

**CONGRESSIONAL REPORT
FEDERAL BUREAU of INVESTIGATION
PRO IP ACT ANNUAL REPORT 2012**

The Prioritizing Resources and Organization for Intellectual Property Act of 2008 (PRO IP Act) authorized appropriations for personnel and operational enhancements for the Federal Bureau of Investigation (FBI). In accordance with the guidance in the PRO IP Act, the FBI provided an initial report in October 2009, summarizing its efforts, activities, and resources allocated in the five years prior to the date of enactment. Additionally, the PRO IP Act required annual reporting by the FBI to document their efforts to combat Intellectual Property Rights (IPR) Enforcement. This report serves as the FBI's Fiscal Year (FY) 2012 annual report summarizing their efforts to address this threat.

Executive Summary

The FBI's overall strategy for Intellectual Property Rights (IPR) enforcement is to disrupt and dismantle international and domestic criminal organizations and individuals that manufacture or traffic in counterfeit and pirated goods and/or steal, distribute or otherwise profit from the theft of intellectual property (IP). Investigative priorities include theft of trade secrets, counterfeit goods that pose a threat to health and safety and copyright and trademark infringement cases having a national security, organized crime, or significant economic impact.

The FBI is a primary partner at the National Intellectual Property Rights Coordination Center (IPR Center). The IPR Center serves as a centralized, multiagency entity to coordinate, manage and advocate the U. S. Government's Federal criminal enforcement of intellectual property rights laws.

The FBI pursues intellectual property rights enforcement by coordinating investigations with law enforcement partners at the IPR Center. This coordination includes initiating aggressive criminal initiatives based on current or emerging threats and coordinating intelligence components and investigative strategies with both private industry and domestic and foreign law enforcement partners.

As of September 30, 2012, the FBI had 460 pending IPR matters:

- 106 investigations for theft of trade secrets
- 70 investigations for copyright infringement related to software
- 121 investigations for other copyright infringement
- 49 investigations for trademark infringement
- 16 investigations for copyright infringement related to signal theft
- 17 investigations for counterfeit aircraft parts
- 17 investigations for counterfeit electrical parts
- 11 investigations for counterfeit automotive parts
- 53 investigations for counterfeit health products

Statistics Summary of all Classifications for FY 2012:¹

- 170 investigations initiated
- 111 arrests
- 66 information/indictments
- 74 convictions
- Seizures totaling \$4,081,603
- Forfeitures totaling \$442,917
- Restitution totaling \$6,539,208

The FY 2012 Congressional appropriation supported the IP enforcement mission of the FBI, specifically for personnel, equipment, training, and other critical needs. As required, the FBI has placed all 51 IPR-dedicated Special Agents (SAs), the majority of whom are placed in specified field offices with DOJ Computer Hacking and Intellectual Property (CHIP) units. In FY 2012, the actual direct IPR agent resources expended exceeded the required 51 agent-resources to a Special Agent Time Utilization Record Keeping (TURK) of 54.75. This resource commitment is separate from, and in addition to, those FBI agents assigned to investigate violations of the Economic Espionage Act, Title 18, Section 1831 as well as FBI agents working other criminal and national security matters that may have a nexus to IPR .

PRO IP Act Personnel:

The FY 2009 Appropriations Bill provided for the “creation of an additional and distinct operational unit at FBI Headquarters with at least five full-time SAs dedicated to working with the Department of Justice’s Computer Crime and Intellectual Property Section (CCIPS) on complex, multi-district and international criminal IPR cases.” Accordingly, the FBI established its Intellectual Property Rights Unit (IPRU) and in April 2010, the IPRU physically relocated to the IPR Center in support of the FBI mission there.

During FY 2012, the IPRU was led by a Unit Chief (UC), who also served as a Deputy Director of the IPR Center. The IPRU was staffed with two Supervisory Special Agents (SSAs) who program managed field office and IPRU investigations, provided strategic guidance, and supported the development of intelligence driven initiatives. In addition, three investigative SAs were assigned to the IPRU to conduct complex, multi-district and international investigations and were deployed to FBI field offices to support ongoing IPR investigations. During FY 2012, twelve such deployments occurred.

