

## News Flash

### Curbing the Menace of Illicit Trade and Tobacco Smuggling

07 Sep 2014 | *This Day Live*

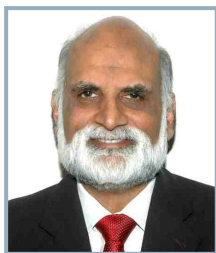
Abimbola Akosile examines the tobacco industry in Nigeria, with focus on illicit trade and illegal smuggling of products and government's attempts to check and regulate a lucrative sector. Someone once told this reporter a simple fact about Nigeria. He said, albeit in a cynical manner, that if one wants any item to flourish in Nigeria's huge markets, just wait for the government to ban that item.

To back his argument, he pointed at rice, frozen poultry products, and used tyres, which although under the import prohibition list, still daily flow into Nigeria through both monitored and porous borders, generating billions in illicit trade.

Visits to the right markets only serve to buttress the cynic's position, which only goes to show that although regulation and checks may be in place, no product can actually remain effectively banned in Nigeria. But that is a topic for another day.

<http://www.thisdaylive.com/articles/curbing-the-menace-of-illicit-trade-and-tobacco-smuggling/188394/>

## Chair's Message



Anil Rajput,  
Chair FICCI CASCADE,  
Sr. VP Corporate Affairs, ITC Ltd

*Incentives for those dealing in smuggled goods are strong. Consequently, massive quantities of such products are being pushed into our country, hurting consumer safety, domestic manufacturing and employment, and the government exchequer. We need a robust mechanism in place to thwart such elements. FICCI CASCADE is doing its bit by empowering the consumers and enforcement agencies through awareness generation and training programmes. For success of the Government's Make in India Campaign, which will call for industry to build strong intellectual property and investments in R&D, addressing the issue of growing trade in illegal products will be a key pre-requisite.*

## FICCI CASCADE in NEWS

### Penal laws must be made more stringent: Dinesh Gundu Rao

06-AUG-14 | *My Iris*

Penal laws must be made more stringent and deterrent actions must be enforced against counterfeiters and smugglers, said Dinesh Gundu Rao, Minister for Food, Civil Supplies and Consumers Affairs, Government of Karnataka at the Seminar organized by FICCI CASCADE. Rao also invited FICCI to work with all stakeholders and propose necessary actions that the government could initiate to combat the twin menace of smuggling and counterfeiting. The seminar discussed the role of media and consumer organizations in increasing awareness on the subject and enforcement issues in addressing this menace. Besides focusing on the losses to the government and industry, the seminar also highlighted growing link between counterfeit activities and organized crime.

<http://myiris.com/newsCentre/storyShow.php?fileR=20140806124010717&dir=2014/08/06&secID=liv enews&code1=&code=#sthash.K6cwFFSh.dpuf>

## Seminar on Curbing Counterfeiting and Smuggling – An Imperative for Indian Economy

18 September, 2014 –Hyderabad



India's economic growth story has attracted the world's attention, bringing new challenges for the domestic economy. One of the major issues for the economy and the industry is the uninhibited growth of counterfeit, fake and smuggled goods. The market for fake and counterfeit products is thriving in India and is today one of the biggest challenges faced by Indian industry. FICCI's Committee Against Smuggling and Counterfeit Activities Destroying the Economy - FICCI CASCADE, with the participation of all leading industries from all sectors of the economy, is committed to fight this twin menace of counterfeiting and smuggling.

FICCI CASCADE, with a view to engage all relevant stakeholders including government representatives, enforcement agencies, excise and customs, consumer activists, media as well as industry and legal experts, and to sensitize them to fight against counterfeiting and smuggling, organized a seminar on "Curbing Counterfeiting and Smuggling - An Imperative for Indian Economy" on 18 September, 2014 in Hyderabad. The seminar brought together experts to raise concerns over the growing illicit trade and to create large-scale awareness among the impacted segments of the society.

