

Defending manufacturing, intellectual property and American competitiveness

The National Alliance for Jobs & Innovation (NAJI) & the movement to fight unfair competition



The Problem

Manufacturers rely on advanced IT solutions to develop innovative IP-protected designs



“Everything in the factories of the future will be run by smarter software.”

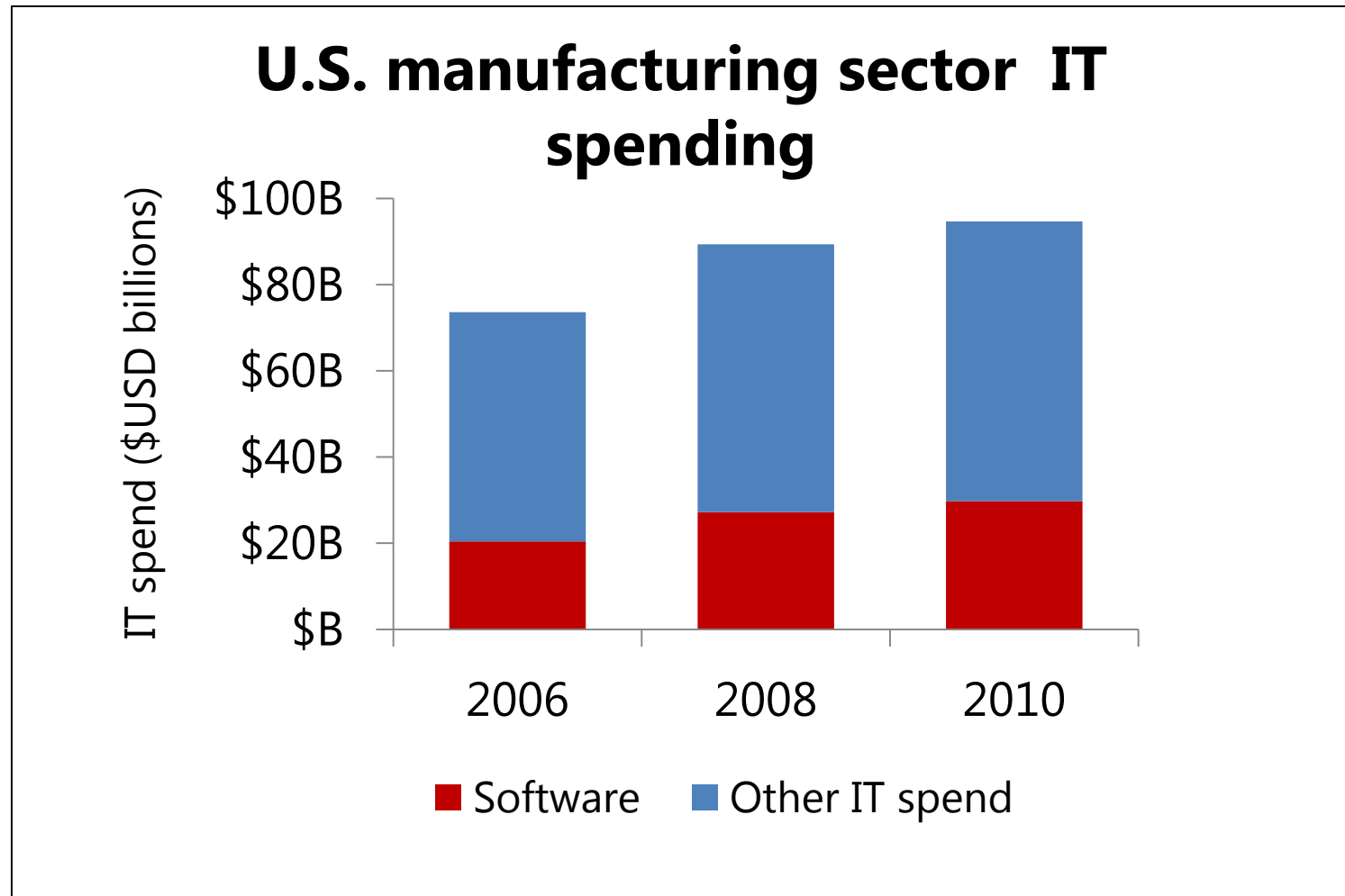
– **Paul Markillie, The Economist**



“The underlying basis for this increase in productivity has been ... the integration of IT into the manufacturing process.”

– **President’s Council of Advisors on Science & Technology**

Manufacturers increasingly invest to leverage technology at each stage of production



Marlin Steel invests in critical IP that is regularly stolen in emerging markets



Headquarters: Baltimore, MD

Employees: 32

Products: Wire baskets/ forms

Established: 1968

- Marlin Steel was driven out of commodity wire basket business by low-cost competition from emerging markets
- Use of technology enabled Marlin develop innovative designs and gain competitive edge
- Marlin experiences theft of their designs from competitors in emerging markets

“IP is the key to remaining competitive for my company.”

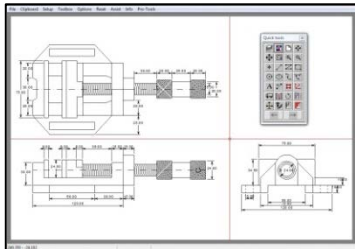
-Drew Greenblatt, President

Marlin Steel relies on IT to develop their IP-protected designs



Innovative product design

20% of Marlin's employees are engineers that use AutoCAD software to develop custom designs



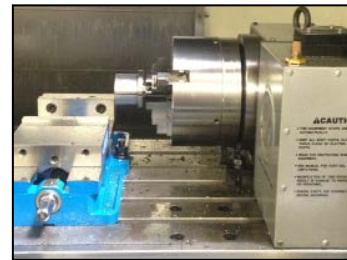
Integration layer

Dialogue between engineers & shop floor facilitates design optimization in machine integration



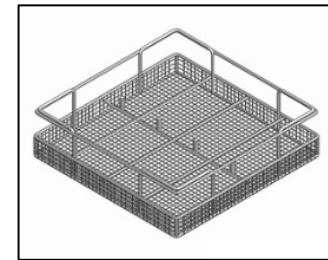
Advanced machines

Shop floor machine operators download final design code to machines with Trumpf firmware

