

Using Technology to Combat Counterfeiting

Peter N. Fowler
 Senior Counsel for Enforcement
 Office of Policy and International Affairs
 United States Patent and Trademark Office



Many counterfeit-detecting technologies are kept secret to prevent circumvention

- But there are many known methods of detecting counterfeit goods that manufacturers, supply chains, customs officials, and consumers can use to limit counterfeiting.



Two ways to determine if a good is genuine or counterfeit

- Markings on products or packaging added by manufacturers to aid in authentication (overt features);
- Inspection of the goods (covert features)



Overt Features

- Holograms and Nano-Optic Holograms
- Color shifting inks and guilloches
- Bar/QR codes
- Radio transponders (e.g. RFID, NFC)
- Tamper proof packaging



Covert Features

- Microscopic features
- Laser Surface Authentication
- Quantum fingerprints
- Artificial Intelligence Authentication
- Self-learning detection systems



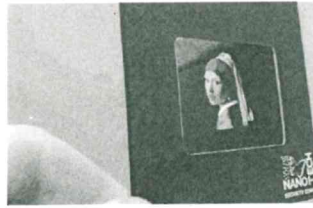
Manufacturers' Markings: Holograms

- Decades old technology
- Holograms not easily reproduced
- Producing original hologram is expensive, but mass-produced replicas are not
- Holograms to remain leading authentication technology even as RFID use grows



Manufacturers' Markings: Nano-Optic Holograms

- Traditional holograms are bulky, and limited in design and security
- Nano-Optic holograms use billions of extremely tiny holes to manipulate light and create the appearance of shifting color
- Nano-Optics can be directly embedded into the product, are highly detailed, and add no bulk
- Virtually impossible to replicate or reverse engineer.

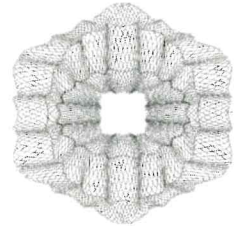


Growing use on banknotes and event tickets

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Manufacturers' Markings: Color Shifting Inks and Guilloches

- Decades old technology
- Commonly used on packaging (and currency) because it is difficult to reproduce



Manufacturers' Markings: Bar/QR Codes

- Printed on packaging
- Goods can be verified by the supply chain, customs, and consumers
- Can be read by portable, handheld scanners or smartphone applications (Apps)



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Manufacturers' markings: Bar/QR Codes (cont.)

- ScanTrust uses QR code with several thousand pixels that blur when copied, thereby preventing counterfeits.



Credit: Alain Herzog

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Manufacturers' markings: Bar/QR Codes (cont.)

- Zortag developed a tamper-proof sticker that can be affixed to a wide range of products
- The sticker features a QR code and a unique three-dimensional optical fingerprint
- Zortag has also developed an app that can read the sticker to verify its authenticity



Verify with ZorSecure™ App

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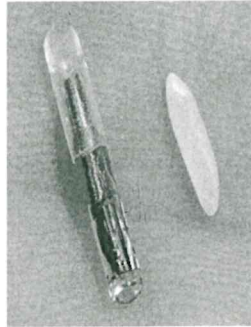
Manufacturers' Markings: RFID and NFC Transponders

- Radio Frequency Identification (RFID) and Near Field Communication (NFC) scanners emit radio transmissions that elicit responses from transponders
- Transponders need not be in line-of-sight of the scanner because it relies on radio frequencies

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Manufacturers' Markings: RFID and NFC Transponders

- Transponders inserted into packaging or the good itself
 - e.g., placed in shoe sole or specially designed compartment of wristwatch
- Can be almost as small as a grain of rice (and continue to be designed even smaller)



Manufacturers' Markings: RFID and NFC Transponders

- There are several RFID scanning smartphone apps available, many for free, that can interface with an antenna and barcode reader



Technology Solutions (UK) Ltd



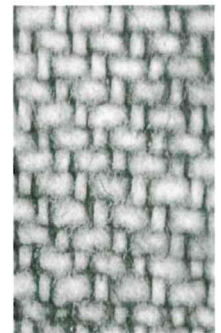
Manufacturers' Markings: Tamper Proof Packaging

- Used mostly in pharmaceutical industry
- Prevents foul play with the genuine packaging and is difficult and expensive to replicate
- Fractal modeling allows construction of packaging that cannot be analyzed, duplicated, glued, or opened without the parts distorting and triggering RFID tamper warnings
- Ineffective if consumers do not know to look for these features

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Inspecting the Goods: Microscopic Imaging

- Inspects material, processing, workmanship, wear-and-tear
- "Deep learning"
 - Images are compared to database that includes luxury brand goods
 - Database grows with each good inspected



Inspecting the Goods: Microscopic Imaging

- Entrupy: Microscopic imaging device
 - Portable;
 - Scans material and compares it to a database
 - Results sent to smartphone app in 60 seconds to 60 minutes;
 - Limited to designer handbags;
 - Subscription based on number of inspections; expensive.



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Inspecting the Goods: Laser Surface Authentication (LSA)

- Lasers analyze the surface of goods or packaging for microscopic irregularities and surface uniqueness is recorded;
- Impossible to counterfeit surface irregularities;
- Useable on any non-transparent material;
- Initial readings taken on production line; supply chain/customs can verify with hand-held scanner;
- Inexpensive.

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Inspecting the Goods: Quantum Fingerprints

- Irregularities in two-dimensional materials, which are sheets of material one atom thick (e.g. graphene), creates a fingerprint;
- Smartphone cameras can read the fingerprint because the irregularities reflect light.

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Inspecting the Goods: Quantum Fingerprints

- These nanoscale sheets with unique fingerprints can be added to virtually any product, even directly on pharmaceuticals because they are safe to consume;
- Expected to be available to the public in 2018.
- <https://www.youtube.com/watch?v=0OuiQvOdINo>

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Inspecting the Goods: Artificial Intelligence Authentication

- The shoe reseller GOAT is using AI to authenticate products.
- Sellers upload seven standardized photos of each pair of shoes; a computer compares the shoes to a database of fake and genuine shoes.
- Ultimately, the shoes are inspected by a person, but the AI greatly reduces workloads by eliminating obvious forgeries.

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Inspecting the Goods: Pharmaceutical Test Cards

- Inexpensive, portable, and easy to use medication tests
- Targeted at consumers in remote areas
- User crushes a sample of the medication on a test card; chemicals on the card react; and a phone app analyzes the card and determines the authenticity of the medication.
- Results are relayed to a database where patterns of counterfeits can be tracked and stopped at the source.



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Inspecting the Goods: Self-learning detection systems

- Private enforcement company, Red Points, seeks out and suppresses counterfeits
- Cheaper and more effective alternative to traditional legal IP protection
- System creates new algorithms as it finds different instances and methods of infringement
- Allows brands to focus on large-impact infringers, instead of low-level incidents

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Inspecting the Goods: Self-learning detection systems

- Algorithms are based on advanced keyword monitoring; tracking words and phrases counterfeiters use to lure consumers
- Filtered by date, assets, type of infringements, regions, sellers, and more
- Automated system eliminates obvious infringements, while brands must verify or reject hazy instances of counterfeits

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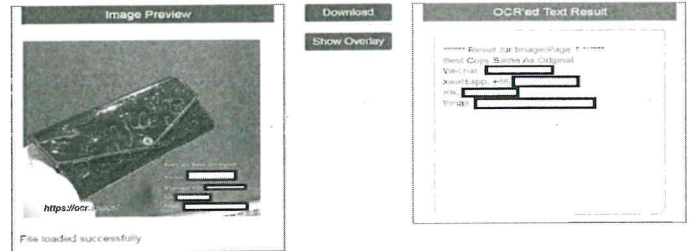
Curbing Counterfeit Distribution Through Social Media

- Algorithms that search for counterfeiting habits and ban accounts:
 - Common keywords or hashtags;
 - Third party contact info (e.g., Whatsapp, WeChat);
 - Accounts run by bots/AI.



Curbing Counterfeit Distribution Through Social Media


- Optical Character Recognition to read text embedded in images since counterfeiters try to elude detection by not posting text



Thank you.



