

**Statement for Hearing on  
“Intellectual Property – Driver of Innovation: Making  
Our Lives Healthier, Safer, and more Productive”**

**Senator Dianne Feinstein**

**April 25, 2017**

Thank you very much, Mr. Chairman.

Today’s hearing on intellectual property is a very important one. On this day, we recognize the role that intellectual property rights play in encouraging innovation and creativity that lead to improvements in our society. In the last century, we have seen an unprecedented increase in the health, well-being and overall quality of life of the average American.

The development of new inventions and creative arts is so important to our country that the Founding Fathers saw fit to give Congress the express authority to protect it in our Constitution. Article I, Section 8 reads “Congress shall have power... to promote the progress of science and

useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”

The first patent legislation, the U.S. Patent Act, was passed into law on April 10, 1790. It gave the Secretary of State, the Secretary of War and the Attorney General authority to grant patents to inventors creating devices and other inventions which have never been developed or used before. Only 55 patents were granted the first three years after the passage of the Patent Act, but over the next 40 years, more than 10,000 patents were granted.

Patents, copyrights, trademarks, and trade secrets assist entrepreneurs, innovators, and creators in turning their ideas into life-changing products. No state has contributed to or benefited more from innovations and creativity than my home state of California. Intellectual property-related industries contribute \$922.8 billion to California’s economy.

California is the proud home of Silicon Valley, where we have a thriving high-tech industry with many of America's largest technology companies, like Apple, Google, Intel, Qualcomm, and Cisco, as well as many of the country's smallest start-up ventures. I'm very happy to see two of those companies, Intel and Kateeva, represented here today.

California is also home to the creative economy with the thriving film, television and music industries all based in Los Angeles. We have leading companies such as Disney, Netflix, Warner Bros., Sony, Universal Music Group and Warner Music Group.

California is also home to numerous cutting-edge biotechnology and drug industries. For example, Amgen has been a leader in the biotech industry and its therapeutics have changed the practice of medicine helping millions of people around the world fight against serious illnesses.

California has many innovative and creative individuals, whose inspiration will spark the products of tomorrow. And, of course, California universities are leading the way in discovering new inventions. The University of California, as a whole, has developed more than 2,600 inventions in the past decade which have led to new technologies and products, and its researchers create an average of *three new inventions per day*.

America's copyright industry is one of our most important economic engines and giving artists and inventors the incentive to produce cutting edge works is vital to our country. I'm proud to work closely with other members of Congress, such as Chairman Grassley, Senator Leahy, and Congressmen Goodlatte and Conyers, to modernize the Copyright Office.

The Copyright Office is part of the Library of Congress and is responsible for administering the national copyright system. The Copyright Office examines and registers nearly 500,000 creative works each year—from journals

and books to movies and music. According to one estimate, the core copyright industries contribute more than \$1.2 trillion to the nation's Gross Domestic Product (GDP).

I believe an office that is this important to our nation's economy should not be operating as though it were still the 1790's. I look forward to working with members of Congress and all stakeholders to modernize the Copyright Office this Congress.

I would also like to discuss the importance of protecting intellectual property. The protection of intellectual property is particularly important to my home state of California, which is home to the thriving film, TV, music, and high-technology industries. According to the Commission on the Theft of American Intellectual Property, the annual cost to the U.S. economy "continues to exceed \$225 billion in counterfeit goods, pirated software, and theft of trade secrets and could be as high as \$600 billion." The Office of the Director of National

Intelligence has estimated that economic espionage through hacking costs our economy as much as \$400 billion per year. The theft of American intellectual property has caused the loss of jobs for my state and for the country.

I am particularly happy that last year we enacted the Defend Trade Secrets Act which helps protect American companies' trade secrets and jobs, while at the same time preserving the ability of workers in my state to freely move from one job to another. I look forward to working with my colleagues on additional steps that Congress can take to prevent further loss of American intellectual property and jobs.

Thank you very much, Mr. Chairman.