

104TH CONGRESS
2D SESSION

H. RES. 429

Expressing the sense of the House of Representatives with respect to the compliance of the People's Republic of China with its intellectual property rights enforcement agreement with the United States and its accession to the World Trade Organization.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1996

Mr. MARKEY (for himself, Ms. PELOSI, Mr. BRYANT of Texas, and Mr. SPRATT) submitted the following resolution; which was referred to the Committee on Ways and Means

RESOLUTION

Expressing the sense of the House of Representatives with respect to the compliance of the People's Republic of China with its intellectual property rights enforcement agreement with the United States and its accession to the World Trade Organization.

Whereas the Intellectual Property Rights Enforcement Agreement entered into in February of 1995 between the United States Government and the Government of the People's Republic of China (hereafter in this resolution referred to as the "Intellectual Property Rights Agreement") committed the People's Republic of China to take strong measures to curb piracy of works protected by intellectual property rights, particularly in the areas of

computer software, audiovisual works, patented products, and trademarks;

Whereas the Intellectual Property Rights Agreement requires the People's Republic of China to close factories engaging in conduct prohibited by the Intellectual Property Rights Agreement, revoke audiovisual permits and business licenses of establishments engaging in piracy, seize and destroy pirated products, establish stringent border controls to stop trafficking in pirated products, and remand for criminal prosecution individuals responsible for pirating activities;

Whereas despite some progress on the part of the People's Republic of China toward implementing the terms of the Intellectual Property Rights Agreement, the United States Trade Representative has determined that the fulfillment by the People's Republic of China of key provisions of the Intellectual Property Rights Agreement remains seriously deficient;

Whereas the refusal of the People's Republic of China to comply with those provisions of the Intellectual Property Rights Agreement requiring the closure of factories producing pirated CD-ROM's, compact discs, and laser discs has inflicted an estimated \$2,300,000,000 in damages on United States intellectual property-based industries;

Whereas authorities in the People's Republic of China have not fulfilled their obligations under the Intellectual Property Rights Agreement to eliminate the manufacture and distribution of pirated products, vigorously pursue copyright infringement, prosecute those engaging in the most egregious acts of piracy, and impose fines significant enough to deter piracy;

Whereas the People's Republic of China has failed to establish the effective border enforcement system required by the Intellectual Property Rights Agreement to prevent the export of pirated products, and as a result shipments of pirated cargo continue to reach overseas markets where they deprive United States manufacturers of revenues by driving down sales of legitimate products;

Whereas the National Copyright Administration established in the People's Republic of China as part of the Intellectual Property Rights Agreement so that legitimate title holders of intellectual property can be identified by manufacturers before production commences, has received virtually no requests by manufacturers for title verifications;

Whereas the widespread marketing of pirated CD-ROM's produced in the People's Republic of China that contain software compilations results in steep losses for the United States software industry;

Whereas, while the People's Republic of China fails to meet its responsibilities under the Intellectual Property Rights Agreement and, according to the United States Trade Representative, is not engaged in good faith negotiations to bring itself into compliance with the Intellectual Property Rights Agreement, the People's Republic of China actively seeks entry into the World Trade Organization in order to gain access to favorable international trading privileges; and

Whereas the working party on accession of the People's Republic of China to the World Trade Organization has been meeting to determine the terms and conditions under which the People's Republic of China may join the World Trade Organization: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 representatives that—

3 (1) during meetings of the working party of the
4 World Trade Organization on the accession of the
5 People’s Republic of China to the World Trade Or-
6 ganization, and in all bilateral consultations between
7 the United States Government and the Government
8 of the People’s Republic of China, full compliance by
9 the People’s Republic of China with the Intellectual
10 Property Rights Agreement should be established as
11 a condition for the accession of the People’s Repub-
12 lic of China to the World Trade Organization; and

13 (2) until such time as the United States Trade
14 Representative certifies that the People’s Republic of
15 China is making significant, steady, and measurable
16 progress toward fulfilling its obligations under the
17 Intellectual Property Rights Agreement, the United
18 States Government should oppose the accession of
19 the People’s Republic of China to the World Trade
20 Organization.

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