

OCT 17 2007

Chair, Standing Committee on Industry Science and Technology  
House of Commons  
Ottawa, Ontario K1A 0A6

Dear Chair:

On June 20, 2007, the Standing Committee on Industry Science and Technology (INDU), tabled its report, *Counterfeiting and Piracy are Theft*, in the House of Commons. The committee's review of this issue centered on the economic implications associated with counterfeiting and piracy, while the recommendations encompass the broad spectrum of implications associated with the trade in counterfeit and pirated goods. Pursuant to Standing Order 109, the Committee requested that the Government of Canada table a comprehensive response to the Report. The Government of Canada welcomes the opportunity to provide a written response to the recommendations proposed.

The Government of Canada applauds the Committee for producing a comprehensive report on issues with national and international repercussions. Furthermore, we appreciate your efforts to include a broad spectrum of knowledgeable witnesses to testify on this issue. The Government takes the issues raised in the Committee's report very seriously and fully endorses your condemnation of counterfeiting and piracy.

Counterfeit goods can pose a significant health and safety risk to Canadians. Recent cases involving unsafe imported products demonstrate that Canada is not immune. Counterfeit goods are particularly dangerous as they rely on the safety record of known manufactured products, while not adhering to the standards by which these products are produced. The Government is fully supportive of initiatives to ensure that the appropriate mechanisms and legislation are in place to protect Canadians from the harms associated with the marketing and use of these products. More broadly, this government is committed to the importance of providing a robust framework for intellectual property rights, not only to address the risks posed by counterfeit goods to consumer health and safety but to foster an environment conducive to innovation, in an effort to further attract investment and high paying jobs to this country's growing knowledge-based economy.

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A first step in the Government's Intellectual Property Rights (IPR) Strategy has already been taken. Piracy involving camcorders potentially impacts on a wide range of economic activity, threatening investment in film production, as well as employment, tax revenue to government, the cultural exports market, and legitimate Canadian distribution and exhibition sectors. The Government took action by introducing *Bill C-59 - An Act to amend the Criminal Code* to address the unauthorized recording of a movie in a theatre. These changes to the *Criminal Code* are designed to facilitate action by law enforcement agencies to curb film piracy and to protect Canada's film industry. The Bill received Royal Assent on June 22, 2007, with unanimous all-party support in the House of Commons and Senate. The Government believes that the support for Bill C-59 is indicative of the recognition that initiatives aimed at countering the trade in counterfeit and pirated goods are of vital importance to Canadians.

A second aspect of the Government's IPR Strategy is better enforcement of IPR in Canada. In this regard, the Minister of Public Safety has been tasked to work with the Minister of Industry, in consultation with the Ministers of Canadian Heritage, International Trade, and Justice to develop options to strengthen and modernize Canada's enforcement regime. As a first step, the RCMP has developed and disseminated a series of posters to raise public awareness as to the harms associated with counterfeiting and piracy, including job loss, injury, and growth in organized crime. The posters have not only been well-received domestically, but have also been used by international partners as models for developing their own public awareness campaigns.

Thirdly, the Government, led by the Minister of Industry and the Minister of Canadian Heritage, is working towards bringing Canada's copyright regime into conformity with the World Intellectual Property Organization (WIPO) Internet Treaties. We call on all parties to support the Government's efforts in this regard so as to ensure the protection of the rights of creators and the ability of all Canadians to use and enjoy copyrighted material in a fair, clear and predictable environment.

Furthermore, the Government has demonstrated its commitment to addressing counterfeiting and piracy at the international level. Members of the G8, including Canada, reconfirmed their commitment to combat counterfeiting and piracy at their Summit last July. At the Leaders' Summit for the Security and Prosperity Partnership (SPP) in Montebello last August, Prime Minister Harper and Presidents Bush and Calderon endorsed an Action Plan to address the trade in counterfeit and pirated goods.

We note that, overall, many of the Committee's recommendations are consistent with the Government's IPR Strategy and our efforts to review existing policies and legislative provisions with the aim of protecting Canadians from the harms associated with


counterfeit and pirated goods. This work will involve continued discussions with domestic stakeholders, such as those interviewed by your Committee, and our international partners, in order to learn from their experiences and develop additional strategies for addressing the production, trade and sale of counterfeit and pirated goods.

The Government agrees that meaningful and lasting progress in combating counterfeiting and piracy requires collaboration and continued vigilance. We further acknowledge the importance of collaboration with federal/provincial/territorial and domestic stakeholders, and our international partners.

The Government remains committed to building on our existing efforts, and we are confident that your concerns will be addressed through our efforts to combat counterfeiting and piracy and, above all, to counteract the dangers these activities pose to Canadians and to our economy.

We look forward to the Committee's continued support in the House when the Government tables legislation.

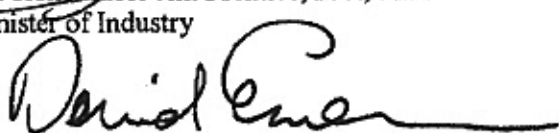
Yours sincerely,



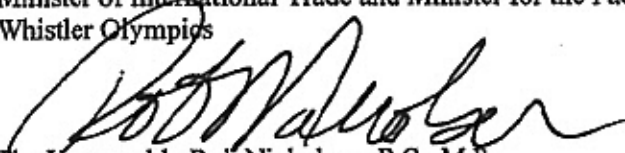
The Honourable Stockwell Day, P.C., M.P.  
Minister of Public Safety



The Honourable Jim Prentice, P.C., M.P.  
Minister of Industry



The Honourable David L. Emerson, P.C., M.P.  
Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics



The Honourable Rob Nicholson, P.C., M.P.  
Minister of Justice and Attorney General of Canada