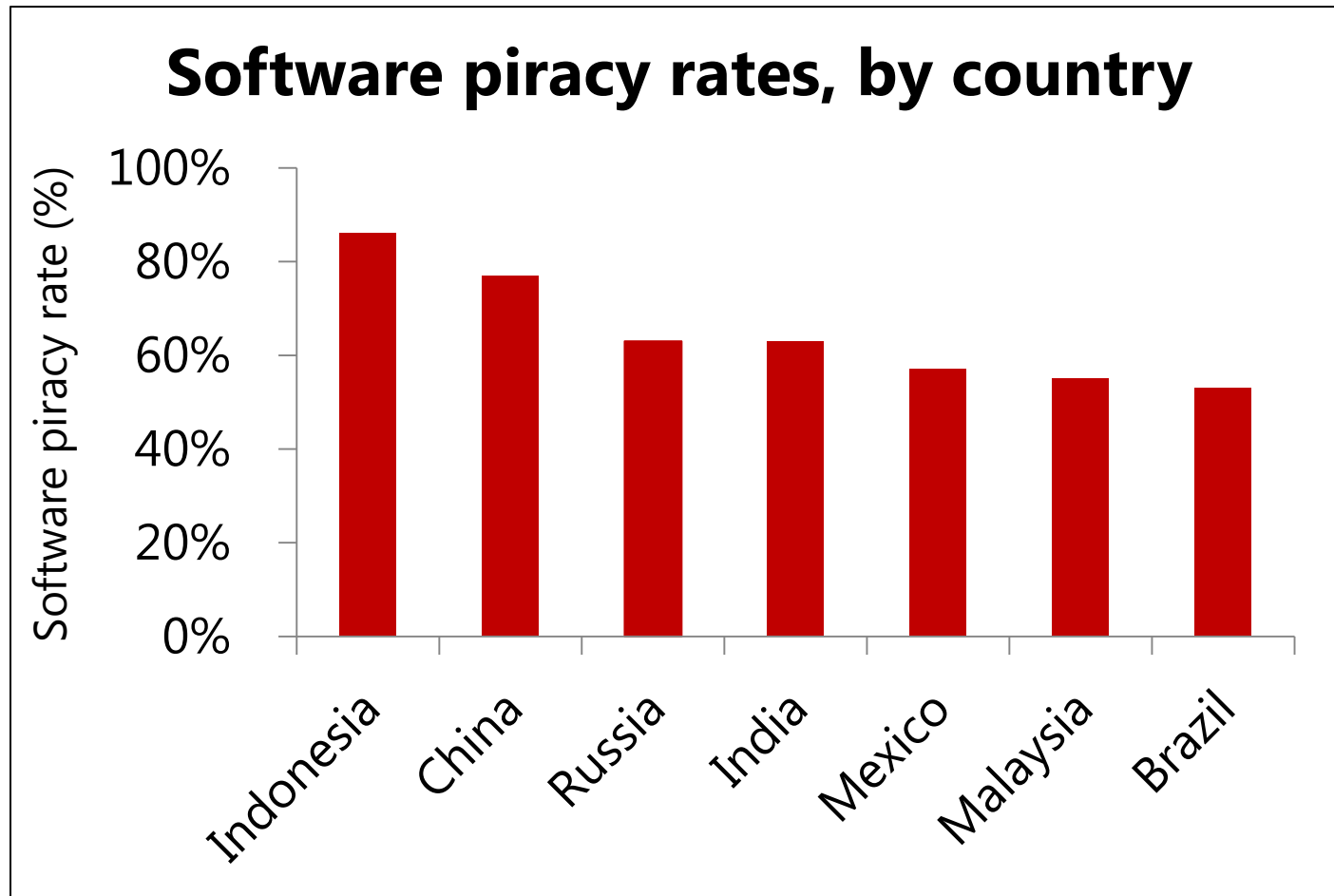


Vulnerability to IP theft

Images of Marlin's designs are stolen from their website and posted on foreign competitors sites



IT theft provides cost advantage for emerging market manufacturers on critical input



Wins

State Attorneys General urged regulators to address manufacturing competitiveness



AGs from 36 states signed letter to FTC



National Association
of Attorneys General

PRESIDENT

Rob McKenna

Washington Attorney General

PRESIDENT-ELECT

Doug Gansler

Maryland Attorney General

VICE PRESIDENT

J.B. Van Hollen

Wisconsin Attorney General

IMMEDIATE PAST PRESIDENT

Roy Cooper

North Carolina Attorney General

"While we recognize that our manufacturers must compete in a global economy, our companies should not be forced to compete on an unfair playing field."

CA AG Kamala Harris filed unfair competition cases over foreign companies' use of stolen IT



"These [two] lawsuits go after overseas companies whose unlawful actions are eroding California's garment industry and placing California companies who legally pay for software at a disadvantage."

– Attorney General Kamala Harris

CHAINDIA
India's Supply Chain Magazine

Calif. AG suing China, India-based apparel manufacturers for 'unfair competitive advantage'

hindustantimes

California AG sues Indian apparel cos for pirated softwares

CA's crucial apparel sector

Employees |       58,000

Annual Revenue |  \$5 billion

Unfair advantage gained by defendants | **\$740,424**

Massachusetts AG used state competition law to drive manufacturing competitiveness



Mass. AG enforced unfair competition law to curb IT theft abroad

The Boston Globe
Massachusetts fines Thai seafood company over pirated software

By [Michael B. Farrell](#) | GLOBE STAFF | OCTOBER 19, 2012



"Businesses using unlicensed software should not gain an unfair cost advantage over rivals who play by the rules."

- *Mass. AG Coakley*

Congress supports leveling the competitive playing field for manufacturers



Senators asked FTC to take action against unfair competition

MARY L. LANDRIEU, LOUISIANA, CHAIR
OLYMPIA J. SNOWE, MAINE, RANKING MEMBER

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April 2, 2012

"[U]nfair competition by unscrupulous manufacturers who use stolen IT...stifles innovation and growth by forcing law-abiding American businesses...to compete against those businesses that reduce their operating costs through the use of pirated IT."

