Beneficiaries of Misconduct: 
A Direct Approach to IT Theft

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Stolen information technology (IT) is a domestic and global problem of considerable magnitude. Theft of IT or other non-tangible assets by upstream producers has a pernicious effect on the competitive market and violates fundamental principles designed to protect those who create and invent such assets. Companies profiting from stolen IT are not just free-riding on the successes of those who design and produce the products and ideas that drive the U.S. economy—they are destabilizing the pricing market and distorting lawful competition. Current legal recourse is insufficient to address such misconduct; new approaches are needed at the state and federal level.

This Issue Brief addresses the merits of such approaches. Specifically, Part I of this Brief provides an overview of the impact of IT theft on competition. Part II of this Brief addresses the current mechanisms, limitations, and recommendations for entities such as the Federal Trade Commission and other legal bodies in addressing such theft. Parts III, IV, and V of this Brief provide an overview of legislation at the state level and argue that statutes along the lines of the recently passed Washington law hold out the hope of accountability for significant misconduct, fairness in pricing, and a level competitive playing field.

I. Introduction: The Impact of Stolen IT on Competition

Almost a century ago, the Supreme Court declared that the prohibition against unfair competition serves to protect fundamental values and important rights. The Court held that “[T]he right to acquire property by honest labor or the conduct of a lawful business is as much entitled to protection as the right to guard property already acquired... It is this right that furnishes the basis of the jurisdiction... of unfair competition.” The idea is simple: it is unfair to competitors and inconsistent with basic notions of market competition to allow market actors to steal the work or property of another and use that asset to obtain a competitive advantage over companies that play by the rules. There are a number of settings, however, where current legal recourse is insufficient to address such misconduct, particularly when the item taken is IT.

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2 RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 38 cmt. b (1995) (endorsing a remedy against an “unethical” competitor who profits from the highly valuable initial labor and investment of another but does not pay for that benefit).

The idea that a competitor can steal and benefit from the property of a rival or other company for commercial gain is at odds with basic notions of efficiency and fair play. Professor Glen Robinson states the matter precisely: “Our concept of competition is based on a regime of exclusive property rights. . . . Competitors are supposed to compete with their own property, not with the assets of their competitors . . . .” Although Robinson focuses on a company’s theft of a competitor’s property, the competitive harm is similar even where the stolen property belongs to a third party, since the recipient of the stolen property still obtains an advantage over its competitors by means of an illegal act. This is as true with IT as it is with any other valuable asset and raises the basic question that is the focus of this research: What are the benefits and challenges of the legal remedies designed to address the significant problem of IT theft?

Stolen IT is a global problem. The estimated value of stolen software around the world in 2009 was $51.4 billion. In 2010, it was $58.8 billion, a 14% increase. Moreover, “the global PC software piracy rate rose in 2009 to 43%, up two percentage points over the previous year. This means that for every $100 worth of legitimate software sold in 2009, an additional $75 worth of unlicensed software also made its way into the market.” Although a sizable amount of IT theft is the result of actions by criminal organizations, most is conventional unauthorized copying—piracy—by individuals and commercial entities. In a survey conducted in emerging markets, 51% of the respondents (individuals and business) stated they thought it was lawful to pirate or copy software.

Large-scale theft of information technology, particularly by manufacturers from countries where IT theft is rampant, will, over any extended period of time, erode the ability of U.S. manufacturers to compete and undermine their incentives to produce better and more efficient goods. “Consumers may not be immediately harmed by such thefts. Indeed, the immediate impact is that consumers might see more firms supplying goods to certain markets. But if these thefts stifle incentives to invest in new technology, then consumers will inevitably suffer in the long run as economic growth rates decline.” The result of IT theft is the potential loss of countless jobs, lost billions in revenues, and, importantly, long-term market disincentives for U.S. manufacturers.

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5 Id. at 1191.
7 BUSINESS SOFTWARE ALLIANCE, EIGHTH ANNUAL BSA/IDC GLOBAL SOFTWARE 2010 PIRACY STUDY 2 (May 2011).
8 BUSINESS SOFTWARE ALLIANCE, supra note 6, at 2.
9 BUSINESS SOFTWARE ALLIANCE, supra note 7, at 2.
10 Id.
11 The jurisdictional difficulties associated with IT theft outside the United States are not unlike the issues associated with the domestic sale of defective goods produced by foreign manufacturers. Andrew F. Popper, The Two Trillion Dollar Carve-Out: Foreign Manufacturers of Defective Goods and the Death of H.R. 4678 in the 111th Congress, 26 TOXIC L. REP. 105 (2011) (all too often, foreign manufacturers who produce defective goods are outside the reach of US courts and can inflict significant harms on US citizens and businesses with limited or no consequences).
If a manufacturer steals software or other IT instead of paying for it, its input costs are reduced as compared to its competitors that pay for their IT. In cases where the company using stolen IT is a contract manufacturer, that cost advantage may accrue at least in part to the firm that hired the company to manufacture the goods on its behalf. The result is an uneven playing field, rewarding theft and penalizing those who respect the rule of law and pay for their information technology and other key inputs.

Further, it has become evident that “[c]ompanies that do not pay for the [software] programs they use to run their operations have an unfair cost advantage over companies that do, which skews competition.” An OECD report finds that intellectual property theft undermines innovation, disadvantages workers, distorts foreign investment, diminishes incentives for efficiency and innovation, contorts pricing of goods and services, compromises brand values, facilitates design and IT piracy, and fosters corruption. Quite simply, IT theft puts merit-based success in the marketplace at risk. As Professor Robinson notes, “[a]n incentives problem is created any time one firm is permitted to free-ride on a competitor's investments, whether those investments are represented by tangible assets or intellectual property.”

Indeed, that formulation captures many of the legal, competitive, and ethical problems considered in this Issue Brief, and provides the framework for the different state and federal avenues for response. As discussed in detail below, over the past two years, Washington State and Louisiana have enacted laws specifically designed to address the competitive harms arising from the use of stolen IT by manufacturers. These statutes authorize the states’ attorney general (and, in the case of Washington, injured manufacturers) to obtain redress for competitive harms. And, more recently, attorneys general from 36 states and three U.S. territories issued a letter urging the Federal Trade Commission (“FTC” or “Commission”) to attack this problem under § 5 of the FTC Act and committed to explore remedies within their respective state laws.

These developments, analyzed here, signify a heightened awareness among lawmakers and law enforcement authorities of the close linkage between respect for property rights, fair competition, innovation, and economic growth in the global economy.

II. Addressing IT Theft Under Existing Legal Regimes

A. Federal Trade Commission Act and Proposed Further Action

Section 5 of the FTC Act (“FTCA”) gives the FTC power to issue rules, publish guidelines, and initiate enforcement proceedings to address “unfair methods of competition” and

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13 BUSINESS SOFTWARE ALLIANCE, supra note 7, at 4.
15 Id. at 18.
16 Id. at 20.
17 Robinson, supra note 4, at 1210.
“unfair or deceptive acts or practices.”

In empowering the FTC to act against “unfair methods of competition,” Congress gave the Commission broad and flexible authority to ensure the fairness of the competitive process. In recognition of the expanse of this authority, some years ago the Supreme Court held that the FTC is authorized to “consider[] public values beyond simply those enshrined in the letter or encompassed in the spirit of the antitrust laws.” And, in 1989, FTC lawyer James F. Mongoven described the expanse of Section 5 of the FTCA as going beyond “the Sherman and Clayton Acts. Section 5 also condemns business torts . . . The legislative history . . . [also refers to] disparagement [and] industrial espionage . . . It seems reasonable to treat the theft of intellectual property as having a familial resemblance to these other torts.”

The FTC can use its substantial regulatory power if an unfair act or practice “causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or competition.” In In re C & D Electronics, the Commission used its unfairness authority to address the sale of devices that permitted unauthorized viewing of cable TV signals. In a separate statement, Chairman Daniel Oliver noted that consumers were harmed because “the activity here may provide disincentives that will result in services not being available to consumers at all.” Oliver also commented that the respondents’ actions would “undermine the competitive process that encourages innovation or maintenance of [cable] facilities” and raise the prices paid by law-abiding cable subscribers.

Also, if consumers believe a product was manufactured by a company that respects property rights, yet the company knowingly uses stolen IT, a deception has occurred that might violate the FTCA. For deceptive practices, the Commission is authorized to take action if it can “establish that (1) there was a representation; (2) the representation was likely to mislead customers acting reasonably under the circumstances, and (3) the representation was material.”

The FTC may also seek sanctions against “persons, partnerships, or corporations . . . using unfair methods of competition or unfair or deceptive acts or practices in or affecting

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21 The Senate report explains that Congress left it to the FTC “to determine what practices were unfair” because “there were too many unfair practices to define, and after 20 of them into law it would be quite possible to invent others.” S. REP. NO. 63-567, at 13 (1914); see also Senate Consideration of H.R. 15613, S. 4160 (Remarks of Sen. Newlands) (noting “it would be utterly impossible for Congress to define the numerous practices which constitute unfair competition and which are against good morals in trade”).
22 See FTC v. Sperry & Hutchinson, 405 U.S. 233, 244 (1972) (“[T]he Federal Trade Commission . . . considers public values beyond simply those enshrined in the letter or encompassed in the spirit of the antitrust laws.”).
23 Mongoven, supra note 12, at 499.
26 Id. at 80.
27 Id.
commerce.” Under its competition jurisdiction, it may take steps to address “commerce with foreign nations” if the activity has “a direct, substantial, and reasonably foreseeable effect” on U.S. commerce. Further, pursuant to its consumer protection jurisdiction, the Commission is authorized to address acts or practices involving foreign commerce that “cause or are likely to cause reasonably foreseeable injury within the United States.” The FTC has broad remedial powers “including restitution to domestic or foreign victims” and injunctive relief in the form of cease and desist orders. When it comes to the theft of IT or other non-tangible assets, the power of the FTC to act to address anticompetitive, unfair, and deceptive practices is present. Recognizing that the exercise of sanction power is vested generally to the discretion of an agency, the consumer deception and market distortion that occur as a result of the theft of IT justify consideration of regulatory enforcement action in this area.

B. State Unfair Competition Laws and Limitations

Many states have unfair trade practices or consumer protection statutes modeled after the FTCA. The North Carolina statute tracks the FTCA by declaring unlawful “[u]nfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce.” Chapter 93A of the Massachusetts laws similarly prohibits “[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce.” California creates a cause of action against anyone who engages in “unfair competition,” broadly defined to include “any unlawful, unfair or fraudulent business act or practice.” Iowa and Missouri both prohibit “unfair practices” along with a variety of deceptive acts.

State unfair trade laws protect consumers and competitors, and level the playing field. These laws are predicated, inter alia, on the overriding importance of merit, efficiency, creativity, and competitive rigor in any market. “One who has used his intellectual, physical, or financial powers to create a commercial product should be afforded judicial relief from a competitor who seeks to ‘reap what he has not sown’.” The intent of such laws is to achieve a

31 Id. § 45(a)(4)(A). For example, the FTC has taken action against U.S. companies for misrepresenting that their overseas manufacturers used environmentally friendly processes. See Complaint and Exhibits, In re Sami Designs, LLC d/b/a Jonano, No. 082–3194 (Aug. 11, 2009), available at http://www.ftc.gov/os/caselist/0823194/090811samicmp.pdf.
34 Heckler v. Chaney, 470 U.S. 821, 826 (1985) (in most instances, agency enforcement decisions are “committed to agency discretion by law”).
35 N.C. GEN. STAT. § 75-1.1(a) (2010).
37 CAL. BUS. & PROF. CODE §§ 17200, 17203 (West 2010).
38 IOWA CODE § 714.16(2)(a) (West 2010); MO. REV. STAT. § 407.020(1) (Supp. 2008) (both condemning fraud and, broadly defined, misrepresentation in trade or commerce).
39 Johnson v. City of Pleasanton, 982 F.2d 350 (9th Cir. 1992).
fair and robust competitive market in which similarly situated participants compete based on optimal efficiency and proficiency.\textsuperscript{41}

The key feature of most of these laws is that those who engage in an “unfair” act can be penalized. The type of claim that can be initiated, however, is determined by each state’s definition of \textit{unfair act}. States often do not define clearly the scope of unfair acts, leaving courts to decide which acts confer an unfair advantage in business relations.\textsuperscript{42} Because the case law has developed differently in each state, attempts to bring claims based on manufacturers’ unfair use of stolen IT face considerable legal uncertainty. In Massachusetts, Chapter 93A claims can arise from a competitor’s theft and misappropriation that result in an unfair business advantage.\textsuperscript{43} In Iowa, by contrast, the existing precedent does not provide any examples of actions arising out of distortions to the competitive process. Because Iowa courts have recognized that the prohibition on “unfair practices” is interpreted in a broad and flexible way, there is a legal basis to argue that a manufacturer’s use of stolen IT is actionable as an unfair practice.\textsuperscript{44} The sparseness of the case law means that this would be a novel argument under the Iowa statute.

