



**Senator Joseph R. Biden, Jr.
Hearing of the Senate Committee on Foreign Relations
Evaluating International Intellectual Property Piracy
June 9, 2004**

AS PREPARED FOR DELIVERY

Good morning. I would like, first of all, to thank Chairman Lugar for organizing today's hearing on this important issue.

In recent years, I have spent a lot of time studying intellectual property piracy and counterfeiting. This issue straddles two of my major interests as a Senator – fighting crime and managing our relations with foreign countries. In February of 2002, in my joint capacity as Chairman of the Subcommittee on Crime and Chairman of the Foreign Relations Committee, I held a hearing entitled, "Theft of American Intellectual Property: Fighting Crime Abroad and At Home," and I issued a report on the status of our fight against this crime.

What I wrote in the report, and what I highlighted at the hearing, is that every day thieves steal millions of dollars of American intellectual property from its rightful owners. It is not only an economic issue, or a matter of diplomacy; it is a crime, pure and simple.

Innovation has been the key to American economic growth throughout our history. The Founding Fathers had the foresight to provide for protection of intellectual property, giving Congress the power to promote the progress of science and useful arts through such tools as copyrights and trademarks.

American innovation and creativity need to be protected by our government no less than our personal property, our homes and our streets.

American intellectual property is an immensely valuable resource. Failing to protect it is equivalent to letting coal be stolen from our mines, or water taken from our rivers. The U.S. Customs Service estimates that counterfeiting costs the U.S. more than \$200 billion every year and has resulted in the loss of 750,000 American jobs.

Last October, I joined with Senator Smith and Congressmen Goodlatte and Schiff to found the Congressional International Anti-Piracy Caucus. Our caucus, which now counts 70 Senators

and Representatives as members, is striving to draw attention to the international aspects of this problem, and to work with our friends overseas to stem the tide of this crime.

In the months the caucus has been in existence, we have gotten off to a good start: we released a “watch list” of 5 countries with piracy problems; we wrote to Secretary of Commerce Evans, and Congressmen Thomas and Rangel, to draw their attention to the problem of piracy in China; we wrote to the governments of each of the watch list countries to encourage action against piracy; and we hosted counterparts from Brazil who are working to stem the tide of piracy in their country.

Unfortunately, however, we need not look overseas to find American intellectual property being stolen. That’s why, in 2002, I introduced a bill to plug a hole in our federal law that permitted some counterfeiters of authentication features to go unpunished in the United States.

Unfortunately, the bill fell prey to a struggle between content providers and Internet service providers, among others, over its contents. I have reintroduced that legislation this year and am hopeful that the Congress will see fit to enact the Anti-Counterfeiting Act of 2004 into law.

America is a place where we encourage diverse ideas, and with that encouragement we must protect those ideas. They are the source of every concept we conceive, and every product we create - all that is American culture and American know-how.

We must protect these ideas. It will save jobs, improve the economy, and fight crime. And it’s the right thing to do.

I would like to thank all of our witnesses for taking the time to join us, and I look forward to hearing their testimony.