The IPRU included two Management Program Analysts, two Intelligence Analysts (IAs), one Staff Operations Specialist, and contractors. In addition, on nine separate occasions, FBI field personnel were temporary detailed to the IPRU in support of the IPR Center mission as well as FBI investigations during FY 2012.

¹ Source: Compass & Consolidated Asset Tracking System (CATS)

PRO IP Act Funding:

As part of FY 2012 appropriations, the FBI received personnel and non-personnel funding to support its IPR program. The use of that funding by the FY 2012 appropriations is provided below:

- Personnel funding - 51 dedicated IPR special agent positions assigned to field divisions contiguous to DOJ Computer Hacking and Intellectual Property (CHIP) Units and at FBIHQ/IPR Center;
- \$584,840 in direct support of IPR investigations, to field divisions for the purchase of evidence, undercover operations, equipment, and supplies;
- \$214,740.00 for selection and deployment of a dedicated IPR Agent overseas to enhance IP investigations;
- \$258,951 for operational travel of field IPR agents and HQ components related to investigations and training;
- \$760,000 for contractor support for expert computer forensic analysis and investigative support; and
- \$140,000 for development, hosting, and maintenance of the IPR Center's website, www.iprcenter.gov.

Efforts and Activities in Support of the FBI's IPR Program:

Investigative Case Highlights

The most important aspect of the FBI's IPR program is the investigation of high priority and high impact IPR matters and successful criminal prosecutions. In FY 2012, the FBI achieved significant success in this area. These investigations varied in complexity and included the use of sophisticated techniques where appropriate. The following are highlights of selected IPR investigations which occurred during FY 2012.

- The FBI investigated and led the international takedown of the Megaupload criminal enterprise, one of the largest criminal copyright cases ever brought by the United States. This action directly targeted the misuse of a public content storage and distribution website to commit and facilitate intellectual property crime. Megaupload.com was advertised as having more than one billion visits to the site, more than 150 million registered users, and 50 million daily visitors accounting for four percent of the total traffic on the Internet. The estimated harm caused by the conspiracy's criminal conduct to copyright holders more than \$500 million. The conspirators allegedly earned more than \$175 million in illegal profits through advertising revenue and selling premium memberships. This investigation was an unprecedented investigative effort involving dozens of FBI SAs, computer forensics experts, professional support staff and others. Approximately 15 FBI legal attaché offices around the worldwide facilitated the cooperation of their foreign law enforcement partners, which led to the arrest of five individuals. Overall, the FBI and

its foreign partners executed more than 20 search warrants in the United States and eight other countries, and seized approximately \$50 million in assets. 18 domain names associated with the alleged Megaupload conspiracy were also seized and replaced with Government seizure banner.

- The FBI and the Department of Transportation Office of Inspector General investigated a Miami-based aircraft repair company for its role in repairing and distributing aircraft parts, despite losing its license to do so from the FAA. To keep the business operating, the principals in the company made false statements on forms used in the aircraft industry to verify airplane parts' reliability and safety. In March 2012, a Federal Grand Jury indicted 16 people for their role in the scheme, including the President and CFO. In October 2012, the President and CFO were sentenced 48 and 37 months respectively in prison for their roles in this case.
- The FBI investigated a former employee of Houston-based environmental products firm for theft of trade secrets. The victim company developed and manufactured environmentally friendly building products for use in residential and commercial construction. The defendant downloaded protected trade secret files prior to his resignation and deleted these files from company computers. The defendant plead guilty to theft of trade secrets on April 27, 2012 and was sentenced to two years probation on July 27, 2012.
- As part of a comprehensive enforcement action to prevent the infringement of copyrighted mobile device apps, the FBI investigated a group operating websites engaged in the illegal reproduction and distribution of copyrighted Android cell phone apps. Seizure orders were executed against three such website domain names and nine search warrants were executed in six different districts across the country. The FBI downloaded thousands of copies of popular copyrighted mobile device apps from the alternative online markets suspected of distributing copies of apps without permission from the software developers who would otherwise sell copies of the apps on legitimate online markets for a fee.
- The FBI investigated a San Jose, California man who operated a large scale distribution ring which sold counterfeit music CDs and motion picture DVDs. These illegal products were sold directly to individuals or resold through various flea markets in the area. The FBI seized counterfeit CDs and DVD valued at over \$2.6 million retail. The defendant was sentenced to four years in prison for these crimes.
- The FBI and several other Federal and State agencies, investigated two executives of a Miami-based aviation firm for the distribution of illegally manufactured and mislabeled aircraft parts not built to industry specifications. Each defendant pleaded guilty to one count of Conspiracy to Commit Fraud Involving Aircraft Parts and was sentenced to 45 and 37 months in prison respectively. Both defendants were also ordered to pay \$1,454,232 in restitution.