The state unfair trade practice laws are also subject to certain limitations, such as jurisdiction-specific restrictions on who has standing to enforce a violation of the law. In Iowa, only the state attorney general may bring a case,\textsuperscript{45} and Texas limits private plaintiffs to a narrow set of claims. Private plaintiffs in Texas can bring claims based only on the specific acts enumerated in the statute, whereas the attorney general is authorized to take action against all “false, misleading, or deceptive acts or practices.”\textsuperscript{46} Under California’s unfair competition law, a private plaintiff “must . . . establish a loss or deprivation of money or property. . . [that] was the result of . . . the unfair business practice or false advertising that is the gravamen of the claim.”\textsuperscript{47}

There may also be state-specific limitations on the relief afforded under the statute. Missouri caps civil penalties at $1,000 per violation.\textsuperscript{48} In Iowa, courts can impose a penalty of up to $40,000 per violation.\textsuperscript{49} Similarly, although almost all state unfair trade statutes authorize equitable relief, the territorial scope of any injunction could vary. Naturally, once a court obtains


\textsuperscript{42} See, e.g., United Labs., Inc. v. Kuykendall, 403 S.E.2d 104, 109 (N.C. Ct. App. 1991) (“No precise definition of ‘unfair methods of competition’ . . . exists. . . ‘Rather, the fair or unfair nature of particular conduct is to be judged . . . against the background of actual human experience and by determining its intended and actual effects upon others.’” (quoting McDonald v. Scarboro, 370 S.E.2d 680, 684 (N.C. Ct. App. 1988))).


\textsuperscript{44} See State ex rel. Miller v. Cutty’s Des Moines Camping Club, Inc., 694 N.W.2d 518, 526 (Iowa 2005) (“What is an ‘unfair practice’? On its face the term is dizzying in its generality. . . . [C]ourts have determined statutes that prohibit ‘unfair practices’ are designed to infuse flexible equitable principles into consumer protection law so that it may respond to the myriad of unscrupulous business practices modern consumers face.”).

\textsuperscript{45} See generally IOWA CODE § 714.16 (West 2010).

\textsuperscript{46} See TEX. BUS. & COM. CODE ANN. § 17.46(b), (d) (Vernon 2007).

\textsuperscript{47} Kwikset Corp. v. Superior Court, 246 P.3d 877, 885 (Cal. 2011)(citing Cal. Bus. & Prof. Code §§ 17204, 17535 (West 2012)).

\textsuperscript{48} MO. REV. STAT. § 407.100(6) (Supp. 2008).

\textsuperscript{49} IOWA CODE § 714.16(7).
personal jurisdiction over a defendant, it has power to enjoin activities outside the state. However, courts may decline to exercise this power for comity reasons or for fear of offending the policy of other states, particularly if it is unclear whether the conduct would be illegal under the other states’ laws. Because not all states prohibit “unfair” acts, courts may decide to limit the scope of the injunction so it only applies within the state.

Independent of the unfair trade statutes, some states recognize a separate common law tort of unfair competition. Still, what constitutes a tortious act of “unfair competition” varies from jurisdiction to jurisdiction. For example, a few states confine “unfair competition” to its historical roots in claims involving the “palming off” of goods or the misappropriation of a competitor’s labor or expenditures. In other states, the concept of unfair competition has evolved to include “all statutory and non-statutory causes of action arising out of business conduct which is contrary to honest practice in industrial or commercial matters.” In states recognizing a broader concept of unfair competition, a wide range of commercial torts may fall under that general designation. However, because the scope of the doctrine varies so much between states, it may be difficult to obtain effective relief under this tort doctrine.

C. National Trade Laws and Drawbacks

National trade laws provide additional possible remedies against the use of stolen IT, at least where those products are manufactured abroad and then imported into the United States. For example, section 337 of the U.S. Tariff Act of 1930 (§ 337) prohibits “[u]nfair methods of competition and unfair acts in the importation of articles . . . into the United States, or in the sale of such articles by the owner, importer, or consignee [that threaten to] destroy or substantially

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50 See Restatement (Second) of Conflict of Laws § 53 (1971) (“A state has power to exercise judicial jurisdiction to order a person, who is subject to its judicial jurisdiction, to do an act, or to refrain from doing an act, in another state.”).
51 Cf. Restatement (Third) of Unfair Competition § 48 cmt. c (1995) (“Although a court may have jurisdiction to grant broader relief, an injunction protecting the right of publicity should ordinarily be limited to conduct in jurisdictions that provide protection comparable to the forum state.”).
52 A number of the state statutes prohibit deception but not unfairness. For example, § 349 of New York’s General Business Law prohibits “[d]eceptive acts or practices in the conduct of any business, trade or commerce.” N.Y. Gen. Bus. Law § 349(a) (McKinney 2004). The New York legislature chose not to import the FTCA’s prohibition on “[u]nfair methods of competition” an omission that one federal court has found significant. See Leider v. Ralfe, 387 F. Supp. 2d 283, 295 (S.D.N.Y. 2005) (“[T]his omission indicates that anticompetitive conduct that is not premised on consumer deception is not within the ambit of the statute.”).
55 There are causes of action in tort that, at first blush, could be used to address the harms caused by IT theft: conversion, tortious interference with contact, or misappropriation. See, e.g., C. Owen Paepke, An Economic Interpretation of the Misappropriation Doctrine: Common Law Protection for Investments in Innovation, 2 High Tech. L.J. 55, 63 (1987); Courtney W. Franks, Comment, Analyzing the Urge to Merge: Conversion of Intangible Property and the Merger Doctrine in the Wake of Kremen v. Cohen, 42 Hous. L. Rev. 489, 522 (2005) (explaining that Oklahoma, Nevada and Tennessee do not recognize conversion of intangible property). However, their remedial potential is limited to direct harms to owners and not to the market or competitive injuries that are the focus of this paper.
56 See Lee Burgunder, Legal Aspects of Managing Technology (3d ed. 2004).
injure an industry in the United States . . .

