

U.S. Discloses Moves to Stop Piracy of Intellectual Property

September 22, 2005 Thursday

The New York Times

SECTION: Section C; Column 1; Business/Financial Desk; Pg. 7

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SAN FRANCISCO-- Carlos M. Gutierrez, the commerce secretary, announced on Wednesday a series of initiatives aimed at curbing the global trade in pirated and counterfeit goods, a problem that American businesses say is costing them \$250 billion a year.

As part of the plan, the Commerce Department will send intellectual property experts abroad to monitor cases in the countries where much of the counterfeiting and piracy appears to be centered, including Brazil, China, India and Russia.

The department will also start an educational program offering two-day seminars for American small businesses on how to protect their intellectual property rights. The agency has also established a training program for foreign officials.

"The protection of intellectual property is vital to our economic growth and global competitiveness and it has major consequences in our ongoing effort to promote security and stability around the world," Mr. Gutierrez said in a statement before announcing the new programs. "Theft of intellectual property is not tolerated and will not be tolerated."

Mr. Gutierrez announced his plan to Silicon Valley executives gathered at the headquarters of Applied Materials in Sunnyvale, Calif. Applied Materials is the world's largest producer of equipment for manufacturing semiconductors. Today, Mr. Gutierrez is scheduled to speak about intellectual property protection to movie industry executives in Los Angeles.

The problem of piracy and intellectual property theft affects a huge variety of industries like movies, video games, semiconductors and manufacturing equipment.

According to figures from the World Customs Organization and Interpol, the total global trade in counterfeit goods increased in 2004 to more than \$600 billion, or nearly 7 percent of all goods sold globally. As much as 90 percent of the music and movies sold in China are illegal copies, according to some industry estimates.

The Commerce Department's announcements on Wednesday came just three months after President Bush named Chris Israel, formerly chief of staff to Mr. Gutierrez, to a new federal position coordinating intellectual property enforcement. Mr. Israel is charged with carrying out the administration's Strategy Targeting Organized Piracy Initiative, a year-old program to block illegitimate trade.

Lezlee Westine, executive director of TechNet, a lobbying group representing Silicon Valley companies, said the Commerce Department appeared to be taking the problem of piracy and counterfeiting quite seriously. "Protecting I.P. rights is extremely important to our industry," she said. "The steps they are taking are very comprehensive."