Mr. K. Vishweshwar Reddy, Member of Parliament, Chevella Constituency, Hyderabad, the Guest of Honour at the FICCI CASCADE seminar, stated that intellectual property policy was a key agenda point of the government at the center. An overall law on IP, rather than fragmented IP related laws like patent and copyright laws, was expected to be in place soon. Mr. Reddy added that India had, meanwhile, made significant progress in patent and copyright as well as in their implementation. He also complimented FICCI CASCADE's efforts in engaging with the government, industry, law enforcement agencies, consumers and other stakeholders to generate awareness on the hazardous impact of smuggled, contraband & counterfeit products, and in building capacities with regards to IP related laws. He, however, emphasized that Indian industry must work closely with the Government to make the subject of IP a national priority.

Mr. SafirAdeni, Chairman, FICCI Sub-Committee on SMEs & IT, welcomed the dignitaries and highlighted the objectives of the seminar. Mr. Adeni emphasized that in making our country a manufacturing hub, Indian companies should be encouraged to build strong intellectual property and invest in R&D. Research shows that a country attracts more FDI when investors have a reasonable level of certainty of returns on investment. In an environment where potential investors find high levels of piracy, counterfeiting, and theft of intellectual property, they have no incentive to invest when other markets offer stronger protection of their IP assets.

Ms. Kavita Vijn, Commercial Specialist for IP, US Patent & Trademark Office, U.S. Department of Commerce, in her presentation, highlighted the legal options available in the United States - civil, criminal and administrative - for enforcement of Intellectual Property Rights. She elaborated on the various dimensions of IP crimes, how such illegal activities harmed the rights holders, and led to revenue loss to Governments, public health and safety concerns etc. Emphasizing on efforts of the U.S. Authorities to generate consumer awareness, to build capacity of enforcement officials and a strong IPR enforcement mechanism to combat counterfeiting, Ms. Vijn informed that the stress on coordination among the concerned agencies that deal with IP crimes had also proved useful in fighting such economic crimes.

Mr. Deep Chand, Advisor FICCI CASCADE and former Special Commissioner of Police, Delhi, in his address stated that along with awareness generation and enforcement, creation of a simplified tax regime was required to address the issue of smuggling and counterfeiting. A case in point is tobacco products with huge variation of taxes. Mr. Deep Chand mentioned that the current focus was on efforts to reduce tobacco consumption, while little emphasis was being given to address the growing illicit trade in this sector. India has a unique pattern of tobacco consumption, with legal cigarettes accounting for just 12 per cent. The remaining 88 per cent is represented by illegal cigarettes and a host of traditional products such as 'bidis' and chewing tobacco. It is estimated that illegal trade in cigarettes leads to a loss of Rs. 6,000 crore to the Indian exchequer, proving the point about the loss of taxes of the Government when huge quantities of smuggled and illicit products are being pushed into our country.

The seminar also marked the enthusiastic and encouraging support of the consumer and media organizations. Mr. Thakur Rajkumar Singh, Chairperson & Managing Trustee, Human Rights & Consumer Protection Cell, in his address, emphasized that consumers were the ultimate victims of counterfeiting and smuggling, and their rights were being violated by counterfeiters and smugglers. He invited industry to join hands in a sustained manner in the various ongoing

awareness generation campaigns. Mr. Marri Ramu, Senior Reporter of The Hindu, extending his support to the cause, assured editorial support from all the newspapers and electronic media collectively to enhance the coverage on the subject, and to bring about the desired impact on the society. He said that media had a key role in making consumers aware of the pitfalls of using fake and counterfeit products and congratulated FICCI CASCADE's timely and vital initiative on this issue.