Section 337 also authorizes the exclusion of any item that violated a U.S. patent, copyright, or trademark laws from entry into the United States.

The U.S. International Trade Commission (ITC) has interpreted the “unfair methods of competition” language of section 337 to cover a broad variety of conduct, including misappropriation of trade secrets, false advertising, breach of nondisclosure agreements, and violations of antitrust laws. Congress has stated that the language of § 337 is “designed to cover a broad range of unfair acts.” Thus, although it would be an issue of first impression, there is a basis to believe that the importation of products into the United States from a foreign manufacturer using stolen IT would constitute an unfair act within the meaning of § 337.

Pursuant to § 337, the United States International Trade Commission (ITC) has the authority to enforce a variety of U.S. international trade laws, including § 337. The ITC “is an independent, quasi-judicial Federal agency with broad investigative responsibilities on matters of trade.” Section 337 actions are usually, but not always, initiated by affected market participants.

The method of enforcement used by the ITC is desirable over court litigation for at least four reasons: (1) it offers injunctive-like relief; (2) it is “drastic and swift”; (3) the forum is generally favorable to the U.S. industry; (4) and there is no need to obtain personal jurisdiction over the foreign importers. Still, ITC enforcement also has its drawbacks. For example, although the ITC is authorized to self-initiate proceedings, in practice it rarely does so. This leaves the private complainant with the costly and time-consuming burden of proving the existence of the unfair act, a relationship between the unfair act and the imported article, a “domestic industry,” and a showing that the domestic industry has been or is likely to be injured by the activity. Finally, the President has the authority to modify or reject any relief granted.

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58 Id. §§ 1337(a)(1)(B)–(C); (d).
62 For instance, the Commission has held that the scope of § 337 is “broad enough to prevent every type and form of unfair practice.” Certain Welded Stainless Steel Pipe and Tube, ITC Inv. No. 337-TA-29, USITC Pub. 863 (1978) (Opinion of Commissioners Minchew, Moore and Alberger, at 39) (emphasis added) (quoting S. REP. NO. 67-595, at 3 (1921)).
65 See Caplen, supra note 60, at 356 (explaining that sometimes the ITC may initiate an investigation “upon its initiative”).
which creates another level of uncertainty for potential plaintiffs.\(^67\) Considering these drawbacks and the volume of IT theft, it is safe to say that while the § 337 remedy is of value, this enforcement mechanism has not come close to addressing the core problems of piracy and economic harm.

III. The Washington and Louisiana Statutes

On July 22, 2011, Washington State adopted a new law designed to target the harms associated with software and other forms of IT theft.\(^68\)

> Any person who manufactures an article or product while using stolen or misappropriated information technology in its business operations after notice and opportunity to cure . . . , is deemed to engage in an unfair act where such an article or product is sold or offered for sale in this state, either separately or as a component of another article or product, and in competition with an article or product sold or offered for sale in this state.\(^69\)

Accordingly, the Washington statute creates a new cause of action against manufacturers who illegally use software or other IT to reduce their costs and thus compete unfairly with honest manufacturers. In limited situations, the Washington statute also imposes responsibilities on firms that hire such manufacturers to produce products on their behalf (i.e., “hiring firms”) as a way of addressing the unfair competitive harm caused by the manufacturers’ conduct.

In 2010, Louisiana also passed a bill to address situations where IT theft distorts the marketplace. Modifying the Louisiana Unfair Trade Practices and Consumer Protection Law (LUTPA), the Louisiana legislature declared: “It shall be unlawful for a person to develop or manufacture a product, or . . . a service using stolen or misappropriated property, including but not limited to computer software that does not have the necessary copyright licenses, where that product or service is sold . . . in this state.”\(^70\) A violation is deemed an unfair method of competition and an unfair practice or act, and is subject to the remedies and penalties provided for elsewhere in the LUTPA.

Although both the Washington State and Louisiana statutes seek to remedy the harm that occurs when manufacturers use stolen IT to gain an unfair competitive advantage, the Washington statute has some additional notable features discussed below.

A. Notice and Opportunity to Cure

Under the Washington statute, liability cannot be imposed on either a manufacturer using stolen IT or a hiring firm unless that manufacturer or hiring firm has been given advance notice of the problem and an opportunity to rectify the situation. For instance, Section 50 of the statute

\(^{67}\) Id. at 1168.
\(^{69}\) Id. at § 19.330.020.
\(^{70}\) LA. REV. STAT. § 51:1427 (2012).
ensures that manufacturers are put on notice of the alleged stolen IT use and given at least 90 days to rectify the situation before a complaint may even be filed.71

Likewise, a hiring firm or other third party cannot be added to an action or subject to liability unless it (1) was served with a copy of the § 50 notice sent to the manufacturer at least 90 days prior to the entry of judgment against the manufacturer; and (2) failed, within 180 days of receiving the notice, to direct the manufacturer to cease its use of stolen IT.72 Thus, the statute ensures that any party potentially subject to liability is on notice of the putative action and has an opportunity to rectify the situation before liability may be imposed.

B. Limited Monetary and Injunctive Relief

If a manufacturer refuses to legalize its IT or establish that its use is legitimate after receiving the § 50 notice, the Attorney General may file suit for damages or injunctive relief. An injured business whose products are sold in Washington State can also take action against competitors that use $20,000 or more of stolen IT in their business operations, provided that the plaintiff itself does not use stolen IT.73 If the court determines that a manufacturer violated the statute, it may order the manufacturer to pay either actual damages or statutory damages (up to the retail price of the stolen or misappropriated IT), whichever is greater.74 If the court determines that the manufacturer willfully violated the statute, it may impose treble damages.75

The statute also authorizes courts, under limited circumstances, to enjoin a manufacturer from further violations, including enjoining the sale of products in Washington made in violation of the statute.76 Preliminary injunctions, however, are prohibited.77 The court may enjoin sales only if the manufacturer’s violation resulted in at least a 3% difference in the product’s retail price over at least a four-month period.78 The statute does not apply to companies providing services, medicines, or certain copyrightable end-products, or where the allegation that the IT is stolen is based on the violation of a patent, misappropriation of a trade secret, or violation of the terms of an open-source license.79

