

GLOBAL INTELLECTUAL PROPERTY STRATEGY CENTER, P.C. SM

**Hearing on Intellectual Property Rights Issues and
Dangers of Counterfeited Goods Imported Into the United States**

Testimony of

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Before the

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Chairman Wortzel and Members of the Commission, I thank you for the opportunity to provide you with comments regarding intellectual property (IP) protection and the dangers posed by Chinese made counterfeit goods.

First and foremost, I commend the U.S. Government for its efforts to be industry's advocate to improve intellectual property protection and enforcement. For over a decade, industry has brought forward its complaints about inadequate IP protection abroad and the Government has become gradually more active in seeking improvements. Regarding China, the U.S. Government's efforts have encouraged change. It is doubtful that some of the actions taken by China would have occurred if not for the U.S. Governments bilateral activity.

In general, intellectual property theft is a national economic security issue. Counterfeit goods pose significant health and safety risks to consumers and pose economic risks to our corporate citizens. Regarding our corporate intellectual property owners, their corporate economic security issues arising from counterfeit goods are not limited to what reaches the shores of the United States, but are global because of their success. The presence of U.S. multinationals in many markets around the world also means that they must combat the counterfeiting problem globally, not just in the United States.

For small and medium size enterprises, some have learned that simply being on the internet may make them victims of Chinese counterfeiters or because they supply high quality parts to bigger globally known customers. Others, like Zippo, have no alternative than to expend very scarce resources on legal tools to combat counterfeits from China.¹ One extreme is the reported illegal copying of native American Indian art and designs found on mass produced baskets from China, which some might argue falls outside the IP realm, but these artisans are also victims of Chinese thieves.²

Because of limited time and length, I will attempt to confine my remarks to the trademark counterfeiting issues. As a result of the enormous Chinese counterfeiting challenge confronting us, we should:

1. insist that China continue to focus on improving its enforcement system through
 - a. better border enforcement to stop exports of infringing goods to the U.S. and other countries and subject individuals involved to criminal prosecution;
 - b. increased criminal investigation, prosecution and imprisonment of individuals involved in domestic (Chinese) counterfeiting operations;
 - c. stronger administrative enforcement penalty provisions and referrals of administrative cases for criminal investigations and prosecutions;
 - d. criminal prosecution of counterfeiters regardless of the value of goods involved so that the criminal enforcement system focuses on the actions of the individuals rather than the value of goods involved;
 - e. immediate criminal actions against those involved in underground operations; and
 - f. severe criminal penalties for repeat offenders.

2. find various information sources to gauge the quantity and impact of China's counterfeiting; and
3. consider additional training and education approaches to raise the level of receptivity to intellectual property and its use for economic development both in China and third countries.

I. Challenges of Counterfeiting/Enforcement

There is no doubt that for all of the complaining by U.S. industry, the Congress and the Administration about the many deficiencies of China's enforcement system, China will tout the great progress it has made³ and characterize the complaints as exaggerations of China's counterfeiting and piracy.⁴ As one example highlights, China's Deputy Director of Customs downplayed the amount of Chinese counterfeit goods by stating that the amount reaching the United States was not too serious because U.S. seizure statistics indicated that Customs and Border Protection (CBP) seized only \$63.9 million dollars worth of counterfeit/pirated goods from China in FY 05, which amounted to only .04 percent of the total Chinese exports (\$162.9 billion dollars) to the United States.⁵ From China's perspective, such a miniscule percentage may not be a problem.

While the CBP seizure statistics regarding the value of goods seized at our borders may not impress the Chinese, the same CBP statistics indicate that the number of Chinese origin shipments seized by CBP increased from 2,826 (FY 04) to 3,709 (FY 05) or a 31% increase. Another way to look at these statistics is to realize that China origin shipments resulted in Customs officers averaging over 10 IPR seizures every day of FY 05. Given the broad responsibilities of CBP to enforce many different laws and regulations, the demands of monitoring goods just from China is a major effort.

