

President Bush Signs The Stop Counterfeiting In Manufactured Goods Act

Today, President Bush Signed The Stop Counterfeiting In Manufactured Goods Act. This legislation helps protect the rights of America's consumers, workers, and entrepreneurs by strengthening our laws against counterfeit labels and packaging; by strengthening penalties for counterfeiters; and by giving prosecutors new tools to stop those who defraud American consumers. In the 21st century, the great opportunities of our free enterprise system are threatened by those who try to take shortcuts to success by copying existing products to deceive consumers and unfairly profit from someone else's work. The Stop Counterfeiting in Manufactured Goods Act protects the work of American innovators, strengthens the rule of law, and helps keep American families safe.

- **Counterfeiting Hurts Businesses, Workers, Consumers, Government, And Our National Security.** In recent years, the problem of counterfeiting has grown rapidly. Counterfeiting costs America hundreds of billions of dollars a year and has harmful effects throughout the economy. Fake products can expose consumers to serious health and safety risks. Government loses out on tax revenues and is forced to divert law enforcement from other purposes. Terrorist networks use counterfeit sales to finance their operations.

The Stop Counterfeiting In Manufactured Goods Act:

- **Strengthens Our Laws Against Trading Counterfeit Labels And Packaging.** While it was already illegal to manufacture, ship, or sell counterfeit products, this legislation closes a loophole allowing the shipment of falsified labels or packaging, which counterfeiters could then attach to fake products in order to cheat consumers by passing off poorly made items as brand-name goods. By closing the loophole, we will help keep honest Americans from losing business to scam artists – and protect consumers from being cheated out of their hard-earned dollars.
- **Strengthens Penalties For Counterfeiters And Gives Prosecutors New Tools.** This bill requires courts to order the destruction of all counterfeit products seized as part of a criminal investigation and requires convicted counterfeiters to turn over their profits and any equipment used in their operations. This bill requires those convicted of counterfeiting to reimburse the legitimate businesses they exploited.

The Administration Is Leading A Bold Initiative Called STOP – Strategy Targeting Organized Piracy. Nine Federal agencies are coming together – including the Department of Justice, which has launched the most aggressive effort in American history to prevent intellectual property violations. Computer hacking and intellectual property units in U.S. Attorneys' offices nationwide have been expanded, and specially trained prosecutors and FBI agents are being posted at American embassies in Asia and Eastern Europe. We are working with other nations and the World Trade Organization to promote strong intellectual property laws, and we are cooperating with the private sector to raise awareness of counterfeiting.

- **The Administration's Efforts Are Producing Results.** Last year, we dismantled a piracy ring in Massachusetts that planned to sell over 30,000 counterfeit handbags, shoes, necklaces, and other items. Along with partners overseas, we broke up a prescription drug counterfeiting network and seized over \$4 million in phony medicine. With the help of 16 countries on five continents, we removed more than \$100 million worth of illegal online software, games, movies, and music.

America's Economy Is Strong And Getting Stronger. Last year, the economy grew at a healthy 3.5 percent rate – faster than any other major industrialized country. Over the past two-and-a-half years, we have added nearly 5 million new jobs – more than Japan and the European Union combined. The unemployment rate is down to 4.8 percent – lower than the average of the 1970s, 1980s, and 1990s. More Americans now own their homes than at any time in our Nation's history, and minority home ownership has reached record highs. Productivity has grown strongly over the last five years, and small businesses are thriving. Inflation is contained, household net worth is at an all-time high, and real after-tax income is up more than 8 percent since the beginning of 2001. America is productive, innovative, and entrepreneurial – and the Stop Counterfeiting in Manufactured Goods Act will help keep it that way.