71 WASH. REV. CODE § 19.330.050(1) (2012) (“No action may be brought under RCW 19.330.020 unless the person subject to RCW 19.330.020 received written notice of the alleged use of the stolen or misappropriated information technology from the owner or exclusive licensee of the information technology or the owner’s agent and the person: . . . [and] (b) failed, within ninety days after receiving such a notice, to cease use of the owner’s stolen or misappropriated information technology. However, if the person . . . proceeds diligently to replace the information technology with information technology whose use would not violate RCW 19.330.020, such a period must be extended for an additional period of ninety days, not to exceed one hundred eighty days total.”).
73 § 19.330.060(1), (5).
74 § 19.330.060(1)(b).
75 § 19.330.060(4)(a).
76 § 19.330.060(1)(a).
77 Id.
C. Recourse Against Hiring Firms

Further, if a court finds a manufacturer in violation of § 20, a claim can be added for “actual direct damages against a third party who sells or offers to sell in [Washington] products made by that person.” Damages against a third party are capped at $250,000 and can only be imposed if, *inter alia*, the § 20 violator “did not make an appearance or does not have sufficient attachable assets to satisfy a judgment against the person,” and “either manufactured the final product or produced a component equal to thirty percent or more of the value of the final product.” In addition, the third party must have a direct contractual relationship with the § 20 violator—i.e., the third party must be a hiring firm. Other businesses or consumers in Washington State that purchase a § 20 violator’s products are exempt altogether.

Notably, the Washington statute contains safe harbors that allow hiring firms to avoid liability as well as any disruption to their product supply chain. A hiring firm qualifies for a safe harbor if: (1) the hiring firm requires its contract manufacturers to use legal IT and promptly demands that its contract manufacturers legalize if they are in violation of the Washington statute; or (2) the hiring firm employs responsible supply-chain practices related to the use of IT.

D. Jurisdictional Issues and *In Rem* Proceedings

Enforcement of these laws with out-of-state or foreign parties presents challenging jurisdictional concerns, particularly in light of the Supreme Court’s recent failure to resolve the *in personam* jurisdiction issues raised in *Asahi*. Even when sales are substantial and part of a multi-state distribution program, and even when there is a substantial amount of U.S. sales, if the conventional minimum contact requirements of *Asahi* are not met, jurisdiction over a foreign company can be extraordinarily difficult, if not impossible. Accordingly, jurisdiction over the *person* (for foreign producers) cannot be the sole means of achieving the objectives of a level playing field, merit-based competition, and appropriate protection for those who create the technology that drives the American economy. Thus jurisdiction over the item itself (referred to as *in rem* jurisdiction) must be considered.

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80 Section 20 states: “Any person who manufactures an article or product while using stolen or misappropriated information technology [and] causes a material competitive injury . . . is deemed to engage in an unfair act where such an article or product is sold or offered for sale in this state, either separately or as a component of another article or product, and in competition with an article or product sold or offered for sale in this state that was manufactured without violating this section.”


82 § 19.330.060(2), (3).


84 § 19.330.060(1)(a), (2).

85 § 19.330.080(1)(c), (d).

86 Asahi Metal Industry Co. v. Superior Court, 480 U.S. 102 (1987) (using a Due Process/minimum contacts formulation, declining to find personal jurisdiction over a foreign defendant based solely on an awareness that a product or component part made abroad would be sold or otherwise enter the stream of commerce in the U.S.). The *Asahi* problem arises any time a U.S. consumer or business is adversely affected by the sale or distribution of unsafe, defective, or otherwise flawed (e.g., made with or benefitting from stolen IT or IP) foreign-made goods.

87 *Id.*
The Washington statute provides novel methods of resolving such jurisdictional concerns. There, if a manufacturer is beyond the court’s in personam jurisdiction, a complainant may proceed in court directly against products in which the manufacturer holds title and are offered for sale in Washington State in violation of § 20. As with injunctions against sales, in rem actions are limited to cases in which the manufacturer’s violation resulted in at least a 3% difference in the product’s retail price over at least a four-month period. Further, section 60 of the Washington statute authorizes the court, in certain situations, to enjoin sales in the state of products made with stolen IT, while § 70 authorizes the court to proceed directly in rem against products made with stolen IT where the court is unable to obtain personal jurisdiction over the manufacturer.

Remedies of this type are not unprecedented. Seizing an item of personal property to avoid harms that flow inevitably from the entry of these goods into the stream of commerce is very much part of U.S. legal history. Unlike a case directed against a person, an in rem action is focused on a “thing . . . here primarily considered as the offender. . . . Many cases exist[] where the forfeiture for acts done attaches solely in rem, and there is no accompanying penalty in personam. [Such] prosecutions [are not] dependent upon each other. . . . [P]roceeding in rem stands independent of, and wholly unaffected by any criminal proceeding in personam.

In U.S. v. Ursery, the court continued the distinction between personal cases and in rem actions, but cautioned that this distinction is a fiction if the forfeiture is a sanction against an individual who has committed an offense as opposed to a forfeiture designed to achieve general compliance with a set of clearly articulated legislative goals. In rem forfeiture of property that is exclusively an “instrumentality” of an offense is arguably permissible and not a punishment of the owner. Civil forfeitures designed to limit or prevent unlawful action are not uncommon.

