOM, the Italian independent administrative Authority for communications, emphasised the adoption in December 2013 in Italy of a regulation on copyright enforcement online. The new regulation introduced a specific procedure for requesting the removal of copyright infringing contents on the Internet and on audiovisual media services. He explained how the regulation governs two different proceedings: the first one aims at protecting copyright on the Internet, and the second one aims at protecting copyright on audiovisual media services (e.g. broadcasting, live streaming, webcasting and video-on-demand). Prof. Cardani stressed how the copyright protection does not imply the undermining of the pillars of the web, namely openness and freedom of expression. AGCOM’s intervention was both foreseen by the law and urged for by the steady increase of piracy. Prof. Cardani also explained that when elaborating the text of the Regulation, AGCOM provided two main lines of actions: encouraging the availability of legal offers of digital content and foreseeing enforcement actions based on European and international best practices aimed at bringing piracy to a more physiological level. He also underlined that, one of the main drivers in the drafting of the rules, was the reason for which consumers seek illegal content. Research on this issue shows that the possibility of accessing new content for free and the ease in finding the desired content play a significant role. Besides, there is also the lack of perception of the illegal character of this behaviour and of the damages, it may cause to the cultural industry. It is unacceptable, he said, that in culturally advanced environments, the theft of a book in a library is perceived as illegal, whereas the download of a file without the consent of the authors is not. He finally declared that the availability of a diversified, easily accessible and user friendly offer online, along with preventive actions and fight against piracy, is crucial for a harmonious development of creative and cultural content in a digital environment.

Jeff Hardy (Director for the International Chamber of Commerce/Business Action to Stop Counterfeiting and Piracy – (ICC/BASCAP)) added that we ‘can’t continue to look the other way’, when considering digital IP crime. As well as copyright fraud, consumers are accessing counterfeit goods through illegal websites. Mr Hardy suggested that as well as intangible responses, like improved education and online cyber warning systems, the physical world should not be forgotten. Thus online payment systems to illegal sites must be disrupted, advertising revenue from legitimate traders allowing their brands to appear on illegal sites should be stopped, supply chains of illegal goods should be broken down and illegal products seized. For Mr Hardy, intermediaries who physically move products from their source to the buyers should also be hit hard.

The Creative Perspective Val McDermid – Crime Writer

Val McDermid is a crime writer with a global reputation. She’s also no stranger to the value of IP. In her address to the summit Val McDermid made it clear that strong copyright laws and meaningful enforcement of those laws is vital if writing and publishing are to remain viable and relevant. ‘Tolerating illegality should not be the default option,’ she said. ‘Without control, there’s no integrity. If you remove my copyright, you remove my integrity. You can’t unread my book once you’ve stolen it. I can’t sell it to you again.’

Perhaps foremost in Val McDermid’s mind was the practical value of copyright to writers in that it secures income ‘buying time to write’. Illegal downloading has a direct effect on the revenue authors can expect for their work, it threatens individual writers, the publishing industry and, at a fundamental level, freedom of expression in its widest sense. Every time an illegal download deprives an author of his or her percentage of a cover price, an incentive to write is lost and an opportunity to enable new writing is squandered.

For Val McDermid, viable copyright systems have a democratising effect. Writing is not the preserve of an elite group who can afford to indulge their fantasies. It is a business as well as an art form. Copyright enforcement ensures that writers get paid for their work and so can continue to practice, regardless of their background. Copyright encourages as wide a constituency as possible to become involved with the creative process and produce novels, plays and poetry. It facilitates creativity throughout society.

Copyright, and its effective enforcement, helps writers to develop their skills; it forges productive relationships between publishers and writers; it sustains vital creative industries and, at a cultural, level, it engages the whole of society in creative, sustainable, productive dialogue.

“Copyright is about
creativity”





Breakout sessions

The following summaries give a taste of what was discussed in the 3 breakout sessions and show how the wider agenda of IP enforcement is moving forwards.

Breakout Session 4

Challenging misuse

Advertising, payment processing, merchandising, deterrents and interventions

I Mike Weatherley, IP Advisor to the UK Prime Minister (chair)

I Peter Bayley, Executive Director of Risk Management, Visa Europe

I Geoff Taylor, CEO, British Phonographic Industry

I Bob Barchiesi, President, International Anti Counterfeiting Coalition

I Nick Stringer, Director of Regulatory Affairs, Interactive Advertising Bureau

This session explored issues surrounding legitimate services which are 'bundled up' in illegal online activities. For example, credit card services and logistics services offered by law abiding, mainstream companies may be used to launder cash and deliver goods through illegal sites promoting counterfeit products.

Mike Weatherley summarised the panel's discussion as focusing on practical solutions to the problem of IP crime. He saw the objective clearly: 'we must strangle the money out of illegal sites.' He described the UK's Police Intellectual Property Crime Unit as 'an amazing organisation' and the panel praised pragmatic solutions to the difficult problems IP crime presents.

The panel agreed that there are three aspects to tackling IP crime: education, winning over the hearts and minds of consumers, and the adoption of a carrot and stick approach. Consumers should have easy access to what they want on line from legitimate, legal sites; illegitimate sites should be taken down and stringent enforcement measures and penalties should be applied.

Echoing this approach, Peter Bayley, Executive Director of Risk Management at VISA Europe, announced that it will terminate transactions with merchants that are clearly abusing IP.

Bob Barchiesi, President of the International Anti Counterfeiting Coalition, struck a positive tone arguing that by disrupting, dismantling and demonising illegal counterfeit websites the battle against IP fraud can be won.

Breakout Session 5

Value and Respect - building understanding and communicating through study and education

I Zeeger Vink, IP Director, Lacoste (Chair)

I Marianne Grant, Senior Vice President, Motion Picture Association of America

I Alun Jones, Chief of Communication and Advocacy, UN Office on Drugs and Crime (UNODC)

I Jo Dipple, CEO, UK Music

I Liz Bales, Director General, Industry Trust

I Rosa Wilkinson, Director, UK Intellectual Property Office

This lively discussion tackled one of the underlying themes of the summit. The public at large, if not actively involved in illegal downloading at some level, can be deaf to the pleas of IP reliant industries. In the UK copyright infringement is a direct threat to one of the cornerstones of GDP – the creative industries. But, as the summit exemplified, this fact alone does not seem sufficient to change consumer perception of IP crime. Educating economically active citizens, students and young people is becoming a real priority.

Rosa Wilkinson noted that there are subtleties to the perceived need to educate. Young people between the ages of 15 and 24 are a problematic group, with boys, in particular, adopting IP averse downloading habits. Other contributors noted that there may be an increase in illegal downloading amongst newly retired consumers who, equipped with computer skills, are become “download literate” later in life. One of Rosa Wilkinson’s radical and compelling suggestions was to adopt a strategy noted by Francis Gurry of WIPO. He referred to the Korean IPO’s successful IP campaigns targeted at 8-11 year olds. For Rosa Wilkinson a key requirement is to introduce young people to a positive understanding of IP and its benefits before the temptations of illegally downloading games, music, films etc. arise in teenage years. The issue was not so much about putting the illegal downloading “genie” back in its bottle. The imperative is to communicate engagingly with the next generation of young people as early as possible, so that they become part of the solution to the problem of deterring illegal downloading.

“new digital
anti-counterfeiting presentations”

Jo Dipple, CEO, UK Music





Liz Bales echoed these sentiments and displayed examples of digital content created to engage audiences with the IP protection message. These effective presentations amplified Rosa Wilkinson's argument that communication with young people was not a 'finger wagging' exercise. To borrow a word from António Campinos, it is more concerned with a new narrative. Rosa drew the group's attention to the IPO's partnership with Aardman Animation and its 'Cracking Ideas' campaign.



“imperative to communicate
engagingly with young people”

Rosa Wilkinson, Director, UK Intellectual Property Office

In general the session agreed that the idea that IP crime is victimless should be dispelled. The links between IP crime and organised crime should be clearly explained. Consumers should be encouraged to take ownership of their own social responsibilities. It was also noted that not all infringement is intentional. Infringers should be encouraged to act legally and legitimate options should be made easy to find.

Breakout Session 6

Enforcing rights and protecting consumers - fair competition and consumer interests

I Dara MacGreevy, Anti-Piracy Director, Interactive Software Federation of Europe (ISFE) (chair)

I Kostas Rossoglou, Senior Legal Officer, The European Consumer Organisation (BEUC)

I Commander Steve Head, National Coordinator for Economic Crime, City of London Police

The growth of the digital economy, stimulated by internet broadband and enhanced by fast moving technology, computing power and storage capacity has created global markets for both content and rights holders. However, it has also provided platforms and communication tools that have enabled counterfeiting and piracy to thrive and grow.

Today, illegal copying and the distribution of copyright material and counterfeit products are having a destructive impact on almost all industries and increasingly place consumer health and safety at risk. In many cases these activities also provide huge amounts of unaccountable cash for criminals to draw upon to further their illegal pursuits.

The rate of change regarding online, digital crime is huge. As consumers switch to online shopping, banking and other services so criminals have shifted their attention from the real world into the virtual world. Policing the internet provides law enforcement agencies with great challenges and innovative partnerships must be evolved quickly to respond to them.

In a recent report the City of London Police noted that in recent years, whilst crime as a whole has gone down, fraud and cyber crime has risen by 89%. They welcome the IPO's collaboration with PIPCU which has adopted a truly integrated policing model.

This discussion echoed many of the sentiments held in other sessions. Education at all ages is needed. Consumers must understand the damage IP crime does to society.

Dara MacGreevy argued that the games industry was 'born digital' and it has increasingly adopted innovative digital distribution models such as internet play, subscriptions etc, as well as more creative anti-piracy measures. The legitimate games industry's strategy to win over the hearts of minds of consumers is an excellent example of how sectors of the creative industry market can take responsibility for addressing the problem of illegal downloading by re-engaging with its users.





The Creative Perspective Plácido Domingo, Chairman of International Federation of the Phonographic Industry (IFPI)



“Collaboration is essential”

Summit speaker Plácido Domingo, Chairman of the IFPI, spoke out against IP infringement and in favour of robust copyright laws and enforcement regimes.

“There is a view – mistaken in my opinion,” said Domingo, “that in the digital world copyright matters less than in the physical world. It is emphatically not so. In fact, copyright needs protecting as vigorously – if not more vigorously – on the internet.”

