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# Panel 3: “Dangers of Counterfeiting, Piracy and Other Restrictions of IP Rights”

David McHardy Reid PhD

Professor of Global Business Strategy

Seattle University



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- Research in Asia...300 CEOs
- China...150 CEOs
- Strategic experience
- IPR protection strategy



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# Counterfeiting and Piracy

- Counterfeiters copy products and sell them under different or altered brand names
- Pirates make lookalikes ... pass off as real thing
- Piracy most common
- Patent infringement common transgression pays off



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- IPRs difficult to protect
- In use by many simultaneously
- Governance challenge in China
- 77,463 IPR cases taken to court 2007
- 74,200 decided



# Danger To Consumers

- Lookalikes
- Performance failures
- In worst cases, fakes comingled with legitimate products
- "...2 bad pills mixed with 28 good ones"



# Danger To Consumers

- Injury even death
- Sanliu scandal
- Less high profile equally serious
- Often not publicized



# Danger To Businesses

- Importance of IP
- IP — 75 pc Fortune 100 companies' total assets
- \$1trn IP exports
- Cost of policing
- Loss/cost of management time



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# Danger To Governments Counterfeiting and Piracy

- FDI
- Trade relations pariah
- Failure to attract latest technology
- Finishing economy



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# Impact IP Theft on Innovation & Economic Growth

- Disincentive to innovate
- Cumulative losses for three major economic trading blocs amount to US\$80–100 billion annually
- \$200bn OECD 2005
- Stolen legitimate opportunities



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# Impact on Jobs, Industry, Brands

- Importance of brand value
- Fraudulently passing off devalues real purchases
- Brand damage
- Fakes can ruin a brand and ruin a company



# Impact on Jobs, Industry, Brands

- First to file
- Absolute novelty
- Arbitrage and delays
- Pfizer
- \$300mn knock on door
- Attractive nuisance

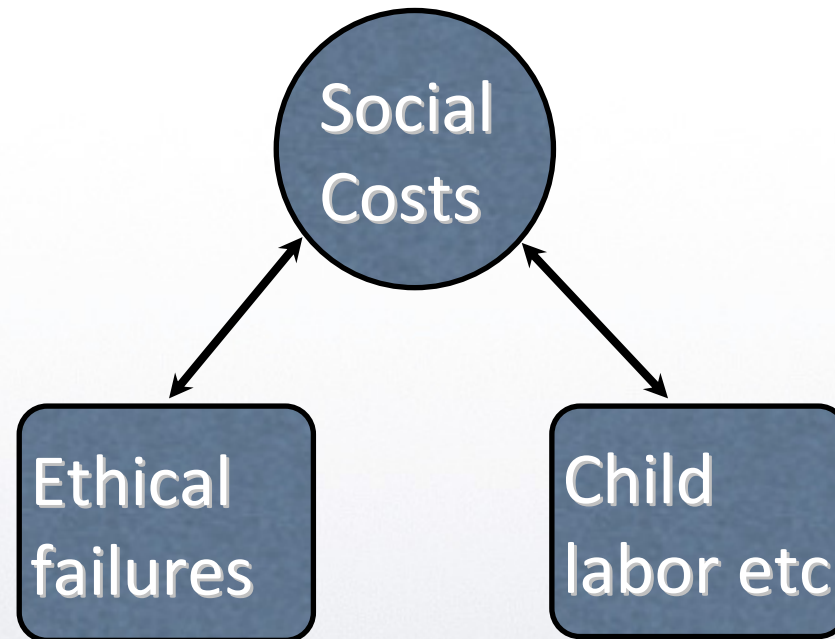


# Findings

- Crown jewels often left largely unguarded
- HR policies
- Need *a priori* protection measures
- Global problem/Global solution
- ROK leakage
- BARD



# Learnings





# Learnings

Safety

Cost

Criminality

Terrorism

Security