

Opening Statement of Chairman Steve Chabot
Committee on Small Business
Hearing: “Intellectual Property 101: How Small Business Owners Can Utilize Intellectual Property
Protections in Their Businesses”
May 16, 2018

AS PREPARED FOR DELIVERY

Good morning. I call this hearing to order.

Today, the Small Business Committee will examine how small business owners have used intellectual property protections to help their businesses, and the issues they face when navigating the intellectual property process.

Intellectual property plays a vital role in protecting creative and innovative products and ideas. Our nation’s small business owners are essential to producing new, creative, and ground-breaking products and ideas that strengthen our nation’s economy. In fact, entrepreneurs and small business owners have generated more than 63 percent of new jobs over the last two decades, and small businesses represent about 96 percent of employer firms in manufacturing industries with a high number of patents.

Intellectual property protections also help small businesses grow. Studies have shown that small business owners can earn 32 percent more in revenue compared to their counterparts who have no intellectual property protections. Firms with intellectual property rights also pay, on average, 20 percent more in wages.

However, the process for obtaining intellectual property protections can be daunting even for the most experienced small business owner. Studies have shown that small business owners are not always aware that they should be protecting their innovative products and ideas through intellectual property protections, and those that are aware of their intellectual property rights do not always know how to navigate the process.

It can also be very expensive to hire professionals to traverse the intellectual property process. As this Committee knows all too well, most small business owners cannot afford to hire an army of experts to guide them through many processes, including the sometimes difficult process of obtaining intellectual property protections. This leaves them vulnerable to their innovations being stolen both here in the United States and internationally.

And if someone steals their ideas, it can be financially devastating for a small business owner. The Federal Bureau of Investigation has found that intellectual property theft costs billions of dollars every year to America’s businesses. And thieves are targeting small business owners and startups because of their limited abilities to fight back.

To combat this problem, this Committee unanimously passed H.R. 2655, the Small Business Innovation Protection Act of 2017, this past March. This bipartisan legislation would leverage existing resources at the Small Business Administration and the United States Patent and Trademark Office to better assist small business owners and expand the agencies’ outreach efforts to provide small businesses with the resources they need to address intellectual property issues.

Today, we will hear from small business owners and their representatives who have been on the ground utilizing intellectual property protections. I look forward to hearing how intellectual property has helped their businesses and what we can do to foster America’s creative small businesses moving forward.

I now yield to the Ranking Member, Ms. Velázquez, for her opening statement.

