

Brussels, 23 October 2007

European Commission seeks mandate to negotiate major new international anti- counterfeiting pact

The European Commission has announced today that it will seek a mandate from European Member States to negotiate a new Anti Counterfeiting Trade Agreement (ACTA) with major trading partners, including the US, Japan, Korea, Mexico and New Zealand. Such an agreement would strengthen efforts to protect European intellectual property around the world, a key part of the EU's Global Europe trade strategy. ACTA's goal is to provide a high-level international framework that strengthens the global enforcement of intellectual property rights and helps in the fight to protect consumers from the health and safety risks associated with many counterfeit products.

EU Trade Commissioner Peter Mandelson said: "Europe has always been at the forefront of global attempts to protect intellectual property rights and fight counterfeiting. A new international anti-counterfeiting treaty will strengthen global cooperation and establish new international norms, helping to create a new global gold standard on IPR enforcement."

ACTA would contribute to fighting counterfeiting in three ways:

- Building international cooperation leading to harmonised standards and better communication between authorities. This will build on coordinated anti-counterfeiting work the EU is already doing with large partners like the US. These standards would then be spread to other countries if they wished to sign up to ACTA. The EU has proposed transitional mechanisms and technical assistance to help advanced developing countries join the pact in the future.
- Establishing common enforcement practices to promote strong intellectual property protection in coordination with right holders and trading partners. The EU is consistently pushing countries like China to enforce anti-counterfeiting legislation and to toughen the legal penalties for intellectual property theft. Closer coordination on international benchmarks can reinforce this pressure;
- Creating a strong modern legal framework which reflects the changing nature of intellectual property theft in the global economy, including the rise of easy-to-copy digital storage mediums and the increasing danger of health threats from counterfeit food and pharmaceutical drugs.

Background

Twenty years ago, counterfeiting might have been regarded as a problem chiefly for the makers of luxury goods. In the 1980s, 70% of firms affected by counterfeiting were in this sector. But in 2006, more than 1.6 million counterfeit cosmetics / personal care products and 1.2 million foodstuffs & beverages were seized at the EU's external border, out of a total of 130 million fake objects – an increase of 40% since 2005. There are also fake airplane parts, electrical appliances and toys. But most worrying is the booming trade in counterfeit medicines of which more than 2.7 million were intercepted at EU borders in 2006, and which are reckoned to account for almost 10% of world trade in medicines. Most of these fake drugs are headed for the world's poorest countries.

The OECD released a new study in 2007 that estimates that the annual value of international physical trade in counterfeited consumer goods \$200 billion, an amount equivalent to 2% of world trade and higher than the GDP of 150 countries.

A key part of the Global Europe Communication by the European Commission was a commitment to strengthen further efforts to protect and enforce European intellectual property around the world. Since then, the European Union has been worked with countries like China, Russia and others to stop widespread and systematic piracy of European companies' intellectual assets. The European Commission is also including strong IPR chapters in all its new generation of Free Trade Agreements with India, Korea, ASEAN and Latin America.

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