From:

To: <u>FN-OMB-IntellectualProperty</u>

Cc: <u>Clements, Walter</u>

Subject:IPEC - Input from Procter & GambleDate:Monday, March 22, 2010 11:50:16 PM

IPR Overview

Protecting brand equity is essential for Procter & Gamble to fulfill its purpose-inspired strategy. Counterfeit P&G products sold to unsuspecting shoppers pose a great risk to consumer trust. The ease of global internet trading, the spread of simple duplication technology, and growth in emerging global markets with minimal or low standards of protection, have dramatically increased the proliferation of counterfeit goods.

Procter & Gamble is committed to protect the consumer from counterfeit products and will defend our trademarks rigorously. We have created a Brand Protection Group that works closely with law enforcement agencies around to world to try and stop the distribution of harmful counterfeit products. However, global counterfeiting operations are highly organized and counterfeiters occasionally smuggle their goods across borders to be sold through illicit supply chains. We are seeing a rapid increase in the amount of high quality packaging of counterfeit products trying to make their way onto retail shelves.

We work alongside law enforcement and customs agencies throughout the world to identify and prosecute criminals who trade in counterfeit products. In addition, P&G works closely with legitimate retailers to ensure only genuine products are offered for sale and that supply chains are safe and secure. We applaud the US Government for working to strengthen domestic and international IP laws. P&G is playing a lead role with the Department of Homeland Security's IPR Center. We appreciate the "single point of contact" to address IP issues at the highest level needed. The COAC IP subcommittee chaired by Therese Randazzo has also been a great resource in working pressing IP enforcement issues.

Opportunity:

The most urgent need is to address the issue we face in assisting officers detect counterfeit goods trying to enter US borders. Last year, US Customs sent internal communication to the ports that the Trade Secrets Act prohibits, with few exceptions, CBP personnel from disclosing information on suspect counterfeit goods to rights holders. This makes detection very difficult, as the rights holders are in the best position to help with forensic support. Due to the added complexity in working IP cases, many port officers have limited or stopped work on IP cases altogether.

P&G supports the development of new enforcement tools and the creation of laws or guidelines that empower CBP personnel in detecting and seizing counterfeit goods. There should be few restrictions on providing rights holders a sample of the actual suspect counterfeit product to complete forensic tests.

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Procter & Gamble

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