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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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March 22, 2013

The Honorable Demetrios Marantis
Acting United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Marantis:

As the Trans-Pacific Partnership Agreement enters a crucial phase of negotiations, we are writing to emphasize the importance of achieving a comprehensive, high-standard intellectual property chapter. Intellectual property is the lifeblood of the U.S. economy, and the protection of intellectual property is essential to U.S. jobs and competitiveness.

The intellectual property protection and enforcement regime of the United States has supported this best-in-class innovation and entrepreneurship, and we owe it to U.S. innovators, creators, and entrepreneurs to seek the same level of protection and enforcement from our trading partners. This is particularly important for our most cutting-edge sectors, which rely on strong protection for patents, copyrights, trademarks, trade secrets, and regulatory data, to maintain their innovative advantage. Our companies cannot continue to invent, create, and grow at home if their competitiveness is compromised when they do business abroad.

We strongly support your commitment to “aggressively protect” intellectual property through international trade negotiations. As you stated at the Export-Import Bank annual conference in 2010:

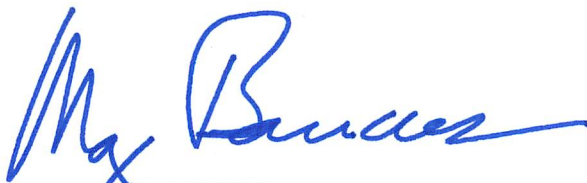
What’s more, we’re going to aggressively protect our intellectual property. Our single greatest asset is the innovation and the ingenuity and creativity of the American people. It is essential to our prosperity and it will only become more so in this century. But it’s only a competitive advantage if our companies know that someone else can’t just steal that idea and duplicate it with cheaper inputs and labor. ... That’s why USTR is using the full arsenal of tools available to crack down on practices that blatantly harm our businesses, and that includes negotiating proper protections ...

We urge you to seek commitments from our trading partners that reflect the level of protection under U.S. law, for example 12 years of regulatory data protection for biologic pharmaceuticals and strong remedies, including civil and criminal penalties, for trade secret theft.

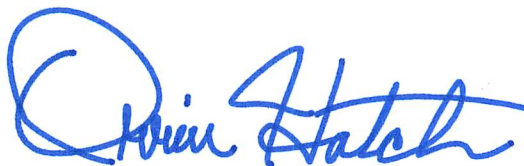
Strong intellectual property (IP) protections are necessary for the investments in innovation and creativity that drive U.S. job creation, productivity, and competitiveness – in, among others, the high tech, manufacturing, health, entertainment, and automotive industries. The U.S. Department of Commerce recently released a report noting that in 2010, IP-intensive industries contributed more than \$5 trillion and 40 million jobs to the U.S. economy – jobs that pay on average 42% higher than those in non-IP intensive industries. The report noted that IP-intensive industries are critical to U.S. international competitiveness – IP-intensive industries are responsible for more than 60 percent of merchandise exports, at least 19 percent of services exports, and \$90 billion in royalty and licensing revenue (2009 data; the number jumped to over \$120 billion in 2011).

These numbers demonstrate that the protection and enforcement of intellectual property is an objective of paramount importance to U.S. jobs, innovation, and competitiveness. Given the significance of the TPP, and with countries like China and India watching closely, the United States cannot afford to get this wrong. We strongly urge you to ensure that the TPP achieves comprehensive, strong, binding and enforceable intellectual property provisions. And we stand ready to work with you and your Administration on these critically important issues.

Sincerely,



MAX BAUCUS
Chairman
Senate Committee on Finance



ORRIN HATCH
Ranking Member
Senate Committee on Finance