

# Congress of the United States

House of Representatives

Washington, DC 20515-1504

COMMITTEES:

AGRICULTURE

JUDICIARY

SMALL BUSINESS

Dear Colleague,

China is responsible for an estimated 50-80% of international intellectual property theft with an estimated annual loss of as much as \$600 billion to the U.S. economy alone. The U.S. copyright industries estimate that 85 percent to 93 percent of all copyrighted materials sold in China were pirated in 2006.

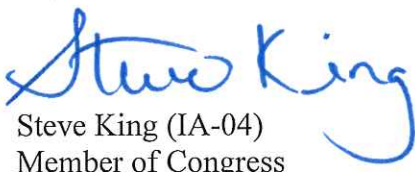
Trade in pirated optical discs continues to thrive, supplied by both licensed and unlicensed factories as well as smugglers. Chinese counterfeits include many products, such as pharmaceuticals, electronics, batteries, auto parts, industrial equipment, toys, and many other products. Not only do these counterfeits hurt our economy, these counterfeits pose a direct threat to the health and safety of consumers in the United States, China and elsewhere.

Retail and wholesale counterfeiting in China is a major source of frustration for international brand owners. In spite of significant attention and resources from brand owners, administrative supervision, civil lawsuits, agreements with landlords, and attention from China's central government and foreign governments, counterfeiting remains pervasive in many retail and wholesale markets. China remains a top intellectual property enforcement priority and TRIPS (Trade-Related Aspects of Intellectual Property Rights) compliance priority for the United States. China will remain on the U.S. Trade Representative Priority Watch List. In spite of these efforts, the shared goal of significantly reducing IPR infringement throughout China has not yet been achieved.

This legislation directs the President to impose duties on merchandise from China in an amount equivalent to the estimated annual loss of revenue to holders of U.S. intellectual property rights as a result of violations of such intellectual property rights in China. The revenue raised by the imposition of duties on Chinese merchandise will be proportionally distributed to provide compensation to holders of United States intellectual property rights. The creative genius of Americans, protected by our copyrights, trademarks and patents, is being systematically pirated by the Chinese whose government appears to be complicit. This bill would allow for better protection of intellectual property which would encourage significantly more research and development investment and economic growth. This bill helps the U.S. economy, creates more jobs, and protects the work products of hard working Americans.

I urge you to please join me as a cosponsor of this important, pro-American legislation to direct the President to impose duties on merchandise from the People's Republic of China in an amount equivalent to the estimated annual loss of revenue to holders of United States. Please contact Suanne Edmiston at [suanne.edmiston@mail.house.gov](mailto:suanne.edmiston@mail.house.gov) to add your name, or in the event that you have questions or need additional information.

Sincerely,

  
Steve King (IA-04)  
Member of Congress

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