Peter N. Fowler
Senior Counsel for Enforcement
United States Patent and Trademark Office
Peter.Fowler@uspto.gov



Advocates a safe, secure food supply

Effective Practices In Transnational Law Enforcement & Border Enforcement Strategies & Available Technology to Protect IP Online

TRINA J. DE VERA
Port Moresby
Papua New Guinea
8 August 2018

CHALLENGES

in Enforcement & Prosecution Across Southeast Asia

- Information Sharing & Capacity Building between relevant agencies of government (do they have an Inter Agency Task Force in place?)
- Follow up actions after a raid was reported
- Being able to maintain coordination with the relevant government agencies and key regulators
- How to support regulators on IP/AC specific issues
- How to help account for CF materials after a raid
- Legal framework – laws and regulations

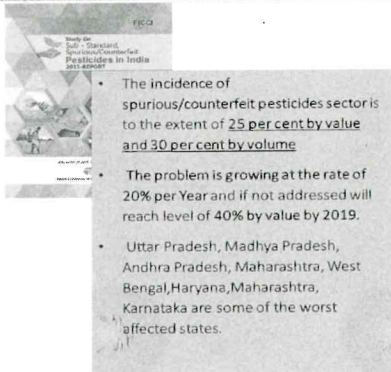
Private Sector Take on Counterfeiting In Crop Protection Products And Seeds

The problem is growing at alarming levels and governments has to step up in addressing the issues

- The problem has grown at alarming levels – *terrorist groups and mafias are recurring to counterfeit as their main source of financing*
- It stands to affect national economies
- It is a threat to food safety and security
- It is a threat to public health
- The sale, trade and use of counterfeit and illegal pesticides are not being taken as seriously as other products considering its far more serious repercussions
- Government and industry has to establish a working coordination in order to address the problem

CASE STUDY

India



India has a rapidly expanding agro-chemicals sector, but is threatened by spurious and counterfeit manufacturers who are flooding the markets with dangerous products.

- The incidence of spurious/counterfeit pesticides sector is to the extent of **25 per cent by value and 30 per cent by volume**
- The problem is growing at the rate of 20% per Year and if not addressed will reach level of 40% by value by 2019.
- Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Maharashtra, West Bengal, Haryana, Maharashtra, Karnataka are some of the worst affected states.

The harm of non-genuine/illegal pesticides and their proliferation in the market is becoming a key deterrent to ensuring the most effective use of agrochemicals and improving agriculture yields

India FICCI REPORT

(Federation of Indian Chambers of Commerce and Industry)

India: "Study on sub-standard, spurious/counterfeit pesticides in India"

Study undertaken by the collaborative efforts of FICCI (Federation of Indian Chambers of Commerce and Industry) and Tata Strategic Management Group with the support of CropLife. The study was released in 24 Sept 2015.

Highlights

- Incidence of spurious/counterfeit pesticides sector is to the extent of 25% by value and 30% by volume in the country
- The problem is growing @ 20% per year and if not addressed will reach level of 40% by value by 2019
- Overall yield for farmers across the country in case of 25% non-genuine / illegal products prevailing can reduce by 4%. This implies 10.6 million tons of food production loss in the current year.
- India's position as one of the leading food grain exporter in the world is fully at stake.

Recommendations

- Farmer Awareness programs
- Increased Dealer Licensure Requirements
- Empty Container Monitoring Program
- Enforcement Actions/Farmer cooperation in reporting counterfeiters
- Government and Industry cooperation

Export Bans

<https://e.vnexpress.net/news/business/vietnam-fears-us-ban-on-rice-exports-govt-official-3481922.html>

Vietnam fears US ban on rice exports: govt official



What needs to be done?

Joint Programs/Initiatives and Dialogue
Between Government & Industry
(On key issues as: Food Security & Safety
National Economy
National Security

Strict Dealer Licensure Requirements and Compliance
Letters to Dealers (Licensure Requirements and Governmental Mandate)

Capacity Building for Relevant Agencies

The Creation of Joint Task Force/Working Groups to :

- Review and Update Pertinent Policies
- Drive Enforcement and Prosecution

Consistent and Uniform Policies & Regulations
Stable ,Predictable and Fair Regulatory System –that facilitates both the need for
Regulation and Access to Trade, Investments Innovation

CropLife

JOINT CAPACITY BUILDING PROGRAMS WITH GOVERNMENT

Vietnam
Joint Trainings with MARD –PPD
Customs Workshops
Building the Capacity of Agricultural Investigators and Customs officials and driving enforcement actions



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Driving & Monitoring Enforcement

Thailand: Intelligence Gathering and Sharing with Authorities and How
Farmer Cooperation Can Significantly Drive Enforcement



• Source:
<https://www.thairath.co.th/content/1016072> Key info: Raid and seizure in Phetchabun
Publish Date: 2017-07-26

- Soldiers and agricultural inspectors searched unidentified warehouse in Phetchabun province and found counterfeit herbicide which was worth approximately 20 million Baht.
- A complaint made by a farmer led to the seizure

CropLife

Driving & Monitoring Enforcement

Vietnam: Enforcement Actions against Illegal Manufacturers



Phá đường dây sản xuất thuốc bảo vệ thực vật giả
(BREAKING THE LINE OF (ILLEGAL) PESTICIDE PRODUCTION)
15:53 19/10/2017
<http://www.sggp.org.vn/pha-duong-day-san-xuat-thuoc-bao-ve-thuc-vat-gia-476447.html>

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Driving & Monitoring Enforcement

Vietnam: When a severe shortage of governmental funds and personnel
results in such loose management of pesticides

Việt Nam News
THE NATIONAL ENGLISH LANGUAGE DAILY

Fake, low quality pesticides 'out of control'
Update: November, 13/2017 - 09:00



Customs officials of the central province Quảng Trị check illegally imported pesticides without clear origins

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MOUs Forged with Governments

Joint Programs with Government

Memorandum of Understanding (MOU) with their respective Governments were forged in 2017. These MOUs mark coordination, cooperation and joint programs with these Governments in the advocacy against counterfeiting and will include joint farmer and stakeholder engagements, information sharing, joint trainings and enforcement activities.

In Thailand, the MOU was forged in February 2017 between CL Asia, TCPA and Thailand's DoA, DSI and Consumer Protection Police. This led to a co-signed Letters to Dealers to be distributed to 25,000 dealers across Thailand;

In Indonesia, an MoU was forged in November 2017 with the MoA, KP3 (Pesticides Monitoring Authority) and the Police for cooperation efforts against counterfeit pesticides in 2018;

In Vietnam, Thailand, Taiwan and Malaysia, Joint Training Programs and Capacity Building Workshops with Government were undertaken throughout the year;

CropLife

MOUs with Governments Indonesia: MOU for Joint Anti-Counterfeiting Efforts

Crop Science

Senior Manager



CropLife and the Government Fight against Fake

As a revenue loss to the livelihood of agricultural products, farmers have pesticides. Counterfeiters of counterfeit pesticides are not only the government, police and private agencies, but also counterfeiters, counterfeiters and the health of crops and consumers. The use of counterfeit pesticides can cause crop loss and damage to the environment. The use of counterfeit pesticides can also cause crop loss and damage to the environment. The use of counterfeit pesticides can also cause crop loss and damage to the environment.

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Joint Programs with Government Joint Training and Capacity Building Programs with Government Vietnam, Malaysia, Thailand



MCPA Joint Training Program with MoA & Pesticides Board

Inter Agency ACF Workshop with FTIR Included Customs and Police Nov 2017, Kota Kinabalu, Malaysia Johor Bahru Malaysia (Q2 2018)

Joint Training Program with the Department of Agriculture for Agricultural Inspectors. Throughout 2017



Letters to Dealers Thailand



Dear Dealers,

As a revenue loss to the livelihood of agricultural products, farmers have pesticides. Counterfeiters of counterfeit pesticides are not only the government, police and private agencies, but also counterfeiters, counterfeiters and the health of crops and consumers. The use of counterfeit pesticides can cause crop loss and damage to the environment. The use of counterfeit pesticides can also cause crop loss and damage to the environment. The use of counterfeit pesticides can also cause crop loss and damage to the environment.

Dear Dealers,



REGIONAL COOPERATIONS & STRATEGIC PARTNERSHIPS

ASEAN-USPTO In Collaboration with CropLife Asia
REACT/PR Business Partnership
BASCAP
UNEP
Shanghai Working Group



New Issue: The Trade and Sale Online of Counterfeits and Illegals CropLife China-Alibaba Dialogue & Workshops To establish cooperation against online trade of counterfeit and illegal products

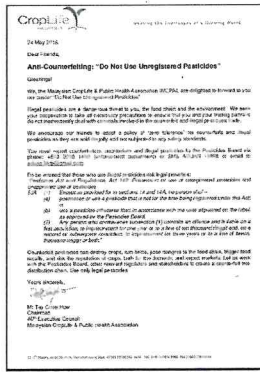
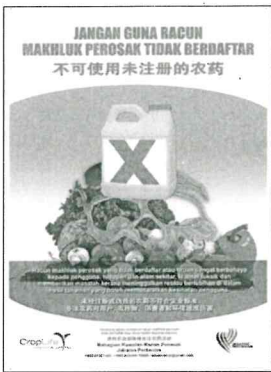


Public Information & Awareness Malaysia



Public Information Campaign & Stakeholder Engagement MALAYSIA

ACF posters with GAP Advisories 4,837 letters sent, completed by June 2016



Public Information Campaign INDONESIA



Technology for Faster Detection FTIR Trainings/Workshops

FTIR trainings and demonstrations have been conducted across the region. In particular, China, Malaysia, Indonesia, and Cambodia.