- By working closely with victim companies, the FBI, in conjunction with Operation “Engine Newity”, launched investigations into individuals involved in the manufacture and distribution of counterfeit automotive parts, systems, and tools.
 - On September 26, 2012, a Virginia man pled guilty to selling counterfeit General Motors (GM) automotive diagnostic devices.
 - On October 26, 2012, an alleged trafficker of counterfeit automotive accessories based in Georgia was indicted by a federal grand jury for allegedly participating in a conspiracy to sell to unsuspecting U.S. consumers more than \$3 million worth of counterfeit General Motors (GM) and Bavarian Motor Works (BMW) automotive diagnostic devices and other automotive equipment.

- The FBI investigated an employee of Sanofi-Aventis (Sanofi) for theft of trade secrets. Sanofi is a global pharmaceutical company that develops and manufactures vaccines and drugs for both, human and animal health. The defendant downloaded protected trade secret data from Sanofi networks and used the data to update the business catalog of an entity known as Abby Pharmatech Limited Liability Corporation (Abby). The defendant was terminated from Sanofi and pleaded guilty to theft of trade secrets. On May 7, 2012, the defendant was sentenced to 18 months prison.

- The FBI investigated a former employee of Intel Corporation (Intel) for wire fraud and theft of trade secrets. Intel designs and builds essential technologies for the world’s computing devices. The defendant accessed Intel’s network and downloaded protected trade secret files prior to his resignation and on at least one occasion after his departure from Intel. The defendant plead guilty to wire fraud and on April 6, 2012, was sentenced to three years in prison.

- The FBI participated in Operation in Our Sites-Bitter Pill; an ICE led multi-agency operation targeting the online distribution of counterfeit pharmaceuticals. On October 3, 2012, a Baltimore magistrate judge authorized ICE to seize 686 domain names associated with websites unlawfully distributing counterfeit pharmaceuticals. Operation Bitter Pill was part of the larger global law enforcement effort known as Operation Pangea V, the fifth iteration of a week-long global enforcement effort aimed at disrupting the organized crime networks behind the illicit online sale of fake drugs. Worldwide, preliminary results show that the 100 countries participating in the effort have accounted for 79 arrests and the seizure of 3.7 million doses of potentially life-threatening counterfeit medicines worth an estimated \$10.5 million.

- The FBI investigated a former Silicon Valley, California engineer for theft of trade secrets. While employed as a project engineer at Netgear Inc., the defendant had access to the secure database of Marvell Semiconductor Inc. After accepting a position with a competitor, the defendant used his Netgear account to download trade secrets and proprietary information from Marvell then loaded the trade secrets onto a laptop

for his new employer. On May 7, 2012, the defendant was found guilty of theft of trade secrets.