Looking at the U.S. figures, there may be several explanations why the value of goods seized appears low. First, persons importing into the United States have adapted to U.S. practice by importing goods that appear generic, i.e., not bearing any trademarks at the time goods enter the U.S. and pass through Customs, applying/affixing counterfeit marks after entry and before hitting the streets. Second, the value of the seized goods reflected by U.S. statistics are not based on the suggested retail value of the goods, but based on a Customs valuation method that is less than the suggested retail price that may artificially reduce the value in the statistics. Third, the value is limited to what the Department of Homeland Security is seizing, not those imported goods that may be seized at some later point when state and local officials seize the goods. Next, counterfeiters may breakdown shipments into small quantities, sending more shipments in the hope that fewer smaller shipments will be detected. Finally, we have no idea about the quantities that are never stopped. One can imagine scenarios where consumers have unknowingly bought a counterfeit battery bearing a well-known trademark and, after it stops working a few hours or days later, simply trashes the battery.

A strict focus on U.S. seizures distorts the picture of China's immense counterfeiting production. Despite China's stated efforts at stopping goods at their border,⁶ the spigot is still wide open when one looks at the reporting around the world. First, for intellectual

property owners, they have to protect their IP assets in many national markets around the world and from an ever-expanding line of counterfeit products whether or not they are in a particular national market. Second, enforcement officials have to be aware of a vast array of products, have the challenge of looking for counterfeits beyond the “traditional” goods that have been counterfeited in the past and have to try to find goods when they may be shipped with inaccurate descriptions, i.e., when they are smuggled.

The expanded line of products subject to counterfeiting is constantly increasing. Beyond the “traditional” counterfeit goods, Michelin tires have also been counterfeited, posing public safety issues.⁷ In addition, Chinese sourced counterfeit cosmetics have been stopped at foreign ports.⁸ Counterfeiters have gone so far as to replicate agricultural equipment, specifically, a small John Deere combine.⁹ Finally, there is the Bubble Wrap® brand whose owner, Sealed Air, found counterfeit bubble wrap being sold in a southern California store.¹⁰

In the United Kingdom, parents were warned about a counterfeit Mickey Mouse toy imported from China because of dangerous amounts of lead in the paint.¹¹ Also, over a million dollars worth of counterfeit Tiffany jewelry, sourced in China, was seized during a raid in the U.K.¹² Counterfeit Nike footwear was seized in South Gloucestershire, England.¹³ Latvian Customs seized a huge shipment of counterfeit Marlboro cigarettes from China headed for the European market. The shipment was described as roller brushes for painting. Latvian authorities suspect that those involved are testing new distribution routes.¹⁴ Hong Kong customs recently stopped a container truck containing four million counterfeit Marlboro cigarettes, which originated in China and believed to be destined for the Philippines. Hong Kong authorities have asked mainland officials for help in locating the underground factory.¹⁵ Officials around Europe have seized over two million China-sourced counterfeit products during recent enforcement efforts, including counterfeit Viagra, batteries and mobile phones.¹⁶ In the Gulf Region, there is concern that the quantity of counterfeit spare auto parts is on the rise and affecting GM, Ford and Mercedes.¹⁷ One example of the enormity of auto spare parts counterfeiting is the raid in Dubai’s Jebel Ali port that resulted in the seizure of a million dollars worth of counterfeit spark plugs from China that bore GM and Nissan trademarks.¹⁸

Indeed, China’s counterfeiting industries tax the resources of the United States and other countries. For example, from June to November 2005, Dutch customs seized 80 containers arriving from China with counterfeit clothing and footwear headed for Russia.¹⁹ An investigation that began in June 2005 resulted in an October seizure at Rome’s Fiumicino Airport that included over half a million counterfeit items tracked back to China.²⁰ During a 10-day period of enforcement in May 2005, EU customs authorities found over two million counterfeit items (golf clubs, shoes, clothing, toys and other products) from China attempting to be imported into the European Union.²¹ Proving that no country is beyond the reach of the counterfeiting menace, interestingly, Malta, of all places, had the highest number of container seizures during the 10-day special enforcement period, detecting 13 containers filled with counterfeit goods from China.²² Aside from the special enforcement period, Maltese Customs has detected many

other containers from China filled with counterfeit goods, including counterfeit Nike and Timberland products destined for North Africa.²³

European Union border enforcement statistics show China as the greatest source of infringing goods based on the number of products seized in 2004.²⁴ China is also the greatest source of counterfeit goods attempted to be imported into Japan according to reports for 2004, which indicated that nearly 42% of the goods discovered were from China.²⁵

Of the hundreds of reports one can easily find regarding IP enforcement actions and results, these are just a few examples of the incidents reported every day from around the world. The seizures may be of a few hundred items to tens of thousands in a single seizure, sometimes at ports and other times in illicit factories, warehouses or at flea markets. Intellectual property owners and their governments are being challenged to try and tackle this enormous illicit trade around the world.

The amount of counterfeits in the U.S. and the global market is very large and, based on U.S., European and Japanese data sources, China is the source of the vast majority of counterfeits traded in the world. The IP enforcement issue alone taxes enforcement authorities and stretches these limited resources, especially when one considers that there are many other illegal activities that law enforcement must address.

II. Effects on Consumers

It is important for us, as Americans, to accept one important truth. The United States is the world's market place and, as a result, products of major multinationals are sold and purchased here. This, in effect, raises the stakes when it comes to potentially harmful counterfeit goods. Because counterfeiters target the leading brands of many multinational companies, they target the consumer.

The U.S. market is filled with foreign brands. From autos originating from Korean auto companies to cell phones manufactured by Finnish companies, the U.S. market invites these legal players to obtain their intellectual property assets here and compete. But, counterfeiters are also competing.

We must be aware of the fact that in addition to what we consider as American brands that are at risk so, too, foreign brands that we purchase. For example, in addition to GM and Ford vehicles, our roadways have Kia and Hyundai automobiles. When these companies find counterfeit parts smuggled from China to Korea for replacement in those automobiles, Americans may have a problem.²⁶ Counterfeit cosmetics products also pose potential health and safety risks to consumers. In one instance, the Chinese authorities did conduct a raid and confiscated nearly \$5 million dollars worth of counterfeit Shiseido cosmetics products,²⁷ but it was not likely to stop or dramatically reduce overall production in view of the fact that the problem has existed for years. The issue is what happens when such products do get into the marketplace? Consumers are at risk.

Whether goods bear counterfeit marks of American or foreign companies, Americans are at risk when they are here and when they travel. This is especially true when unsuspected counterfeit goods are in the market place. While we may not experience counterfeiting of certain products in large numbers in the United States, it can be a problem when Americans go abroad looking for familiar goods. One enforcement initiative abroad netted counterfeit Colgate toothpaste that had Chinese writing on the packaging,²⁸ Close-up toothpaste, KitKat chocolates, Tide detergents have also been found in Asian markets,²⁹ although specific country of manufacture is not always available. Indian authorities have seized Chinese made counterfeit Nokia phone batteries, chargers, headsets and other accessories.³⁰ Counterfeit cell phone batteries have been known to cause injury. As a result of Americans' reliance upon trademarked goods, it is a cause for concern when branded products of all types are counterfeited—regardless of the nationality of the brand. Therefore, when counterfeit Japanese-brand auto parts and electric appliances are made in China and smuggled to Southeast Asia, Africa, the Middle East and Europe, American consumers are at risk because of our familiarity with Japanese branded products and the degree to which we now rely upon these products.³¹

U.S. consumers connect with trademarked goods. They are familiar with and depend upon their favorite products because of a certain level of reliability and performance. Whether here or abroad, counterfeiters take advantage of these well-known brand names and prey on unsuspecting consumers. As a result, the American consumer may be more at risk when abroad than at home.

III. Gauging the Problem

The estimates concerning global trade in counterfeit goods have been the subject of interesting speculation and guesswork. Aside from annual reports by some customs and enforcement agencies here and abroad, concrete statistics are impossible to find. We should, however, remind ourselves that attempting to get hard data will always be difficult. Gauging illegal activity will always be nearly impossible unless the criminals issue their own accurate reports. Despite the challenge, however, some effort must be made if industry expects Government to be an effective advocate for better enforcement.