Why Counterfeiting Persists Counterfeiting & Terrorism -2016 Report By UNIFAB

- 1. Legislation is not dissuasive**
From a criminal point of view, the risks are lower
- 2 Penalties are rarely enforced**
"It is therefore regrettable that justice does not consider counterfeiting as dangerous as it seems necessary to raise awareness to the judges towards the dangers and various consequences of counterfeit in order for them to warrant more severe sentences."
- 3. The lack of harmonization**
"However, the application of the necessary strengthening of the criminal policy against counterfeiting is still pending"

Recent Trends Requiring Vigilance

- Registration and Re Registration
 - Governmental Inaction/ Lack of Resources
 - Inconsistent Revision of Policies and Requirements
- Price Control
 - Has the effect of hindering investments and availability of technology in the agriculture sector
- PRD
 - Governments' recognition of PRD as vital in investments and technology in the agriculture sector
- Pesticides Management & Enforcement Policies
 - Lack of necessary policies
 - Revisions and Amendments
 - Lack of Governmental Resources
 - Non Inclusion in Priorities
 - How to encompass Online Trade
 - Harmonization

Operation Silver Axe



Some 700 tonnes of illegal or counterfeit pesticides were seized in Europe as the result of Operation SILVER AXE, the largest ever seizure of counterfeit pesticides in the world.

From the seizure of 26 July, Operation SILVER AXE has since then been supported by all major member states and has become an inter-continental and multi-lateral effort in the following 27 countries: Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, Ukraine, The Netherlands and the United States.

Pesticides are used in the most regulated products in the world. They are used to protect and

Operation Silver Axe

- **Europol snares pesticide smugglers**
-- By Simon Marks
7/11/18, 8:33 PM CET
- Law enforcement officers in Europe have uncovered a complex web of criminals based in China responsible for illegally transporting hundreds of tons of counterfeit pesticide products into the EU.
- Earlier this year, the EU's law enforcement agency Europol and the bloc's anti-fraud office OLAF identified 180 suspicious shipments of pesticides sent to the EU from China.
- In total, investigators seized 360 tons of illegal counterfeit pesticides over the course of 20 days as part of a plan dubbed Operation Silver Axe.
- The operation, which is in its third year, saw inspections carried out at major seaports, airports and land borders, as well as production and repacking facilities in 27 countries including Australia, Moldova, Serbia and Ukraine, the final destination for some of the substances.



Operation Silver Axe

- The amount seized is enough to spray approximately 48,000 square kilometers of land, a space equivalent to the whole of the U.K., according to Europol.
- Investigators on the case say that the sea ports in Rotterdam, Antwerp and Hamburg were targeted in particular by the criminal gangs due to existing connections and shipping lines between Europe and China.
- As well as focusing on the sale and trade of counterfeit products infringing on the intellectual copyright rights of some of the world's largest agrichemical companies from Germany's Bayer to Switzerland's Syngenta, the criminal probe has raised questions about the scale at which chemicals that are potentially dangerous for public health are being sprayed on crops across the EU.
- Vansteenkiste added that among those items confiscated there were "substandard products that are put on the market with chemical substances or active ingredients that have been forbidden for human health reasons in the EU."



Operation Silver Axe

- In some cases the counterfeit goods came into Europe from China for extremely low prices before being marketed with fake labels from recognized companies and being sold on to consumers at real market prices. Investigators in the case said such activities had resulted in large amounts of VAT fraud in the EU.
- Some illegal products were also found to come from India.
- The illegal products confiscated at some of Europe's main entry points are thought to account for roughly **14 percent of all the pesticide substances being used by farmers across the EU.**
- Operation Silver Axe has been carried out every year since 2015. There are now 27 countries collaborating on the operation, up from 16 last year.




Operation Silver Axe

- The European Union Intellectual Property Office estimates that every year across the EU, €1.3 billion is lost due to counterfeit pesticides
- In some cases poor farmers in countries such as Romania have bought counterfeit products sold from the trunks of cars, while the distributors of the products advertise their products on the internet.
- *"The complexity and scale of this fraud means cooperation needs to happen across borders with a multi-agency approach, working hand in hand with the private sector,"*



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Advocates a safe, secure food supply


THANK YOU

FOR IP AND ANTI COUNTERFEITING :

www.croplifeasia.org
trina.devera@croplifeasia.org



**U.S. Customs & Border Protection's IPR Branch Presentation:
Border Measure Obligations and Procedures
(APEC SOM 3)**
Alex Barniagis
August 8, 2018



U.S. Customs and Border Protection

1

Overview

- Who We Are
- Exclusion Orders
- Trademarks and Copyrights
- Digital Millenium Copyright Act
- Intersections with Customs Law

U.S. Customs and Border Protection

2

Who we are: IPR Branch, R&R

- Attorney-Advisors that are subject matter experts in intellectual property rights enforcement laws administered by CBP
- IPR Branch assures compliance of laws through issuance of binding rulings and admin. decisions that represent the official position of CBP
- Reviews proposed legislation, promulgates regulations involving intellectual property protection
- Provides advice to port officials on IPR matters
- Renders decisions on admin. appeals (protests and petitions) filed by importers involving IP enforcement actions
- Administers and enforces ITC exclusion orders
- Maintains IPRR, IPRS and IPRIS databases and is responsible for reviewing all applications for recordation as well as applications for gray market protection and *Lever*-rule protection

U.S. Customs and Border Protection

3

IPR Violations CBP Can Enforce

- The merchandise is subject to exclusion pursuant to an **exclusion order**
- The merchandise bears a mark that infringes a recorded **trademark**
- The merchandise is a piratical copy of a work protected by a recorded **copyright**
- The merchandise is prohibited importation pursuant to the **DMCA**

U.S. Customs and Border Protection

4

EXCLUSION ORDERS

U.S. Customs and Border Protection

5

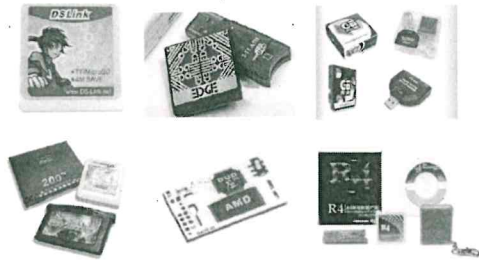
ITC Exclusion Orders

- Issued for violations of Section 337 of the Tariff Act of 1930, and are generally patent-based
- Directs CBP to exclude certain infringing articles in either a "general" or "limited" EO
- IPR Branch interprets orders and formulates instructions to the field on CBPnet.

U.S. Customs and Border Protection

6

Digital Millennium Copyright Act



DMCA

A device is considered violative if:

- primarily designed or produced for circumventing
- has only limited commercially significant purpose or use other than to circumvent protection
- is marketed...with knowledge...for use in circumventing

DMCA, cont'd

Newer Considerations:

- Set Top Boxes: Application
- TFTEA Disclosures and Persons Injured: Regulation
- Private Party Disputes: Litigation

Intersections with Customs Law

Abandonment

Information Disclosures

Bonding

Gray Market Devices

Pre-importation Rulings


Refurbished Goods

CONTACT INFORMATION




Alex Bamiagis
(202) 325-0415
Alex.Bamiagis@dhs.gov




U.S. Customs and
Border Protection

National Superintendence of Customs and Tax Administration 

PROCEDURES AND MEASURES AT THE BORDER FOR THE PROTECTION OF INTELLECTUAL PROPERTY

Miriam E. Gamio


Legislation 

- Legislative Decree No. 1053, General Customs Law, Article 165, subsection e).


Exercise of Customs Authority:

"Exercise the measures at the border, providing for the suspension of the clearance of goods allegedly falsified or pirated, in accordance with the legislation on the matter."

- Legislative Decree that approves border measures for the protection of copyright or related rights and trademark rights, Legislative Decree No. 1092, published on 28.Jun.2008 and its Regulations.
- Specific Procedure: Application of Border Measures - DESPA-PE.00.12


Application of Border Measures 

- Import
- Reimportation in the same state
- Temporary Admission
- Export
- Temporary Export
- Transit



Voluntary Registration 

Registros Voluntarios-2018

Fecha	Registro	Título	Categoría	Fecha	Registro	Título	Categoría
20/12/2017	SEI	SEAL TRADEMARK (4 PTY) LTA.	90011491, 930105287, 901120111, 901201111 y 902011111	20/12/2017	SEI	LABORATORIOS BORGAS S.A.S.	900108950 y 900208925
20/12/2017	SEI	COMPRAS/COMERCIALIZACIONES PEREZ & LOPEZ S.R.L.	900201579	20/12/2017	SEI	PALOMA	900118187
20/12/2018	SEI	CHEVRON INTELLECTUAL PROPERTY L.C.	900191031	20/12/2017	SEI	AZ SPOLKA S R O U S P A	700009388
20/12/2017	SEI	LUSIANO ORTIZ VILLABAS	900211370, 900214110, 900217254, 900218231, 900211150	20/12/2017	SEI	MAX ALI TORCO SERRAVALLO SECRETIZ	900210810
27/12/2017	SEI	MARFAK EXPORT HONGKONG S.A.C.	900215159, 900215881, 900215115, 900214958, 900214830, 900217829, 900217028, 900218103, 900218097, 900218251, 900219130, 900219072, 900218995, 900210443, 900218011	27/12/2017	SEI	Z.O.S. American Surf	900217601, 900217281, 900219072, 900217700
27/12/2017	SEI	BOLELLI	900094090, 900097720	27/12/2017	SEI	JOSSELLUS FERRERA VALENCIA	900152010, 900154238, 900156812, 900174814, 900218184, 900214331, 900214322, 900214816, 900217415, 900214193, 900214713
27/12/2017	SEI	COMPRAS/COMERCIALIZACION S.R.L.	90021400	27/12/2017	SEI	JOSSELLUS FERRERA VALENCIA	900214193, 900214713

