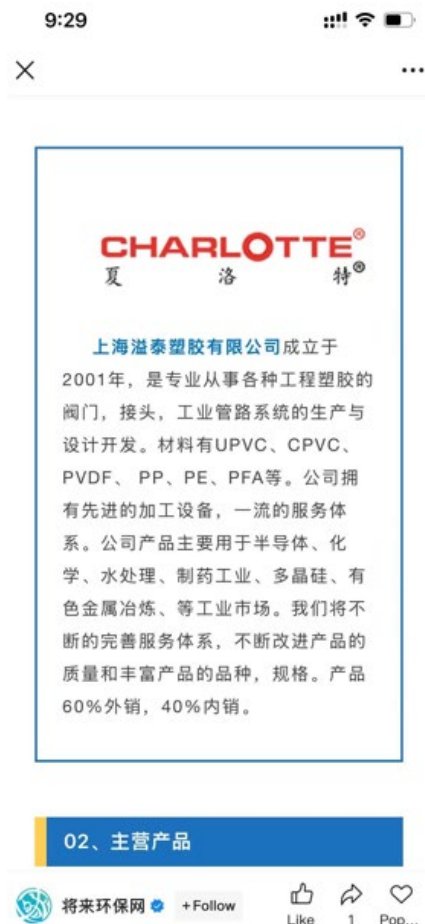


**Questions from Senator Tillis**  
**for Bradford Muller**  
**Witness for the Senate Committee on the Judiciary**  
**Subcommittee on Intellectual Property Hearing**  
**“Foreign Threats to American Innovation and Economic Leadership”**

1. Is Yitai, who has been producing, marketing and selling plastic pipe and fittings for sale in China under the Charlotte Pipe name for years, still using your stolen intellectual property (IP) and if so, what have you been able to do about it?

Yes. Yitai is still producing, marketing and selling plastic pipe and fittings for sale in China under the Charlotte Pipe brand. We found the ad screen shot shown below on Baidu, a Chinese search engine, the week of my testimony.



Charlotte Pipe has spent hundreds of thousands of dollars to retain a law firm in China to attempt to recover our intellectual property. Our efforts to enforce our IP rights in China have been unsuccessful.

2. Do you have any hopes of recovering your stolen IP and preventing further use of your brand in China? What can Congress do to help?

We do not. The Beijing Intellectual Property Court also ruled in Yitai's favor. We filed an appeal to the Beijing High People's Court and our local Chinese counsel attended a pre-trial meeting on January 11, 2023. After the hearing, the judge informed the parties that the cases were "complicated and needed to be discussed again by the collegiate bench of judges." We are still waiting for the results of those conversations. In other words, the case has gone cold.

This year, USTR released its 301 Report on the adequacy and effectiveness of U.S. trading partners' protection and enforcement of intellectual property rights. China remains on USTR's Priority Watch List, indicating that serious problems continue to exist in that country with respect to IP protection, enforcement, or market access.

China lacks the rule of law and the political will to hold Chinese companies accountable for blatant IP theft. China has consistently failed to honor its commitments on intellectual property under the United States-China Economic and Trade Agreement (Phase One Agreement). According to The House Select Committee on the Chinese Communist Party, Chinese intellectual property theft is estimated to cost the U.S. taxpayer \$600 billion per year.

In March of 2018, President Donald Trump signed an executive memorandum that imposed retaliatory tariffs on up to \$60 billion in Chinese imports to penalize China for trade practices that involve stealing American intellectual property. But that has been insufficient to protect American companies like ours. More must be done to hold China accountable.

Congress needs to strengthen IP protection laws, particularly against China, that include significant and enforceable sanctions and penalties against IP theft. Congress should also codify and increase President Trump's retaliatory tariffs on Chinese imports to punish this brazen and illegal activity.

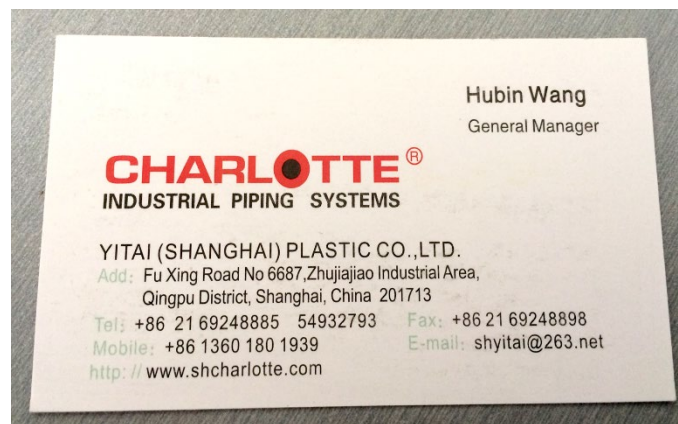
## **Questions for the Record**

Sen. Adam Schiff (CA)

### **Bradford D. Muller – Vice President of Corporate Communications, Charlotte Pipe and Foundry Company**

1. How did you learn that a Chinese company, Yitai Plastic Co., was using your name, logo, and trademark to sell counterfeit versions of your pipes and fittings?

Our international sales manager discovered only by chance Yitai Plastic Co., was using our name, logo, and trademark to sell counterfeit versions of our pipe and fittings at a trade show in Singapore in 2017. A man claiming to represent Charlotte Pipe and Foundry was passing out his business card (pictured below) at the show.



2. Why have some foreign courts refused to stop Yitai Plastic Co. from using your logo to sell counterfeit versions of your products?

In a 2018 ruling, the Trademark Review and Adjudication Board in Beijing sustained the registration of the disputed “CHARLOTTE” trademarks. In issuing its ruling, the Board claimed the evidence we submitted was “insufficient to prove the use of the disputed trademarks would create confusion among consumers” even though the marks are identical.

On October 6, 2017, Yitai’s International Registration was accepted by the Intellectual Property Office of Singapore, ruling that because we filed after Yitai’s October 2015 application, it does not constitute an “earlier trademark” as legitimate grounds for opposition.

The Intellectual Property Office also ruled that “the Applicant’s (Yitai’s) Mark is not identical with or similar to the Opponent’s Mark (Charlotte Pipe)” and that “the use of the Applicant’s Mark in relation to goods would not indicate a confusing connection

between those goods and the Opponent and that the marks in question are dissimilar visually and conceptually.” They also claimed, “there is no actionable misrepresentation” even though the marks are identical.

Upon appeal, the Intellectual Property Office of Singapore has since overturned their original decision to grant Yitai a registration for our trademark, recognizing we clearly owned the mark. It should be noted, however, that Charlotte Pipe was never paid damages or legal fees from that case.

3. Have you seen any efforts by Yitai Plastic Co. to sell counterfeit pipe and fittings here in the United States?

No. Their efforts to sell counterfeit pipe and fittings has been limited to China and Southeast Asia.