



Statement of Mark Elliot

Special 301 Review Public Hearing

February 23, 2012

On behalf of the U.S. Chamber of Commerce's Global Intellectual Property Center (GIPC), I want to thank you for the opportunity to testify before the Special 301 Committee. My name is Mark Elliot, and I am the Executive Vice President of the GIPC.

The GIPC was established in 2007 as an affiliate of the U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

Today, the GIPC is leading a worldwide effort to champion intellectual property rights as vital to creating jobs, saving lives, advancing global economic growth, and generating breakthrough solutions to global challenges.

This was the first time that the GIPC submitted comments to the Special 301 Review. We did so because we believe the Special 301 report is a critical tool that shines a spotlight on countries that are threatening American jobs and economic growth by undermining the intellectual property rights of our innovative and creative industries.

Intellectual property-based industries account for more than \$7.7 trillion of the United States gross domestic output, drive 60 percent of our exports, and employ more than 19 million Americans.

Sound IP policies and enforcement of IP rights in the United States and abroad are therefore essential to advancing U.S. economic recovery, driving America's competitiveness and export growth, and creating high-quality, high-paying American jobs.

The Special 301 Report is an essential measure of the business climate for our members who wish to export to, invest in, or conduct business with foreign countries.

We divided our submission into a thematic overview and a country assessment section. The first half of the report highlights areas where we see growing challenges to the overall intellectual property protection and enforcement environment and the areas needed to build a stronger IP climate globally.

The second half of the report provides an overall assessment of 8 countries that present significant concerns across industries with respect to adequate and effective IP protection and enforcement. These 8 countries are: Brazil, Canada, China, India, Mexico, Russia, Turkey and Ukraine.

We chose to divide the submission in this way because the GIPC is a broad-based industry association representing a wide range of IP issues from across sectors. As such, rather than categorizing countries as "priority watch" list versus "watch" list, we believe we are in a better position to provide a broad

assessment of the IP issues in those countries that present the greatest opportunities and challenges to our members across sectors.

We also recognize that many of our member companies, through their respective industry associations, submit their own Special 301 comments that analyze their issues at greater depths and are better equipped to make a qualitative assessment in their area.

In many of the countries that we highlighted, we did see some progress.

In China, for example, the government took a significant step toward better IP enforcement by making permanent their 2010 Special IPR Campaign.

We also commended the Russian government's successful conclusion of the WTO Accession process, through which the government demonstrated a willingness and ability to improve its IP protection and enforcement regime, even if more progress must still be made in this area.

But in spite of this progress, we have also highlighted significant concerns with the failure to provide adequate and effective IP protection and enforcement in a number of key markets.

For example, in a number of countries, we raise concerns with inadequate or ambiguous IP laws and regulations. These concerns span a range of issues, from the failure to implement the WIPO Internet Treaties to the lack of *ex officio* authority to combat counterfeiting and piracy at the border to the protection of pharmaceutical test data.

These are a few examples from our larger report that highlight the need for USTR to continue to work with these key countries to create action plans that provide a roadmap to secure much needed IP reforms.

Adequate and effective protection and enforcement of intellectual property abroad is vital to America's economy, and the GIPC looks forward to working with the U.S. Government to ensure that all necessary steps are taken to achieve this goal.

Thank you for this opportunity to testify here today.

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