For Plácido Domingo the threats posed to the music industry through illegal downloading destabilise culture at a fundamental level. New artists will struggle to develop and thrive if online downloading remains outside the reach of the law.

‘We have learned an important truth about the digital world in recent years,’ added Domingo. ‘That it cannot be a separate world untouched by law. Copyright laws to protect creators and artists should be respected. And they should also be enforced. Please, do not allow artist and producers’ rights to be eroded. Rather, look at how they can be better enforced.’

Maestro Domingo stressed that in the digital world, collaboration between all parties is essential. Moreover, as well search engines, advertisers, and internet service providers there is a big role for government in framing legislation and coordinating enforcement strategies.

‘From time to time,’ said Domingo, ‘I meet with ministers and heads of state. I say that enlightened governments will understand that strong, properly-enforced intellectual property rights lead to a rich culture and economic prosperity. I say this because I passionately believe it.’

Overview of Day 1

Kerstin Jorna (Director, Intellectual Property Directorate, DG Internal Market and Services, European Commission)

Echoing the sentiments of practicing “creatives”, such as the crime writer Val McDermid who had already spoken at the summit, the European Commission’s, Kerstin Jorna brought the first day to close by announcing a new initiative. She focused on the importance of creative individuals who sometimes seem to be forgotten, hidden deep in the forest of IP interests and specialisms which were created to monetise, protect, and develop the inventiveness they possess. Jorna put the inventor at the heart of the debate and described the arduous journey all creators and innovators take if they are to bring the fruits of their talent to market. Along the way are IP criminals and free riders who destroy creative impetus by stealing the hard earned rewards of creative endeavor.



“a four point plan”

Kerstin Jorna, Director, Intellectual Property Directorate, DG Internal Market and Services, European Commission

Ms Jorna’s perspective informs the four key concepts underpinning the Commission’s new Action Plan on IP Enforcement and a new EU wide forum on IP and Enforcement

1/ Understand. The recent Observatory report on perceptions of IP reveals that although most citizens understand the importance of IP, they don’t believe their own actions have a detrimental effect on the big picture. For Kirsten Jorna the key to this problem is engaging with young people, the inventors of tomorrow – education is important, but the IP profession must also listen and respond to new ideas.

2/ Focus. IP enforcement measures should be directed at the areas suffering most damage. Commercial scale IP fraud should be targeted and it should be acknowledged that a great deal of this fraud originates within the EU.

3/ Prevent. By adopting a ‘follow the money’ approach, search engines, credit card providers, shippers, government bodies, wholesalers and retailers, must all be engaged in the process of IP fraud prevention.

4/ Cure. IP rights holders need accessible tools. Kerstin Jorna referred to the development of a single patent court for Europe which will greatly enhance the usability of the EU’s patent system as



an example of streamlining practical access to IP's legal tools. A recent survey revealed deep unease from SMEs who feel that the systems for redress currently available to them are slow, expensive and unlikely to bear fruit. The new strategy focuses on commercial scale infringement: it will share best practice, develop IP insurance and streamline court procedures.

For Kerstin Jorna, although there is no silver bullet, there is a way to understand the big picture and respond more positively. IP enables creators and innovators, who generate wealth and knowledge for everyone. By focusing on creative individuals and concentrating on the maintenance of a clear route to market with effective legal tools and efficient criminal deterrents, Europe's greatest resource, its creativity, will prosper.

Chapter 3 - Panel 2: Safeguarding our Digital World

2014 International IP Enforcement Summit







International IP Enforcement
Summit London 2014

Chapter 4

International IP Enforcement Summit – Proceedings

2014 International IP Enforcement Summit



Day 2 Opening Addresses

The summit's second day was prefaced with contributions from Karen Bradley MP (UK Minister for Organised Crime); Matthew W Barzun, Ambassador of the United States of America to the UK, and Rob Wainwright, Director, Europol.

Karen Bradley MP, UK Minister, Organised Crime

Karen Bradley introduced the second day of the International IP Enforcement Summit by focusing on the role of organised crime in counterfeiting and piracy. The summit had already discussed the international nature of IP crime and the need for joined up responses that pay more attention to the realities of criminal supply chains than the niceties of international border control and specific areas of responsibility.

Karen Bradley outlined specific steps taken in the UK to enhance Britain's response to the threat of organised crime. During 2013 the National Crime Agency was set up to combat serious and organised crime. In October last year a new organised crime prevention strategy¹³ was established focusing on four distinct objectives: pursuing criminals; preventing engagement with criminal behavior; protecting victims of serious crime and preparing means of assisting victims.

Ms Bradley argued that new measures like the UK Proceeds of Crime Act 2012¹⁴, which enabled the reclaiming of illegal benefits, and the Serious Crime Bill, which makes it more difficult for criminals to shift assets by criminalizing assisting money laundering, are putting the heat on IP fraudsters.

By way of illustration she quoted the example of a recent seizure of counterfeit medical products. The investigation involved 100 countries, 200 arrests were made, multiple agencies in the UK and abroad were involved and, in the UK £8.5m counterfeit and dangerous medical products were seized. For Karen Bradley the message was clear: actions speak louder than words – in the UK through the creation of organisations like the National Crime Agency and the Police IP Crime Unit (PIPCU), direct steps are being taken to develop real arrests and seizures of goods.

