

“For your information we are passing along this op-ed by Sen. Evan Bayh that appeared last week in the Cincinnati Enquirer. The MEMA Washington Office is working closely with Sen. Bayh’s office on anti-counterfeiting legislation, S. 522 The Intellectual Property Rights Enforcement Act. Brian Duggan from the Washington Office will be contacting BPC members in the coming weeks to build support and co-sponsorship for the bill. “

Thursday, May 31, 2007

We need to crack down on China for intellectual property theft

Guest column by Sen. Evan Bayh

Beijing may be hosting the Olympic Games next summer, but China could use a lesson in what it means to play fair.

Eight years ago, China's leaders made a promise to crack down on counterfeiters and product pirates in exchange for congressional support of permanent normal trade relations status. Unfortunately, in the years since approval of permanent normal trade relations, Chinese businesses have continued to rip off American ideas with alarming frequency while its government pays lip service to cracking down on intellectual property theft.

Imagine if hundreds of our cargo ships were hijacked on the high seas, or a group of American business people were held up at gunpoint in a foreign country, or if one of our overseas labs was raided across the ocean. You could expect to watch the story unfold on CNN.

Intellectual property theft may not command the attention of a Bonnie-and-Clyde heist. But when our ideas are stolen, when our made-in-the-USA products are pirated and resold, ordinary Americans are the victims. Factory output decreases, profits plunge, workers lose their jobs and families suffer.

According to our best national estimates, 750,000 U.S. workers have lost their jobs because of intellectual property theft, a problem that bleeds as much as \$250 billion every year from our national economy.

China accounts for an estimated 80 percent of the world's intellectual property theft, but illegal counterfeiting is a problem of global proportions. Fake goods now comprise as much as 9 percent of all world trade.

Its impact can be felt especially hard in factory towns across the Midwest. One reason that American car companies have been forced to close domestic part plants in states like Indiana and Ohio can be traced to imbalances in our trade relationship with countries such as China.

Sen. George Voinovich (R-Ohio) and I recently visited the Ford transmission plant in Sharonville to discuss how product counterfeiting affects our major auto manufacturers. Ford has been a symbol of American ingenuity ever since the Model T rolled off the first assembly line, yet it loses \$1 billion annually today due to global intellectual property theft.

At the Sharonville plant, factory leaders delivered their consensus assessment with great passion: American autoworkers can outshine their competitors anywhere in the world if they are able to compete on a level playing field.

Unfortunately, Beijing has responded to Congress' growing concerns about its lax intellectual property rights enforcement with unproductive "dialogue."

"If you want a fight, let's fight," said Chinese Vice Premier Wu Yi, according to a Washington Post report.

There are many legitimate areas of disagreement that nations acting in good faith can have on trade - on issues ranging from foreign subsidies to currency value to market access - but there can be no defending the naked theft of the fruits of a trading partner's labor. Clearly, our trade system isn't going to work if we buy from other countries when they have a competitive advantage, and they steal from us when we do.

It's time we summon the national resolve to confront this problem. Voinovich and I have authored legislation that would elevate our federal response to intellectual property theft to the same level as money laundering, drug trafficking and other black-market crimes.

Globalization presents America with unprecedented opportunities as well as dangers. We can no longer sit idly by while the pirates of the 21st century act with impunity. It doesn't take a gun to perpetrate a stickup. The time for stronger congressional action has arrived.

Evan Bayh is a U.S. senator from Indiana.

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