Voluntary Registration 

Fecha	Registro	Título	Representante Legal / Apoderado	Orden	Signa	Certificado de INDECOPI	Observaciones
23/02/2018	1088	CHEVRON INTELLECTUAL PROPERTY LLC.	Representante: CLARKE MODEST & CO PERU S.A.C. RUC 2025036600	1	CHEVRON (Denominativa)	P00018401	1) Mediante Expediente N° 000-URD003-2018-072455-2 de 12/02/2018, la Sra. JIMENA LUCIA UGARTE SERPA, representante legal, solicita la inscripción en el Registro Voluntario (Item 1).
				2	CHEVRON (Mixta)	P00110375	Mediante Correo de fecha 23/02/2018 INDECOPI otorga el V°B° a la inscripción indicada.
			JIMENA LUCIA UGARTE SERPA DNI 40307315	3	HAVOLINE (Denominativa)	P0040202	
			Dirección: Av. Conquistadora N° 1136, Of. 304, San Isidro Lima	4	URSA (Denominativa)	P00033943	2) Mediante Expedientes Nos 000-URD003-2018-072462, 000-URD003-2018-072467, 000-URD003-2018-100167, 000-URD003-2018-100880, 000-URD003-2018-106690 y 000-URD003-2018-106195, los dos primeros de fecha 12/02/2018 y el resto de fecha 28/02/2018 la Sra. JIMENA LUCIA UGARTE SERPA, representante legal, solicita la inscripción en el Registro Voluntario (Items 2 al 7).
			Tel: 461-2073	5	MULTIFAK (Denominativa)	P0003469	Mediante Correo de fecha 24/02/2018 y 21/02/2018 INDECOPI otorga el V°B° a la inscripción indicada.
			Correo: info@clarkemodest.com.pe	6	THERMATAX (Denominativa)	P00014434	NOTA: Al cesar el Titular con registro habilitado se procede a la ampliación correspondiente.
				7	MARFAK (Denominativa)	P00033911	

Voluntary Registration 








Voluntary Registration



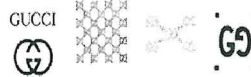
SANRIO COMPANY, LTD



Voluntary Registration



GUCCIO GUCCI SPA



LACOSTE (SPORLOISIRS SA)



HARLEY DAVIDSON MOTOR COMPANY



LANCEL INTERNATIONAL SA



HERMÈS INTERNATIONAL



LOUIS VUITTON MALLETIER



Requirements



- Value US \$ 200
- Falsified, Pirates or Confusingly Similar
- Voluntary Registration



Release Suspension



The designated customs officer carries out the physical examination and, if applicable, orders the Release Suspension of the goods.

On the SUNAT web portal "Declaración with suspension of release" is displayed

Measures



- Joint work: SUNAT, INDECOPI, representative of the brand and temporary deposit.
- Risks: types of cargo, suppliers, weights, packages, etc.
- Meetings - Presentation of cases
- FMV- Multivariable Filter

Legal Reports



www.sunat.gob.pe

Report N° 93-2018-SUNAT/340000:

The Customs Authority can apply border measures in the Free Trade Zone.

Report N° 108-2016-SUNAT/5D1000:

The Voluntary Registry does not have the status of confidential information.

Report N° 33-2015-SUNAT/340000:

- The Customs Authority may apply border measures on postal items.
- The Customs Authority may apply border measures on those goods exported through the postal service.

Report N° 139-2018-SUNAT/340000:

The Customs Authority may suspend the release of goods, when it suspects that goods are falsified or pirated.

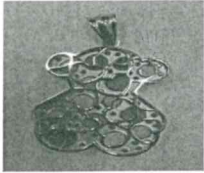
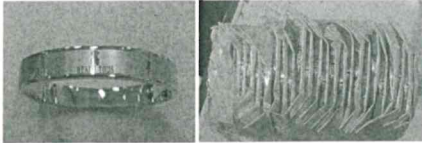
Imitation Jewelry



Customs Declaration (DAM): Imitation Jewelry S/M S/M

S TOUS SL

TOUS



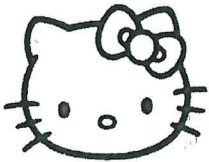
Cellphone Protectors



Customs Declaration (DAM): Cellphone Protectors S/M S/M



Exports



Intellectual Property Crime



SONY COMPUTER ENTERTAINMENT INC



PS4
PSVITA SIXAXIS

ITE M	PARTIDA	NOMBRE COMERCIAL	FOB U. US\$	CANTIDA D	MODELO	CLASE Y VARIEDAD
1	8471609000	MINI CHIP	.3	6000	S/M	ACCESORIO
2	8471700000	MICRO ADAPTADOR	1	500	R4	CON ACCESORIO
2	8471609000	LENTE LASER	1.2	500	S/M	REPUESTO



Customs Analyst



The Project "Customs Analyst" was created with the purpose of contributing with the objective of REDUCING the Total Time of Release of Goods and the time from the entry of cargo to the warehouse until the numbering of the customs declaration.

IMPROVE the customs clearance service.

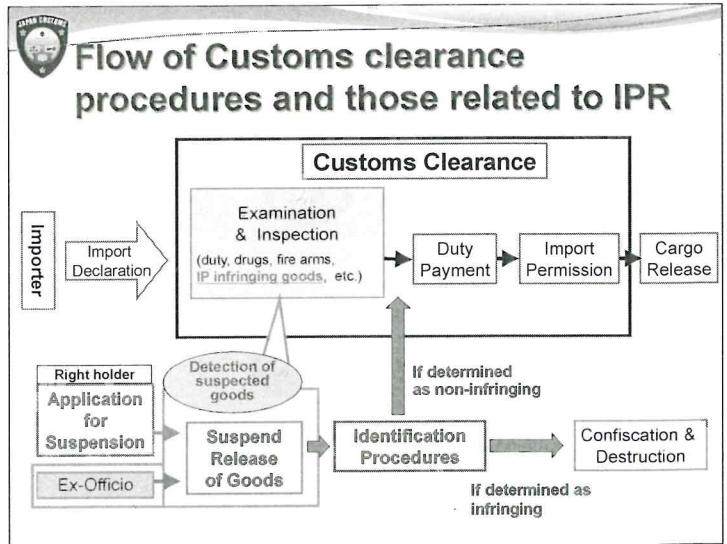
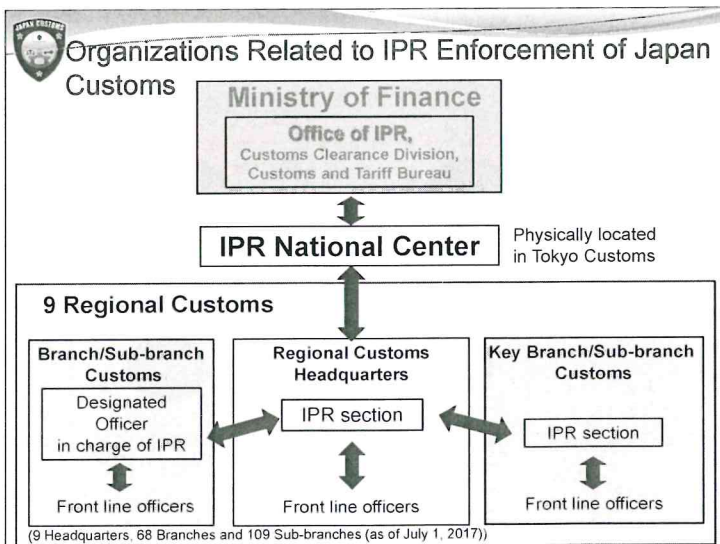
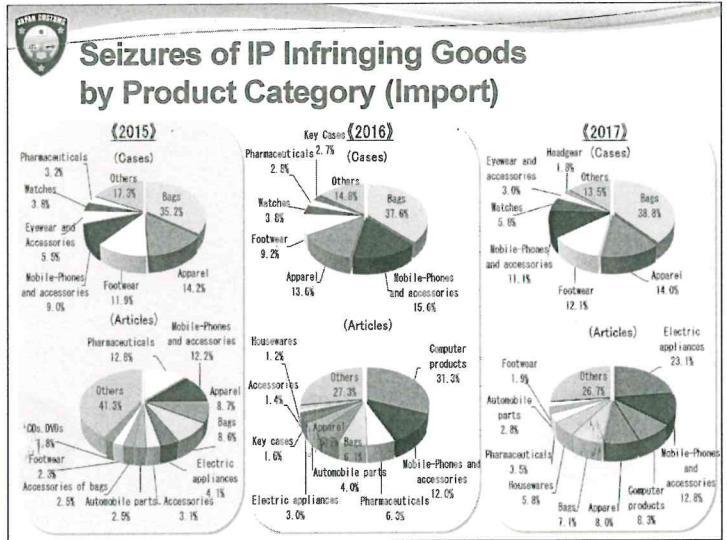
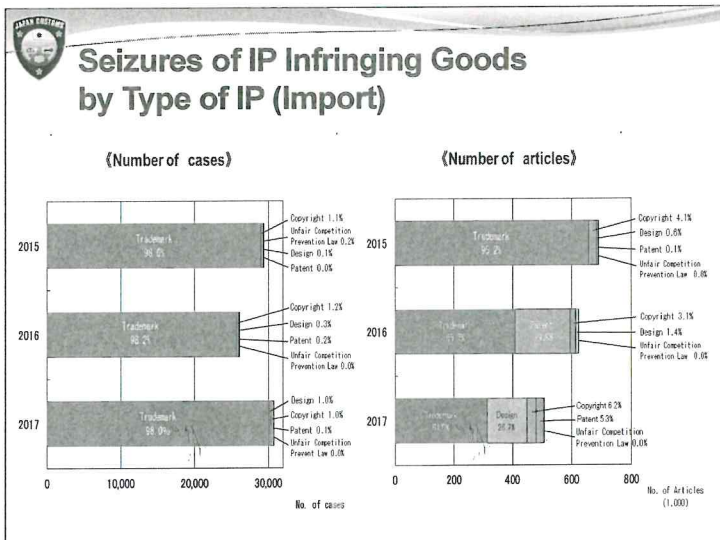
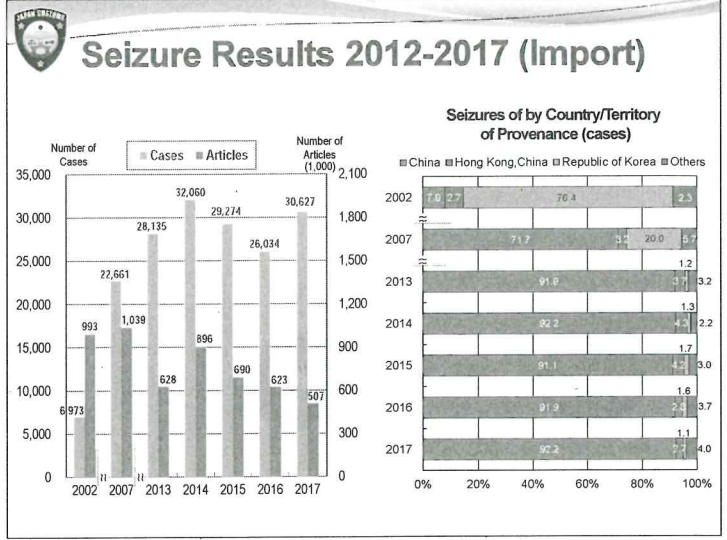
ATTEND the foreign trade operators that carry out their customs procedures, seeking for the Customs Administration to be involved with the actions of foreign trade through the orientation and comprehensive monitoring of the import process, managing solutions aimed at reducing the release times of the goods.



