

FICCI CASCADE Seminar on
“Curbing Counterfeiting and Smuggling – An Imperative for Indian Economy”
Ahmedabad, 9th October, 2012

FICCI CASCADE with a view to connect and mobilize representatives and leaders from government, enforcement agencies, excise and customs, consumer activists, media as well as industry and legal experts to fight against counterfeiting and smuggling organised a seminar with United States Patents and Trademark Office in Ahmedabad on “Curbing Counterfeiting and Smuggling – An Imperative for Indian Economy”. The seminar drew on expert to create large-scale awareness among the impacted segments of the menace.

Counterfeiting is increasingly becoming a hugely lucrative business, with criminals relying on the continued high demand for cheap goods coupled with low production and distribution costs. It calls for a nationwide campaign to highlight this issue among the masses and to formulate a strong and effective course of action to eliminate the menace of illicit trade. Ms. Meenu Chandra, Head, FICCI CASCADE welcomed the dignitaries and highlighted the issue of counterfeiting and smuggling discussed in various states and also presented the activities taken up by FICCI CASCADE to combat counterfeiting and smuggling .

The counterfeit goods trade has increased 100 times since last two decades. The astounding figures were discussed during the seminar. FICCI CASCADE Advisor Mr. P C Jha pointed out that as many as 80% of the total IT products sold in the market are fakes. Revealing the figures other sectors suffered, he said that music industry suffers 40% loss, Pharmaceuticals 10%, FMCG 25%, Automobiles 35%, Soft Drinks 20%, Tobacco 15% and Alcoholic Drinks 12%. He also stated that counterfeiting damages the brand owner’s reputation, cause loss of revenue to the public exchequer, and pose a serious threat to the security nationally and internationally. Mr. Jha added that increased coordination between agencies can help us to check several nefarious activities.

Former Gujarat High Court Judge Hon’ble Justice D A Mehta emphasized on the meaning of counterfeiting according to Section 28 of the Indian Panel Code “A person is said to " counterfeit" who causes one thing to resemble another thing, intending by means of that resemblance to practice deception, or knowing it to be likely that deception will thereby be practiced”. He also observed that “Counterfeiters do not pay taxes which is a revenue loss for the government. Consequently, infrastructural spending in education, health and other sectors get reduced,” he observed.

Mr. Toby Simon, President, Synergia Foundation discussed various researches and incidences related to counterfeiting. He also stated that counterfeiting and smuggling industry does not have any colour, it’s a global multibillion dollar industry. He mentioned that investigators have discovered that incomes from trading in fake cigarettes have been used to fund Al-Qaeda and the IRA. Mr. Simon stated that according to documents seized from Al-Qaeda camps, focus on counterfeiting operations as a means to replace revenues lost as a result of international counter terrorism efforts.

Ms. Preeti Joshi, Member of Consumer Redressal District Forum, Gandhinagar and Founder President, Consumer Affairs Research & Education Center put forth loss faced worldwide due to production of counterfeit products is 600billion \$ and also stated actions taken up by various economies in this direction. She mentioned that Homeland Security Force, US on 29th November, 2012 shut 82 websites dealing with counterfeit products. She emphasized on the fact that grass root level needs to be targeted to clean up the economy.

Mr. Yashwant Shah, Editor, Jai Hind appealed to the media to wake up and show people the right path. He mentioned that the subject is very vast and we need to target the children and educate the masses to buy genuine products. He took an oath to take this message to the rural areas and fight against this menace.

Ms. Kavita Vijh, Commercial Specialist for IP, US Embassy highlighted various legal options - civil, criminal and administrative for the enforcement of Intellectual Property Rights. She presented various dimensions of IP crimes. IP Crimes lead to economic harm to rights holders, revenue loss to the states, consumer confusions, public health and safety etc. She further put forth her suggestions to combat counterfeiting by capacity building programmes, training and a strong IPR Enforcement Mechanism.

The market for fake and counterfeit products is thriving in India and has become one of the biggest challenges faced by Indian industry. Not only is it adversely impacting genuine stakeholders and industry, but also the government and consumers.

The seminar witnessed vigorous interaction with delegates demonstrating an active interest in the issue. DIG, ATS, Gujarat state, Manoj Sashidhar emphasized on the use of technology to overcome the issue of counterfeiting and smuggling. Additional commissioner of Customs, Gujarat Zone, Partha Roy Chaudhury said that consumers should register their complaints with the Customs department. He mentioned that "Without public support, it is a challenge for us to erase the fake germ". IPR Expert, Y J Trivedi & Co, Jatin Trivedi stated that we do have an adequate legal safeguard but we need to match the International Standards. Company Secretary, S K Shah affirmed the problem of counterfeiting and smuggling is manifold and its impact is hazardous to the consumer in particular and society is general. Mr. Deep Chand, Advisor, FICCI CASCADE, emphasized on awareness among the stakeholders as a very important aspect in the enforcement of Counterfeiting laws and mentioned that FICCI CASCADE is doing a tremendous task in creating awareness on a pan India basis to make a dent in this vast field which has remain unexplored so far.

Experts also said that price differences among neighboring countries, tax arbitrage and ineffective control are a few reasons for this illicit trade. Thus the seminar ended with focus on growing link between counterfeiting, smuggling and crime. A disorder of this magnitude undermines economic development, a sound market economy system and open international trade and investment. No legitimate business and no country is immune to the impact of counterfeiters. Therefore it calls for vigorous actions from all of us to counter the growing menace of counterfeiting and smuggling.

Key Recommendations

- Awareness among consumers, general public and target communities by government engagement, special agencies, websites, industry associations and other related activities
- Building up a strong IPR Enforcement process, developing a portal to report infringement and develop customs database
- Better communication and coordination between law enforcement and administrative agencies and also between rights holders and law enforcement agencies
- Focus on capacity building and engagement by law enforcement at the national, state and local levels
- Enhanced sensitization mechanism and improved engagement of the general public on the issue
- Better involvement of media in highlighting the growing hazards of counterfeiting and smuggling