



## **PRO IP Act Protects U.S. Economic Security, Jobs, and Consumer Health and Safety**

Intellectual property (IP) protection is among a handful of issues that will determine America's competitiveness in the 21st century. The ability to create, innovate, and generate the best artistic, technological, and knowledge-based intellectual property, is the formula for continued growth in the global economy and fundamental to the promotion of human progress. Criminal networks are able to exploit systemic weaknesses to line their pockets by producing dangerous and defective products exacting a high toll in lives, public health and safety, and national security. H.R. 4279, *The Prioritizing Resources and Organization for Intellectual Property Act of 2007* (PRO IP Act), will help reduce this threat.

**IP theft threatens our economic security.** It is estimated that IP theft costs U.S. companies \$250 billion annually. A 2007 study by the Institute for Policy Innovation shows that copyright theft costs the U.S. economy \$58 billion in lost output and \$2.6 billion in total lost tax revenue. Ford Motor Company estimates that IP theft costs them \$1 billion annually.

**IP theft harms U.S. workers.** An estimated 750,000 U.S. jobs have been lost because of this growing problem. Copyright piracy alone deprives U.S. workers of 373,000 jobs, \$16 billion in lost earnings, and takes money directly out of their paychecks and health and pension plans. In recognition of this, a wide array of unions and guilds, including IBT, IATSE, Change to Win, OPEIU, LIUNA, AFTRA, AFM, DGA, SAG, Unite Here, CWA, and IBEW, have asked Congress to take action to address counterfeiting and piracy.

**IP theft jeopardizes the health and safety of consumers.** A December 2007 report by Consumer Reports notes:

*Fakes include truly unsafe merchandise. Investigators have seized brake pads made of kitty litter, sawdust, and dried grass; power strips, extension cords, and smoke alarms with phony Underwriters Laboratories (UL) marks; medical test kits that give faulty readings; toothpaste made with a chemical found in antifreeze; and cell-phone batteries that could explode. Online drugstores claiming to operate from Canada but actually based in other countries have peddled "Lipitor" and "Celebrex" pills stored under uncontrolled conditions and containing the wrong active ingredients.*

The PRO IP Act will help turn the tide against IP theft and help decrease the threat they pose to U.S. economic security, jobs, and consumers. The PRO IP Act will accomplish this through:

- **Enhancements to Civil and Criminal IP laws**
  - Adjustments to treble and statutory counterfeiting damages; deterring infringing exports and imports; prosecution of unregistered works; enhanced penalties for counterfeiters who cause bodily harm or death
- **Coordination of Federal Government Anti-Counterfeiting/Piracy Efforts**
  - Creates U.S. IP Enforcement Representative; strategic plan; inter-agency coordination
- **Increased International IP Enforcement and Coordination**
  - Creates, trains, and assigns 10 IP attaches at US embassies
- **Improvements to DOJ IP Resources, Programs, and Structure**
  - Creates IP Enforcement Division; authorizes state/local IP enforcement grants; requires dedicated FBI agents and prosecutors; training