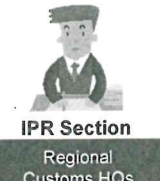
www.sunat.gob.pe
mgamio@sunat.gob.pe
 Thank you

Customs Border Enforcement on IPR in Japan

Tomoyoshi WATANABE
Customs and Tariff Bureau
Ministry of Finance, Japan




Application for Suspension



IPR Section
Regional
Customs HQs

Right holder

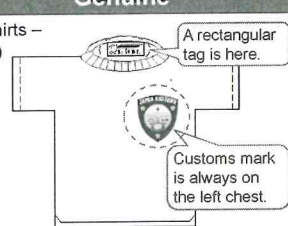
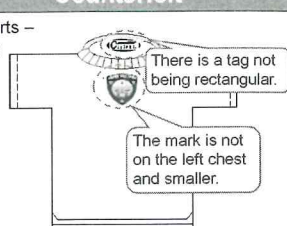


- ◆ Type of right
- ◆ Evidence of ownership of the right
- ◆ Name of goods
- ◆ *Prima facie* evidence of infringement
- ◆ Identification points of genuine and fake
- ◆ Country of production and routes used by traffickers
- ◆ Assumed importers' and/or exporters' name and address, etc.


Please suspend these counterfeits!!! Which look like...

Application for Suspension

(Distinguishing features) - hypothetical example -


Genuine	Counterfeit
<p>- T-Shirts - (front)</p>  <p>A rectangular tag is here.</p> <p>Customs mark is always on the left chest.</p>	<p>- T-Shirts - (front)</p>  <p>There is a tag not being rectangular.</p> <p>The mark is not on the left chest and smaller.</p>
<p>① A rectangular tag is always on the collar and the size is 5cm in length and 2cm in width.</p> <p>② Customs mark is embroidered on the left chest. The size is 6 cm in length and 4cm in width.</p>	<p>① The tag is oval and different in size from genuine one.</p> <p>② Customs mark is not on the left chest and smaller than genuine one.</p>

Identification Procedures




Importer

"The goods are not counterfeits!"



Customs



Right holder

"The goods are infringing my IPR!"

Notification

Claim & Evidence

Deadline for Claim & Evidence 10 working days

Importer and Right holder can inspect the goods

Usually, within one month

Decision

Circulation for Effective Enforcement

Customs

Targeting based on the application for suspension → Detection of suspected goods by Customs → Identification Procedures

Evidence & Information

Identification Techniques through seminar training



Evidence & Opinions for identification

Right holders

Updated information of the application through feedback process

Cooperation with Right Holders

【 In-House Training by Right Holders 】

- 189 training seminars
- A total of 2,634 participants (in FY 2017)

Conclusions

Cooperation between Customs and RHs is a key to effective IP border enforcement.

Japan Customs appreciates input from Right Holders including:

- applications for suspension and timely update thereof;
- trainings for Customs officers; and
- timely submission of adequate evidence and opinions during the identification procedures.

For further information, please visit our website at:
http://www.customs.go.jp/mizuguiwa/chiteki/index_e.htm (English)




Thank you for your attention!



Japan Custom's official character
"Custom-kun"

For more information (Japan Customs Website)
<http://www.customs.go.jp/english/index.htm>




**TRADEMARK
INFRINGEMENT
DETERMINATIONS IN A
BORDER ENFORCEMENT
CONTEXT**

Tom B Vere
Director - IPR Section

8 August 2018
International Convention Centre
Room 216/217
Port Moresby
Papua New Guinea


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TOPIC

BORDER MEASURE OBLIGATIONS AND PROCEDURES

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PNGCS'S MANDATE

Roles and Responsibilities, collect revenue, facilitate trade, and protect local industries and Communities.

International Affiliations:

- APEC - November 1993
- WTO - June 1996
- WIPO - July 1997
- WCO - March 2002


In 2000 - IPOPNG introduced new IPR laws (Patents and Industrial Designs and Copyright & Neighbouring Rights).

*Trademarks law – in existence since 1975, adopted from Australia after independence.

In 2005 - PNGCS revised and amended its Regulation on Customs Prohibited Imports Regulation:

- > Part VI – The Importation of Goods that Infringed Upon Intellectual Property Rights


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PNG'S IPR REGIME

IPOPNG - Protection	PNGCS - Enforcement
<p>IPOPNG a division of the Investment Promotion Authority (IPA) and is the agency responsible for administration of the following:</p> <ul style="list-style-type: none"> > Trademarks Act Chapter 385 > Patents & Industrial Designs Act 2000 > Copyright & Neighbouring Rights Act 2000 	<p>IPR Section under the Compliance and Procedures Division is the section is tasked with administration of the following:</p> <ul style="list-style-type: none"> > Customs (Prohibited Imports) Regulation 1973 (Sections 7 – 22) > PNG Customs Act 1951 (Sections 146(1)(ca) & 153(k))


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IPR MONITORING & ENFORCEMENT

- **Right Holders** - with valid intellectual property rights (IPR) can apply to file and record with PNGCS
- **Types of works protected** - counterfeit goods/products, pirated works and technology defeating devices.
- **Monitoring** - at the PNG's borders (sea/land and air).
- **The Recordation System** - monitoring of IPR infringing goods for 2 years. Free of charge.
- **The Intervention System** - suspend clearance during the 2 year period. Fee K2000 for administration.