“actions speak louder than words”

Karen Bradley MP, UK Minister, Organised Crime



¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248645/Serious_and_Organised_Crime_Strategy.pdf

¹⁴ <http://www.legislation.gov.uk/ukpga/2002/29/contents> and <http://www.legislation.gov.uk/uksi/2012/2299/contents/made>

Matthew W. Barzun ,Ambassador of the United States of America to the UK

Mathew Barzun echoed Karen Bradley’s sentiments. In the USA, government, the private sector and partners from different jurisdictions are also creating new organisations tailored to the aim of pursuing criminals across borders in a fast moving online environment.

The National Intellectual Property Rights Coordination Center, known as the IPR Center, is the USA’s response to the problem of IP crime. The IPR Center brings together 21 partner agencies, consisting of 17 key federal agencies and 4 international partners, namely, Interpol, Europol and the governments of Canada and Mexico. This arrangement enables the IPR Center to harness the resources, skills, and powers of each partner and provide a comprehensive strategy to combat IP theft. The model is one that the USA seeks to propagate and it has been highly influential in the design of PIPCU in the UK.

Mr Barzun stressed that the solution to the IP enforcement problem is not just about cooperation between governments or law enforcement agencies of different countries. It is also about effective partnerships between the public and private sectors.

For example Operation Joint Venture, coordinated by the IPR Center, has brought together 50,000 representatives from the public and private sectors to participate in more than 600 training and consultation events that build stronger enforcement capabilities in respect of trade marks worldwide.

“public and private sector collaboration is crucial”

Matthew W. Barzun, Ambassador of the United States of America to the UK



International organisations play an important role in improving protection of intellectual property. So the United States is also working with the G8 (now, the G7), the Asia-Pacific Economic Cooperation (APEC), Interpol, the World Customs Organization and others to support strong intellectual property protections and share best practices. The effectiveness of this approach relates directly to the ability of agents, officials, and others to cooperate with their counterparts abroad and with multinational corporations.

Mr Barzun explained that a key aspect of the USA’s response to IP crime was ‘a relentless focus on protecting the public from harmful counterfeit goods.’ The narrative here is clear for all consumers: counterfeit goods are dangerous - illegal alcohol kills, fake machines are not safe and rip-off drugs, for example anti-malaria tablets, do not work. According to the World Health Organization, many of the half a million deaths from malaria in 2012 can be attributed to false or substandard medication.



For Mr Barzun the difficulties of cooperation between governments, across departments, in both the public and private sectors, are outweighed by the seriousness of the problem. Mr Barzun put the message clearly: 'these are not the victim-less crimes as many believe. Counterfeiters are killing people.'

Rob Wainwright (Director, Europol)

Europol, embodies a networked approach to tackling the problem of IP crime. It works with around 500 law enforcement agencies around the world carrying out approximately 1,800 operations per year. Rob Wainwright identified the UK IPO's IP Enforcement Unit as an important partner. He also made particular reference to a recent cooperation agreement between Europol and the OHIM. OHIM and Europol have unique and complementary skills and the potential gains from pooling the resources of the two organisations are enormous, through knowledge building for enforcers and through the Observatory's enforcement database.

Europol's partners are not all in Europe. IP crime doesn't fit national boundaries and Rob Wainwright identified specific relationships developed between Europol and the USA's Immigration Customs Enforcement and FDA administrations.

Mr Wainwright also emphasised the growing scale of the problem. In the past three years he estimates that the black economy in Europe has doubled in size. He mentioned two specific examples where Europol's specialist knowledge and networking ability enabled police and other anti-crime agencies



“The greatest danger is a lack of public awareness”

Rob Wainwright, Director, Europol

to act against complex organised networks. In Italy, Operation “Gomorra” was targeted against the traditional Mafia networks who are now moving into IP crime (in this case trade mark infringement). Moreover, Operation ‘In Our Sites’ involved many police authorities across Europe and the USA in the seizure of domain names.

For Mr Wainwright the direction of travel is clear: increased collaboration between existing partners and ever more efficient networks are needed. More investment in digital investigation is required and better linkages across borders with new agencies and governments is required.

Mr Wainwright argued that the internet the enabling environment for the burgeoning digital economy is proving to be a real headache for law enforcement agencies. What the public sees as essentially a free research tool offering an infinite supply of possibilities has become a major conduit for crime.

‘The internet is now a principle facilitating instrument for organised crime. However, large parts of the internet are effectively unregulated, in a way that large parts of our lives are not. There is a wider public policy debate needed about the range of freedom on the internet to be enjoyed without regulation,’ said Mr Wainwright.

Case Study - Europol

Europol supports law enforcement against organised crime networks in Europe and the rest of the world. Fighting commodity counterfeiting and the illicit trade of goods that threaten health and safety regulations make the fight against IP crime one of its key priorities.

Europol believes it is time to “Communicate, Cooperate and Coordinate”. More shared information and intelligence about products and seizures are needed as criminal organisations spread their manufacturing, distribution and sales channels across borders and continents. The Internet is an important enabler in IP crime and more shared information and intelligence are needed to stem its international spread.