91 Jenny S. Martinez, International Courts and the U.S. Constitution: Reexamining the History, 159 U. PA. L. REV. 1069, 1101 (2011) (discussing, inter alia, the early piracy and slave-ship seizure cases decided before the Civil War); see, e.g., The Slavers (Reindeer), 69 U.S. (2 Wall.) 383, 393, 403 (1864) (“libels in rem may be prosecuted in any district where the property is found”); The Slavers (Kate), 69 U.S. (2 Wall.) 350, 366 (1864) (holding an in rem proceeding could be used to seize a vessel designed to transport and sell slaves); The Palmyra, 25 U.S. (12 Wheat.) 1, 12-13 (1827) (upholding an in rem seizure of a vessel, notwithstanding the absence of a criminal charge, e.g., piracy, against any person.
92 See Harmoney v. United States (The Brig Malek Adhel), 43 U.S. (2 How.) 210, 233 (1844) (“The vessel which commits the aggression is treated as the offender, as the guilty instrument or thing to which the forfeiture attaches, without any reference whatsoever to the character or conduct of the owner.”).
93 In U.S. v. Bajakajian, 524 U.S. 321, 328 n.5 (1998), the Court discussed the “guilty property” theory behind in rem forfeiture [which] can be traced to the Bible, which describes property being sacrificed to God as a means of atoning for an offense.” See, e.g., Exodus 21:28.
95 Bajakajian, 524 U.S. at 326; Ursery, 518 U.S. at 293 (Kennedy, J., concurring) (“Civil in rem forfeiture is not punishment of the wrongdoer for his criminal offense.”).
96 See Austin v. United States, 509 U.S. 602, 627–28 (Scalia, J., concurring in part and concurring in judgment, distinguishing property as the vehicle used to commit an offense); J. W. Goldsmith, Jr.—Grant Co. v. United States, 254 U.S. 505, 508–10 (1921).
97 United States v. Nichols, 841 F.2d 1485, 1486-87 (10th Cir. 1988) (“Civil forfeiture has been widely used in the United States. Typically the government has been permitted to seek the forfeiture of contraband or harmful
An object can “evidence” a violation even if the current owner was not actively involved in the misconduct. When that happens, the “guilty object” can be seized and forfeited—and the forfeiture furthers enforcement of the underlying statute or regulation. 98

IV. Arguments and Precedent for the Washington Statute

A. Trade Secret Laws

State law on the misappropriation of trade secrets provides an interesting analogy to the type of conduct prohibited by the Washington statute. As courts have recognized, “[t]he law governing protection of trade secrets essentially is designed to regulate unfair business competition.” 99 Both the tort of misappropriation of trade secrets and the Washington statute provide a remedy for the unfair competition and market distortions that occur when companies seek a market advantage by stealing the inventions or other intangible assets of another.

Trade secret law is ancient, 100 arcane, and comprised of a patchwork of state trade secret protections, some statutory and some derived from common law claims. Until recently, the common law of the states was the primary source of trade secret protection. Today, however, it is embodied in the Uniform Trade Secrets Act (UTSA). “[S]tate laws generally define a trade secret as consisting of three elements: (1) information (2) that has actual or potential economic value because it is secret and (3) is, in fact, a secret. [In addition,] the UTSA . . . requires that a potential rights holder make a reasonable effort to maintain the secrecy of the information.” 101 Currently, 46 states have adopted the UTSA in some form, and two are currently considering it. 102 The goals underlying these laws, like the goals underlying the Washington statute, are protection and encouragement of creativity, invention, and innovation, without hampering unduly the public access to information.

Although trade secrets were once purely a state matter, the United States, as a party to the World Trade Organization’s Agreement on Trade-Related Aspects of Intellectual Property


98 “Traditionally, forfeiture actions have proceeded upon the fiction that inanimate objects themselves can be guilty of wrongdoing. Simply put, the theory has been that if the object is ‘guilty,’ it should be held to forfeit.” United States v. U.S. Coin & Currency, 401 U.S. 715, 719 (1971) (citation omitted).


100 ROBERT P. MERGES, PETER S. MENELL, & MARK A. LEMLEY, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 33–35 (5th ed. 2010) (discussing the Roman cause of action in actio servi corrupti, an action for corrupting the slave).

101 Id.

Rights ("TRIPS"),

now also committed to its trading partners to ensure adequate protections for trade secrets.

In an attempt to comply with TRIPS and strengthen trade secret protection, Congress passed the Economic Espionage Act ("EEA") in 1996, which provides criminal and civil penalties for economic and industrial espionage. Recently some have argued that, in light of the EEA and TRIPS, trade secret law should be further federalized. For example, Senators Herbert Kohl and Christopher Coons introduced an amendment to the Currency Exchange Rate Oversight Reform Act that would give a private federal right of action to trade secret owners for violations of § 1832(a), or trade secret theft. This amendment would provide a right of civil action under the EEA for one “aggrieved by a violation of section 1832(a).”

Like the unfair competition theories and state statutes discussed above, state and federal trade secret laws seek to remedy the harms that businesses suffer when a competitor steals property and thereby obtains an unfair benefit. While the theft in the former case involves the property of a third party (in this case, the IT owner), the harm to competitors, competition, and ultimately to consumers will often be quite similar—namely, law-abiding firms will be placed at a competitive disadvantage in the marketplace due to their competitor’s theft of property.

B. Dual-Track Enforcement by State Regulators and Private Attorneys General

As noted above, the Washington statute provides a cause of action not only for the state’s attorney general, but also for injured competitors. The notion of a combined effort that includes enforcement by state attorneys generals and private parties (in this case, manufacturers that have been the victims of unfair competition by competitors using stolen IT) is well-suited to meet the challenge presented by stolen IT. In looking at problems with managed health care, Professor Marc Rodwin noted that when dealing with broadly defined “unfair or deceptive trade practices,” enforcement can be shared by state “regulatory agencies, such as the Attorney General’s Office.

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104 Id. at 16 (Article 39).
of Consumer Protection, and private parties . . . [who can be awarded] treble damages and . . . plaintiff’s attorneys’ fees.”

The Washington statute adopts just such a dual-track enforcement regime, and in doing so sends a powerful message. Professor Rodwin noted that the presence of fines or other sanctions “provide[s] an incentive for sellers to resolve private disputes out of court.” Statutes of this type also create the potential that fines or penalties will cover litigation costs, helping consumers—or, in the case of the Washington statute, law-abiding manufacturers—“without funds to bring suits.” Protection of the interests of those victimized by the market distortions caused by theft of IT is consistent with current thinking on the role of private attorneys general. This is particularly true where rights are violated and existing enforcement is insufficient due to a lack of information, incentives, or other factors.

C. Gatekeeper Liability

Another fundamental challenge to protecting IT and other non-tangible assets involves the ease of copying and the difficulty of detecting theft. This type of property is at once valuable and vulnerable. Unlike conventional physical property, once it moves beyond the dominion and control of its inventors and creators, the enforcement landscape becomes complex. This is partially because protection against IT theft or other forms of misappropriation of intangible assets must rely on contracts, license agreements, public (domestic and international) and private enforcement of patent, copyright, and trademark statutes, regulations, treaties, and similar regimes. While that level of protection may seem substantial, it has been insufficient to prevent theft of billions of dollars of this property. Moreover, modest state legislation designed to discourage theft and piracy, with generous notice provisions, limited sanction potential, and limited scope (excluding from its coverage copyright and other conventional intellectual property) is hardly the stuff of suppression.