The subject of counterfeiting and smuggling is both enormous and complex, and there is a need to target and educate the masses to buy genuine products. During the Panel Discussion Session, senior enforcement officials interacted on the "Organized Crime Surge in India" with respect to the role of enforcement agencies in combating smuggling and counterfeiting. Ms. R. Shakuntala, Chief Commissioner of Central Excise and Customs, Hyderabad Zone, observed that counterfeiting and smuggling was an enormous problem globally, and India was no exception. She elaborated on the enforcement set-up put in place by the Customs Authorities and the various measures initiated to curb smuggling activities in the

country. Mr. U Rama Mohan, Superintendent of Police, Cybercrime (CID), Government of Telengana, Hyderabad, underlined the need for greater involvement of industry and consumers in registering complaints on illegal trade activities with the police authorities, which was currently lacking. He also spoke on the rising level of cybercrimes in the state and the steps initiated by the Hyderabad Police on detecting and curbing such offenses.

The seminar witnessed lively interaction with delegates demonstrating an active interest in the seminar subject. The discussions concluded with a shared view that the problem of counterfeiting and smuggling was multifaceted and complex. Addressing the issues would call for a regular interface among the stakeholders in areas like government policy, laws and enforcement; increasing engagement with the industry and, most importantly, creating awareness in the society on the need to curb counterfeiting and smuggling. Illicit trade has attracted considerable attention among trade associations, government and enterprises. Therefore, as a support to the cause, the seminar witnessed huge participation of over 100 delegates who were united in their fight against smuggling and counterfeiting activities.

## Customs Training Programme

September 26, 2014, Chennai



### A REPORT

Smuggling and counterfeiting in India are growing in scope and magnitude with every passing day. The extent and effects of smuggling and counterfeiting are of such significance that they compel strong and sustained action from governments, enforcement agencies, business, media, legal experts and consumers.

More effective enforcement is critical in this regard, as we need to build public support to combat smuggling and counterfeiting. With this view, FICCI CASCADE organised a training program of Customs officers to sensitize them on the menace of smuggling and counterfeiting, in Chennai on September 26, 2014.

Mr. Bidhan Chantra, Joint Commissioner of Customs, Chennai, while inaugurating the programme, shared his views and insights on the menace of counterfeiting and smuggling. Mr. Chantra observed that taking advantage of the technology revolution, counterfeiters and smugglers were coming up with very good imitation products, and active interaction between industry and customs was the key to mitigate this growing illicit trade. Welcoming the training programme for Customs officers organized by FICCI CASCADE, he said that these forums proved useful for industry-customs collaboration in

understanding and tackling the growing menace of illicit trade practices, and these programs should be organized across the country

Mr. Dipankar Barkakati, Head, FICCI CASCADE in his special address, highlighted the initiatives taken by FICCI CASCADE so far. He also emphasised on the need to curb smuggling and counterfeiting by strengthening the legal and regulatory frameworks, enhancing enforcement and generating awareness of the consumers on the need to fight the twin menace.

The training programme was attended by over 75 customs officials, and provided a useful platform for the exchange of ideas and experiences in the detection and prevention of the entry of counterfeit and smuggled goods into the country.

Representatives of Microsoft, Dow Corning and Puma gave presentations and exhibited samples of their original products alongside the counterfeit copies. The objective was to inform the participating Customs officials about the growing problem of counterfeiting and smuggling in the respective industry segments, and to highlight key technical aspects of their products which could facilitate the detection of counterfeit products. The participating Customs officials found the presentations constructive and interacted actively both with the company representatives and among themselves.

This initiative of FICCI CASCADE was supported by Microsoft Corporation India Pvt. Ltd and Ranjan Narula Associates, IP Attorney.





**Ashim Sanyal**  
COO & Secretary  
VOICE Society

Mr. Sanyal is the Chief Operating Officer & Secretary of Voluntary Organization in Interest of Consumers ( VOICE ) & VOICE Society, an International NGO/VCO working in the field of consumer empowerment through awareness and education in Comparative Testing, Sustainability Projects, Environment, Standardization & Advocacy.

