

116TH CONGRESS
1ST SESSION

H. R. 902

To direct the President to impose duties on merchandise from the People's Republic of China to compensate holders of United States intellectual property rights for losses resulting from violations of such intellectual property rights in China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2019

Mr. KING of Iowa introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To direct the President to impose duties on merchandise from the People's Republic of China to compensate holders of United States intellectual property rights for losses resulting from violations of such intellectual property rights in China, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protect American IPR
5 Act”.

1 **SEC. 2. STUDY AND REPORT ON VIOLATIONS OF UNITED**
2 **STATES INTELLECTUAL PROPERTY RIGHTS**
3 **IN CHINA OR BY CHINESE PERSONS.**

4 (a) STUDY.—The United States Trade Representa-
5 tive, in consultation with the United States International
6 Trade Commission, shall conduct an annual study to de-
7 termine the estimated annual loss of revenue to holders
8 of United States intellectual property rights as a result
9 of direct or indirect violations of such intellectual property
10 rights in the People’s Republic of China or by any Chinese
11 person, including governmental entities of China, in the
12 preceding calendar year.

13 (b) REPORT.—Not later than 120 days after the date
14 of the enactment of this Act, and annually thereafter, the
15 United States Trade Representative shall submit to Con-
16 gress a report that contains the results of the study con-
17 ducted pursuant to subsection (a).

18 **SEC. 3. IMPOSITION OF DUTIES ON MERCHANDISE FROM**
19 **CHINA AND DISTRIBUTION OF PROCEEDS OF**
20 **SUCH DUTIES TO HOLDERS OF CERTAIN**
21 **UNITED STATES INTELLECTUAL PROPERTY**
22 **RIGHTS.**

23 Notwithstanding any other provision of law, the
24 President, acting through the United States Trade Rep-
25 resentative, shall impose duties on merchandise origi-
26 nating from China in an amount equivalent to—

1 (1) the estimated total loss of revenue to hold-
2 ers of United States intellectual property rights as
3 a result of violations of such intellectual property
4 rights in China during the previous calendar year, as
5 determined by the study conducted pursuant to sec-
6 tion 2(a), reduced by

7 (2) the total amount of any tariffs collected,
8 pursuant to section 301 of the Trade Act of 1974
9 (19 U.S.C. 2411) or any other provision of law au-
10 thorizing the President to act to safeguard intellec-
11 tual property rights, with respect to such violations
12 in such previous calendar year.

13 **SEC. 4. COMPENSATION FOR LOSSES BORNE BY HOLDERS**
14 **OF UNITED STATES INTELLECTUAL PROP-**
15 **ERTY RIGHTS.**

16 (a) ESTABLISHMENT OF TRUST FUND.—There is es-
17 tablished in the Treasury of the United States a trust
18 fund, to be known as the “American IPR Trust Fund”
19 (in this section referred to as the “Trust Fund”), con-
20 sisting of such amounts as may be deposited to the Trust
21 Fund pursuant to subsection (b) to be used, in accordance
22 with subsection (c), for the purpose of compensating the
23 injury to holders of United States intellectual property
24 rights resulting from violations of such intellectual prop-

erty rights in China or by any Chinese person, including governmental entities of China.

(b) FUNDING.—The Commissioner of U.S. Customs and Border Patrol shall deposit into the Trust Fund any amounts collected from duties imposed pursuant to section 3, which shall remain available until expended for the purpose described in subsection (a).

(c) DISTRIBUTION OF FUNDS.—

(1) IN GENERAL.—From amounts in the Trust Fund, the Commissioner of U.S. Customs and Border Patrol shall make payments annually to each person the Commissioner determines, with respect to the preceding calendar year—

(A) was—

(i) if an individual, a citizen or legal permanent resident of the United States; or

(ii) if an entity, organized under the laws of the United States or any subdivision of the United States;

(B) held the rights to intellectual property under the laws of the United States; and

(C) can establish quantifiable losses resulting from the violation, directly or indirectly, of such rights in China or by any Chinese person,

1 including governmental entities of China, dur-
2 ing such year.

3 (2) MAXIMUM PAYMENT.—The Commissioner
4 may not make a payment under this subsection to
5 any person for any year in an amount that is great-
6 er than the amount of the loss described in para-
7 graph (1)(C) established with respect to such person
8 in such year.

9 (d) CONSULTATION.—The Commissioner shall con-
10 sult with the United States Trade Representative and the
11 Secretary of Commerce in issuing such regulations as may
12 be necessary to carry out this Act.

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