# **On IPR and Counterfeiting**

Tom Butterly
Chief, Regulatory Cooperation
and Standardization Policies

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#### Overview of Presentation

- UNECE Working Party on Regulatory
   Cooperation and Standardization Policies (WP.6)
- WP.6 Work on IPR, Market Surveillance and Counterfeiting
- UNECE International Seminar on Product Safety and Counterfeiting, November 2007
- WP.6 Recommendation "M" on Market Surveillance and Counterfeiting



#### **UN Economic Commission for Europe (UNECE)**

Trusteeship Council Security Council

**General Assembly** 

**Economic and Social Council** 

**International Court of Justice** 

Secretariat

#### FUNCTIONAL COMMISSIONS:

- Human rights
- Narcotic drugs
- Crime prevention and criminal justice
- Sustainable development
- Etc.....

#### **REGIONAL COMMISSIONS**

Economic Commission for Africa

#### **Economic Commission for Europe**

Economic Commission for Latin American and Caribbean

Economic and Social Commission for Asia and the Pacific

Economic and Social Commission for Western Asia

#### PROGRAMMES AND FUNDS

- UNCTAD
- UNDP
- UNEP
- UNICEF
- UNCDF
- ......



# UNECE Working Party on Regulatory Cooperation and Standardization Policies (WP.6)

- Main Focus Trans-National Regulatory Cooperation and Standardization Policies
- Intergovernmental group of experts elaborates recommendations and good practices
- Global Approach all UN Member States
- 13 Recommendations on Standardization Policies



### **UNECE Working Party 6**

- Standardization and Regulations
- Conformity assessment
- Market surveillance (MS)
- Metrology, etc.



### **Promoting Good Practices**

- The Team of Specialists on Standardization and Regulatory Techniques ("START")
- The Advisory Group on Market Surveillance ("MARS" Group)
- Promotion of Good Governance including dialogue and cooperation with the private sector and NGOs



### Regulatory Cooperation

- International Model for Technical Harmonization - UNECE Recommendation "L" (Development of Common Regulatory Objectives)
- Sectoral Projects
  - Telecoms Equipment
  - Earth Moving Equipment
  - Equipment for Explosive Environments



# WP.6 Work on IPR and Counterfeiting

- UN General Assembly decision 54/449 of 22 December 1999 (United Nations Guidelines for Consumer Protection)
- International MS Forum 2002
- Established «MARS» Group in 2003
- International MS Forum 2005
- International Seminar on Product Safety and Counterfeiting November 2007



# UNECE WP.6 International Seminar on Product Safety and Counterfeiting, November 2007

- Attended by over 100 representatives from over 30 countries
- Included representatives from National Governments, European Commission, EurAsEc, WIPO, WTO, International Standards Organisations, Business Organisation



#### Main Points from the Seminar

- Up to US\$ 200 billion of international trade in 2005 was in counterfeit or pirated products (OECD estimates based on Customs seizures).
- This figure could be several hundred billion dollars higher if domestically produced products are included.
- Counterfeit products or goods with counterfeit conformity assessment marks can also represent serious health and safety problems (car parts, electrical goods, etc)
- World Health Organization has identified counterfeit medicines as an enormous threat to health, potentially causing serious harm to patients and sometimes leading to death.



## Key Points

 Use of counterfeit certification markes a major problem (Canada)



#### Example from Canada (Doug Geralde, CACN)





# Savina Power Bar with Counterfeit CSA Trademark





**Genuine** Counterfeit

#### China





#### Russia





#### Counterfeit Medicines – Statistics from IMPACT

- Counterfeiting is greater in those regions where regulatory and legal oversight is Weaker
- In developing countries, between 10% and 30%; medicines on sale can be counterfeit
- Developed countries with effective regulatory systems and market control (e.g. USA, EU, Australia, Canada, Japan, New Zealand) currently have a very low proportion, i.e. less than 1% of market value.
- Many of the former Soviet republics have a proportion of counterfeit medicines which is above 20% of market value
- Medicines purchased over the Internet from sites that conceal their actual physical address are counterfeit in over 50% of cases.

Source: International Medical Products Anti-Counterfeiting Taskforce



# Traceability of medicines in the Republic of Moldova

- Medicines are exposed to survey and registration before placing them on the market.
- Automatic IT system of state registration of medicines has been implemented since 2006.
- The label with the latent strip with the individual number is attached to each registered box of medicines.
- Consumer can check the product's authenticity by comparing with the number in the database of medicines available on the Agency of medicines site.