## Importance of COMPARATIVE TESTING OF PRODUCTS Role of VOICE and its engagement with the MoCA

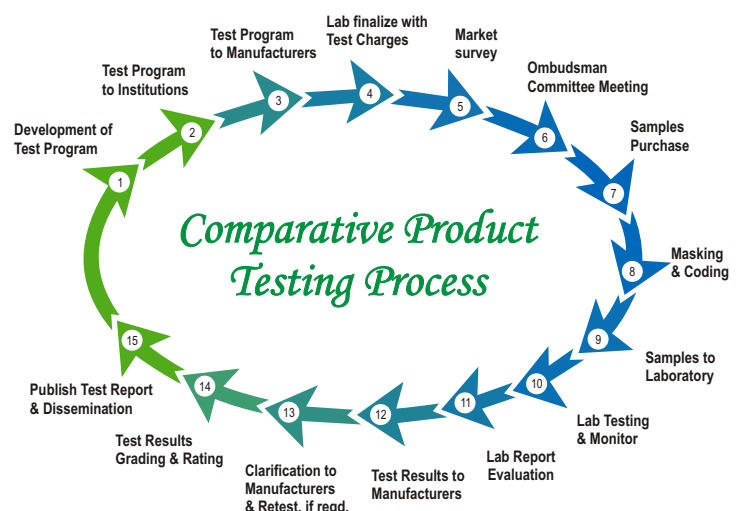
The importance of Comparative Testing can be gauged from the fact that none other than our former Prime Minister Shri Atal Bihari Vajpayee started this formalized process with written question in Rajya Sabha in 1989 which paved the way for Consumer Voice to start this activity with the setting up of the Saathi Nair Committee which laid the guidelines for conducting the tests.

This activity is important as products and services are ranked by their performances by independent technically qualified house who counter sleek advertising and misleading advertisements by companies. Voice Society has appointed an Ombudsman also and former Chief Justice of India Shri P N Bhagwati has been occupying this chair. Till date VOICE has tested over 170 products and services and manufacturers / service providers have accepted the results. This also provides valuable inputs for improvements / changes for standardization bodies like BIS, BEE besides providing important feedback to the sector Regulators.

### MISSION & OBJECTIVES for comparative testing of products

- Consumer Empowerment through comparative Product testing / services evaluation.
- Propagate the concept of Best Buys in relation to products / services performance as is prevalent in advanced countries.
- Develop a centre for comparative testing based on international norms with membership of ICRT and CI-UK.
- Educate consumers about good business practice in competitive markets.
- Trigger a change by sensitizing stake holder's behavior for producing quality products and services.
- To be a part of all regulatory bodies and standard institutions so that the Voice of Consumers are heard and implemented.

- To build consumer awareness based on scientific evidence and full information to strengthen the rights of consumers, specially the Right to Informed Choice.
- To adopt managerial practices for institutionalizing consumer movement and make itself self-sustainable.
- To further enhance the technical competence within the policy makers and consumer organizations.
- To develop the market place in the best interest of the consumers and their right to be heard.
- To stick to our code of ethics of not accepting commercial donations and advertisements.
- To spread Consumer awareness based on scientific studies of various consumer products to make rational choices.
- To sensitize national standards bodies, policy makers on up gradation of national standards / policy changes.
- Opportunity for manufacturers to improve upon their products in the competitive markets especially on quality, performance, safety and energy efficiency based on our scientific studies



## International News

### Men charged over organised crime

11 September 2014 | UTV

The pair, aged 31 and 32, are accused of blackmail and belonging to or professing to belong to a proscribed organisation. They are expected to appear before Belfast Magistrates' Court on Friday.

Following the charges, police said they have conducted 120 searches, arrested 38 people and charged four as part of their operation against organised crime in south and east Belfast. Twenty individuals have also been reported to the Public Prosecution Service. Officers have seized over £50,000 and counterfeit goods with an estimated street value of £23,000. Since the start of April 2014, there have been 231 drug seizures, 188 people have been arrested in relation to drug offences and 87 of these individuals have been charged.

