



Highlights of [GAO-07-710T](#), a testimony before the Committee on Banking, Housing and Urban Affairs, Subcommittee on Security and International Trade and Finance, United States Senate

Why GAO Did This Study

U.S. government efforts to protect and enforce intellectual property (IP) rights domestically and overseas are crucial to preventing billions of dollars in losses to U.S. industry and IP rights owners and to avoiding health and safety risks resulting from the trade in counterfeit and pirated goods. IP protection and enforcement cut across a wide range of U.S. agencies and a coordinating structure has evolved to address coordination issues. First, Congress created the interagency National Intellectual Property Rights Law Enforcement Coordination Council (NIPLECC) in 1999. Later, in October 2004, the Bush administration initiated the Strategy Targeting Organized Piracy (STOP).

GAO's testimony focuses on (1) the effectiveness of NIPLECC and STOP as a coordinating structure to guide and manage U.S. government efforts; and (2) the extent to which STOP meets the criteria for an effective national strategy. This statement is based on GAO's November 2006 report ([GAO-07-74](#)), which included an assessment of STOP using criteria previously developed by GAO. In this report, we recommended that head of NIPLECC, called the IP Coordinator, in consultation with the National Security Council and relevant agencies (1) clarify in the STOP strategy how NIPLECC will carry out its oversight and accountability roles and (2) take steps to ensure that STOP fully addresses the characteristics of a national strategy. The IP Coordinator concurred with our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-710T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347 or yagerl@gao.gov.

INTELLECTUAL PROPERTY

National Enforcement Strategy Needs Stronger Leadership and More Accountability

What GAO Found

The current coordinating structure that has evolved for protecting and enforcing U.S. intellectual property rights lacks leadership and permanence, presenting challenges for effective and viable coordination for the long term. NIPLECC has struggled to define its purpose and retains an image of inactivity among the private sector. It continues to have leadership problems despite enhancements made by Congress in December 2004 to strengthen its role. In contrast, the presidential initiative called STOP, which is led by the National Security Council, has a positive image compared to NIPLECC, but lacks permanence since its authority and influence could disappear after the current administration leaves office. While NIPLECC adopted STOP in February 2006 as its strategy for protecting IP overseas, its commitment to implementing STOP as an effective national strategy remains unclear, creating challenges for accountability and long-term viability.

While STOP has energized agency efforts for protecting and enforcing intellectual property, its potential as a national strategy is limited since it does not fully address the desirable characteristics of an effective national strategy. For example, its performance measures lack baselines and targets to assess how well the activities are being implemented. In addition, STOP is missing key elements such as a discussion of risk management and designation of oversight responsibility. For instance, the strategy lacks a discussion of current or future costs, the types or sources of investments needed to target organized piracy, and processes to effectively balance the threats from counterfeit products with the resources available. While STOP partially addresses organizational roles and responsibilities, it does not discuss a framework for accountability among the STOP agencies, such as designating responsibility for oversight. Agency documents clarify some of the key elements of an effective national strategy that were not incorporated into STOP directly; however, the need to consult multiple documents underscores the strategy's lack of integration and limited usefulness as a management tool for effective oversight and accountability.