Europol provides criminal and forensic analysis, and deploys mobile offices to support enforcers on the ground. New trends are identified and early warnings produced through the European Platform for Experts (EPE) system. In 2013, an international project jointly led by Europol and Interpol included more than 30 countries across the world, seizing hundreds of tons of fake and substandard food. Another operation, “In Our Sites”, resulted in the seizure of over 300 spurious domain names and almost \$900,000 from the online sale of counterfeit sports apparel, in the US alone.

‘Organised crime can only be handled through effective cooperation networks, not only between law enforcement but also by working closely with the private sector,’ said Europol Director, Rob Wainwright.



Strategic Overviews

Paul Maier, Director, European Observatory on Infringements of Intellectual Property Rights, OHIM

The European Observatory on Infringements of Intellectual Property Rights, the 'Observatory', was perhaps one of the most referred to bodies of the summit. Although the Observatory's research work is only just beginning, the material it is generating is already proving useful to policy makers and strategists.

The Observatory was created 5 years ago and transferred to OHIM 2 years ago. It has a range of aims including research, building tools and knowledge to help enforcement, raising public awareness across the board and developing innovative programmes for education and training. Above all, the Observatory is a network, bringing together all 28 members of the EU, 63 members from the private sector, civil society and consumers' representatives, the EU Commission and its related bodies, plus a wide range of international institutions. In addition, the EU Parliament designates MEPs who attend meetings and support the Observatory's work.

Paul Maier referred to the recent Memoranda of Understanding with Europol and the WCO as examples of how organisations can collaborate to advance the fight against IP crime. He also cited

relationships with Eurojust, the European Patent Office, World Customs Organization, Interpol, OECD and WIPO. For Mr Maier, bringing private and public stakeholders together is 'absolutely essential.' An example of the commitment in this area is the recent Memorandum of Understanding with the WCO to collaborate on the developing inter-operable databases to assist business and enforcement.

"a new force for change"

Paul Maier, Director, European Observatory on Infringements of Intellectual Property Rights, OHIM



Mr Maier emphasized the importance of IP and how policy makers need to understand the true scale of the threats against it. The Observatory's own research shows that on the one hand it is reassuring that 96 percent of Europeans understand the importance of IP. But on the other hand over 40 per cent of them think that a little illegal downloading is perfectly acceptable.

The incompatibility of these headline figures illustrates the need for training, knowledge building and collaboration, internationally and in Europe, between agencies and between the private and public sectors. Mr Maier was in no doubt though, progress is being made and the summit is evidence of the growing determination to succeed.

Kunio Mikuriya, Secretary General, World Customs Organization

Kunio Mikuriya stressed how important it is for customs authorities across the world to cooperate, not just with each other and with other crime prevention specialists in their areas, but with global partners and with his own organisation. 179 customs organisations are members of the WCO and Mr Mikuriya was pleased to confirm the Memorandum of Understanding with OHIM, which Paul Maier had referred to. The practical results of the WCO's relationship with OHIM and the Observatory will facilitate customs protection at a global level.

Steven Pope, Head of Customs and Regulatory Affairs, DHL Express Europe

Deutsche Post DHL wants to collaborate. It never knowingly carries illegal goods and where possible it will share information with customs and other IP enforcement agencies. Moreover, where its own trade marks appear on illegal sites it takes action to remove them. Where copycats create lookalike sites it takes them down. But to act efficiently, it requires effective and timely information. He urged law enforcers and authorities to contact DHL and share information. Mr Pope made it clear that the response of major logistics companies can only be as strong as the information it receives.

Mr Pope stated that it was important to secure support from customs authorities all around the world. Similarly rights holders have a responsibility to act if they are informed that suspicious or clearly counterfeit goods are in transit.

The message from DHL is clear 'We want to do more,' said Mr Pope. 'We want to see more collaboration.'

“more collaboration”

Steven Pope, Head of Customs and Regulatory Affairs, Deutsch Post DHL Express Europe





Margarete Hoffman, Director, European Anti Fraud Officer (OLAF), European Commission

Margarete Hoffman began by explaining the unique role of OLAF. It is the only part of the European Commission with independent, administrative investigative powers. It has 440 staff. It is multidisciplinary and it cooperates with customs, police and other enforcement agencies across Europe. OLAF's main mission is to safeguard the EU's budget which is around €134 billion. A major part of OLAF's work concerns border fraud and that includes intellectual property crime.

OLAF has limited resources and has therefore prioritised its objectives. OLAF focuses on significant cases where counterfeit goods pose a risk for the environment and or health and safety.

Margarete Hoffman explained that OLAF seeks to achieve specific objectives through its operations. Firstly, the seizure of specific goods has a direct positive effect; secondly, operations have a deterrent effect and; thirdly, OLAF's anti IP crime operations reveal trails to the multinational organisations perpetrating IP crime. Ms Hoffman described a recent operation where goods imported into the EU from Asia, Australia, China and Russia, were intercepted in an operation focusing on more than 660 selected shipments. Over 100 of these shipments contained counterfeit articles, with a value of over €25 million. The operation was organised with customs officers, and with support from Europol and Interpol.

The work of OLAF is targeted towards the worst cases of IP fraud, namely: the import of goods that represent dangers to health and the import of goods that represent the most significant loss of revenue. OLAF is particularly concerned with the import of counterfeit cigarettes. It is estimated that the increasingly significant use of counterfeit cigarettes (as a opposed to contraband cigarettes) cost €10 billion last year in lost taxation revenue.

