

**Prepared Statement by Senator Chuck Grassley of Iowa  
Chairman, Senate Judiciary Committee  
Hearing on “Intellectual Property – Driver of Innovation:  
Making Our Lives Healthier, Safer, and more Productive”  
April 24, 2017**

Today we’re here to discuss how innovation is making our lives better and the role that our system of intellectual property protection plays in fostering innovation. This hearing will explore how the United States intellectual property system is supporting innovation and in the process, helping to save lives, feed the world, and change the way we interact with technology. We’ll also hear from innovators and law enforcement about the nature and scope of some of the challenges that IP-intensive industries face in enforcing IP rights.

All around us, every single day, innovators and creators are making our lives healthier, safer, and more productive. From mobile phone technology that helps stop counterfeit drugs from hurting consumers; an agricultural platform that incorporates data from drones and sensors to improve crop yields and reduce the need for pesticides; a company developing curved, bendable, and flexible OLED displays that hold the potential to revolutionize consumer products; and advances in data science technology that hold the potential to unlock cures for cancer.

As a society we depend on innovators like these to make our lives better and solve the challenges we face. And these innovators depend on different forms of IP protections, such as patents, trademarks, copyrights, and trade secrets to help drive and recoup investment.

This certainly was the goal of our Founding Fathers, who recognized nearly 230 years ago the importance that intellectual property would hold in promoting innovation, when they made provision for its promotion and protection in the Constitution. By empowering Congress 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 Founders set a course for the United States to become uniquely productive and innovative in the history of mankind.

Of course it should be noted that innovation not only directly benefits society through the creative output of innovators but through the enormous economic impact it has upon the American economy. IP is more critical than ever in our modern innovation economy. As the U.S. Chamber’s Global Intellectual Property Center recently pointed out, IP-intensive industries employ over 40 million Americans, accounting for 34.8% of total U.S. gross domestic product.

Iowa alone accounted for \$11.2 billion in annual IP-related exports for the state, a total of 667,557 IP-related jobs, and 19.9% higher wages for direct IP workers than non-IP workers.

All of these successes come with challenges too. Intellectual property theft and patent and copyright infringement continue to be a challenge in the United States and around the world. As a co-chair of the Congressional Trademark Caucus – which we just relaunched yesterday – I

recognize the value of trademarks and their impact on society and the economy, as well as how counterfeiting can seriously impact consumer health and safety. Counterfeiting of goods presents a world-wide problem with enormous health and economic impacts, costing the global economy over 2.5 million jobs per year while draining tax revenue and hurting the ability of American companies to compete in foreign markets. Similarly, trade secret theft is an increasingly serious problem which is why Congress passed the Defend Trade Secrets Act last year. A report by the IP Commission found that annual losses due to trade secret theft are over \$300 billion and is the cause of an estimated loss of 2.1 million American jobs.

Today's witnesses, including the National Intellectual Property Rights Coordination Center which stands at the forefront of the United States Government's response to global IP theft and enforcement of international trade laws, will share their experience with the challenges of enforcing intellectual property rights. I'd like to note that I'm particularly pleased that we'll be hearing from a couple of companies that are recipients of the US Patent and Trademark Office's Patents for Humanity award. Senator Leahy and I just today have reintroduced the Patents for Humanity Program Improvement Act to encourage and reward companies that innovate and use patented technology to address humanitarian needs. Our bill improves the incentives for small businesses to participate in the PTO's program – so I'm pleased that we have representatives from DuPont Pioneer and Sproxil here to testify about how their award winning inventions have helped individuals and communities in need across the globe.

As many of you know, tomorrow, April 26 marks World Intellectual Property Day, a day on which we recognize the importance of intellectual property rights as a fundamental driver of innovation. This World IP Day, it is important to once again recognize the significance of our nation's robust system of intellectual property protection and enforcement and the necessity for greater protections around the globe.

I'm pleased that we have an excellent panel of witnesses from industry and government joining us today and I look forward to hearing their testimony.