

US IT Law to Impact Exporters Using Pirated Software-FICCI

Seminar Organised on New US IT Law

New Delhi, 11 April 2012: In a recent development, U.S. has passed new Unfair Competition law which impacts manufacturers worldwide exporting to U.S. In an effort to create level playing field between competing manufacturers globally, some of the US States have passed a new unfair competition law which allow only those manufacturers to export and sell, either directly or indirectly through third parties, if they can provide proof of using genuine hardware & licensed software for their business. The law could have serious implications for Indian exporters to US, noted FICCI.

While, the first laws were passed in the States of Washington & Louisiana on 4th November, 2011, Attorney Generals of 39 U.S. States have signed a resolution to combat unfair trade practices in manufacturing by preventing usage of illegal or stolen IT (i.e. non-genuine & unlicensed software), which provides an unfair advantage in the market place. The Attorney Generals have also urged the Federal Trade Commission (FTC) to consider a Federal Unfair Competition Law to prevent IT theft. The new unfair competition laws, passed in two states currently, apply to all manufacturers who sell products in these US States, irrespective of the jurisdiction, and aims at preventing unfair competition between IT compliant manufacturers versus the non-compliant competing ones, who use illegal IT, knowingly or unknowingly.

Usage of IT in manufacturing is increasing by leaps as bounds and is playing a central role in driving efficiency, productivity and competitiveness. However, usage of IT is not necessary well-managed or regulated within companies, which are typically focussed on product lines leading to issues of non-compliance and unfair competition market conditions. To understand the implications of this new law and other compliances, FICCI in cooperation with FIEO, AMCHAM India, Apex Cluster Development Services and CHEMEXCIL today organised a half-day workshop in Delhi. Industry representatives from sectors like chemicals, garments, textiles, steel, automotive, electronics, engineering etc participated in the meeting.

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