Hoffman's current objectives at OLAF are clear:

- 1/ Strengthen strategic analysis of the threat at EU level. But, as national and EU levels can be too regional this must involve international analysis;
- 2/ Strengthen international cooperation;
- 3/ Develop a strong political will to carry out operations in specific contexts.

Margarete Hoffman quoted a recent example where major tobacco manufacturers are now working with the EU to fight the smuggling of counterfeit cigarettes.

Panel 3: Counterfeiting – Challenges and Responses

I William G Ross, Unit Chief, US National Intellectual Property Rights Coordination Center

I Senator Yung, Chairman, French National Anti-Counterfeiting Committee (CNAC)

I Antonis Kastrissianakis, Director DG Taxation and Customs Union (Taxud) European Commission.

According to **William Ross, Unit Chief, US National Intellectual Property Rights Coordination Center**, the USA's approach to enforcement in relation to counterfeiting online, is measured and pragmatic. The IPR Center, previously mentioned by US Ambassador Barzun, involves 21 partner organisations, of which 17 are located within the US. The other 4 are international partners, namely, Europol, Interpol, Canada and Mexico. The mission of the organisation is simply to protect consumers in the USA.

Mr Ross focused on an operation cited by Rob Wainwright of Europol. "Operation: In Our Sights", which identifies web locations offering or using counterfeit products and removes the domain names from the net. 2,700 sites have been disabled in this way and a banner is placed on each site explaining that it has been removed because of illegal activity. One of the unexpected consequences of this action was the number of hits on the seized sites. To date 125 million users have accessed the sites and read the information banner.

This information is significant for two reasons. It illustrates an effective way to communicate with site users. It also gives some indication as to the reach of illegal operators.

Mr Ross also drew the summit's attention to "Operation Trans Atlantic", which has been developed in collaboration with Europol. It has currently engaged 9 partners and is still growing.

Finally, William Ross addressed another point touched upon by US Ambassador Barzun. Private companies want assistance from governments in prosecuting their civil actions against IP criminals. Governments need help from private companies to prosecute criminal cases. In a unique collaboration staged around this year's "Superbowl" the US National Intellectual Property Rights Coordination Center and the National Football League (NFL) collaborated against the illegal use of IP rights. In all 125 criminal prosecutions were made and the NFL initiated 5,000 civil procedures.

From France, **Senator Yung, Chairman of the French National Anti-Counterfeiting Committee (CNAC)** outlined the work of the Committee which was set up to act as a forum for exchanges of strategic ideas and advice between Government and the private sector; in collaboration with industry, it coordinates awareness campaigns and submissions from across the entire spectrum of intellectual property. As Senator Yung put it: the duty of CNAC is to meet to discuss the most important issues relating to anti-counterfeiting.



Senator Yung referred to a new Bill passed by the French parliament in March to strengthen anti-counterfeiting. Damages a judge may award victims of IP crimes are to be increased and, significantly, judges may also wipe away the benefits a counterfeiter accrues. The Bill strengthens customs powers and gives customs officers the right to infiltrate criminal networks, moreover, it enables officers to buy counterfeited goods to help facilitate operations.

Senator Yung also referred to new legislation that strengthens the Appellation of Origin system in France, creating additional intellectual property rights in industrial and craftsmanship. He also referred to a strengthening of the protection afforded to geographical names. In particular he suggested that traders who wish to use geographic names as descriptors of origins of goods and services should be free to do so and therefore, trade mark registrations covering geographical areas, such as the name of city, may be opposed.

Antonis Kastrissianakis, Director, DG Taxation and Customs Union (TAXUD) European Commission, spoke about customs enforcement in the EU. He explained that the European Commission's role in customs enforcement of intellectual property rights was essentially to ensure that best practice is delivered in a uniform way by all customs officers working in the EU.

Mr Kastrissianakis identified four key areas in which his organisation is active:

Small Parcels – With the growth of online shopping and the digital economy the numbers of small parcels being used to supply counterfeit goods is growing rapidly. Since 2009 volumes of parcels have tripled. New EU procedures were implemented in January 2014 offering customs officers new tools for the identification of goods and fast track methods for destroying counterfeit products. The Commission has already set up a project group to coordinate the implementation of this legislation.

Information and intelligence - Mr Kastrissianakis encouraged IP right holders to send regular and relevant information to customs authorities. He referred to the COPIS system, which helps authorities to collate information and how it will be linked to OHIM's enforcement database. He added that customs officers don't just receive information they develop it; they also actively work with other agencies and take a strong role in building these networks.

International routes and cooperation – To this end the EU has just agreed a new EU/China action plan. EU and Chinese customs will exchange information on 12 ports in China and 18 in Europe to improve understanding. Also similar agreements are being brokered with Hong Kong.

Furthermore the European Commission ensures that IP border enforcement has been made an important part of international trade agreements with all parties around the world.

Transit – The European Commission is arguing strongly for a change in regulations and the implementation of measures to more effectively deal with goods in transit. At present there is no law within the EU allowing goods in transit to be seized. This situation will hopefully be changed to allow Member States authorities to seize illicit goods in transit.

