

Statement of
The Honorable Patrick Leahy

United States Senator

June 22, 2011

Statement Of Senator Patrick Leahy (D-Vt.),
Chairman, Senate Judiciary Committee,
Hearing On "Oversight Of Intellectual Property Law Enforcement Efforts"
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I thank the witnesses who are here today to discuss the enforcement of our Nation's intellectual property laws. This is an issue on which this Committee has focused a great deal in recent months, and there is good reason for it. While estimates of intellectual property theft are difficult to quantify, reports indicate that it costs the American economy billions of dollars and hundreds of thousands of lost jobs. This is unacceptable in any economic climate, and it is devastating today.

Whether intellectual property theft takes place on street corners or on the Internet, it poses a threat to American businesses, American public safety, and even the American military. This problem, simply put, is an epidemic. Thanks to the work of each of our witnesses, however, it is one that we are making significant strides to combat.

Today's hearing is almost a year to the day from our first oversight hearing for the Intellectual Property Enforcement Coordinator (IPEC) position, which was created by the PRO-IP Act. Several members of this Committee cosponsored that bill, and one of the primary motivations behind creating this new position was to have one central presence to coordinate the work being done across the Government to combat intellectual property theft. This is why today, it is fitting that The IP enforcement coordinator Victoria Espinel join us, again, and that she be joined by representatives from some of the key enforcement agencies with which she works, the Department of Justice (DOJ), the Federal Bureau of Investigation (FBI), Customs and Border Patrol (CBP), and Immigration and Customs Enforcement (ICE).

I am please with the work that your agencies have done together to combat intellectual property theft in the short time since the creation of IPEC position. All of your agencies, as well as the other members of the Intellectual Property Rights (IPR) Center, deserve credit for putting egos and turf aside, and coordinating your investigative and prosecutorial efforts for the larger goal. I know there are times where each of you has had to defer to another agency in pursuit of a high-profile investigation. That is not always easy, but we are better off as a result.

Ms. Espinel, last year when you appeared before this Committee, you unveiled the IPEC's Joint Strategic Plan against counterfeiting and infringement. That plan outlined the general purposes behind your intellectual property enforcement strategy, which included growing the American economy, promoting innovation, protecting consumer trust and safety, and preserving our national security. Since that time, the agencies appearing here today have made strides towards these ends.

Two areas in particular stand out. The first is in criminal enforcement. Over the past year, the coordinated efforts of the Justice Department and law enforcement have resulted in victories in

several high-profile criminal infringement suits, including two cases involving more than \$100 million in counterfeit merchandise. The Justice Department and ICE also ran a successful "Operation In Our Sites", which has resulted in the takedown of more than 120 domain names of websites that were trafficking counterfeit goods.

The second advance is your ability to engage so many prominent members of the Internet "ecosystem" - including payment processors, Internet registrars and ad networks - to come together voluntarily to combat online infringement. This compliments the work we have been doing in Congress on the PROTECT IP Act, which would require these same third parties to stop doing business with an Internet site that a court determines is dedicated to infringing activities. I applaud these voluntary activities, such as the recent non-profit formed to crack down on illegal online pharmacies. The private sector can always do more to self-police than the Government could ever enforce on its own. We need to work together to successfully combat online theft. You should all know that your work has the support of this Committee. While there are many issues in which our members have spirited disagreements, the protection of intellectual property is not one of them. Intellectual property enforcement is a great example of a bipartisan area where this Committee has come together to report meaningful legislation. The PRO-IP Act, for example, was cosponsored by 22 Senators, 11 Democrats and 11 Republicans, and it passed the Senate unanimously. Similarly, last month we reported the PROTECT IP Act unanimously from this Committee, and the House is currently considering another IP-related bill, the America Invents Act, legislation that passed the Senate by a vote of 95-5.

There is a long way to go to combat the problem of intellectual property infringement, but you have accomplished a great deal in a short time. Ms. Espinel, your plan represents a way forward to a stronger and more effective enforcement effort, and I thank you for your efforts.

I look forward to hearing the testimony of all witnesses today.

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