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IPR ENFORCEMENT PROCESS

```

graph TD
    A[Ex Officio  
Initiative evidence base  
by PNGCS] --> B[Intervention  
Detection by Customs  
Suspension of Clearance by  
Right Holder]
    B --> C[Recordation  
By Right Holder  
Monitoring 2 years]
    C --> D[Detention/Seizure  
By Right Holders/  
Industry Regulators]
    D --> B
    
```

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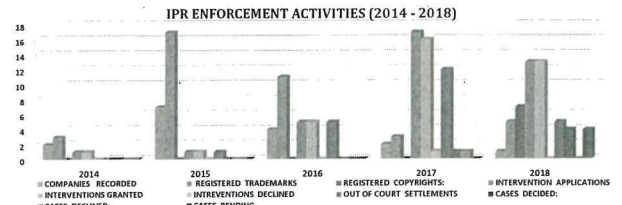


IMPORTANCE OF IPR SYSTEM

- Gives confidence to businesses to investments without concerns of their IPRs infringed.
- The system also safeguards interests of local businesses/investments
- Protects local people and communities from being exposed to counterfeits and pirated goods.
- A mechanism/avenue to report any suspicious activities by individuals or entities engaging in illegal activities relating to IPR, directly or indirectly.



SUCCESS OF THE SYSTEM



ITEM	2014	2015	2016	2017	2018
COMPANIES RECORDED:	2	7	4	2	1
REGISTERED TRADEMARKS:	3	17	11	3	5
REGISTERED COPYRIGHTS:	0	0	0	0	7
INTERVENTIONS GRANTED:	1	1	5	16	13
INTERVENTIONS DECLINED:	0	0	0	1	0
OUT OF COURT SETTLEMENTS:	1	1	2	12	5
CASES DECIDED:	0	0	0	1	4
CASES DECLINED:	0	0	0	1	0
CASES PENDING:	0	0	0	0	4



COUNTERFEITS/FAKES

Below are some of the counterfeits we have detected under the IPR Recordation and Intervention Systems. Many come in undetected!



CHALLENGES

- Phonetically equivalent trademarks. Taking advantage of estimated 70 to 80 % illiterate population.
- Copying of trade dress or get-up of famous brands of companies with an intent to mislead and confuse.
- Lengthy and costly Court process - going to the courts to get a determination on IPR matters.
- Quantity detained may be less than the intervention costs as experienced in a couple of instances.
- Burden of proof on right holder and not importer - affecting small/local start ups/businesses in going to courts, etc.
- Storage costs incurred on detained goods at the wharf as additional cost to right holders/importers.



COOPERATION & NETWORKING

- IP Right Holders - for IPR monitoring and enforcement at the borders.
- Industry Regulators - for preventing the importation of substandard and restricted/or prohibited goods at the borders.
 - Concluding Memorandum of Understanding (MOUs) with the appropriate stakeholders concerned
 - PNGCS signed 7 MOUs with consideration of few more.
- The general public - through "HOTLINE: 7091 9000" for reporting.



CONCLUSION

- Undertake greater awareness - educate and create awareness on negative implications of counterfeits, substandard, restricted and prohibited goods/ items.
- Inform right holders of IPR monitoring and enforcement mechanisms established under PNGCS.
- Liaise and maintain constant use/exchange of information between relevant stakeholders - internal and external
- Collaborate - with public/private sector in monitoring and enforcing IPR and standards through regulation at the borders and within, to ensure compliance.



OUR CONTACTS

- **PNGCS's physical address:**
PNGCS Headquarter, Varahe Street, Gordens,
National Capital District, Papua New Guinea
- **Telephone contacts:**
Office: 312 7500, Fax: 323 1880
- **Postal address:**
P. O. Box 923, Port Moresby, Papua New Guinea
- **Specific Queries on IPR:**
Contact - 312 7642
Email - itagaub@customs.gov.pg; frankg@customs.gov.pg;
veret@customs.gov.pg

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THE END

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Asia-Pacific
Economic Cooperation



附件 3-1


APEC CUSTOMS-BUSINESS DIALOGUE (ACBD)
A Secure Business Environment for Economic Development
“Enhancing Cooperation in the APEC Region”

AGENDA

09th August 2018, International Conventional Centre (ICC), Room A106
Port Moresby, Papua New Guinea

0800 – 0830	Registration of Participants (Entrance of Event. Room A106)
OPENING REMARKS	
0830 – 0840	Welcome Remarks by PNG Customs Services Chief Commissioner Mr Ray Paul, OBE
Session 1: Enabling Environment	
It is globally recognized that Customs can contribute to making the business environment more stable and predictable, for example; streamlining procedures, tackling corruption, enhancing integrity, and facilitating the movement of goods, conveyances and people in general	
0850 – 0920	Moderator: Mrs. Hong Nguyen, Technical Officer in the Compliance and Facilitation Section of the World Customs Organization (WCO) Speaker 1: Mr Robert Nilkare, President, PNG Business Council (to be represented by Chey Scovell on behalf PNG Business Council) Speaker 2: Professor Cecilia Nembou PhD, President, Divine Word University <i>“The Role of Divine Word University in the Human Resource Capacity Building”</i> Speaker 3: Dr Khin Mg Kyi, Dean of School of Business, Pacific Adventist University <i>“Integrity in Customs: Good Governance and Practices”</i>
0920 – 0950	Discussions
0950 - 1000	Coffee Break
Session 2: Safe Environment	
Legitimate business requires security of Supply chain to combat cross border crimes, illicit trade or shipment of illicit goods which could endanger people’s health, safety and security	
1000 – 1030	Moderator: Mr Xu Jun, Director Consultant, Multilateral Division, General Administration of Customs, People’s Republic of China Speaker 1: Mr John Sam, Assistant Commissioner Trade and Revenue Administration, PNG Customs Services, Papua New Guinea <i>“PNG Customs Promoting Safe Environment for Trade”</i> Speaker 2: Mr David Towe, External Affairs Manager, British American Tobacco PNG Limited, Papua New Guinea <i>“Illegal Trade in Tobacco Products: The Tobacco Industry’s Experience”</i>

1030 - 1100	Discussions
Session 3: Fair and Sustainable Environment	
<p>Importation of illegal goods, such as IPR infringing goods, or legal goods smuggled to avoid payment of taxes. This does not only refer to financial losses for both legitimate traders and government, such activities can also affect governance, the economy, development and human security</p>	
1100 – 1130	<p>Moderator: Mr Frank Babaga, Assistant Commissioner Regional Operations, Papua New Guinea Customs Services, Papua New Guinea</p> <p>Speaker 1: Mr Jerry Wemin, President of Papua New Guinea Human Resource Institute <i>“The Missing Link”</i></p> <p>Speaker 2: Mr Chey Scovell, Chief Executive Officer, PNG Manufacturer’s Council <i>“A Secure Business Environment for Economic Development. Enhancing APEC Customs Business Dialogue Aug 2018 Cooperation in the APEC Region”</i></p>
1130 -1200	Discussions
1200 – 1230	Key Points and Highlights of 2018 APEC Customs Business Dialogue by the SCCP 2018 Chair
1230 -1210	Photo Session
1210	Lunch



**PNG Customs
promoting safe
environment for
Trade**

APEC Customs-Business Dialogue,
Port Moresby, 9th August, 2018



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Securing our Future**




Presentation outline

- World Customs theme for 2018
- PNG Customs Service role in the WCO 2018 theme
- Business roles in securing the supply chain
- Conclusion

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**World Customs Organisation
(WCO)**

WCO 2018 theme:
“A secure business environment for economic development”

Legitimate businesses require a secure supply chain to prosper, but some threats come from within the trade itself, such as the shipment of illicit goods that could endanger peoples’ health, safety and security.


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WCO theme

- Combating cross-border crime, including the illicit funding of international terrorism through trade activities, is our responsibility.
- By taking advantage of the WCO’s tools, instruments and expertise, Customs has the means to actively secure the global trade landscape.



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PNG Customs

- To promote safe environment PNGCS introduced the “Trusted Trader Program” (TTP)
- Still in its infancy stage the TTP calls for compliant traders to be registered with Customs
- Benefits under the TTP – includes delayed payment of duties, no interventions at the border
- TTP pilot phase to be rolled out in July 2019

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Container Examination Facility (CEF)

PNGCS has a fully functional CEF at Motukea:

- Benefits for business includes faster scanning of containers
- Less costs to business in terms of storage charges
- Improved compliance by traders leads to increased revenue

CEF facility in Lae is under progress now

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Illicit Task force



- Task force mandated by Minister for Treasury
- PNGCS is a member of the Illicit Task Force
- Targeting illicit trade within PNG



Business role



Traders/Business:

- Compliance with Customs laws and regulations helps facilitate the clearance process
- Customs can focus on the high risk traders



Conclusion



- Building a secure business environment is an ambitious project
- Through sharing of knowledge and information, supported by research and good communication, we can achieve the aim:

“A secure business environment for economic development”



The END

Thank you

APEC CUSTOMS BUSINESS DIALOGUE

"A Secure Business Environment for Economic Development: Enhancing APEC Customs Business Dialogue Aug 2018 Cooperation in the APEC Region"

Presentation topic: Achieving a Fair, Sustainable Environment
 Chey Scovell, MAICD
 9 August 2018

THREE PILLARS

- i) **Enabling Environment** focuses on recognizing that Customs can contribute to making the business environment more stable and predictable by for example; streamlining procedures, tackling corruption, enhancing integrity, and facilitating the movement of goods, conveyances, and people.
- ii) **Safe Environment** focuses on the security of the Supply Chain to combat cross border crimes, illicit trade or shipment of illicit goods which could endanger health, safety and security
- iii) **Fair and Sustainable Environment** focuses on importation of illegal goods, such as IPR infringing goods, or legal goods smuggled to avoid payment of taxes and how illegal activities affect governance, the economy, development and human security.

