

10th September 2003

Re. Proposal for a Directive on the Enforcement of Intellectual Property Rights¹



Piracy and counterfeiting present a serious threat to European businesses, jobs, government tax revenues and consumer health and safety. Europe urgently needs to address this problem as piracy and counterfeiting have reached alarming levels in the EU and epidemic proportions in the accession countries.

This is the message delivered by a majority of the European Parliament in a Written Declaration dated June 2003 (attached) addressed to the European Commission and the Member States.



Recently, European heads of state also called on the Commission and Member States “to improve exploitation of intellectual property rights by taking forward measures against counterfeiting and piracy, which discourages the development of a market for digital goods and services”².



Our sectors, representing a broad range of copyright and trademark owners, wholeheartedly endorse these unequivocal calls to action which come just as the Council is working on the Commission’s Proposal for a Directive on the enforcement of intellectual property rights (COM(2003)46) – a proposal which in its current form is inadequate in view of the scale of Europe’s counterfeiting problem. This view is also supported by UNICE, the European umbrella industry organisation.



It is estimated that 7-9% of all world trade is in counterfeits³. In Europe alone: counterfeiting of clothing, cosmetics, toys, sports equipment and pharmaceuticals costs the region 17,000 jobs and reduces GDP by 8 billion Euro per year⁴; the film, video, music, business and leisure software sectors suffer losses in excess of 4.5 billion Euro annually; and the Business Software Alliance estimates that a 10 point drop in software piracy rates in Europe from 37 percent to 27 percent by 2006 could add 91 billion Euro to its combined economies, create more than 200,000 high-wage jobs, increase local industry revenues by nearly 75 billion Euro and generate 22.5 billion Euro in tax revenues.



On 8th July, in the European Parliament, Mr Buttiglione, President in Office of the Competitiveness Council, indicated that the enforcement of intellectual property rights will be a priority under the Italian Presidency which intends “to add to the Commission’s Proposal”. We are encouraged by this and trust that the Council will build on the Commission’s Proposal in order to give our sectors the necessary means to fight back against this drain on the economy.

Yours sincerely,



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¹ COM(2003) 46 – 2003/0024(COD)

² Conclusion to the 21 March 2003 European Council

³ From the Counterfeiting Intelligence Bureau (CIB), part of the International Chamber of Commerce.

⁴ From Study in 2000 by the Centre for Economics and Business Research.