



PRESS RELEASE

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Bipartisan IP Commission welcomes U.S. decision to examine China's intellectual property practices

WASHINGTON, D.C. | Today, President Donald Trump directed the U.S. Trade Representative Robert Lighthizer to determine whether to open an investigation into China's intellectual property (IP) practices, including forced IP transfers and theft. The investigation in turn could lead to trade penalties. Admiral Dennis Blair, Co-chair of the [Commission on the Theft of American Intellectual Property \(IP Commission\)](#), attended the ceremony at the White House. The IP Commission is an independent and bipartisan initiative of the National Bureau of Asian Research (NBR).

The IP Commission has called for a robust approach to address the full range of IP issues since the publication of the *IP Commission Report* in 2013. In its [2017 update to that report](#), the IP Commission calculated that the cost to the U.S. economy from the theft of American IP exceeds \$225 billion a year in counterfeit and pirated tangible goods, pirated software, and theft of trade secrets, and could be as high as \$600 billion—with China as the world's principal infringer of IP. The IP Commission has [drawn](#) the attention of the Trump administration.

“America has simultaneous and overlapping critical interests, including the vitality of our economy and a stable balance of power,” says Dr. Richard Ellings, Director of the IP Commission and President of NBR. “The scale of Chinese forced transfer and theft of American intellectual property threatens these interests, both our prosperity and security, and thus U.S. policy must address this set of issues.”

The United States retains a variety of countermeasures to drive down IP theft. It could raise import duties on select Chinese products under Section 301 of the Trade Act of 1974 if an investigation finds that China has engaged in unfair trade practices. Sanctions are another option: Section 1637 of the 2015 National Defense Authorization Act authorizes the president to sanction individuals and any entities responsible for IP theft. To date, this tool has not been applied to IP cases.

THE IP COMMISSION

The 2017 Update to the *IP Commission Report* provides additional recommendations aimed to curb IP theft and safeguard the competitive advantages of U.S. firms, including the following:

- consider U.S. companies' policy of protecting IP as a criterion for approving major foreign investments in the United States under the process of the Committee on Foreign Investment in the United States
- block foreign companies that repeatedly use or benefit from the theft of American IP from accessing the U.S. banking system
- establish in the private, nonprofit sector a rating system on levels of IP legal protection by nations, including China
- support U.S. companies and technology that can both identify and recover IP stolen through cyber means

The following experts on the IP Commission are available for interviews:

- **Dr. Richard Ellings**, Director, IP Commission; President, The National Bureau of Asian Research (Seattle)
- **Roy Kamphausen**, Deputy Director, IP Commission; Senior Vice President for Research, The National Bureau of Asian Research (Washington, D.C.)

About the IP Commission

The Commission on the Theft of American Intellectual Property is an independent and bipartisan initiative of leading Americans from the private sector, public service in national security and foreign affairs, academia, and politics.

About the Commissioners

Co-chairs:

- o **Admiral Dennis C. Blair**, Chairman and CEO of Sasakawa USA, and former Director of National Intelligence and Commander in Chief of the U.S. Pacific Command
- o **Jon M. Huntsman, Jr.**, Chairman of the Atlantic Council, and former Ambassador to China, Governor of the State of Utah, and Deputy U.S. Trade Representative

Other Commissioners:

- o **Craig R. Barrett**, former Chairman and CEO of Intel Corporation
- o **Slade Gorton**, former U.S. Senator from Washington State, member of 9/11 Commission
- o **William J. Lynn III**, CEO of Leonardo North America and DRS Technologies
- o **Deborah Wince-Smith**, President and CEO of the Council on Competitiveness
- o **Michael K. Young**, President of Texas A&M University

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