

5th June 2008

The Anti-Counterfeiting Trade Agreement

What is ACTA?

The proliferation of intellectual property rights (IPR) infringements poses an ever-increasing threat to the sustainable development of the world economy. It is a problem with serious economic and social consequences. Today, we face a number of new challenges: the increase of dangerous counterfeit goods (pharmaceuticals, food and drink, cosmetics or toys, car parts); the speed and ease of digital reproduction; the growing importance of the Internet as a means of distribution; and the sophistication and resources of international counterfeiters. All these factors have made the problem more pervasive and harder to tackle.

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.

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 and Japan. 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.

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



threats from counterfeit food and pharmaceutical drugs.

Recent data on counterfeit goods

- OECD estimates that infringements of intellectual property traded internationally (excluding domestic production and consumption) account for more than €150 billion per year (higher than the GDP of more than 150 countries). According to the OECD counterfeiting and piracy undermine innovation, which is key to economic growth.
- 79 million articles were seized at EU borders in 2007, in over 43.000 customs actions.
- There was growth in seizures of fakes dangerous to health and safety since last year: e.g. cosmetics and personal care products (+264%), toys (+98%), foodstuff (+62%), computer equipment (+62%) and medicines (+51%) show a remarkable percentage increase. These sectors correspond to 23% of the articles seized in 2007.
- Fake medicines 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.

A number of economies that consider IPR a key instrument for their development and innovation policies have agreed to be part of ACTA negotiations. The first round of negotiations in Geneva involved: Australia, Canada, the European Union, Japan, Jordan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland, the United Arab Emirates, and the United States. The goal is ultimately to see states like China sign up.

An ACTA deal would strengthen efforts to protect and enforce European intellectual property around the world, a key part of the *Global Europe* Communication by the European Commission. The European Union is also working 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.

More information on [Global Europe](#)