

COMMITTEE ON GOVERNMENT REFORM
TOM DAVIS, CHAIRMAN



NEWS RELEASE

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Davis Statement on Administration's STOP Program
New Government-wide Initiative to Curb Intellectual Property Piracy

Washington, D.C. – Chairman Tom Davis issued the following statement today on the Bush Administration's Strategy Targeting Organized Piracy (STOP) program to crackdown on intellectual property piracy:

“Counterfeiting and piracy in foreign countries of U.S. intellectual property, including the manufacturing and sale of these items, has become an enormous illegal global business. Fake editions of U.S. software, movies, music, and designs for consumer and industrial products can be found in markets throughout the world. I know this from first-hand experience by witnessing it in China in August. Several of my staff also saw it in Russia and Poland recently. Concerned by this increasing problem, I asked the Government Accountability Office (GAO) to review and assess Federal agencies' responsibilities and efforts to combat intellectual property piracy in foreign countries. The report, ‘Intellectual Property—U.S. Efforts Have Contributed to Strengthened Laws Overseas, but Challenges Remain,’ confirmed the severity of the piracy and counterfeiting problem, as did the Committee hearing I held last month.

“If markets for U.S. goods derived from intellectual property are to be sustained and expanded, our products must be adequately protected in every market where they are found. Otherwise, jobs will be lost, not only the jobs of executives or movie stars or recording artists, but also technicians, carpenters, factory workers, and retailers. Moreover, consumer safety will also be in jeopardy, if knock-off goods, such as airplane, ship, or auto parts, or consumer products get into the mainstream of commerce and fail to perform as expected. It is difficult to assess the exact economic losses, but the Office of the U.S. Trade Representative (USTR) reported that U.S. companies lost between \$200 and \$250 billion in 2003 because of piracy and counterfeiting.

“I am pleased by the Administration’s announcement today of its new government-wide initiative, the Strategy Targeting Organized Piracy (STOP), which is primarily aimed at stopping counterfeited goods at the U.S. border. This coordinated initiative builds on aggressive programs already in place. We all realize just how serious this problem has become on a global basis; this announcement takes the fight to a whole new level. One area I am particularly pleased by is the efforts to empower small businesses; they have been on the losing side of this struggle and this new strategy will provide them with better tools to protect themselves. I am also encouraged by the increased sharing of vital information among the agencies involved in this initiative. Disseminating information across agencies boundaries always improves the government’s performance in any endeavor.

“The toughening of criminal penalties for convicted intellectual property pirates, along with allowing individual U.S. District Courts to impose injunctions against imported pirated products on a nationwide basis, will require Congressional action; I will do what I can to help facilitate these reforms through Congress. While the improved efforts from the Departments of Justice, Homeland Security, Commerce, and USTR are certainly encouraging news, I will continue to monitor their joint efforts to ensure that this program is coordinated as effectively as possible.”

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