

COUNTERFEIT PRODUCTS CREATE SAFETY CONCERNS

Recommendation

Regional Councillor Gino Rosati recommends:

1. That the presentation by the Canadian Safety Association (CSA) be received;
2. That staff be requested to review the request and provide comments to the September 10, 2007 Council meeting; and
3. That Council approve the pilot project designed to increase community and business awareness with respect to the dangers and costs associated with product counterfeiting, subject to any comments received from staff.

Economic Impact

There is no cost to the City. The CSA and the Canadian Anti-Counterfeiting Network (CACN) will fund the cost of production and other direct costs associated with pilot project.

Communications Plan

There will be an announcement that the City is undertaking the pilot project with the CSA. The objective of the pilot project itself is to create a communication "tool kit" that can be used to communicate the issues associated with counterfeit products.

Purpose

The purpose of the report is to obtain Council approval for a pilot project designed to increase community and business awareness with respect to the dangers and costs associated with product counterfeiting. Municipalities have considerable experience, methods at their disposal and opportunities for communicating with the community. The objective of the pilot project is to take advantage of and leverage Vaughan's experiences by creating an "information tool kit" that CSA can then take to other communities.

Background - Analysis and Options

Initially most counterfeit products were limited to clothing and novelty items. Today the issue of counterfeit products is becoming an increasing concern as the counterfeiting compromises safety. As recent as August 20th there was a Toronto Star article where Health Minister Tony Clement stated that the Canadian government is putting together a plan to deal with counterfeit and dangerous imported products.

The Canadian Anti-Counterfeiting Network (CACN) was formed in the fall of 2004, with CSA as one of its founding members. CSA is proposing a Community and Business Awareness pilot project on product counterfeiting. The purpose of the pilot project is to inform, educate, and create a greater community and business awareness of the dangers and costs associated with counterfeit products.

Examples of opportunities for the City of Vaughan to provide assistance could include:

1. Defining the municipal involvement in relation to this issue;
2. Discussions on how best to involve other local partners such as public libraries, the Chamber of Commerce, School Boards and the local electrical distribution company;

3. Drafting a resolution that can be forwarded to municipal Councils and others for endorsement;
4. Identifying appropriate methods for communicating such as the City's WEB site, fire prevention material, the use of posters, publications such as the Business Link and the distribution of educational material; and
5. Providing general comments from a municipal perspective.

City staff would be an information resource that CSA can access. CSA would take the lead in coordinating the pilot project including preparing material for comment, arranging meetings and capturing input. Staff representation on the committee could be from, Corporate Communications, Fire & Rescue Services (Fire Prevention section), Community Services, Economic Development and Building Standards. Other staff on an as required basis.

Relationship to Vaughan Vision 2007

Serve Our Citizens A2 Promote Community Safety, Health and Wellness

Regional Implications

No implications of the pilot project.

Conclusion

Creating awareness is a first step in addressing safety concerns regarding counterfeit goods. A pilot project with a municipality and the CSA will assist in getting the message out at the community level.

Attachments

Attachment 1 - Request from CSA

Respectfully submitted,

Regional Councillor Gino Rosati



CSA GROUP[®]

Attachment 1

Canadian Standards
Association

QMI

CSA
International

July 11, 2007

City of Vaughan
2141 Major Mackenzie Drive
Vaughan, Ontario
L6A 1T1

Attention: Mr. Gino Rosati, Regional Councillor

Subject: Counterfeiting – Community and Business Awareness Pilot Project

Dear Councillor Rosati:

I am writing in follow-up to our meeting and presentation on June 7, 2007 at our CSA facilities and a subsequent meeting on July 8, 2007 at the City of Vaughan with you and Clayton Harris, Deputy City Manager/Commissioner of Finance & Corporate Services.

On behalf of CSA and the Canadian Anti-Counterfeiting Network (CACN), I would like to make a formal request for a presentation on our proposed pilot project to be placed on the Agenda of the September 4th meeting of the Committee of the Whole for 1:00 pm. As we have discussed, we are proposing a Community and Business Awareness Pilot Project on product counterfeiting and piracy in partnership with the City of Vaughan. The purpose of the proposed pilot project is to inform, educate, and create a greater community and business awareness of the dangers and costs associated with counterfeiting and piracy with the ultimate goal of ensuring the health and safety of consumers and protecting the jobs of Canadians.

A decade ago, most fake goods available in Canada were t-shirts, novelty items and similar wares sold at flea markets or by itinerant street vendors. Today counterfeit and pirated products available in Canada include children's toys (that do not meet Canadian safety standards); electrical products, such as power bars, extension cords and seasonal decorative lighting, often bearing phony CSA or UL certification labels; automobile and aircraft parts; pharmaceutical products; food and beverages, including alcoholic beverages; software, CDs and DVDs; and luxury goods of all kinds. Moreover, such products, many of which pose serious threats to consumer health and safety, are now routinely found in up-scale shopping malls and reputable retail chains.

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There is also growing evidence linking counterfeiting and piracy to organized crime and terrorism.

Counterfeiting and piracy cause billions of dollars in annual losses to the Canadian economy, creating substantial health risks for those in our community and generating significant revenue for criminal enterprises.

CACN was formed in the fall of 2004, with CSA as one of its founding members. The coalition is comprised of broad-based associations, firms and companies that are either directly affected by counterfeiting or engaged in the fight against counterfeiting. CACN's members share some important common goals, including: educating the community about counterfeiting and piracy; supporting and promoting training in counterfeit detection; liaising with law enforcement and customs officials; and advocating for much needed legislative reform. For more information about CACN, please visit our website at www.cacn.ca.

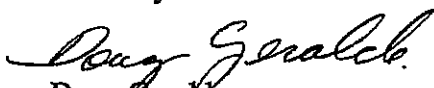
CACN and CSA would like to engage the City of Vaughan in the fight against this serious problem by asking you to partner with us in our proposed pilot project. We believe that this project has great potential for success given our established ties with the City of Vaughan Council Members, and the excellent infrastructure that the city has for communicating with business and the community at large. Moreover, the city is known to be progressive and has a reputation for getting things done.

Palma Pallante, my assistant will be the liaison for the Pilot Project for both CACN and CSA and she can be reached at 416-747-4278.

If you have questions or require any further information I may be reached at 416-417-0780.

I look forward to hearing from you and presenting to the Committee members on September 4th, 2007.

Sincerely



Doug Geralde
Chair – CACN

& Director of Audits & Investigation – CSA Group