<http://www.u.tv/News/Men-charged-over-organised-crime/62829961-9615-45f0-a615-f19bae20efc5>

### Interpol's Michael Ellis: How counterfeiting is affecting all walks of life

10 September 2014 | Business-reporter

Counterfeiters will fake anything that they can sell. Interpol has found everything from fake crash helmets that disintegrate when you fall off your bike to fake airbags that don't go off in a crash and shampoo and body lotion made in factories where the only water supply is a disused toilet.

Fake alcohol caused the deaths of more than 40 people in the Czech Republic through methanol poisoning. When police raided the operation, they found materials that could have killed potentially thousands, and many more could have been seriously injured.

<http://business-reporter.co.uk/2014/09/interpols-michael-ellis-how-counterfeiting-is-affecting-all-walks-of-life/>

### Illicit cigarette study is blowing smoke, says council on smoking and health

10th September 2014 | SCMP

One out of three cigarettes smoked in Hong Kong last year was illicit, costing the government more than HK\$3.2 billion in lost tax revenue, a study by two overseas think tanks says. But the Hong Kong Council on Smoking and Health (COSH) says the results are "dubious". The Illicit Tobacco Indicator study - conducted by UK-based Oxford Economics and the International Tax and Investment Center (ITIC) in the US - suggests that the city's illicit cigarette consumption rate stood as high as 33.6 per cent of 1.8 billion cigarettes smoked in 2013, causing a loss of HK\$3.2 billion in taxes. Of the 14 countries studied, Hong Kong had the third highest consumption rate, after Brunei and Malaysia, which ranked first and second, respectively.

<http://www.scmp.com/news/hong-kong/article/1588896/illlicit-cigarette-study-blowing-smoke-says-council-smoking-and-health>

## National News

### LVMH, Google unite against fake online luxury goods

04 September 2014 | ET Retail

PARIS: French luxury products group LVMH and Internet search engine Google have agreed to work together to fight the sale of counterfeit goods online, the two firms said on Thursday.

The agreement ends nearly 10 years of litigation over complaints by LVMH - owner of top luxury labels in everything from champagne to luggage - that the Google Adwords key words service helped counterfeiters sell their products on the back of LVMH brands.

<http://retail.economictimes.indiatimes.com/news/e-commerce/e-tailing/lvmh-google-unite-against-fake-online-luxury-goods/41695357>

### Indian pharmacologist charged with smuggling fake drugs

Sep 13, 2014 | Zee News

An Indian pharmacologist and an American pharmacist have been charged with smuggling four million misbranded and counterfeit pharmaceuticals into the US, federal prosecutors said. Indian Balbir Bhogal, 67, from Las Vegas, and Wisconsin-based pharmacist Marla Ahlgrim, 59, were arraigned on an indictment yesterday in federal court in Central Islip, New York, before US Magistrate Judge Gary Brown.

In a 10-count indictment, the duo was charged with importing and distributing controlled substances and misbranded drugs, trafficking in counterfeit drugs, mail and wire fraud, smuggling and money laundering.

[http://zeenews.india.com/news/nation/indian-pharmacologist-charged-with-smuggling-fake-drugs\\_1469181.html](http://zeenews.india.com/news/nation/indian-pharmacologist-charged-with-smuggling-fake-drugs_1469181.html)

### SanDisk Working With Authorities to Fight Counterfeit Products in India

September 17, 2014 | Press Trust of India

Global memory storage maker SanDisk on Wednesday said it is working with Indian authorities to clamp down counterfeit products, which is leading to losses on revenue and brand equity. "Because our brand is so well-recognised and trusted, we pay the premium of lot of counterfeiting on it. These are fake products," its country manager Rajesh Gupta told PTI on the sidelines of a company event in Mumbai. When asked about the revenue losses because of such counterfeiting, Gupta said, "Oh yes, (it is) huge. That is an impact", but also added that this also leads to loss of reputation for the company as fake products do not last.

