

Statement of  
**The Honorable Patrick Leahy**

United States Senator  
Vermont  
June 23, 2010

Statement Of Senator Patrick Leahy (D-Vt.),  
Chairman, Senate Judiciary Committee,  
Hearing On "Oversight Of The Intellectual Property Enforcement Coordinator"  
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Intellectual property fuels the American economy and creates jobs. The Chamber of Commerce estimates that American intellectual property accounts for more than \$5 trillion and IP-intensive industries employ more than 18 million workers. Just as intellectual property is crucial to our economy, counterfeiting and piracy of that American intellectual property slows our growth.

We have recognized the value and importance of IP throughout our Nation's history. It is included in our Constitution. A strong but balanced system for protecting intellectual property is not uniquely a Democratic or Republican priority - it is a bipartisan priority.

The PRO-IP bill enacted last Congress was cosponsored by 22 Senators - half Democrats; half Republicans, and passed the Senate by unanimous consent.

Patent reform legislation is another shining example of our bipartisan work in this area. Along with Senators Hatch, Sessions, and Kyl, we have forged bipartisan consensus legislation that will improve the economy and create jobs without adding to the deficit. The bill has strong bipartisan support, and shows what we can do when we work together to improve our economy.

Today's hearing is the first oversight hearing with the Intellectual Property Enforcement Coordinator and her first appearance before this panel since her confirmation hearing before this Committee last November. We welcome Victoria Espinel back to the Committee to discuss the Joint Strategic Plan for intellectual property enforcement. Congress created the IP enforcement coordinator position in response to concerns that the numerous agencies within the Government sharing responsibility for protecting intellectual property were not sharing information and coordinating their efforts as effectively as they could. We should all agree that enforcement of the laws we enact should be effective and efficient.

Intellectual property crime takes many forms. It may be the counterfeit and inferior semiconductor that finds its way into military aircraft; the counterfeit and unsafe pharmaceutical product that is used to treat an illness; pirated software; or a mob-run cyberlocker subscription service of stolen American movies as Reuters reported just yesterday. In all these forms, it hurts our economy, resulting in a loss of hundreds of thousands of jobs and billions in tax revenue. In some forms, it can put American's health and safety in jeopardy.

The first important task for the enforcement coordinator was to create a Joint Strategic Plan against counterfeiting and infringement. I applaud Ms. Espinel for having conducted an open process in the creation of the plan that we are reviewing today. That process demonstrates her commitment to hearing from all interested parties. It is my hope that this plan will represent a way forward to a stronger and more effective enforcement effort.

I am concerned that, increasingly, the Internet is being used to steal intellectual property - from books and journal articles to software, movies, and music. This is no longer an emerging nuisance, but a real problem that is draining our economy and costing American jobs. The AFL-CIO recently cited studies estimating that digital theft of just movies and music costs more than 200,000 jobs. This is unacceptable in any economic climate. It is devastating today.

Too often, the discussion of piracy focuses only on consumers who have downloaded illegal content, and not on the websites, primarily based overseas, that are making hundreds of millions of dollars off of American intellectual property. The Department of Justice is finding that international organized crime groups are financing their criminal enterprises through IP theft. I am pleased that the Department of Justice is recognizing this link and that it has created an IP Task Force to address it. This is an economic threat and a security threat. We need to make sure that law enforcement has the tools it needs to combat this rapidly evolving crime.

I want to work with Senator Hatch, Senator Whitehouse and others on legislation that will target those who profit directly from taking American property, and American jobs along with it.

I thank Ms. Espinel for appearing before the Committee. We appreciate her for her hard work and dedication in this new and challenging responsibility.

Finally, I want to assure those who are here with us today that if there is good news to report from the U.S v. Algeria World Cup match, we will do so.

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