

Max Baucus, Chairman http://finance.senate.gov

For Immediate Release July 15, 2008 Contact: Dan Virkstis 202-224-4515

Hearing Statement of Senator Max Baucus (D-Mont.) Regarding International Enforcement of Intellectual Property Rights

Thomas Edison said: "Genius is one percent inspiration, 99 percent perspiration."

Edison often slept just four hours a day. He made his assistants work around the clock. They tested theories, conducted experiments, and filed patents for new inventions. Edison's genius gave us the light bulb, the phonograph, and the electrical power plant. At the peak of his work, Edison filed a new patent every 11 days.

Edison's genius thrived because of more than just his inspiration and perspiration. His ideas thrived because he worked in an America that fostered innovation and competitiveness.

Edison's inventions built on the triumphs of the transcontinental railroad and the telegraph. His inventions were fed by unprecedented natural resource discoveries — including the Montana copper that electrified America. He succeeded because he collaborated with other visionaries like Louis Tiffany and Henry Ford.

And Edison succeeded because he locked in each innovation with a patent. By 1910, he had accumulated more than a thousand patents.

In today's America, the genius of modern-day Edisons continues to thrive. It thrives in the workshops of our engineers and scientists. It advances in our software, pharmaceutical, and biotechnology industries. It flourishes among our creative artists in music, television, and film.

But today, as in Edison's time, America's creative ideas can succeed only in an environment of innovation and competitiveness. They can succeed only in an environment that protects ideas with values, principles, and laws. They can succeed only in an environment that extends globally, applies rules fairly, and fosters the ideas of the future.

We are here today because our innovative environment is evolving as never before. America's cutting-edge ideas face competition — both fair and unfair — from creative forces around the world. Demand for American ideas is now global, in markets new and old. There is no limit to the jobs, exports, and economic growth that this environment can create.

Yet too often, today's innovative environment appears inadequate. Laws protecting patents and copyrights in the world are uneven at best. And even in countries with good laws, they all-too-frequently go unenforced.

Pirates and counterfeiters act with impunity. As much as ten percent of medicines sold around the world are counterfeit. Roughly 90 percent of American copyrighted goods sold in China are pirated. And American industries lost more than \$1.4 billion to counterfeiting in Russia last year.

To achieve an innovative and competitive environment, we must identify, deter, and combat the theft of intellectual property. But our laws and agreements must also reflect America's compassion and good sense. We must help ensure that the world's poorest countries have access to lifesaving medicines to treat their sick, agricultural biotechnology to feed their hungry, and green technology to clean their environment.

Finding a new way forward is not merely an academic exercise. American jobs depend on it.

Industries that rely on intellectual property protection already account for most American exports. These industries employ 18 million Americans in high-paying jobs. And these workers drive 40 percent of our economic growth.

We owe it to these Americans — and every innovator — to strengthen intellectual property enforcement at home and abroad. We owe it to them to improve the competitiveness of American industries and the jobs that depend on them. And we owe it to ourselves and our values to pursue these goals with compassion and good sense.

Edison once said: "I have not failed. I've just found 10,000 ways that won't work."

Today's hearing is about finding ways that do work. We hope to uncover a little genius. And we hope that we can find some of that in fewer than 10,000 attempts.