

Statement of

# The Honorable Patrick Leahy

United States Senator  
Vermont  
November 7, 2007

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Chairman, Senate Judiciary Committee  
Hearing on "Examining U.S. Government Enforcement of  
Intellectual Property Rights"  
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Intellectual property - copyrighted works, trademarked goods, and patented inventions - fuels the engine that drives the U.S. economy. Intellectual property reportedly accounts for 40% of our nation's exports. Just as importantly, we consume IP voraciously here at home. IP is the medicine that cures us, the movies that thrill us, the music that inspires us, the software that empowers us, the technology that aids us. It is everywhere in our lives, and it is evermore important in our economy.

Unfortunately, the piracy and counterfeiting of intellectual property has reached unprecedented levels. Copyright infringement alone costs the U.S. economy at least \$200 billion and approximately 750,000 jobs each year. Such theft is unacceptable, but counterfeiting goods not only infringe IP rights, they can endanger our health and safety. Fake drugs that look just like the real thing, tainted infant formula sold to unsuspecting parents, electrical appliances with shoddy insulation, automobile parts that fail under stress - such counterfeit goods are proliferating, and are often difficult to distinguish from their real, and safe, counterparts.

I have worked for years both to strengthen our existing laws and to give our law enforcement agents the necessary tools to combat infringement. In the last Congress, we passed the Stop Counterfeiting in Manufactured Goods Act, which expanded the prohibition on trafficking in counterfeit goods to include trafficking in labels or similar packaging with knowledge that a counterfeit mark had been applied to those goods. I have regularly authored amendments to the State Department's appropriations bill to provide millions to the Department in order to send staff overseas to specifically combat piracy in countries that are not members of the Organization for Economic Co-Operation and Development, or OECD. Just this morning, I reintroduced, with my Judiciary Committee colleague Senator Cornyn, the PIRATE Act. This legislation is a simple bill that would give the Department of Justice the authority to prosecute copyright violations as civil wrongs. The PIRATE Act has passed the Senate on three separate occasions; this should be the Congress in which it becomes law.

In the current Congress, there are a number of other bills designed to combat intellectual property infringement. Senator Bayh, who has joined us here today, introduced a bill focused on interagency coordination on intellectual property. Senator Biden recently introduced omnibus crime legislation that includes many provisions suggested by the Department of Justice. No doubt others will join the effort, as we get the legislative conversation started on the critical issue of law enforcement in the realm of intellectual property.

This issue is too important to be addressed piecemeal. In order to effect the greatest change, we must examine enforcement efforts from the top down. Helping us do so is our second panel today. I look forward to hearing from these distinguished government officials about the current state of enforcement, and what needs to be improved to protect our creators and innovators, as well as our economy.

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