Breakout Sessions

The following summaries give a taste of what was discussed in the breakout sessions relating to inland security.

Breakout Session 7

Inland security – fighting back - strategies and responses

I Giles York, Chief Constable Sussex Police, The Association of Chief Police Officers (ACPO) and Chair UK IP Crime Group (chair)

I Kieron Sharpe, Director General, Federation Against Copyright Theft

I Nathalie Chasques, European Senior Brand Protection Manager, Moët Hennessy Group, Europe

I Eun Joo Min, Senior Legal Counsellor, Building Respect for IP Division, World Intellectual Property Organization (WIPO)

The session focused on how institutions have developed strategies to combat the manufacture, distribution and sale of counterfeit products within national boundaries. The discussion covered effective collaborations between public and private sector organisations, the sharing of intelligence, the development of innovative tools and techniques and better information exchange.

Law Enforcement Agencies acknowledged one key principle that underpinned their chances of success in the fight against IP crime: information sharing is essential. To share information, agencies do not simply trust one another; they need to understand one another's mechanisms and facilitate direct communication between relevant parties.

The fight back against IP crime is not the sole responsibility of government agencies. Rights holders must engage with the project through, for example, engagement with customs and enforcement networks. Increased collaboration between public and private sector organisations is required and a proactive approach to enforcement through civil courts will complement the work of enforcement authorities.

Breakout Session 8

At the Border - customs, citizens and small parcels

I Bill Williamson, Director General, UK, HM Revenue and Customs, (chair)

I Trine Dancygier, EU Customs Expert

I Steven Jeter, European Semiconductor Industry Association (ESIA)



The globalisation of trade and the change of consumer purchasing behaviour pose growing challenges to the national authorities that are tasked with protecting borders by detaining goods suspected of infringing intellectual property rights.

Digitisation and online shopping have created a surprisingly 'un-technical' problem – billions of old fashioned brown paper parcels across the world. As logistics companies, post offices and customs officers gear up for the storm of small packages a fundamental problem has become apparent. Many of the strategies for picking up counterfeit goods are designed to cover big shipments and therefore, localised, personalised small packages can slip through the net.

The discussion group identified four headline solutions:

- improved legislation to remove exceptions for parcel post from the EU Customs Code;
- create digital systems and produce analytical, aggregated information and intelligence;
- information needs to be market specific/targeted to facilitate risk assessment at an early stage;
- more specialised units and greater collaboration with agencies, judicial authorities and industry partners is needed.

Breakout Session 9

Beyond our shores – working together, international cooperation

■ **Caroline Edery, Head of Unit, DG Tax & Customs Union (Taxud), European Commission (chair)**

■ **Michael Ellis, Assistant Director, Interpol**

■ **Wil Van Gemert, Deputy Director, Europol**

■ **Jean-Charles Bocquet, Director General, European Crop Protection Association (ECPA) (Contribution received in Mr Bocquet's absence)**

The existing economic reality is that with worldwide production, distribution and consumption of goods, improvements in international collaboration are vitally necessary in the fight against IPR infringements.

Cooperation throughout the international supply chain between key source, transit and destination countries is paramount. This requires the setting up of cooperation arrangements between countries using any available legal instruments.

The breakout session considered the existing methods of international cooperation and identified means to further enhance and strengthen them.

The summit facilitator, BBC's Sarah Montague, raised issues which provoked considerable discussion in this panel. If the tobacco industry is required to remove advertisements and adopt plain packaging will the smuggling of counterfeit tobacco become easier? This is particularly important as the Commission reported in 2013 that illicit trade in cigarettes costs the EU and Member States over €10 billion each year in lost tax and customs revenue and that about 65% of cigarettes seized in the EU are counterfeit illicit.

The debate typified the issues facing bodies charged with coordinating anti-counterfeiting and IP fraud at a policy level. Every directive will have unintended consequences and criminals are adept at exploiting them.

The criminals who mastermind online digital fraud and IP counterfeiting are at least as smart as the organisations that free and fair societies have created to oppose them. The panel stressed the fact that IP criminals are no push over and the battle to stem the flow of illegal and dangerous goods is challenging. It was announced that a conference on cooperation between customs, police and judges will take place in 2015 under the umbrella of the EU Action Plan on the customs enforcement of IP rights.

Case Study – European Semiconductor Industry Association (ESIA)

Semiconductors or 'microchips' are the "brains" behind important electronic systems and critical infrastructure, including medical equipment, power grids, communications, automotive, aviation and defence systems. Often harvested from electronic waste, most counterfeit semiconductors are components re-marked to indicate they are original, new or perform to a higher standard.

Because they control the performance of these vital electronics, counterfeit semiconductor components have the potential to pose major risks to the health, safety, and security of consumers and national infrastructure worldwide.

ESIA works closely with governments to encourage bilateral and multilateral countermeasures and enforcement actions. Over the past decade it has worked hard to promote anti-counterfeiting activities, including training, intelligence sharing with enforcement authorities, awareness raising and encouraging purchases from authorised sources. ESIA believes that the key question is how to get and share clear information on what to target: "The importance of improved and increased reporting cannot be underestimated in effectively tackling counterfeiting at the border". ESIA also suggests that there is a need for consolidated databases and IP reporting tools that can be used by manufacturers/IP rights holders and enforcement agencies. Requirements and guidelines for reporting counterfeits in the supply chain are crucial, to ensure they are balanced and effective and avoid overburdening existing systems. We must ensure progress and ensure adequate synchronization between all the institutional actors across all regions of the world to reach common goals in the fight against counterfeiting.