- The FBI investigated former employee of Dupont for conspiracy to commit economic espionage. The defendant provided information that he “understood to be secret . . . and not available to the public” concerning Dupont’s proprietary titanium dioxide (TiO₂) manufacturing process to companies he knew were controlled by the government of the People’s Republic of China (PRC). The defendant was indicted by a federal grand jury on February 7, 2012, and plead guilty to conspiracy to commit economic espionage on March 2, 2012.
- The FBI investigated a former Dow Chemical Company scientist for stealing trade secrets. While employed as a research scientist, the defendant had access to trade secrets and confidential and proprietary information pertaining to a certain valuable chemical process and product technology. The defendant conspired with at least four current and former employees of Dow’s facilities in Plaquemine and Stade, Germany, to misappropriate those trade secrets in an effort to develop and market the same process design packages to Chinese companies. On January 12, 2012, the defendant was sentenced to 60 months in prison for stealing trade secrets and committing perjury.
- The FBI investigated a Chinese national, formerly residing in the U.S., for theft of trade secrets and economic espionage. The defendant stole trade secrets from Dow Agro Sciences LLC to benefit components of the PRC. The defendant was also charged with stealing a trade secret from a second company. The defendant caused an aggregated loss up to \$20 million USD. On December 21, 2011, the defendant was sentenced to 87 months in prison for economic espionage and theft of trade secrets.
- The FBI and Immigration and Customs Enforcement (ICE) investigated two Georgia-based individuals for the trafficking of copyright infringing materials and counterfeit labels. The defendants were among 13 charged by a federal grand jury on May 19, 2009, in an indictment alleging various copyright, trademark, and counterfeit goods offenses arising out of the mass-production and sale of infringing copies of popular movie and music titles. On December 14, 2011, both defendants were sentenced on charges relating to copyright and counterfeiting violations of CDs and DVDs. One defendant was sentenced to 51 months in prison after being convicted on two charges of copyright infringement and one charge of trafficking in counterfeit labels. A second defendant was sentenced to 19 months in prison after pleading guilty to one count of conspiracy to violate copyright laws.
- The FBI investigated a Delaware-based individual for operating multiple software piracy websites. On November 16, 2011, the defendant plead guilty to criminal copyright infringement for her role in operating a group of websites that were unlawfully selling hundreds of popular computer software products. The defendant’s websites processed

over \$970,000 in unlawful software transactions between February 26, 2008, and March 3, 2010.

- The FBI and the United States Postal Inspection Service (USPIS) investigated three California-based individuals for trafficking of Counterfeit DVDs. From 2008 to 2011, the defendants imported copyright infringing DVDs containing of children's movies and marketed them over the Internet. The defendants falsely advertised to have located a limited supply of scarce Disney DVDs that were otherwise unavailable for purchase. In reality, they imported thousands of infringing copies of the movies directly from factories in China and sold them as legitimate DVDs. The defendants had their Chinese partners ship the DVDs to numerous acquaintances to avoid detection by U.S. Customs and used friends to wire money to China to pay for the goods. On July 12, 2012, the three defendants were charged with trafficking counterfeit goods and wire fraud.

Increasing public awareness and education

During FY 2012, the FBI completed two significant projects designed to increase public awareness of the harm and illegality of copyright infringement.

At the FBI's request, the Department of Justice published a Notice of Proposed Rulemaking to make the FBI's Anti-Piracy Warning (APW) Seal available to all copyright holders, subject to certain conditions. After a period of public comments, which ended November 7, 2011, a new federal regulation regarding the APW Seal took effect on August 13, 2012. This new regulation permits broad use of the APW Seal for all copyrighted works and provides users with a simple and efficient means to download the APW Seal from the FBI's public website at www.fbi.gov/about-us/investigate/white_collar/ipr/anti-piracy.

The FBI also partnered with the Department of Homeland Security, Homeland Security Investigations (HSI) to launch a joint FBI/HSI anti-piracy warning banner and an IPR Center banner at the beginning of newly released motion pictures. This joint banner program was designed to reinvigorate the APW program and replace the traditional FBI warning. Through close collaboration with the Motion Picture Association of America, in May 2012, FBI and HIS secured the placement of the joint APW banner and the IPR Center page at the beginning of most newly released movies. Since the release of the banner, IPR case referrals through the IPR Center website have increased substantially.

