

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436**

Investigation No. 332-514

**China: Intellectual Property Infringement, Indigenous Innovation Policies, and
Frameworks for Measuring the Effects 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. 332-514, *China: Intellectual Property Infringement, Indigenous Innovation Policies, and Frameworks for Measuring the Effects on the U.S. Economy*, for the purpose of preparing the first of two reports requested by the Committee, and has scheduled a public hearing in connection with investigations relating to both reports for June 15, 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.

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

July 9, 2010: Deadline for filing all other written submissions concerning investigation No. 332-514.

November 19, 2010: Transmittal of first 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 Katherine Linton (katherine.linton@usitc.gov or 202-205-3393) or Alexander Hammer (alexander.hammer@usitc.gov or 202-205-3271) or Deputy Project Leader Jeremy Wise (jeremy.wise@usitc.gov or 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 first of the reports requested by the Committee. The first report 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.

As requested by the Committee, the Commission will deliver this first report by November 19, 2010.

The Committee asked the Commission to provide a second report by May 2, 2011, that describes the size and scope of reported IPR infringement in China; that provides a quantitative analysis of the impact of reported IPR infringement in China on the U.S. economy and U.S. jobs and on the potential effects on sales, profits, royalties, and license fees of U.S. firms globally; and that discusses actual, potential, and reported effects of China's indigenous innovation policies on the U.S. economy and U.S. jobs, and quantifies these effects, to the extent feasible. The Commission will publish a notice shortly that announces institution of an investigation to prepare this second report.

PUBLIC HEARING: The Commission will hold a public hearing in connection with this investigation, and the investigation to be instituted in connection with the second report, 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. 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., July 9, 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.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: May 5, 2010