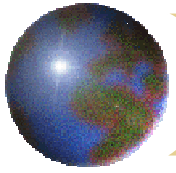


Building Global Coalitions to Promote and Enforce Intellectual Property Rights

U.S. Department of State

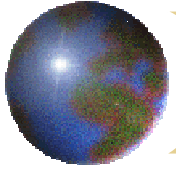
Robert M. Watts

Office of Intellectual Property Enforcement



Issues

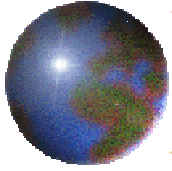
- ❖ Role of intellectual property rights in U.S. Foreign Policy and work of the Department of State.
- ❖ How the U.S. Government uses foreign policy, including partnerships and building international coalitions, to strengthen protection and enforcement of intellectual property rights.



Importance of IPR to the U.S.

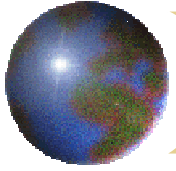
- ❖ IP is the United State's greatest economic asset.
 - ❖ 1/3 the value of U.S. corporations
 - ❖ Assets worth approximately \$5 trillion

- ❖ In 2006, U.S. businesses lost over \$250 billion alone due to counterfeiting and piracy of their products in the U.S. and overseas.



IP Theft is a Global Problem

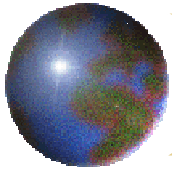
- Counterfeiting and piracy is organized and growing.
 - Profit margins are significantly higher than other illicit activities
 - Traditionally enforcement has been weaker
 - Efficient production
 - Appropriating legitimate, viable business models
 - Infiltrating legitimate supply chains
 - Locating production in areas of low cost
 - Worldwide distribution
 - Taking advantage of financial institutions / trade-based money laundering
 - Taking advantage of territorial nature of IP



Intellectual Property Theft is a Global Problem

- ❖ Counterfeit and pirated products are produced, shipped, and sold in virtually every country.

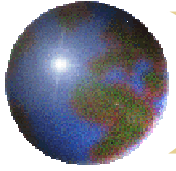
- ❖ Notorious Markets: virtual and physical
 - ❑ www.allofmp3.com (Russia)
 - ❑ Silk Street Market (China), Tri-border region (Argentina, Paraguay, Brazil), Czech Border Markets, La Salada (Argentina), Panthip Plaza (Thailand), Tepito (Mexico), Gorbushka (Russia)



Intellectual Property Theft is a Global Problem

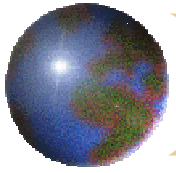
❖ Economic Impact Tremendous

- ❖ Innovation is undermined
- ❖ Supply chains compromised
- ❖ Dangers to consumers
- ❖ Loss of consumer confidence
- ❖ Criminal networks gain financially
- ❖ Workers are worse off
- ❖ FDI may be lower
- ❖ Loss of tax revenue
- ❖ Environment is negatively affected



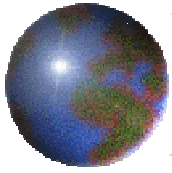
Using Partnerships: Strength in Numbers

- Intellectual property rights are territorial.
 - Requires the U.S. Government to partner with other governments.
 - Requires the U.S. Government to work within international organizations.
- Intellectual property rights are private rights.
 - Requires the U.S. Government to partner with the private sector.



Partnering With Other Governments

- ❖ Regular bilateral engagement
 - ❖ Changing IP laws in countries overseas and enforcement of those laws.
 - ❖ Working with like-minded countries to solve problems in third countries.
 - ❖ International cooperation to improve the IP system – higher standards, harmonization of patent systems, law enforcement collaboration.



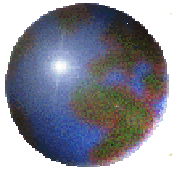
Partnering With Other Governments:

● China

- Strategic Economic Dialogue
- Joint Commission on Commerce and Trade
- WTO cases

● G8 – Heiligendamm Summit

- Fostering a climate of innovation in developing countries
- Collaborating on technical assistance
- Fighting organized crime
- Border enforcement
- Strengthening engagement with the private sector in G8 countries

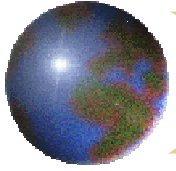


Partnering With Other Governments

- U.S. – EU IPR Working Group
 - Customs cooperation
 - Strengthening cooperation and enhancing enforcement in third countries
 - Public-private partnerships and public awareness

- North American Security and Prosperity Partnership (SPP)
 - Action Strategy
 - Partnership with private sector

- Other multilateral initiatives: APEC, ASEAN

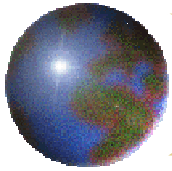


Working within international organizations

- World Trade Organization (WTO)
 - TRIPS

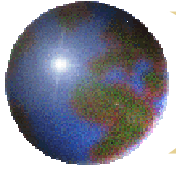
- World Intellectual Property Organization (WIPO)
 - Patent harmonization
 - Development Agenda

- World Customs Organization (WCO)
 - Best practices/data standardization



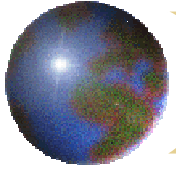
WIPO Development Agenda

- WIPO members reaffirmed WIPO's commitment to the development-related aspects of IPR, while reaching an agreement on how to enhance WIPO's work in this area across a broad range of activities, including technical assistance, norm-setting, and technology transfer.
- The U.S. offered practical proposals to enhance WIPO's existing development-related programs and activities.



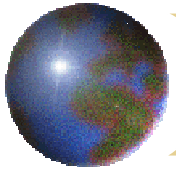
U.S. Perspectives on the Development Agenda

- For example, the U.S. proposed a new WIPO activity to bring together donors and recipients of IP development assistance through use of an online database, extending the reach of WIPO's development-related resources. This proposal is among those that will be considered by the General Assembly next week.
- The U.S. was pleased WIPO members did not accept proposals of a small group of countries that were not consistent with our view of TRIPS and with cooperation on promoting and protecting IPR.



Confronting Challenges

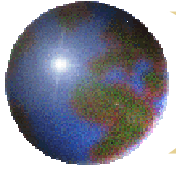
- Identification of individuals, their funds, and strategies for engaging in counterfeiting and piracy
- Enhanced collaboration with other countries
 - Dialogues, public diplomacy, development and implementation of best practices



Partnering With Other Governments

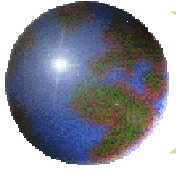
- Public diplomacy – IP is good for innovation and development.
 - Changing worldviews
 - Self-help approach

- Training and capacity building
 - In FY 05, 06 and 07, State allocated \$3 million for thirteen programs
 - Building institutional enforcement capacity in countries



Collaboration with Rights Holders

- Enhanced collaboration
 - Sharing problems, concerns, and strategies, including strategies against counterfeiting and piracy.
 - Working with associations, individual companies to identify specific problems and respond quickly.
 - On the ground investigators can provide the U.S. Government with invaluable information.
 - Respond to requests for industry input (e.g. Advisory Committee, other Federal Register Notices).



THANK YOU!

Bob Watts

Deputy Director

Office of Intellectual Property Enforcement

U.S. Department of State