In recent months, we have heard U.S. trade officials complain that many U.S. intellectual property owners have been unwilling to gather and supply the hard data needed to mount a successful case against China.³² This includes the comments from USTR's General Counsel stating that the Government has to be armed with facts if it is to pursue a WTO case against China.³³ I am personally aware of one admonition made to an industry association president a dozen years ago that the trademark industry would have to do better in collecting and providing information to the U.S. Government if industry expected more meaningful Government action.³⁴

The request for information, however, needs to be balanced between overly burdensome individual case details versus other data that may be less labor intensive. In September 2004, USTR issued a letter to industry in an attempt to gather industry information,

which included a template for information that asked for case specific details. In part, due to the specificity, many companies never responded.³⁵

While the need for specific data is necessary, the question is how specific? In an effort to obtain useful information from companies, I have, in the past, taken the USTR requests and modified them. The following data elements are those that I have previously sent to industry.

- 1) Total number of raids in China (specify time period)
- 2) If a repeat facility, how many times a particular facility was raided/results
- 3) Information about facility (shut down or not)
- 4) Identify the type of facility (production facility, warehouse, retail, etc.)
- 5) Total items seized/destroyed (specify time period)
- 6) Total number of arrests arising from enforcement actions (specify time period)
- 7) Disposition of defendants in administrative/criminal cases (e.g., level of fines imposed/paid, prison sentences imposed and served)
- 8) Information regarding equipment used to produce goods and whether the equipment was confiscated, dismantled, destroyed
- 9) Seizures of China origin counterfeit/pirate goods in 3d markets/countries (identifying the foreign country, number of actions either at the border or in the foreign domestic markets, quantities seized, etc.)

While the collection of this data may still appear to be labor intensive, it is less so than responding to the 2004 case details in the information template. This list is simply a possible alternative that provides the Government with information that allows for some assessment of China's enforcement efforts. Additional data elements can be added or the existing elements modified. Moreover, this list would, hopefully, eliminate concerns that individual companies might be identified and targeted for retaliation because it allows for industry sectors to aggregate the results.

Along with such data, industry should be encouraged to define what it views as progress or the lack thereof. A company that has not been able to get any enforcement cooperation in the past might view raids as progress. Another company that has been getting assistance in the form of raids may believe there is no progress because raids and seizures of goods fail to result in the closure of a facility or prosecutions. In addition, simply having more goods seized one year over the previous year may be viewed by some as progress even though the overall situation may have worsened. The Government

may need to work with industry in order to define the parameters of what constitutes systemic improvement. For example

1. when a raid is conducted and documents found, do the authorities use such evidence and information to pursue further investigation of other possible infringers?
2. are administrative cases routinely referred for criminal investigations?
3. are the authorities informing IP owners of more self-initiated enforcement actions?
4. if information about exports are uncovered, is it shared with IP owners for them to take actions in the destination country?

There are numerous ways in which industry and the Government might assess progress. It may be useful; however, to have some common understanding of what that might be; albeit, different industry sectors may have different indicators.

IV. U.S. Government Actions

1) Strengthen U.S. Laws

First, having worked with Representative Knollenberg and his staff, I commend and congratulate him for his work on the Stop Counterfeiting in Manufactured Goods Act that was signed in March, which strengthens criminal provisions against trafficking in counterfeit goods. I would, however, encourage industry to find common ground to support a provision that was in his original 2004 bill that extends criminal liability to those who trade in counterfeit goods that bear an unregistered famous mark. Counterfeiters trade in famous marks outside the bounds of rules and laws. They do not care about the formalities of traditional trademark law such as territoriality and registrations that cover classes of goods and services. Unfortunately, due to industry's inability to find common ground, we have left a major loophole for counterfeiters to exploit. Thus, U.S. industry has work to do and, as we have seen often, U.S. industry has to lead the global fight against counterfeiting.