Closing Address

The Viscount Younger of Leckie, UK Minister for Intellectual Property

Lord Younger brought the summit to a conclusion. His first comment was significant because it confirmed the summit's underlying belief – that the digital world, and the way we interact with one other online, has changed our lives and the way we perceive intellectual property. Lord Younger observed that one and a half thousand tweets had flown from Westminster Hall and that the Twitter reach of the summit was over 9.5 million.

Lord Younger described the threat to legitimate IP rights as a 'menace'. He said: 'We have a shared ambition, to take a smarter and more effective line to help safeguard our creative and innovative assets, one which works for creators and users alike. However, he urged delegates not to forget that we also need to protect the safety and security of our citizens who live, work and rely on the products and services provided by the world's most inspiring and inventive industries. All this can only be achieved by ensuring that we work in closer collaboration. This means bringing all of our resources and collective capabilities to bear.'

For Lord Younger dialogue, increasingly at an international level, is vital. He echoed Kerstin Jorna's sentiment that there is no single silver bullet that will solve the pressing problems of IP enforcement in the post digital world. For Lord Younger, 'Technology and the internet is both our challenge and our solution.' Requests to change laws to suit the new digital environment had not fallen on deaf ears, but he urged caution. The IP environment is complex and quick fixes are perhaps not always the best long term solution. 'The law needs to evolve,' said Lord Younger. 'But the law can't solve everything; we need to look at evolving business strategies and licensing agreements to stay one step ahead.' Lord Younger also stressed that education is crucial, stating: 'All nations and organisations, need to unite to educate our citizens, consumers, IP users and crucially, our children. We have also got to ensure all of our law enforcement personnel understand the importance and challenge of IP crime.'

“a smarter approach to digital
crime”

*The Viscount Younger of Leckie, UK Minister for
Intellectual Property*



Similarly he acknowledged the plea to unite private and public bodies who may be striving for the same result using different methodologies.

‘Collaboration and cooperation are easy to say, but how do we make them a reality?’ asked Lord Younger. ‘Let us commit to meeting regularly with the contacts we have made here: let us make our information resources more visible and seek to share them more actively, let us develop our operations in partnership. Let us commit to maintaining momentum in tackling IP crime as a global issue. Let us strengthen our resolve to do more together and let us launch a year of IP enforcement and show we have an effective response to this challenge.’





International IP Enforcement
Summit London 2014

Summit Communiqué

2014 International IP Enforcement Summit



Summit Communiqué

We, the participants of the first international enforcement summit in 2014, celebrate the unique economic, social and cultural contribution of the world's creators and innovators.

We recognise the significant opportunities and benefits presented by new digital technologies and international trade flows for all of our citizens, businesses and economies. But we see clearly that, without a proper respect for intellectual property rights and unless we tackle intellectual property abuses such as counterfeiting and piracy, their value will be undermined.

We agree that active cross-border cooperation and international collaboration is needed to provide effective protection for intellectual property rights.

We commit to working together to:

- Build a global understanding of the scope, scale and impact of counterfeiting, piracy and other IP infringements and the principal trends and issues;
- Develop balanced and practical solutions based on robust data and credible insight;
- Increase the visibility and impact of enforcement activity;
- Raise awareness to citizens and consumers on the value of IP and on the damages associated with counterfeit goods and content piracy;
- Raise awareness to consumers and citizens to help protect them from the growing risks associated with counterfeit goods and content piracy.

We will work in partnership to support and strengthen the effectiveness of Governments, enforcement agencies, border authorities and regulatory services in addressing IP crime by:

- sharing information and identifying opportunities to improve enforcement approaches and frameworks;
- Sharing and applying best practice and the most effective tools, techniques and analysis to enhance detection and deter physical and online IP infringement;
- Enhancing public and private sector cooperation at international borders.

In all that we do, we will seek to work openly to balance the interests of legitimate IP users with those of IP rights holders.

We will maintain and develop the relationships we have forged at this Summit and will gather again in 2016 to review our impact.

We call on our partners in Government, enforcement agencies and business organisations around the world to join our united effort to address international IP abuses.



International IP Enforcement Summit London 2014



Glossary

BASCAP

The Business Action to Stop Counterfeiting & Piracy

BSA

The Software Alliance

The Commission

European Commission

EU

The European Union

IP

Intellectual Property

IPCrime

Intellectual Property Crime

IPO

Intellectual Property Office

IPR

Intellectual Property Right

ISP

Internet Service Provider

NCA

UK National Crime Agency

The Observatory

The European Observatory on Infringement of Intellectual Property Rights

OECD

Organisation for Economic Co-operation and Development

OHIM

The Office for Harmonization in the Internal Market

PoCA

Proceeds of Crime Act 2002

SMEs

Small and medium enterprises

UK

United Kingdom

WCO

World Customs Organization



**International IP Enforcement
Summit London2014**



International IP Enforcement Summit London 2014

