



April 15, 2005

The Honorable George W. Bush  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear President Bush:

On behalf of the 350,000 members of the National Taxpayers Union (NTU), I write to express our concern over the Brazilian government's threats to break the patents of American companies. Such a move would be damaging economically and send a dangerous message to other countries, especially China and India.

The United States Trade Representative has already put Brazil on notice for its rampant theft of American products and overseas assets. Furthermore, Brazil – the world's tenth largest economy – has been a vocal and visible detractor of your push to establish a free trade zone with Latin America. And now Brazil is on the brink of an unprecedented decision that necessitates a strong and immediate response from your Administration and from Congress.

Brazil is apparently considering breaking the patents on HIV drugs made by three American companies. Brazil claims that it is in a state of "national emergency" due to AIDS. However, there is more rhetoric than fact in this assertion since Brazil's HIV prevalence rate (0.7 percent) is on par with that of the United States (0.6 percent). This seizure of drug patents by an economic power like Brazil (which boasts the largest economy in Latin America) appears to be little more than a self-serving attempt to accelerate the development of its robust domestic generic drugs industry by stealing the hard work of America's leading innovators.

We believe that Brazil is unlikely to change course if your Administration does not vigorously challenge the status quo. The rhetoric from Brazilian President Lula against the United States has been extreme: "We need to have the courage to fight against the rich countries and tell them we do not accept the impositions they wish to force on us! . . . I want a people with their self-esteem recovered . . . We are a strong country that can't be taken lightly."

We would agree that neither your Administration nor Congress should take Brazil's actions lightly. In recent years, Brazil has had a very troubling record of violations of intellectual property. As the Office of the U.S. Trade Representative wrote last year, "Rampant piracy and lack of [intellectual property rights] enforcement continue to persist in . . . Brazil." Given this history, it is imperative that the American government send a clear message to Brazil that it must cease and desist.

American innovators demand that our government protect all forms of intellectual property. For an innovation-driven economy such as ours, software piracy, pharmaceutical piracy, film piracy and piracy of manufactured goods are all an equal threat to our long-term economic strength. And protection of intellectual property and private property are important to your goal of spreading freedom around the globe. As Milton Friedman observed, "you can't have a free society without private property." Thus, we ask that your Administration take the steps necessary to dissuade the Brazilian government from attempting to illegally seize American inventions.

Sincerely,

John Berthoud  
President