

FICCI CASCADE
Seminar on
“Curbing Counterfeiting and Smuggling – An Imperative for Indian Economy”

Hyderabad, 18 September, 2014

India’s economic growth story has attracted the world’s attention, bringing new challenges for the domestic economy. One of the major issues for the economy and the industry is the uninhibited growth of counterfeit, fake and smuggled goods. The market for fake and counterfeit products is thriving in India and is today one of the biggest challenges faced by Indian industry. FICCI’s Committee Against Smuggling and Counterfeit Activities Destroying the Economy – FICCI CASCADE, with the participation of all leading industries from all sectors of the economy, is committed to fight this twin menace of counterfeiting and smuggling.

FICCI CASCADE, with a view to engage all relevant stakeholders including government representatives, enforcement agencies, excise and customs, consumer activists, media as well as industry and legal experts, and to sensitize them to fight against counterfeiting and smuggling, organized a seminar on “Curbing Counterfeiting and Smuggling – An Imperative for Indian Economy” on 18 September, 2014 in Hyderabad. The seminar brought together experts to raise concerns over the growing illicit trade and to create large-scale awareness among the impacted segments of the society.

Mr. K. Vishweshwar Reddy, Member of Parliament, Chevella Constituency, Hyderabad, the Guest of Honour at the FICCI CASCADE seminar, stated that intellectual property policy was a key agenda point of the government at the center. An overall law on IP, rather than fragmented IP related laws like patent and copyright laws, was expected to be in place soon. Mr. Reddy added that India had, meanwhile, made significant progress in patent and copyright as well as in their implementation. He also complimented FICCI CASCADE’s efforts in engaging with the government, industry, law enforcement agencies, consumers and other stakeholders to generate awareness on the hazardous impact of smuggled, contraband & counterfeit products, and in building capacities with regards to IP related laws. He, however, emphasized that Indian industry must work closely with the Government to make the subject of IP a national priority.

Mr. Safir Adeni, Chairman, FICCI Sub-Committee on SMEs & IT, welcomed the dignitaries and highlighted the objectives of the seminar. Mr. Adeni emphasized that in making our country a manufacturing hub, Indian companies should be encouraged to build strong intellectual property and invest in R&D. Research shows that a country attracts more FDI when investors have a reasonable level of certainty of returns on investment. In an environment where potential investors find high levels of piracy, counterfeiting, and theft of intellectual property, they have no incentive to invest when other markets offer stronger protection of their IP assets.

Ms. Kavita Vijh, Commercial Specialist for IP, US Patent & Trademark Office, U.S. Department of Commerce, in her presentation, highlighted the legal options available in the United States - civil, criminal and administrative - for enforcement of Intellectual Property Rights. She elaborated on the various dimensions of IP crimes, how such illegal activities harmed the rights holders, and led to revenue loss to Governments, public health and safety concerns etc. Emphasizing on efforts of the U.S. Authorities to generate consumer awareness, to build capacity of enforcement officials and a strong IPR enforcement mechanism to combat counterfeiting, Ms. Vijh informed that the stress on coordination

among the concerned agencies that deal with IP crimes had also proved useful in fighting such economic crimes.

Mr. Deep Chand, Advisor FICCI CASCADE and former Special Commissioner of Police, Delhi, in his address stated that along with awareness generation and enforcement, creation of a simplified tax regime was required to address the issue of smuggling and counterfeiting. A case in point is tobacco products with huge variation of taxes. Mr. Deep Chand mentioned that the current focus was on efforts to reduce tobacco consumption, while little emphasis was being given to address the growing illicit trade in this sector. India has a unique pattern of tobacco consumption, with legal cigarettes accounting for just 12 per cent. The remaining 88 per cent is represented by illegal cigarettes and a host of traditional products such as 'bidis' and chewing tobacco. It is estimated that illegal trade in cigarettes leads to a loss of Rs. 6,000 crore to the Indian exchequer, proving the point about the loss of taxes of the Government when huge quantities of smuggled and illicit products are being pushed into our country.

The seminar also marked the enthusiastic and encouraging support of the consumer and media organizations. **Mr. Thakur Rajkumar Singh**, Chairperson & Managing Trustee, Human Rights & Consumer Protection Cell, in his address, emphasized that consumers were the ultimate victims of counterfeiting and smuggling, and their rights were being violated by counterfeiters and smugglers. He invited industry to join hands in a sustained manner in the various ongoing awareness generation campaigns. **Mr. Marri Ramu**, Senior Reporter of The Hindu, extending his support to the cause, assured editorial support from all the newspapers and electronic media collectively to enhance the coverage on the subject, and to bring about the desired impact on the society. He said that media had a key role in making consumers aware of the pitfalls of using fake and counterfeit products and congratulated FICCI CASCADE's timely and vital initiative on this issue.

The subject of counterfeiting and smuggling is both enormous and complex, and there is a need to target and educate the masses to buy genuine products. During the Panel Discussion Session, senior enforcement officials interacted on the "Organized Crime Surge in India" with respect to the role of enforcement agencies in combating smuggling and counterfeiting. **Ms. R. Shakuntala**, Chief Commissioner of Central Excise and Customs, Hyderabad Zone, observed that counterfeiting and smuggling was an enormous problem globally, and India was no exception. She elaborated on the enforcement set-up put in place by the Customs Authorities and the various measures initiated to curb smuggling activities in the country. **Mr. U Rama Mohan**, Superintendent of Police, Cybercrime (CID), Government of Telangana, Hyderabad, underlined the need for greater involvement of industry and consumers in registering complaints on illegal trade activities with the police authorities, which was currently lacking. He also spoke on the rising level of cybercrimes in the state and the steps initiated by the Hyderabad Police on detecting and curbing such offenses.

The seminar witnessed lively interaction with delegates demonstrating an active interest in the seminar subject. The discussions concluded with a shared view that the problem of counterfeiting and smuggling was multifaceted and complex. Addressing the issues would call for a regular interface among the stakeholders in areas like government policy, laws and enforcement; increasing engagement with the industry and, most importantly, creating awareness in the society on the need to curb counterfeiting and smuggling. Illicit trade has attracted considerable attention among trade associations, government and enterprises. Therefore, as a support to the cause, the seminar witnessed huge participation of over 100 delegates who were united in their fight against smuggling and counterfeiting activities.
