



For Immediate Release  
April 9, 2007

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## BAUCUS WELCOMES WTO CASE ON CHINESE PIRACY AND COUNTERFEITING

*Finance Chairman believes action to stop intellectual property theft overdue*

*Washington, DC* – Senate Finance Committee Chairman Max Baucus (D-Mont) today applauded U.S. Trade Representative Susan Schwab’s decision to file a World Trade Organization (WTO) case against China involving intellectual property rights, which include copyrights and trademarks. The case alleges that China fails to adequately enforce intellectual property rights protections or punish offenders. It also alleges that China impedes access to its market for importers of intellectual property-related goods. Rates of piracy in China for products including American movies and music remain above 90 percent.

**“Rampant and large-scale piracy and counterfeiting in China have persisted too long, and China is not penalizing pirates and counterfeiters. WTO action is overdue, and I commend Ambassador Schwab for taking it,”** said Baucus. **“I know that China can do more to crack down on intellectual property violations, and it’s high time the U.S. did more to protect Americans hurt by these offenses. Vigorous enforcement of intellectual property rights is good for the United States, good for China’s economy, and good for our bilateral economic relationship.”**

Today’s action, which requests formal WTO consultations with China, initiates the WTO dispute settlement process. Should consultations fail to resolve the issue, the United States can then request a review and judgment by an official WTO panel.

When China joined the WTO in 2001, it committed to provide a minimum level of protection and enforcement for intellectual property rights. Despite significant reforms to strengthen its legal framework to protect intellectual property rights, China’s civil and criminal penalties remain an inadequate deterrent to IPR violators.

A stronger IPR enforcement regime would help stem losses to U.S. companies and innovators that hold rights to intellectual property, as well as decrease tax income losses to the Chinese government. As China’s economy develops, its innovators are also increasingly vulnerable to piracy and counterfeiting.