#### Main Conclusions from Seminar

- Counterfeiting poses major safety and economic problems
- Need for cooperation between all relevant enforcement authorities (patent office, police, market surveillance) on product safety and IPR issues
- Need for strong cooperation between business and government
- Need to increase consumer and industry awareness
- Need for a clear and legally binding definition of counterfeiting (CIS countries)



#### Main Conclusions from Seminar

- Need to establish models of Good Practice in market surveillance to combat counterfeiting
- Need to share information between countries
- Suggested establishing a data base of issued certificates of conformance (and also lists of goods that were refused certification?)
- Linking of such national databases on a regional level



# New UNECE Recommendation ("M")

"Use of Market Surveillance Infrastructure as a Complementary Means to Protect Consumers and Users Against Counterfeit Goods"

(Adopted by WP.6 in November 2007)



- Recommends that Governments explore the possibility, wherever feasible and where the national legal framework permits, to involve their market surveillance authorities in the fight against counterfeit goods in a complementary way to existing national legal mechanisms by implementing the following procedures:
- (a) To provide mechanism for cooperation and coordination of market surveillance activities on the national level between market surveillance, customs and other authorities concerned,



- (b) To give the possibility to right holders to inform (with documented proof) the market surveillance and other relevant state authorities on counterfeit goods,
- (c) To enable market surveillance authorities to identify suspected counterfeit goods made available on the domestic market (in cooperation with other relevant authorities) during market surveillance activities, including, where appropriate, resorting to laboratories to test the goods,



(d) After having examined the compliance with all applicable requirements of the national legislation, also to enable market surveillance authorities to check if the goods might infringe intellectual property rights, and, whenever feasible and without prejudice to the national legislation on confidentiality, to involve other relevant authorities and intellectual property right holders,



\*\*Trusts\* that implementation of these procedures should neither create financial burdens for market surveillance authorities nor replace or duplicate existing intellectual property rights enforcement tools. It would be rather beneficial to consumers/users, and conducive to establishing "rule of the law" principles in society and to fair competition and business development.



### Experience in the Ukraine

- In the Ukraine, 43 per cent of hair-care products and 23 per cent of the laundry products marketed under the Proctor and Gamble name were counterfeit.
- An intense campaign launched jointly between the company and the Ukrainian Market Surveillance authorities, deploying mobile testing laboratories for on-the-spot testing for suspect products, succeeded in completely eliminating the counterfeit products.



### Future Work of WP.6

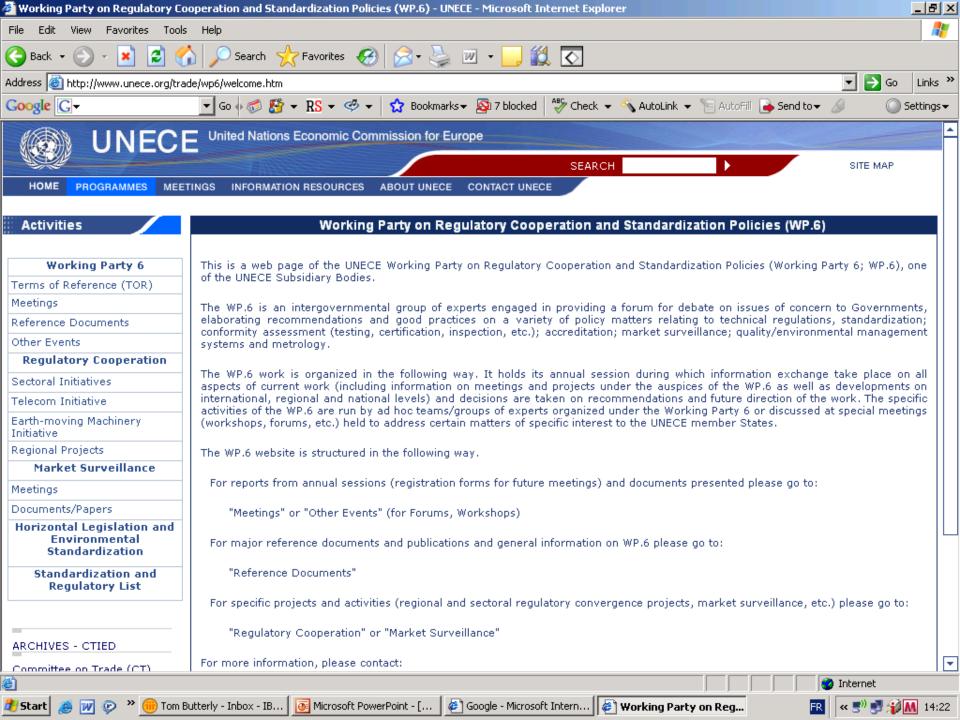
- Continue with Existing Projects (Sectoral Projects and Recommendations)
- Guide / Case Studies on Market
   Surveillance
- MS Definitions



## **Concluding Comments**

- Need a "joined up" approach between relevant government agencies and the business community to combat counterfeiting
- Propose consideration of UNECE Recommendation "M"
- Encourage continued participation in the work of UNECE WP.6





#### For more information please contact:

#### Mr. Tom Butterly

Secretary to UNECE Working Party on Regulatory Cooperation and Standardization Policies (WP.6) Tel. (+41 22) 917 11 78; Fax (+41 22) 917 06 29 e-mail: tom.butterly@unece.org

# http://www.unece.org/trade/ wp6/welcome.htm