Engagement with Government

The FBI is an original and key partner at the National IPR Center and fills a Deputy Director role there. The IPR Center, which is led by ICE/DHI, co-locates agencies responsible for the enforcement of Intellectual Property crimes. The IPR Center optimizes the resources of its

21 partner agencies which includes FBI, HSI, U.S. Customs and Border Protection (CBP) and others.²

The IPR Center is a clearinghouse for complaints, referrals, and inquiries for IPR-related matters, including de-confliction of referrals sent in by the public and to ensure the same investigation is not being worked by multiple agencies. The IPR Center serves as the hub for the strategic planning of multi-jurisdictional case initiatives against the most significant threats to U.S. IP. As a key partner at the IPR Center, the FBI led or participated in numerous working groups and coordination meetings with key industry partners from the lengthy list of entities affected by IP crime.

- The FBI continued to provide funding, development, and hosting services for www.iprcenter.gov. This website serves as the central information portal for the IPR Center and its partners to inform the public, rights holders, victims, and other Government agencies about the threat from IPR violations and the IPR Center's efforts to combat it. The site contains links to agency homepages, reference material, publications, press releases, and notices of upcoming events related to IPR.
 - The FBI closely coordinated with the Intellectual Property Enforcement Coordinator (IPEC), Victoria Espinel and her staff. The FBI participated in working groups, briefings, joint strategic plan development, international capacity building/training initiatives, and provided FBI specific information for inclusion in the IPEC's bi-monthly newsletter. During FY 2012, the FBI actively participated with the IPEC in the development of the Administration Strategy on Mitigating the Theft of U.S. Trade Secrets and the Joint Strategic Plan on Intellectual Property Enforcement. The FBI ensured its operational agents and Legal Attachés were informed of the IPEC's mission, goals and strategy through ongoing communication with field and Legal Attaché offices and during training sessions.
 - The FBI actively contributed to several other U.S. Government working groups on IP enforcement and training and the IPR Center, including the DOJ's IP task force and DOJ's Joint Liaison Group (JLG) with China. In addition, the FBI worked closely with the Department of Commerce and the office of the U.S. Trade Representative on several IP issues and initiatives.

Engagement with Victim Industries

² Food and Drug Administration Office of Criminal Investigations (FDA-OCI), U.S. Postal Inspection Service (USPIS), the U.S. Patent and Trademark Office (USPTO), INTERPOL, Mexican Revenue Service, Royal Canadian Mounted Police, Air Force Office of Special Investigations, Defense Criminal Investigative Service (DCIS), Naval Criminal Investigative Service (NCIS), U.S. Army Criminal Investigative Command Major Procurement Fraud Unit, Defense Logistics Agency Office of the Inspector General, Department of Commerce International Trade Administration, Consumer Product Safety Commission, National Aeronautics and Space Administration Office of the Inspector General, U.S. Department of State Office of Intellectual Property Enforcement and the General Services Administration Office of the Inspector General (GSA-OIG).

The FBI recognizes the importance of liaison and engagement with rights holders, victim companies, and their representative organizations to identify investigative opportunities, to better address the IPR threat and emerging trends, and to improve awareness of IP theft. In addition to routine and ongoing interaction related to specific cases and initiatives, the FBI contributed to the following selected events in FY 2012:

The FBI in partnership with HSI and other IPR Center partners regularly hosted rights holders and their representatives at the IPR Center and elsewhere. These productive meetings facilitated communication about initiatives, emerging IPR threats and, in some instances, yielded new investigations. These include the following:

- IPR Center partners hosted executives from a national sports apparel company to discuss emerging threats and issues.
- The FBI met with representatives from a major automotive maker to discuss counterfeiting of automotive components.
- The FBI met with an IPR law firm to discuss counterfeiting within the direct sales industry.
- The FBI and IPR Center partners met with executives from an international safety and certification firm to discuss threats and pending cases.
- IPR Center partners met with officials from a major content industry trade association to discuss emerging trends and initiatives.
- IPR Center partners met with executives from a major perfume maker to discuss counterfeiting of their products and emerging trends.
- The FBI met with representatives from an international automotive maker to discuss counterfeiting of automotive components.
- IPR Center partners met with executives from a major software firm to discuss innovative initiatives targeting on line piracy and counterfeiting.
- IPR Center partners met with representatives from two trade associations representing the electronics industry to discuss emerging threats and initiatives.
- IPR Center partners met with executives from a major television company to discuss online piracy threats.

