

ANCASVI CONFERENCE PRESENTATION

Good Afternoon – thank you for inviting me to your Conference – it is a real pleasure for me to be with you today.

One of the first lessons I learned when I entered this business some 24 years ago was that the amusement and attractions industry thrives on the basis of innovation, in order to provide new and exciting experiences.

It is a sad reflection on our industry that, especially in the past few years, rather than seeking to innovate, many companies, especially from Asia, have initiated the practise of copying someone else's product, more than ever before.

It therefore follows that this presentation refers primarily to “copying”.

Until this matter became one of real urgency our Trade Associations did not feel able to interfere in the legal processes that were raised when copying was identified.

However, following a number of issues at trade shows the Amusement Industry Council of Europe (of which ANCASVI is a member) took the initiative to arrange the first meeting of international trade associations at the IAAPA-Atlanta expo in 2006.

There, the discussions highlighted the difficulties to both Associations and individual companies in finding a solution to this problem.

We all know, and accept that, in an ideal world, manufacturers should seek the legal protection of Intellectual Property registration.

Equally we are also aware that the practicalities and nature of our industry are such, that in an extremely competitive environment, product shelf life (after initial exposure), and low profit margins, prohibit the expense and lengthy time process of registering IPR in every country into which a manufacturer sells.

Nevertheless it is right that Trade Associations continue to advise registration wherever it is practicable and affordable.

At the 2006 meeting one of the delegates, who was at that time working for a leading US company to identify and restrict the activities of companies in Asia who were copying their products, offered some sound, simple suggestions.

These included:

- that companies should register trade marks – the main reason for this being that in most countries trade mark violation is a criminal offence and can be dealt with speedily.
- companies should use existing legislation, for example, tax law or anti-piracy laws of the country in which the copier is based, as these are also likely to have criminal penalties attached, whereas IPR laws are usually of a civil nature, take longer to resolve and are costly to implement
- wherever possible avoid litigation
- publicise results of any actions taken – using the international trade media, local and national government institutions and commercial departments of embassies and consulates
- identify rogue websites and take action to have them eliminated or changed

In addition it was suggested that there were two other positive ways whereby Trade Associations, especially those who organised and presented industry Exhibitions, could be used to restrict the activities of copiers.

The first was to have a Code of Conduct which gave powers of expulsion of any company whose actions – including copying – were considered to be detrimental to the good name of the Association.

Most countries laws permit such a clause in Trade Association Constitutions – certainly within the EU and USA.

The use of the Code of Conduct on the Exhibition floor is a powerful weapon, and, if used correctly should act as a deterrent to potential copiers.

The second is to ensure that Exhibitors are made aware that there will be an organiser- nominated

person on the show floor with the power to intervene in disputes regarding alleged copying and to impose the removal of goods or literature and graphics of the offending company.

However, for this to be effective requires the cooperation of the complainant. The key to successful removal rests with the complainant being able to produce some documentation – for example a set of designs, preferably notarised and dated – as tangible proof of origin of the product.

Without such proof it makes the removal process more difficult to achieve.

Since 2006 there have been a number of successful removals of product, literature and graphics at the RAAPA Expo in Moscow, DEAL in Dubai, EAS in Munich and IAAPA Asia.

Most importantly the actions were carried out sensitively and took into account the culture of the country from which the company being dealt with originates.

I mention this because there have also been instances of face to face confrontations which has made it impossible to rectify the situation to anyone's satisfaction.

Following a meeting during the recent London EAS Expo between the Manufacturers and Suppliers Committee of IAAPA, AiCE, also representing EAASi, outlined their views as to what action they would support.

I am delighted to inform you that the IAAPA Committee accepted most of our proposals which will be encompassed in the Terms and Conditions of all IAAPA trade shows commencing 2012.

I have also been advised that the current documentation already in existence will be suitably amended.

In addition to the trade show participation amendments a notice will be sent to operator members advising of the legal difficulties they could find themselves involved with, and potential insurance risks, by using products which are copies of the original equipment manufacturer.

Because it is likely that the construction of the ride, for example, may not always conform to internationally accepted standards, safety could also be a serious issue.

There is, however, much more to be done. It has to be accepted that Trade Associations can only do so much. Manufacturers must play their part too.

For example:-

- report possible copying whenever you become aware of it, whether at a trade show or elsewhere
- take the trouble to put together appropriate dated and notarised documentation and have it available at trade shows

At our London meeting it was also pointed out that many copies are shown in industry media advertisements and a suggestion was made that each advertiser should sign a declaration that the product they are advertising was their own or was being advertised with the permission of the original equipment manufacturer.

This action, it is believed, may deter the advertising of copied equipment because the document could be used as evidence should legal action be subsequently taken.

This problem is not only restricted to amusement rides and related equipment but is also prevalent in the coin-operated amusement and gaming industries too.

At the recent GTi organised trade show in China The Stinger Report reported that there were even instance of copies of copied equipment !!

From the information just given you will appreciate the difficulties that are facing all sides of the established industry.

I have outlined some of the measures that are now being undertaken by Trade Associations – but we know that this is not nearly enough to adequately reduce the threats posed to our industry.

It is surely obvious that we all need to understand, and accept, that the issue will not go away without a unified effort by everyone involved in our business.

Equally we must be prepared to work with other organisations within our own countries and elsewhere.

During my work on this subject I have been made aware of, and have made contact with a number of organisations from other industries which have similar problems

In the UK it has been reported by the National Fraud Authority that some (Euro 44 billion has been lost to the UK economy alone by IP fraud and identity theft.

The UK interactive consumer entertainment Association UKIE recently circulated a report from the Intellectual Property Crime Group which is organised by the UK Police and linked with the Serious and Organised Crime Agency (SOCA) and the Trading Standards Institute, which underlined their efforts to confront those breaking the law.

This is a prime example of how Government, police, local authorities and trade associations can work together for a common cause.

As an industry we should now be seriously considering our own future role and actions, based on the knowledge that this problem requires our constant attention

Without our individual and collective input in taking appropriate action to apply a zero tolerance

attitude to their activities we are fighting a losing battle against the copiers.

As it is considered imperative that there should be some central organisation keeping a record of copying activities I am able to announce that, from today, manufacturers, indeed anyone who has viable information about any product being promoted and which is a copy may register the details with AiCE - email address :

ales@alesuk.org

Records will be kept and appropriate action taken to ensure that the copier is made aware that we know who they are and that their actions are being monitored.

This information will also be shared with all other international trade associations, trade media and our major trade show organisers and will also be used to illustrate to governments and others the extent of the harm that is being done to our businesses.

It is now believed that if our industry works harder and together we can move forward more confidently in the knowledge that, despite the difficulties we will be able to contain and restrict those who seek to undermine the real innovators.

Thank you.