A culture of misappropriation has also evolved around these assets both in the United States and abroad. In many jurisdictions, including those that account for a significant share of global manufacturing, software and related products are copied without authorization and used

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110 Id.
111 Id.
at staggering levels. Nonetheless, there are those who take the position that as long as a lower consumer price is the final goal, the market has succeeded and legal interference is unwarranted. Similar arguments, however, have been used in the past to rationalize inhuman work conditions, child labor, and environmentally hazardous practices by manufacturers.

Moreover, companies hiring manufacturers to produce products on their behalf (and under their label), who turn a blind eye to the manufacturer’s theft of IT, reap an unfair cost advantage. Should these hiring firms be seen as third-party beneficiaries of misconduct and be assigned responsibility for the manufacturer’s conduct?\(^{117}\)

Professor Reiner Kraackman posed the question succinctly: “[W]hen should we impose liability on parties who, although not the primary authors or beneficiaries of misconduct, might nonetheless be able to prevent it?”\(^{118}\) Professor Kraackman used the term “gatekeeper” to describe those who benefit from misconduct and have the power or potential to lessen the probability of misconduct. He asks if the following four things are present to assess whether a third-party beneficiary of misconduct should be the subject of some form of enforcement or sanction: (1) serious misconduct that practical penalties cannot deter; (2) missing or inadequate private gatekeeping incentives; (3) gatekeepers who can and will prevent misconduct reliably; and (4) gatekeepers whom legal rules can induce to detect misconduct at reasonable cost.\(^{119}\) In the case of stolen IT used by manufacturers acting on behalf of hiring firms, Professor Kraackman’s criteria are fully met.

Professor Daryl J. Levinson explained that the means to efficient enforcement are not limited to direct prosecution.\(^{120}\) He observed that proceeding against the “primary or proximate causer of harm” may be less effective than directing enforcement efforts at those who have the most influence over the wrongdoer. “Courts (and even economic theorists) often fail to recognize that the optimal target of liability is not the wrongdoing injurer but rather some other individual, institution, or group . . . well-situated to monitor and control the wrongdoer's behavior. . . .”\(^{121}\) Compliance motivation—in this case, creating incentives against theft and unauthorized copying—might best be achieved by the “threat of 'indirect' liability.”\(^{122}\)

Professor Levinson also recognized that indirect liability is not always workable. “[I]ndirect liability is appropriate only in the limited set of cases in which direct liability is clearly impractical and an alternative target capable of exercising formal control over the

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116 Daniel C.K. Chow, Why China Does Not Take Commercial Piracy Seriously, 32 OHIO N.U. L. REV. 203, 213 (2006) (“It is no exaggeration to say that many in China believe that they can engage in the theft of intellectual property with impunity. . . . This creates a widespread business culture that tolerates, or even encourages, unauthorized copying and theft of intellectual property.”).


119 Id. at 61.


121 Systems where a third party faces clear consequence for failing to act or report are not unusual. See Kraackman, supra note 118, at 65, n.40 (“Tax preparers are subject to $100 and $500 fines for negligent disregard of the law and willful understatement of tax liability respectively (I.R.C. § 6694 (1985)).

122 Levinson, supra note 120, at 1148.
primary wrongdoer, through a contractual or otherwise profitable relationship, is readily available. . .”

Those conditions (contract, profit, and the capacity to apply compliance pressure) are evident in many settings where firms indirectly benefit from theft of IT by their contract manufacturers (in the form of lower prices for manufactured goods). Moreover, there is good reason to think that hiring firms might be unusually effective in enforcing compliance by contract manufacturers.

In his analysis, Professor Levinson focused on the Aimster litigation. Aimster involved an intermediary who facilitated illegal copyright infringement based upon the theory of indirect liability. As Levinson explains, indirect liability poses an opportunity for “motivating a well-situated third party to police and prevent wrongdoing.” Aimster can provide theoretical support for the ultimate practical effect of the Washington statute: holding third parties indirectly accountable for wrongful conduct committed by those manufacturing goods on their behalf.

As discussed above, the Washington statute imposes limited secondary responsibility on hiring firms. This is premised on the theory that such firms are causally “responsible” for the harms targeted by the statute insofar as they have ultimate decision making authority regarding the sale of the goods in the state, and because they have a unique ability, given their commercial relationships, to discourage stolen IT use by their contract manufacturers.

V. Legal and Economic Objections to the Washington Statute

Some commentators assert that the Washington and Louisiana statutes are preempted because they interfere with the power to regulate copyright or international commerce—powers that are reserved to Congress. Other objectors might assert a more economics-based argument: that ethical competition and fairness should be subordinated to consumers’ gain from lower prices. As discussed below, both of these contentions ring hollow.

The Supremacy Clause, the constitutional base of preemption, ostensibly prohibits state laws that interfere or conflict with a federal law. However, “the purpose of Congress is the ultimate touchstone in every preemption case.” Thus, there must be either congressional

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123 See Levinson, supra note 120; In re Aimster Copyright Litigation, 334 F.3d 643 (7th Cir. 2003). The Supreme Court followed, saying “[O]ne who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.” Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 919 (2005). Nonetheless, neither Aimster nor Grokster involved an express statutory provision allowing indirect liability.

124 Levinson, supra note 120, at 1150. Nevertheless, Levinson explains that there are two conditions for indirect liability to be efficient: 1) the third party “must be capable of controlling wrongdoing in some cost-effective way,” and 2) “the subsidiary costs of indirect liability must not be too high.” Id. at 1150-51.


126 U.S. CONST. art. IV, cl. 2.


128 Medtronic, Inc. v. Lohr, 518 U. S. 470, 485 (internal quotation marks omitted) (quoting Retail Clerks v. Schermerhorn, 375 U. S. 96, 103 (1963)).
intent to preempt\textsuperscript{130} or an inherent incompatibility between state and federal law. In \textit{Goldstein v. California},\textsuperscript{131} discussed effectively by Professor Viva R. Moffat,\textsuperscript{132} the Court held that the enforcement of a state law would not stand as an obstacle to the achievement of a federal purpose where \textit{Congress had not indicated it wished to regulate the act in question.}\textsuperscript{133}

Some commentators have questioned whether federal copyright law preempts the Washington statute.\textsuperscript{134} Section 301 of the U.S. Copyright Act, which sets out the scope of preemption under the Copyright Act, preempts state law only if that law (1) protects legal rights that are “equivalent to” rights protected by the Copyright Act; and (2) regulates works that fall “within the subject matter of copyright.”\textsuperscript{135} The Washington statute does neither.