<http://gadgets.ndtv.com/cameras/news/sandisk-working-with-authorities-to-fight-counterfeit-products-in-india-593630>

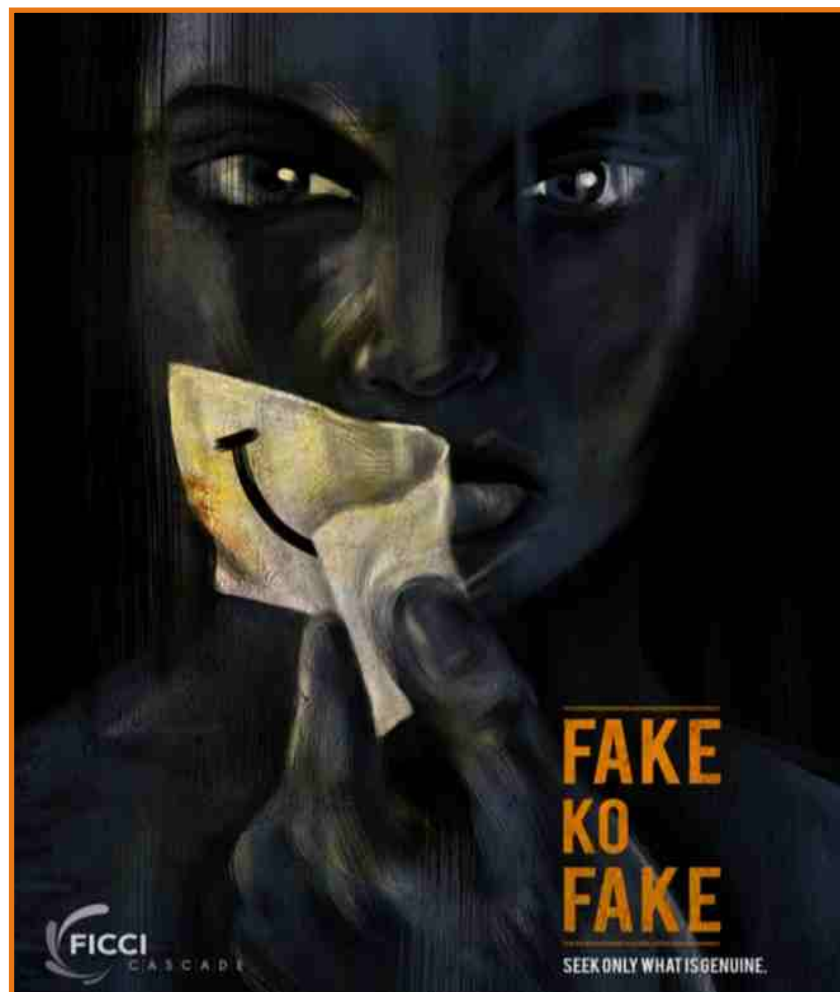
## Customs Training Programme

October, 2014|Bangalore

The grey market economy is fuelling illegitimate industry and leading to increased criminalization in the society in the form of organized crime including terrorism. The magnitude of the problem of counterfeiting and smuggling is huge, which requires urgent action from the enforcement agencies. Therefore, FICCI CASCADE is planning to conduct a training program to sensitize the customs officers to detect and distinguish counterfeit

products from the originals in Bangalore during October, 2014. The aim is to exhibit samples of right holders/brand owners and counterfeits to the customs officers and to give them technical training, i.e., methods by which the officers can detect and distinguish originals from counterfeits, and thus curb the growing menace of counterfeiting and smuggling.

## Awareness through Art



### Contact Us

**Dipankar Barkakati**

Additional Director - FICCI  
dipankar.barkakati@ficci.com

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