DISCUSSION POINTS

- Overview on Presenter
- Key Facts on PNG
 - Social, Political & Economic Overview
- Platforms of Trade & Commerce
- Regulators
- Issues
- IPP
- Illicit Trade Taskforce
- Achieving a Fair and Sustainable Environment.

PRESENTER PROFILE: CHEY SCOVELL



One of regions leading business advocates providing strategic advice for businesses and Government, Chey Scovell is valued as he is entwined into the fabric of business and trade relations throughout the Pacific and is best known for his ability to facilitate market entry, influence and develop smart regulatory frameworks for trade & industry, infrastructure, and human resource development. Chey has been instrumental in building cooperative working relationships between key public service agencies, bilateral partners and other industry sectors.

He holds a degree in International Business (Economics & Political Science) from Griffith University, Graduate Diploma in Export Management and Government (Finance & Management) and is a Professional Member of the both the PNG Institute and Australian Institute of Company Directors.

He has held the position of CEO of the Manufacturers' Council of PNG since 2007. Since founding Sapience in 2011, he has assisted a wide array of businesses and is currently the Senior Advisor to the Deputy Prime Minister and Treasurer of PNG, the Hon. Charles Abel.

Chey presently presides as Chair for the National Roads Authority, CIMC Transport & Infrastructure Committee; and the National Food Sanitation Council and holds Directorships on PNG Power Ltd, the Business Council of PNG, and the PNG-European Business Council.

Chey also sits as the business or government nominee on multiple boards and committees on matters relating to labour and employment, industry development, trade, investment, population, planning and development, law and order, illicit and unregulated trade, tax, standards and compliance, biosecurity, education and regulatory reviews more broadly.

Chey is also involved in sports, arts, community affairs, e-commerce and business development, and is the founder and MD of Sapience and Sapience Entertainment.

KEY FACTS

The Independent State of Papua New Guinea

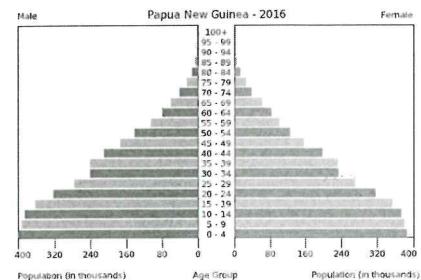
- Capital – Port Moresby
- Population - 8.2 million
- Area - 462,840 sq km (178,704 sq miles)
- Major languages - English, Tok Pisin, Hiri Motu
- Major religions - Christianity, indigenous beliefs
- Life expectancy - 61 years (men), 66 years (women)
- Currency - kina (PGK)
- Head of State – Queen Elizabeth II, represented by Governor General Dadae
- Prime Minister – Hon. Peter O' Neill (presiding in his second term)

PNG Gained Independence on 16th Sept 1975. Linguistically it is the most diverse country in the world, with over 800 languages and 1200 dialects.

POPULATION PYRAMID FOR PNG

87% of people live in rural areas, living by subsistence farming / means.

Over 95% of land is under traditional land ownership (owned by the people, not the State).



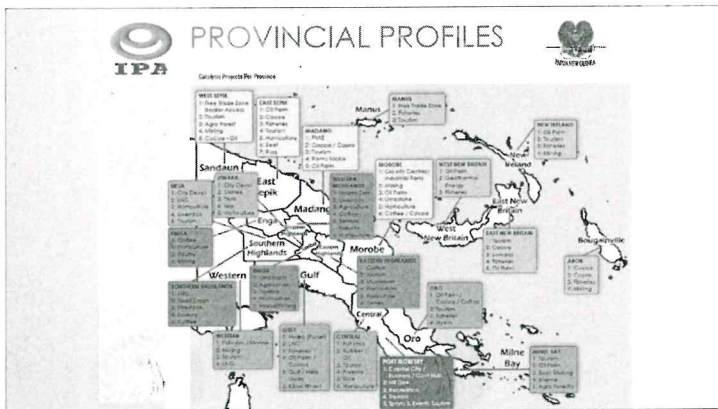
OVERVIEW ACCORDING TO THE CIA

- PNG is richly endowed with natural resources, but exploitation has been hampered by rugged terrain, land tenure issues, and the high cost of developing infrastructure. The economy has a small formal sector, focused mainly on the export of those natural resources, and an informal sector, employing the majority of the population. Agriculture provides a subsistence livelihood for 85% of the people. The global financial crisis had little impact because of continued foreign demand for PNG's commodities.
- Mineral deposits, including copper, gold, and oil, account for nearly two-thirds of export earnings. Natural gas reserves amount to an estimated 155 billion cubic meters. Following construction of a \$19 billion liquefied natural gas (LNG) project, PNG LNG, a consortium led by ExxonMobil, began exporting liquefied natural gas to Asian markets in May 2014. The project was delivered on time and only slightly above budget. The success of this project has encouraged other companies to look at similar LNG projects. French supermajor Total is expected to begin construction on the Papua LNG project by 2020. Due to lower global commodity prices, resource revenues of all types have fallen dramatically. PNG's government has recently been forced to adjust spending levels downward.
- Numerous challenges still face the government of Peter O'Neill, including providing physical security for investors, regaining investor confidence, restoring integrity to state institutions, promoting economic efficiency by privatizing waning state institutions, and maintaining good relations with Australia, its former colonial ruler. Other socio-cultural challenges could upend the economy including chronic law and order and land tenure issues.

Source: CIA World Factbook

OVERVIEW FROM OUR PERSPECTIVE

- PNG is an island nation consisting of various scattered islands and coral atolls throughout the Bismarck Archipelago apart from the mainland. About 87 % of the population is dependent on Agricultural Production and 26 % of agricultural production is exported.
- Notably importantly, PNG as a whole, through its rural populations are heavily dependent on subsistence agriculture.
- PNG has a small open economy that is heavily reliant on trade to realize its overall economic growth and development objectives.
- PNG is relatively free of many of the world's most onerous diseases that are detrimental to our agricultural production, the environment and the livelihoods of Papua New Guineans at large. With the changing economy and increasing global trading partners, Papua New Guinea faces increasing risks of exotic pest and diseases introductions.
- Efficient economic infrastructure is critical to the success of any economy.
- Without adequate investment in transport related and associated infrastructure, it is difficult to address bottlenecks within the economy. These bottlenecks have the potential to significantly affect PNG's ability to trade and limit the access to and from markets for goods and services.
- Dual economies – formal / informal. Formal is somewhat of a decline since 2013, whereas the informal economy is booming and expanding rapidly.



THE PLATFORM ON WHICH ALL ACTIVITY IS UNDERTAKEN

- PNG has a diverse transport national infrastructure across (the three modes):
- Land: 8600 KM of National roads, latest report from NRA shows 8950 km of National Roads (NRA) and 22,000 KM of Provincial Roads.
- Sea: There is a total of 23 Ports declared by the PNG Government. PNG PCL owns and operates a network of 16 of the declared ports throughout the maritime provinces of PNG; and
- Air: 46 Airports (22 national airports maintained by CASA) and about 450 Airstrips
- A major proportion of PNG's exports and imports are facilitated through the seaports owned and operated by PNG Ports Corporation Limited
- PNG, by APEC standards has expensive access to limited and unreliable, ICT, Power, Water & Sewerage.
- The poor state of infrastructure, high prevalence of law & order issues, and weak state institutions makes PNG generally an expensive, uncompetitive and difficult environment to do business.
- But things are rapidly changing, and investors and markets are responding accordingly. ...)

CONTINUED... PLATFORMS

- Notwithstanding, that major export commodities are exported through the seaports, apart from inland cartage. Most of these commodities are agricultural cash crops from individuals and smallholder farmers who depend on these commodities to finance their livelihoods. Their ability to have these commodities sold to licensed domestic exporters has a direct impact on their livelihoods.
- The exports in turn require an efficient transportation network and infrastructure to be competitive in the world market. This therefore brings into prominence the need to have an effective and efficient transportation infrastructure, and more particularly, the port infrastructure and facilities to ensure export competitiveness.
- Infrastructure efficiency will result in cost competitive outcomes in the domestic economy and more particularly lower prices of goods and services which will ultimately increase social welfare and further contribute towards reducing poverty.