With respect to the first prong of the preemption analysis, state laws are not subject to Copyright Act preemption “if an extra element is required instead of or in addition to the acts of reproduction, performance, distribution or display in order to constitute [the] state-created cause of action.”\textsuperscript{136} The Washington statute contains elements that are qualitatively different from, and in addition to, elements that must be satisfied in order to assert a copyright infringement claim. For example, no claim can be brought under the statute unless the products from the manufacturer using stolen IT were sold or offered for sale in Washington State \textit{in competition with} products made without violating the prohibition. Moreover, only competing manufacturers have standing to sue under the statute (in addition to the state attorney general), and the competing manufacturer must establish that it suffered economic harm. None of these elements is required to state a claim under the Copyright Act.

The Washington statute is not vulnerable to preemption for a more basic reason which flows from the second prong of the Copyright Act’s preemption clause: it does not regulate works that “come within the subject matter of copyright.”\textsuperscript{137} The statute expressly excludes cases in which the article or product sold or offered for sale in the state “is a work within the subject matter of copyright as specified in § 102 of Title 17, United States Code.”\textsuperscript{138}

Additionally, powerful federalism principles support the ability of a state to pursue a policy that furthers the purposes of federal law (in terms of protecting the rights of property owners of IT) and condemns theft, so long as such actions are not preempted expressly or impliedly. Since the purpose of the Washington statute is complementary with clearly stated federal goals, and does not conflict with such goals, it is not preempted.

\textsuperscript{130} \textit{Altria Group}, 555 U.S. at 72 (citing Jones v. Rath Packing Co., 430 U. S. 519, 525 (1977).
\textsuperscript{131} Goldstein v. California, 412 U.S. 546, 561 (1973).
\textsuperscript{133} \textit{Goldstein}, 412 U.S. at 570.
\textsuperscript{135} 17 U.S.C. § 301(a) (2006).
\textsuperscript{136} Wrench LLC v. Taco Bell Corp., 256 F.3d 446, 456 (6th Cir. 2001); see also \textit{David Nimmer, Nimmer on Copyright § 1.01[B][1] (2010) (footnotes and internal quotation marks omitted).}
\textsuperscript{137} 17 U.S.C. § 301(a).
Beyond preemption, one could argue that goods made by manufacturers using stolen IT will be cheaper because the manufacturer’s cost is reduced by the theft. Although hard-core Chicago–School devotees can argue that consumers are benefiting from the lower price, the consequences of this kind of price myopia are unacceptable. A focus limited to reduced prices fails to take into account an array of values and incentives, not the least of which is stimulation of creativity and invention. The short-term benefits for consumers who pay less are more than offset by the longer-term adverse effects in terms of reduced competition and the adverse impact on creation and invention of better goods.

As an economics matter, there is a long-term and real risk in the failure to provide a regime to insure the protection of revenue, income, or royalties for intellectual property or IT. Talking about economic regulation and antitrust enforcement, Professor Thomas Horton posits: “[W]e should focus on fair and ethical competition, which will enhance, rather than sacrifice, our economic system’s overall dynamic and adaptive efficiency.” Professor Horton’s argument is consistent with the notion of rendering level the playing field. He relies on one of the primary architects of deregulation, the late Professor Alfred Kahn, as support for the value of fairness in the competitive market. “[F]air competition is an “end in itself.” . . . linked with the noneconomic values of free enterprise—equality of opportunity, the channeling of the profit motive into social constructive channels.”

The notion that the legal system should tolerate an evolving segment of the culture that accepts theft is nonsensical. “[M]oral behavior is necessary for exchange in moderately regulated markets . . . to reduce cheating without exorbitant transaction costs.” Professor Horton’s very recent scholarship on these points relies on Adam Smith for the proposition that competitive regimes and antitrust enforcement, “should not be based solely on economic measurements but also on moral and political judgment.” The idea of morality in the competitive market, including taking steps to level the playing field, is squarely in line with deep-seated and fundamental values that transcend the simplistic notion of allocative efficiency. A morally sound market is dynamic; in fact, it is the foundation of not just efficient market theory but is the “glue that holds our societies together.”

VI. Conclusion

The theft of IT or other non-tangible assets by upstream producers has a pernicious effect on fair market pricing, violates a most fundamental policy of intellectual property (protection of those who create and invent such property), and violates clear ethical norms

139 Thomas J. Horton, The Coming Extinction of Homo Economicus and the Eclipse of the Chicago School of Antitrust: Applying Evolutionary Biology to Structural and Behavioral Antitrust Analyses, 42 LOY. U. CHI. L.J. 469, 501 (2011) (finding fairness, economic morality, and broad values, more than efficiency-based (or so-called Chicago-School economics and a fixation on price) are fundamental to human beings and essential for survival).

140 Id.


142 Id.

143 Horton, supra note 139, at 512 (citing Richard Hofstadter, What Happened to the Antitrust Movement, in THE BUSINESS ESTABLISHMENT 113, 149 (Earl Frank Cheit ed., 1964)).

144 Horton, supra note 139, at 511.
regarding the sale of goods that benefitted from stolen IT or trade secrets. This is particularly true in light of the current uncertainty surrounding non-tangible technology patents. Thus, it makes solid economic sense to develop a plan to address such theft with multiple enforcement mechanisms.

Where manufacturers or hiring firms benefit from theft or misappropriation of IT, they are free-riding on the successes of creators and inventors, destabilizing the pricing market, and distorting lawful competition. The harm to competition and consumers is documented and substantial, public policy is implicated (in terms of both the letter and spirit of the laws regarding the use of stolen IT), fairness issues abound (regarding the injury suffered by those who produce the ideas and inventions that drive the economy), and unethical behavior (overt theft of IT) is rampant. Regulatory and legislative initiatives are needed not just to stimulate creation and invention but to insure a level and vibrant competitive playing field and some modicum of justice for those whose work has been stolen.