Additionally, in FY 2012, representation from the IPRU provided further community outreach to include:

- Served on panel of subject matter expert speakers at the George Mason University sponsored Attorneys General Education Program in Groton, Connecticut, attended by more than 35 state attorneys general prosecutors.
- Presented at the seminar hosted by the Pharmaceutical Security Institute at the IPR Center.
- Presented to security professionals at a major pharmaceutical company about the FBI's IPR program, theft of trade secrets and counterfeiting of products.
- Presented to the Richmond Infraguard Chapter detailing IPR violations and trade secret risks, which was attended by representatives from key technology industries in the area.

- Presented at the Coalition against Counterfeiting and Piracy meeting at the U.S. Department of Commerce and discussed the FBI's progress from the PRO-IP Act and its role at the IPR Center.
Presented to the Pennsylvania Bar Association on the impact of social media on IPR violations in Philadelphia, Pa., which was attended by approximately 100 practicing attorneys.
- Participated on a panel of Government IPR experts at the International Anti-Counterfeiting Coalition Conference in Washington, D.C. and addressed several hundred right holders, trade groups, government officials, and attorneys.
- Provided a workshop about IPR trends and threats at the International Trademark Association's annual Conference in Washington, D.C.
- Presented to the Boston Infraguard Chapter detailing IPR violations and trade secret risks, which was attended by over 50 representatives from key technology industries in the area.
- Provided training to more than 50 law enforcement officers including HIS, FBI, CBP, San Diego and Los Angeles Sheriff's offices at Underwriters Laboratory IPR training for law enforcement.
- Presented to the Department of State on IPR trends and the theft of trade secrets, as part of their "Innovation Speaker Series."
- Participated in the Department of Justice, Computer Crime and Intellectual Property Section's Annual IP Industry and Law Enforcement meeting. As part of this meeting, the FBI Assistant Director of its Criminal Division addressed industry leaders about the FBI's strategy and progress in IPR enforcement.
- Presented at specialized IPR instruction course for agents and prosecutors at the DOJ National Advocacy Center in Columbia, South Carolina, which was attended by over 50 Assistant United States Attorneys, FBI Agents and HSI Agents.
- Participated in the 2012 IPR Center Symposium, "Tackling Emerging Threats" which was attended by over 100 representatives from rights holders and their respective organizations.
- Provided IPR training at various Citizen Academies held at FBI field offices throughout the country.³

Supporting International Enforcement

In September 2011, an SA dedicated to the IPR program and joint investigations was deployed to the U.S. Embassy in Beijing, China for a tour of one year. This SA contributed to the FBI's IPR mission on several levels and had measured success. He frequently met with a large number of rights holders, law firms, USG entities, non-profit organizations, and foreign government agencies in Beijing, Shanghai, and Mongolia about IPR issues in China. These meetings and relationships led to a number of IPR threat intelligence reports and investigative

³ Citizen Academies provide business, religious, community and civic leaders an inside look at the FBI and its mission.

leads. The SA also participated in joint interviews along with Chinese officials of subjects of a large copyright case.

During FY 2012, the IPR Center hosted groups and delegations from numerous countries, including Thailand, UK, Afghanistan, Pakistan, Russia, Australia, Uruguay, Singapore, Paraguay, Chile, China, and many others. As a key partner at the IPR Center, the FBI participated in each of these visits and provided overviews of the FBI's role and structure with regard to IPR enforcement.

