



PRESS RELEASE - FOR IMMEDIATE RELEASE

Customs Experts Meet to Curb Semiconductor Counterfeiting

Jeju, Korea – September 24, 2009 – The World Semiconductor Council (WSC) applauded the conclusions of this week's workshop of Customs Experts on semiconductor counterfeiting.

The workshop was held on 21-22 September 2009 in conjunction with the Governments / Authorities Meeting on Semiconductors (GAMS), and included customs experts / officials from China, Chinese Taipei, the European Union, Japan, Korea and the United States together with representatives of their respective industries and trade ministry officials.

Together with Korea as location host, the EU chaired the workshop. EU Head of Delegation Henk Molegraaf from the Directorate for Taxation & Customs Union, concluded:

"We were very impressed by the level of openness, expertise and willingness to discuss and cooperate on the issue of the increasing phenomenon of semiconductor counterfeiting. It is clear this is a global problem which is affecting all parts of the world in one form or the other. This was a significant first joint step to address the problem of semiconductor counterfeiting at a global level. I sense the willingness among all participants to follow-up with further steps."

During the meeting, participants discussed the extent of the problem, societal and economic risks and consequences of semiconductor counterfeiting, descriptions of national enforcement procedures, current efforts to address the problem, and possible "tool kits" to contain semiconductor counterfeiting.

With their *Joint Report* (attached), the Customs Experts responded to the WSC semiconductor CEO Delegates who in May 2008 had raised the topic: "Counterfeit products are an increasing problem throughout the world and the semiconductor industry is no exception to this growing threat... The impact goes beyond IP or trademark infringement of semiconductor companies. Together with an increase in the number of semiconductors being used in an end-product, proliferation of counterfeit semiconductors in today's market creates risks to public safety and health."

More information on the WSC and its Member associations can be found at: <http://www.semiconductorcouncil.org>

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JOINT REPORT

Anti-counterfeiting workshop of customs experts on semiconductors in Korea on 21-22 September 2009

Semiconductor producers address counterfeiting

For the first time representatives of all six major semiconductor producing regions met to tackle the problems posed by counterfeit semiconductor products. On 21-22 September 2009, customs experts from China, Chinese Taipei, the European Union, Japan, Korea and the United States convened in Korea together with their respective industries and trade ministry officials.

Counterfeiting of semiconductors poses increased threats, not only in economic terms for the companies concerned, but also to critical infrastructure. Nowadays, semiconductors increasingly provide much of the enabling technology at the core of both professional and consumer products ranging from mobile phones and car-braking systems to medical devices and satellites.

The customs experts reaffirmed their commitment to protect and enforce intellectual property rights. They shared their experiences and best practices in their fight against counterfeit semiconductors, from both import and export customs control perspectives. Joint actions between governments and increasing joint government/industry co-operation were presented. Topics discussed also included how to physically and electronically spot semiconductor counterfeits, anti-counterfeiting toolkits and the central role of customs.

All participants underlined the importance of having access to information from the semiconductor industry on products and processes to facilitate customs' identification of suspected counterfeit products.

All participants agreed to undertake, as appropriate, enforcement measures (which can be national, bilateral or multilateral) against semiconductor counterfeiting, to keep other members informed and to report back on this to the 2011 GAMS meeting.

Background:

The "Governments/Authorities Meeting on Semiconductors" (GAMS) was founded in 1999 and includes the governments and authorities from China, Chinese Taipei, the European Union, Japan, Korea and the United States. Each year, GAMS members meet with the World Semiconductor Council (WSC), which includes their respective industry associations, and address topics of importance for the global semiconductor industry in areas such as trade, environment, intellectual property and regulatory requirements. During the GAMS meeting in September 2008 in Lisbon it was decided to convene a meeting of all customs experts in order to step up the world wide efforts against the spread of counterfeit semiconductors.

The worldwide semiconductor industry represents a market valued around 170 billion € in 2008. It is at the basis of many technological advances in sectors like information technology, automotives, electrics and machinery or medical devices.