

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 332-519

**China: Effects of Intellectual Property Infringement and
Indigenous Innovation Policies on the U.S. Economy**

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of hearing.

SUMMARY: Following receipt of a request from the United States Senate Committee on Finance (Committee) dated April 19, 2010, the U.S. International Trade Commission (Commission) instituted investigation No. 332-519, *China: Effects of Intellectual Property Infringement and Indigenous Innovation Policies on the U.S. Economy*, for the purpose of preparing the second of two reports requested by the Committee, and has scheduled a public hearing in connection with investigations relating to both reports for June 15-16, 2010.

DATES:

June 1, 2010: Deadline for filing requests to appear at the public hearing.

June 3, 2010: Deadline for filing pre-hearing briefs and statements.

June 15, 2010: Public hearing (continued on June 16 if needed).

June 22, 2010: Deadline for filing post-hearing briefs and statements.

November 16, 2010: Deadline for filing all other written submissions.

May 2, 2011: Transmittal of report to the Senate Committee on Finance.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION CONTACT: Project Leaders Alexander Hammer (alexander.hammer@usitc.gov, 202-205-3271) or Katherine Linton (katherine.linton@usitc.gov, 202-205-3393) or Deputy Project Leader Jeremy Wise (jeremy.wise@usitc.gov, 202-205-3190) for information specific to this investigation. For information on the legal aspects of these investigations, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

BACKGROUND: The Commission has instituted this investigation for the purpose of preparing the second report requested by the Committee. Based on an analysis of data and other information from

available sources, including a survey of U.S. firms, and the application of the analytical frameworks outlined in the first report, in the second report, the Commission will:

- Describe the size and scope of reported IPR infringement in China;
- Provide a quantitative analysis of the effect of reported IPR infringement in China on the U.S. economy and U.S. jobs, including on a sectoral basis, as well as potential effects on sales, profits, royalties, and license fees of U.S. firms globally, to the extent primary data can be collected; and
- Discuss actual, potential, and reported effects of China's indigenous innovation policies on the U.S. economy and U.S. jobs, and quantify these effects, to the extent feasible.

As requested by the Committee, the Commission will deliver this second report by May 2, 2011.

The Commission will deliver its first report by November 19, 2010. The report on the first investigation, No. 332-514, *China: Intellectual Property Infringement, Indigenous Innovation Policies, and Frameworks for Measuring the Effects on the U.S. Economy*, will describe the principal types of reported IPR infringement in China, describe China's indigenous innovation policies, and outline analytical frameworks for determining the quantitative effects of the infringement and indigenous innovation policies on the U.S. economy as a whole and on sectors of the U.S. economy, including lost U.S. jobs. The Commission published its notice of institution of that investigation in the *Federal Register* of May 10, 2010 (75 F.R. 25883); a copy may be viewed on the Commission's website at http://www.usitc.gov/secretary/fed_reg_notices/332/332_514_institution05052010.pdf

PUBLIC HEARING: The Commission will hold a public hearing in connection with both investigations at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on June 15, 2010 (continuing on June 16, 2010, if needed). Requests to appear at the public hearing should be filed with the Secretary, no later than 5:15 p.m., June 1, 2010, in accordance with the requirements in the "Submissions" section below. All pre-hearing briefs and statements should be filed not later than 5:15 p.m., June 3, 2010; and all post-hearing briefs and statements should be filed not later than 5:15 p.m., June 22, 2010. Briefs and statements should identify the investigation to which the brief or statement pertains, including both if that is the case. In the event that, as of the close of business on June 1, 2010, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant may call the Secretary to the Commission (202-205-2000) after June 4, 2010, for information concerning whether the hearing will be held.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating at the hearing, interested parties are invited to submit written statements concerning this investigation. All written submissions concerning this investigation should be addressed to the Secretary, and should be received not later than 5:15 p.m., November 16, 2010. All written submissions must conform with the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 C.F.R. 201.8). Section 201.8 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook

for Electronic Filing Procedures,
http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf).
Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

In its request letter, the Committee stated that it intends to make the Commission's reports available to the public in their entirety, and asked that the Commission not include any confidential business information or national security classified information in the reports that the Commission sends to the Committee. Any confidential business information received by the Commission in this investigation and used in preparing this report will not be published in a manner that would reveal the operations of the firm supplying the information.

By order of the Commission.

Marilyn R. Abbott
Secretary

Issued: