

Sharp increase in piracy worldwide

CALGARY, CANADA: During 2006, the International Chamber of Commerce's BASCAP Intelligence Reports monitored 1647 global incidents of intellectual property theft focusing exclusively on copyright and trademark infringement. A total value of US\$1.9 billion was measured for seizures and losses from sources located in 92 countries. This represents an 11.4% increase in activity and a 21.2% increase in the total value of seizures and losses over the same period in 2005.

Analysis of this activity revealed links to a wide range of undesirable and violent activities, which include drug use and trafficking, pornography, weapons and explosives, assaults, fraud, tax evasion, money laundering, illegal immigration, murder, theft and terrorism.

Becoming highly organised

In addition, it is apparent that entities involved in this illegal trade are becoming highly organised, with investments in large inventories and equipment, sophisticated communication and transportation methods, and well-defined organisational structures. These elements form the basis of organised crime and have facilitated the tremendous growth of the industry.

The massive scale of the trade can be understood by the nearly infinite variety of goods being produced and sold, which include entertainment and software, clothing, pharmaceuticals, automotive parts, food and alcohol, cigarettes, jewellery and watches, to name a few. This impacts consumers, businesses and governments in the form of increased crime, health and safety concerns, the loss of business and tax revenue, and influences the social and moral fibre of society.

In the case of film piracy, Eddy Levitan of the UK's Federation Against Copyright Theft (FACT) says, "It is a crime of major significance, with organised criminal networks manufacturing, distributing and selling counterfeit DVDs across the whole country. 2006 saw some stronger sentencing from courts and film piracy offences and some major assets seizures, which we believe will have a deterrent effect."

Internet fake trade

The director-general of the Anti-Counterfeiting Group, Ruth Orchard, who represents over 200 companies in 30 different countries, says, "Several factors have been at work during 2006 to increase the challenge to legitimate business from counterfeiting and piracy. In practical terms, perhaps the biggest single issue for us in 2006 has been the exponential increase in the trade in fakes on the Internet."

She believes "the Third Global Congress, Shared Challenges - Common Goals, is a timely reminder that this criminal activity will continue to increase its hold on the world economy, threatening the safety of consumers and funding other serious crimes, unless the partnership of industry and government is able to work effectively.

"The International Chamber of Commerce is taking the lead in providing the type of tools and research necessary to accurately measure and understand this illicit trade," says Glen Gieschen, counterfeit intelligence manager for the reports.

"Through the analysis of US\$1.9 billion in counterfeit and piracy activity, I can state with absolute certainty the industry is growing rapidly, provides funds to support other criminal activity, and infiltrates legitimate supply chains making many businesses unsuspecting participants."

BASCAP Intelligence Reports

The report is derived from data used to generate BASCAP's Daily Counterfeit & Piracy Intelligence Report statistics compiled over 2006 and focuses on intellectual property theft. Information on the methodology underlying the BASCAP Intelligence Reports is available on the BASCAP website at: www.bascap.com/disclaimer.html.

In response to the threat of counterfeiting and piracy, the International Chamber of Commerce and Gieschen Consultancy have launched the Business Action to Stop Counterfeit and Piracy (BASCAP) Intelligence Reports web portal. The objective of this partnership is to provide tools to brand owners which assist in their efforts to monitor, analyse and provide the latest intelligence to understand, formulate strategies, and fight counterfeiting and piracy.

For more information regarding the BASCAP Intelligence Reports, visit www.BASCAP.com. To subscribe to the BASCAP Counterfeit & Piracy Intelligence Reports, go to www.bascap.com/news/index.html.

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