REGULATORS

- Customs:**
- PNG Customs: 500+ Staff, in about 20 locations, across 14 Provinces.
 - PNG Customs draws its powers from the Customs Act 1951 to control, supervise and authorise all forms of conveyances, persons and cargo that move in and out of Papua New Guinea.
 - PNG Customs has jurisdiction under the Customs and Excise Tariff Acts to charge and collect duties and taxes.
 - PNG Customs also has responsibility for protecting the country's border and community as well as preventing transnational crimes and ensuring there is effective supply chain security.
- National Quarantine and Inspection Authority (NAQIA):**
- National Agriculture Quarantine and Inspection Authority (NAQIA) is mandated under the National Agriculture Quarantine and Inspection Authority Act 1997 to provide sound scientific quarantine and inspection services to assist and encourage agricultural production by minimising the risks of introducing exotic animal and plant pests and diseases.
 - The National Agriculture Quarantine and Inspection Authority through its monitoring and surveillance functions at the Airports, Seaports, International Mail Exchanges, import and export facilitation in the country minimises these risks.

ISSUES & CONSIDERATIONS

- **Pace of change** – the pace of change both technological and societal seems to remain on its exponentially upward trend
- **Global Issues** – Territorial Disputes; Fragile State and Refugees; Terrorism; Instability; Geopolitics; Transnational Crime (including corporate governance); Scarcity (climate change & population growth)
- **Defending our environment and supporting trade** significant commercial gains have been made through addressing challenges such as infrastructure, security, energy, health & education.
- **Competitiveness** – supporting growth of sustainable, resilient and competitive businesses; trade facilitation
- **Conforming & Consensus** – Whose middle ground; applicability to all (not forgetting the most vulnerable).

INTELLECTUAL PROPERTY PROTECTION

- **IP Owners**
 - Presently there is an alarming number of reported breaches of IP, for both formal sector and the informal sector (Traditional Knowledge and Cultural Practices)
- **Enforcement**
 - Poor coordination between regulators has facilitated the growth in IP infringement
- **Systems**
 - Customs (Application for intervention)
 - Customs (Application for recordation of IPR)
- **Leverage**
 - Treaties and Obligations
 - Role of third parties

ILLICIT TRADE

Illicit trade is a global occurrence, affecting all regions and countries. It holds a particular allure for criminals to engage in. Whilst profits for engaging in illicit trade are high enforcement efforts are often disproportionate to the threat thus creating a high profit/low risk environment.

Criminals are smuggling various commodities in and out of Papua New Guinea, not paying the applicable excise and duties allowing them to amass huge profits.

The PNG government recognizes that as a semi self-regulatory system, further and higher penalties are required to act as a deterrent and drive compliance.

PNG presently, faces a significant issue with unregulated and illicit trade. Supported by the findings of almost all recent business surveys that one of the main concerns of businesses is dealing with unfair competition.

PNCS is a recipient of multiple programs to support its operations and to improve its capacity, including the use of seconded officers.

Interestingly, despite the size of the problem, the ABF have no advisors in PNG with any investigative background and are not permitted to be directly involved in any operational matters. They are also banned from raising concerns about corrupt practices

ILLICIT TRADE TASKFORCES

- Taskforces are being used successfully around the world in many jurisdictions as the most comprehensive and effective response to tackling complex crime. It is recognized that by employing a proactive and innovative approach, taskforces can use intelligence, operations, legal, policy and other specialist resources from all participating agencies to take the profit out of trade crime. The Taskforce will bring a return on the resource investment for the government and each participating agency.
- Evidence is clear that respective enforcement has not been sufficient to contain or effectively address illicit trade and related border non-compliance problems.
- It is highly unlikely proposed coordination of existing efforts would have significant additional impact. Taskforce independence shall be, in my opinion, an essential requirement
- Only an independent Taskforce, led by a respected person of integrity, can identify and break down the corrupt processes that have imperilled PNG's revenue.

ACHIEVING A FAIR AND SUSTAINABLE ENVIRONMENT

- Industry recognizes the sanctity, and importance of the National Budget. *Because if its not funded, its not likely to happen.*
- The job isn't going to get any easier!
- Whatever happened to the WTO Trade Facilitation Agreement? This is the perfect target for our focus.
- Develop and maintain a sense of urgency.
- Balancing the rehabilitation and creation of soft and hard capacity / infrastructure.
- Regulatory reform – Would Customs be better governed by a Board? Or will there be a permanent role for an independent taskforce?
- Making the most of partnerships, including how to best finance the required reforms.

**PILLAR 3:
FAIR & SUSTAINABLE
ENVIRONMENT**

THE MISSING LINK

JERRY WEMIN
PRESIDENT PNG HR INSTITUTE

Focus on Fair and sustainable environment

Focusses on importation of illegal goods

Two areas:

- Fairness
- Sustainability

The Whole is as weak as the weakest Link

- Good systems and policies and practices are as good as the people who are responsible
- The great wall of China is still up. Its guards got bribed resulting in the breach of the Great wall of China

The Whole is as weak as the weakest Link

- Customs world wide do not lack regulations and standards
- What is lacking can not be blamed on poverty nor illiteracy. As the most corrupt are not poor nor illiterate nor starving
- Fraud is a choice rather than an accident

The Whole is as weak as the weakest Link

- The enemy within is far more dangerous than the enemy from the outside
- Jesus was betrayed by one of His kind
- The Asian Financial Crisis was triggered by a trusted and senior employee of a major bank

The Whole is as weak as the weakest Link

- Technology is an enabler
- Yet all systems and technology are said to be only less than 50% utilisation of its true potential
- Seldom do we realise the full potential of technology

★ The Whole is as weak as the ★ weakest Link

- Competent Leadership at the top is far more critical than the competence of all staff
- As studies have shown, leaders have 80% of the influence thus could be both great or corrupt
- Satan is also called an angel of light

★ The Whole is as weak as the ★ weakest Link

- The Team is Stronger than its individual participants
- Each geese have a potential to fly 70miles. But when they all fly in the "V" formation, the weak, the young, the sick, the old and the lazy all become 700milers – 10 times more than their individual potential and capacity

★ The Whole is as weak as the ★ weakest Link

- Organisations pay people for Performance
- Managing Performance remains the most challenging management tool wold wide.
- The one who manage performance can manage any organisation

★ The Whole is as weak as the ★ weakest Link

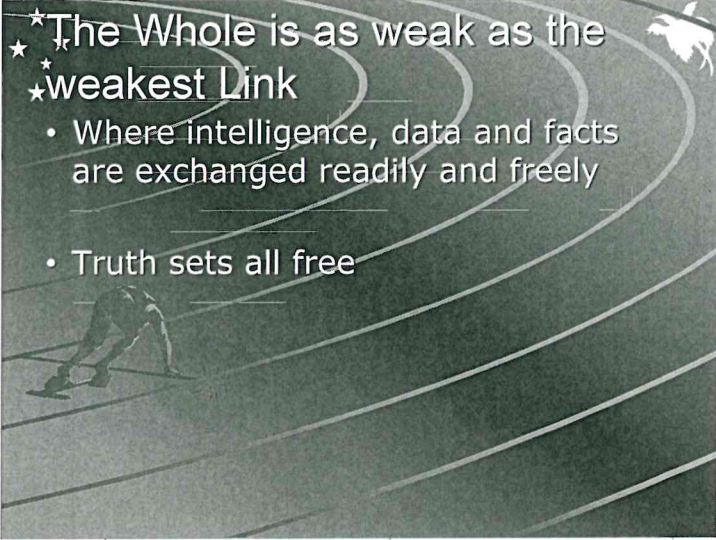
- Greed, self interest, and lack of moral are far deadlier than disease outbreak
- For they cannot be seen and operates from the soul of man. No amount of money can tame these.

★ The Whole is as weak as the ★ weakest Link

- Greed, self interest, and lack of moral are far deadlier than disease epidemic
- For they can not be seen and operates out of the soul of the person. No amount of money can tame these.

★ The Whole is as weak as the ★ weakest Link

- Trusted relationships are the social capital of tomorrow
- Where trust does not exist, there is fear, destructive competition, and conflict
- These create a safe space for the illegals, fraudsters and criminals to flourish.



★ The Whole is as weak as the
★ weakest Link

- Where intelligence, data and facts are exchanged readily and freely
- Truth sets all free



★ Going Forward and towards
★ sustainability

1. Self insure by developing competent people and looking after the good people
2. Leaders must be more accountable and good governance is a necessity
3. A culture of compliance also needs a value alignment of the employees
4. Technology as enabler is already in existence – embracing it is critical



★ Going Forward and towards
★ sustainability

5. Active Development of competent leaders
6. Team approach to remuneration, performance and job design
7. Value based organisations better self insurance rather than a legalistic approach to things
8. Cross boarder relationships by officials critical for the fight against crime



★ Going Forward and towards
★ sustainability

9. Active exchange of data, intelligence and customs information critical for the fight against fraud. Going alone is costly.
10. Finally, Fairness should not be measured by level of political or economic liberalisation but relative commitment and demonstration by all according to one's respective ability.



★ Going Forward and towards
★ sustainability

11. The lowest common denominator of development should be the improvement of the quality of life for citizens. All good strategies and initiatives must be measured according to the degree in which lives are improved. If APEC 2018 in PNG is to be successful, the questions to be answered is what is the difference to the people of the APEC region. This is consistent with UN 17 SDG and HDI