Second, one of the major challenges we confront is consumer awareness about counterfeiting. Despite warnings on music and movie media and the repeat local enforcement efforts in cities around the country, consumers fail to get the message. It may be time that, at the very least, we discuss the notion of a penalty for buyers of counterfeit goods. France and Italy have been extremely aggressive in imposing fines on consumers of counterfeit merchandise.

Alternatively, if we do not wish to impose penalties in this way, perhaps we should, at least, eliminate the personal use exemption in the Customs law and regulations that allow individuals to keep the counterfeit goods purchased abroad. The Customs law and

regulation could be changed to require the confiscation of any counterfeit product and impose an administrative fine on persons entering the United States and in personal possession of any counterfeit or pirated product, including in their luggage.

2) Free Trade Agreements (FTA)

First, China's exports of counterfeit and pirate products to markets around the world underscore the importance of the enforcement provisions of our FTAs. Despite our efforts to obtain better results in China, the trade in infringing goods overflows its borders. Therefore, as the examples mentioned earlier demonstrate, we cannot limit our efforts to the bilateral sphere.

Second, the U.S. should continue to seek strong protection through negotiations of FTAs with our trading partners. The challenge of combating the international trade in counterfeit and pirated products can be, in part, met through effective implementation of the provisions of the FTAs, which now seek to have trading partners take actions at their borders not only against imports, as already required by TRIPS,³⁶ but also against goods intended for export and goods in-transit. We must also insist that our trading partners monitor activities within free trade zones and apply their domestic enforcement provisions in free trade zones to stop counterfeit and pirate activities. In addition, the FTA standards for criminal enforcement should also contribute to improved enforcement once they are implemented.

Third, the U.S. cannot be alone in this endeavor. Our developed country trading partners whose corporate citizens and consumers are also being victimized by Chinese counterfeiters and pirates must be true partners in this effort. The U.S. cannot be the only country that requires higher enforcement standards in its FTAs while others negotiate trade pacts that may simply affirm existing TRIPS commitments. Indeed, we have seen some of our trading partners join us in issuing statements that more needs to be done. Last year's G8 Summit was such an example of a joint statement where leaders stated that more needs to be done to combat counterfeiting.³⁷ But, when will action follow the statement? Our FTA enforcement provisions have been available to the public. Governments that are serious about combating counterfeiting and piracy have had time to pursue similar efforts. Clearly, the U.S. has some prodding to do.

V. Government/Industry Joint Efforts at Capacity Building/Technical Assistance

Thus far, my remarks have been aimed at enforcement in China and abroad. Furthermore, my statements regarding FTAs envision expanded legal authority for administrative and law enforcement officials that results in aggressive proactive enforcement. Such an aggressive stance demands equal commitment to provide assistance to fill the capacity gap that is created by raising enforcement standards whether it is in China or elsewhere.³⁸

Because the China counterfeiting and piracy problem reaches around the world, our efforts at training and education must have an extensive reach. Regarding training and capacity building, there is no question that the U.S. Government and industry have delivered significant amounts to Chinese officials and to those in other countries. Despite all the training and assistance our Government and industry have provided, we have a very long way to go.

1. Critique of Existing Training Programs

In this regard, based upon my personal experience in delivering intellectual property training and assistance, I would ask that this effort be examined with a critical eye. If we want our programs to have positive results, we must consider whether our training programs have flaws and need to be rethought in China and elsewhere. There is no doubt that we must continue to focus on enforcement, to bring customs officers, police, prosecutors and judges together as we have done in the past; but there is a reason to do more than we have done in the past.

If significant numbers of intellectual property owners believe that the counterfeiting and piracy problem is either the same as a year ago or worse after training has been done, whether in China or elsewhere, then it is time to examine what we are doing. Does our method of intellectual property enforcement training provoke resistance to intellectual property in general and enforcement in particular? Are we attempting to encourage more enforcement without placing enforcement in the right context? How does IP enforcement relate to economic activity, i.e., what is the connection?