The FBI recognizes the importance of providing useful and relevant IPR training to our foreign counterparts. The FBI also recognizes the importance of fully supporting other USG international training efforts. The following are selected international training efforts which were supported and/or led by the FBI in FY 2012:

- Supported an INTERPOL, Europol and Ukrainian National Police IP Crime International Conference IPR training course by deploying a subject matter expert instructor to Kiev, Ukraine who gave instruction on online piracy investigations and other IPR violations. The training included approximately 45 attendees from Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.
- In support of Intellectual Property Enforcement Coordinator's International Capacity Building Working Group at U.S. Embassy Rome, presented at a joint U.S. Italy forum on IPR enforcement and IPR Center initiatives at the U.S. Consulate in Naples, Italy. This was conducted with both U.S. and Italian prosecutors as well as the Italian Guardia di Finanzia.
- Presented at conference of Canadian IP attorneys, rights holders, and government officials held in Toronto, Canada.
- Supported an Interpol/Europol/Turkish National Police IPR training course by deploying a subject matter expert instructor to Istanbul, Turkey who gave instruction on online piracy investigations and other IPR violations.
- Supported an Interpol IPR training course by deploying a subject matter expert instructor to Mexico City, Mexico who gave instruction on online piracy investigations and other IPR violations.
- Deployed a subject matter expert who gave a presentation online piracy at Europol sponsored event designed to establish a European based online piracy working group. This event was attended by approximately 40 attendees including representatives from private industry as well as U.S. and European government officials.
- Presented at the International Trade Date at the Canadian Chamber of Commerce in Ottawa, Canada, detailing IPR enforcement to industry and government officials.
- Supported a DOJ training mission by deploying a subject matter expert instructor to Accra, Ghana who taught relevant topics in a course entitled Computer Forensics for IP and White Collar Crime.
- Presented at the Interpol IPR Conference in Hong Kong, focusing on international cooperation with participants from several Asian countries. The FBI's presentation

focused on the international cooperation with an emphasis on how the FBI worked with other countries.

- Attended the bi-annual meeting of the Transatlantic Business Dialogue (TaBD) IPR Working group and the annual US-EU IPR Enforcement Working Group in Brussels in July 2012. The TaBD meeting centered around a stakeholder-government dialogue that included securing IP innovation, enforcement and the emergence of trade secret theft as a key issue in the EU. The US-EU working group focused specifically on trade secret theft concerns and building collaboration between US and EU enforcement partners. Attendees included EU legislative and enforcement partners (DG Trade, EUROPOL, OHIM and as well as representatives from the USTR, ITA, CBP, DHS and DoS.
- As a member of the INTERPOL Intellectual Property Crime Action Group (IIPCAG), provided training and participated in the 2012 International Law Enforcement IP Crime Conference in Panama, Panama in September 2012. This conference was focused on operational activities and brought together law enforcement organizations, regulatory agencies, private sector IP crime investigators and prosecutors to develop practical operational responses to IP crime. There were more than 400 foreign law enforcement and industry representatives from over 200 countries in attendance and the FBI provided translations in languages for the event.
- Gave a series of presentations at the FBI National Academy Associates, 15th annual Asia Pacific Chapter's Retrainer Conference in held in Sydney, Australia. During this event, FBI agents from both IPRU and the National Security Division briefed high level Government officials from the United States and Australia. Attended by more than 200 law enforcement officers, executives and national academy graduates from throughout the Asia Pacific region.

Looking Forward

The FBI has developed an IPR enforcement program that focuses on the most significant and serious threats to U.S. economic and national security. Funds allocated by the PRO-IP act have provided direct support to innovative and significant IPR cases. The PRO-IP Act has enabled 51 investigative agents to the field and personnel to the IPRU to address international and complex IPR matters. Funding for training and outreach has permitted the FBI to train dedicated IP agents in the nuances of IP enforcement and build bridges with rights holders in the private sector as well as internationally. Full integration and partnership at the National IPR Center has enabled the FBI to leverage these successes exponentially.

The FBI will continue the strong momentum developed in FY 2012 through continuous and productive working relationships with its IPR Center partners, rights holders, other USG agencies, and our foreign counterparts. The FBI will employ the resources provided by PRO IP Act to initiate IPR investigations that minimize the criminal threat, develop new initiatives to address these threats and train FBI personnel and others to identify the FBI's IPR threat priorities. The criminal threat to U.S. IP interests is immense, particularly, when considering the growing sophistication of Internet-based theft and computer network intrusions. Through the global advancement of the internet, the FBI is faced with additional

challenges in the prosecution of these crimes. The FBI recognizes these challenges and will continue to utilize its expertise and resources to lead the law enforcement response.