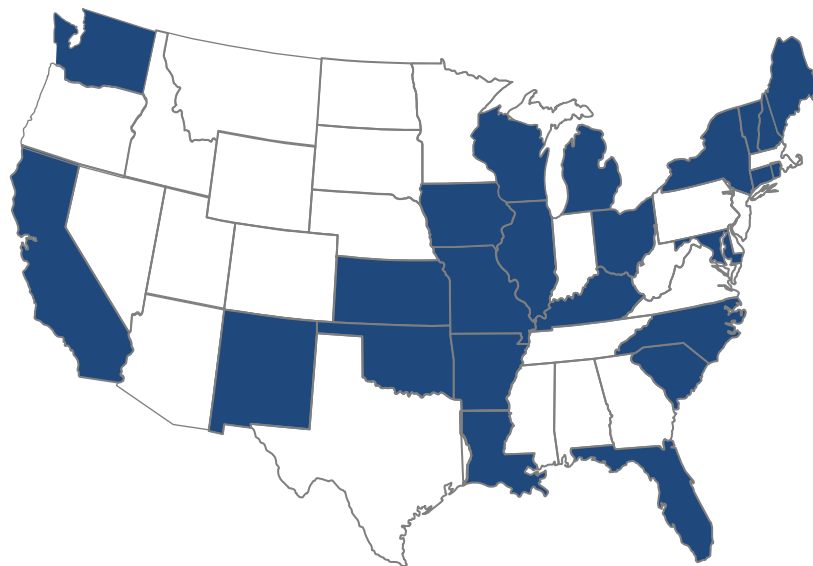
NAJI's goals

NAJI is at forefront of growing movement to help advance manufacturer competitiveness



A nonpartisan organization of innovative businesses and industry experts working to stop unfair competition from use of stolen IP

- **102 members companies**
 - Manufacturers
 - IT firms
- **7 member organizations**
 - NAM
 - Associated Industries of MO
 - Association of WA Business
 - KY Association of Mfrs
 - Mfrs Association of FL
 - SC Chamber of Commerce
 - Voices for Innovation




NAJI goals - motivating State/Federal support to reduce IP theft creating jobs and growth




Motivate, support & extend state/federal action to stop unfair competition from IP theft to help:

#1 – Reduce IP theft

 **2.5%**

Piracy & IP theft
reduction in key
emerging markets

#2 – Create jobs

 **10,000**

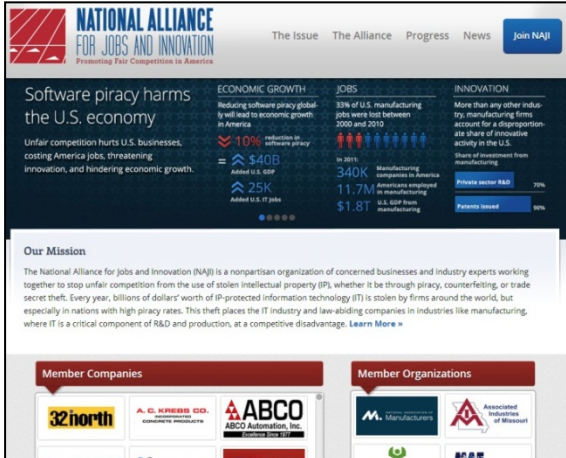
New US
manufacturing &
IT industry jobs

#3 – Grow economy

 **\$15B**

Added to U.S. GDP
in wages, corp. &
tax revenue

Benefits of NAJI membership

- Contribute to goal of reducing IP theft
 - Assistance in bringing your issues to attention of enforcement authorities
 - Business intelligence & consultation with industry experts
 - Recognition as supporter of US competitiveness
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- No membership dues
 - Company logo on NAJI website
 - Opportunities for deeper partnership
 - Company profile posted on website / newsletter
 - Media related to unfair competition initiatives