October 12, 2011

The Honorable Lamar Smith
Chairman
Committee on the Judiciary
House of Representatives
Washington, DC 20515

The Honorable John Conyers, Jr.
Ranking Member
Committee on the Judiciary
House of Representatives
Washington, DC 20515

The Honorable Bob Goodlatte
Chairman
Subcommittee on Intellectual Property, Competition, and the Internet
Committee on the Judiciary
House of Representatives
Washington, DC 20515

The Honorable Mel Watt
Ranking Member
Subcommittee on Intellectual Property, Competition, and the Internet
Committee on the Judiciary
House of Representatives
Washington, DC 20515

Dear Chairman Smith and Representatives Conyers, Goodlatte, and Watt:

On behalf of the Internet industry, which is responsible for 15% of the U.S.'s GDP growth over the past five years, we write in regard to proposed legislation to combat "rogue" websites. As we have conveyed in recent meetings with you and your staff, significant concerns have been raised with S. 968, the Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act of 2011 ("the PROTECT IP Act"). Consequently, we urge you to convene stakeholder negotiations to address

concerns that have been raised about S. 968's potential impact on jobs, innovation, technology, security, and freedom of speech. Such negotiations have worked well in the past and have resulted in intellectual property bills supported by both tech and content, which have stood the test of time.

As you know, before the Digital Millennium Copyright Act ("DMCA") was enacted, the House Judiciary Committee took a leading role in convening stakeholder negotiations to ensure that a proper balance was struck between the technology and rightsholder industries. The Committee recognized that the stakes were large for both sides, and it would benefit from in-depth conversations among interested parties. Congress convened similar negotiations during the consideration of the 2006 Trademark Dilution Revision Act and the Intellectual Property Protection and Courts Amendment Act of 2004.

If anything, the stakes are larger today. Consider the following—

- A recent McKinsey Global Institute[1] Report found that he U.S. Internet industry contributed 15% to GDP growth over the past five years. The Internet sector's contribution to GDP is greater than that of the mining, utilities, agriculture, education and communications sectors. In addition, the Internet industry has increased productivity for small and medium-sized businesses by 10% and created more than 3 million American jobs.[2]

- A letter signed by 160 entrepreneurs, founders and executives responsible for more than 300 technology start-ups and 65,000 jobs stated that if the PROTECT IP Act were to become law in its present form, "it will hurt economic growth and chill innovation in legitimate services that help people create, communicate, and make money online."

- Venture capitalists who invest in these technology start-ups also communicated their concerns with the legislation, writing that "the bill is ripe for abuse" and will "threaten legitimate innovation."

- Both the Tea Party Patriots and human rights advocates publicly oppose S. 968 in its current form stating for example that "Regulations stipulated in PROTECT IP would cause tremendous damage to the infrastructure and security of the Internet and ultimately undermine the millions of entrepreneurs, businesses and artists who depend on a free, uninterrupted communications platform," and further warned that "Human rights activists are terrified that PROTECT IP will

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[1] Matthieu Pelissie du Rausas, James Manyika, Eric Hazan, Jacques Bughin, Michael Chui and Remi Said, "Internet matters: The net's sweeping impact on growth, jobs, and prosperity." McKinsey Global Institute, May 2011. *Available at*: http://www.mckinsey.com/mgi/publications/internet_matters/index.asp.

[2] *Id*; Hamilton Consultants, John Quelch & John Deighton, "Economic Value of the Advertising-Supported Internet Ecosystem," June 10, 2009. *Available at*: http://www.iab.net/media/file/Economic-Value-Report.pdf.

provide comfort to totalitarian regimes that seek ever more control over Internet users in their own countries."[3]

We recognize and appreciate the time and attention you have given to improving this legislation. Further, we support the legislation's goal of combating online infringement of copyrights and trademarks. Nonetheless, we remain deeply concerned that the bill will constrain economic growth and threaten a vital sector of the U.S. economy and a major source of global competitiveness. Our industries are willing to convene with your offices and other stakeholders as soon as it is convenient for you to work on crafting a legislative proposal, the benefits of which outweigh the collateral damage S. 968 would cause to jobs, innovation, and security.

Thank you in advance for considering our request.

Sincerely,

[3] David Segal and Patrick Ruffini, "Stop the Internet Blacklist Bill." Oregon Live, August 26, 2011. *Available at*: http://www.oregonlive.com/opinion/index.ssf/2011/08/protect_ip.html.