It is important to put IP enforcement into some context for enforcement officials to understand, especially in developing countries.

2. The Target Audience

All too often, enforcement training is a segmented exercise. Although there are many occasions when enforcement officials are often trained as a group, training will, at times, separate the police from customs, judges from everyone else, and prosecutors separated from administrative enforcement officials. Because of the importance of a working enforcement system, the various parts should be brought together in order for different parts of the system to understand how the whole works and identify ways to improve efficiency. In China, given the problems relating to administrative enforcement, there is a need to address greater efficiency from the whole system. Based on the industry's criticisms, this requires China to implement legal changes in not only its criminal system, but its administrative enforcement system as well.

Ultimately, however, the training will have to bridge the capacity gap, i.e., assist governments and their business sector in making the strides necessary to move from where they are today to where they need to be to meet their existing or future obligations. This task requires much more than IP enforcement training and it should be a routine approach for the U.S. Government and industry.

IP training and education must include local domestic entrepreneurs and enforcement officials. We must undertake to help all of them understand not simply that IP enforcement is important, but why it is important and how local domestic entrepreneurs can commercially benefit from their own creative efforts. This is sorely lacking in today's education efforts. We must undertake to demonstrate what it means to commercially exploit IP, how it can benefit local businesses and, ultimately, how IP enforcement fits into the overall IP/economic system and the importance of enforcement.

While government-to-government training is good, it fails to address the true local interested parties—the local entrepreneurs and how they can be commercially and economically empowered to benefit from IP.³⁹ IP training that is a constant drumbeat of enforcement, without more, simply appears to be an exercise in self interest that can plant the seeds of resistance to enforcement and a backlash against IP. Sadly, we are already suffering from that resistance and backlash. For all the innovative energies our industries put forth to be leaders in the market place, we need some of that creativity and innovation in our efforts to create partners around the world to promote IP systems with effective enforcement and this needs to be translated into training and education programs.

Conclusion

The China problem is a global problem. I commend the U.S. Government's efforts regarding the direct engagement with China on this issue and believe that any cooperative training and enforcement programs may need to be re-examined. The bilateral approach had led to results, though not as much as many would like. In the bilateral context, different IP communities, copyright, trademark, and patent community, have responded to the Governments information requests very differently. Thus, this reflects the differing interests and priorities of the IP communities, but that should not stop the U.S. Government from pressing ahead.

China also demands that the Government and industry have a broader strategy. Drastic changes in China regarding IP enforcement are not about to occur overnight. Therefore, we must prod our developed country partners to be more aggressive in their bilateral discussions with China and in their trade agreements. Moreover, we, along with our trading partners, will have to make an even greater training and education commitment to bridge the capacity gap that higher standards will broaden.

Indeed, what we need is innovation and creativity to help address the IP enforcement challenges and maintain our competitive edge.

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- ¹ *Chinese Firms Involved in US Lighter IPR Infringement*, SinoCast China Business Daily News, May 24, 2006.
- ² Levi J. Long, *Imitations hurting American Indian arts and crafts industry*, Arizona Daily Star, May 7, 2006.
- ³ *Province Takes Measures Against IPR Infringement*, China Daily (April 21, 2006). The article reports that officials in Guangdong Province have been active in combating intellectual property theft. Officials reported actions in 426 cases in 2005, involving goods valued at over \$72 million dollars and over 1,200 persons arrested.
- ⁴ David Lague, *Small steps in a long fight against piracy*, International Herald Tribune, May 18, 2006, Finance Section.
- ⁵ *Customs Curbing Exports of Counterfeits*, China Daily, Mar. 28, 2006.
- ⁶ *China tightens fight against counterfeit exports, rampant piracy*, Xinhua News Agency, March 27, 2006 (reporting that Customs “cracked” 1,210 cases in 2005 with goods valued at over US\$12 million dollars seized, over 90% of the cases were for trademark violations).
- ⁷ Peggy Hollinger, *Michelin safety warning over fake tyres*, Financial Times (UK) December 5, 2005.
- ⁸ Shannon McRae, *Smells like a fake*, Herald Sun (Australia), April 12, 2006.
- ⁹ Pantagraph, August 7, 2005.
- ¹⁰ Monte Burke, *Bubble Wrap, the beloved protector of packages, gets a makeover*, Forbes, May 8, 2006.
- ¹¹ *Fake toy Mickey in lead alert*, Sunday Mirror (UK), April 30, 2006.
- ¹² Matheus Sanchez, *Tiffany fakes on eBay, Police seize goods worth Pounds 750,000 from Feltham semi*, Evening Standard (UK) March 28, 2006.
- ¹³ *Seizure of counterfeit Nike shoes*, Bristol Evening Post, November 29, 2005.
- ¹⁴ *Latvia nets another huge haul of smuggled cigarettes from China*, Agence France Press, May 11, 2006.
- ¹⁵ Clifford Lo, *Haul of fake cigarettes sparks hunt for factory, Officials search for illicit mainland plant after \$5m seizure by customs in HK*, South China Morning Post, May 25, 2006.
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- ¹⁷ *Fake spare auto parts*, Kuwait Times, May 7, 2006.
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- ²⁰ *Fakes: Fiumicino, seized goods worth 5 millions (Euros)*, Agenzia Giornalistica Italia, October 26, 2005 (www.agi.it/english/news.pl).
- ²¹ *EU says 70% of Fake Products Came from China*, SinoCast China Business Daily News, November 14, 2005.
- ²² Roseanne Sammut, *Maltese Customs Obtains Impressive Results*, www.maltamedia.com, November 8, 2005.
- ²³ Charlotte Bonavia, *Counterfeit items seized amount to millions of liri*, www.di-ve.com, January 7, 2005.
- ²⁴ See, http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/statistics/counterf_comm_2004_en.pdf.
- ²⁵ *Japan, China Sign Customs Cooperation Pact*, Jiji Press Ltd., April 2, 2006.
- ²⁶ Sung-Won Joo and Hyo-Lim Son, *Fake Chinese Auto Parts Flooding Korea*, <http://english.donga.com>, October 18, 2005.
- ²⁷ *Authorities confiscate fake Shiseido goods in China*, Asia Pulse, July 12, 2005.
- ²⁸ Abby Yadi, *Counterfeit Colgate products sales*, PNG Post Courier, February 8, 2006.
- ²⁹ *Philippines Nets US\$8.9 Million worth of Fake Products in 6 months*, Asia Pulse, August 30, 2005.
- ³⁰ *Fake Nokia items seized*, Hindu, April 4, 2006.
- ³¹ *China-Made Counterfeit Japanese Parts Flood World Market*, Jiji Press Ltd., June 11, 2005.
- ³² *The Runaway Trade Giant*, Business Week, April 24, 2006.
- ³³ Allen T. Cheng and Nerys Avery, *U.S. may ask WTO to act on piracy*, Philadelphia Inquirer, March 5, 2006.

³⁴ In a June 3, 1994 letter to John Bliss, President, International AntiCounterfeiting Coalition, I wrote that the trademark owning companies needed to provide enforcement related information to USTR if industry expected the U.S. Government to be a strong advocate in dealing with China.

³⁵ I was president of the International AntiCounterfeiting Coalition at the time that this USTR request was issued to industry. Although we encouraged corporate members to respond to the USTR request, I recall that only 3-5 corporate members responded and in these cases, the responses did not provide the full details as requested.

³⁶ World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights.

³⁷ <http://www.whitehouse.gov/news/releases/2005/07/20050708-1.html>.

³⁸ See, Timothy Trainer, *IP Enforcement: Agreements, Expectations, and Frustrations?* World Intellectual Property Report, p. 21, December 2005.

³⁹ Alberto Mendoza, *Guatemala: Farmers cringe as final barrier to CAFTA lifted*, Inter-Press Service, Global Information Network, May 23, 2006. Seventy (70) percent of Guatemalans depend on the informal economy to make a living, including the sale of fake goods at street stalls. This is the challenge: helping economies through this transition.