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IIPA Welcomes USTR *Special 301 Report* Seeking to Open Markets for Copyright, Including in India, China, and Russia

USTR Report Announces Important Bilateral Engagement and Strengthened Resolve to Effectively Address Copyright Piracy and Markets Closed due to Piracy or Other Barriers

Washington—Today the International Intellectual Property Alliance® (IIPA®) welcomed the decision of the United States Trade Representative (USTR) to highlight intellectual property (IP) and market access deficiencies in 39 important copyright markets in its Special 301 announcement (listing 37 of them on specific Special 301 lists). USTR's *2014 Special 301 Report* identifies countries that fail to provide adequate and effective protection for U.S. intellectual property, or fair and equitable market access, and sets priorities for the year to help open markets for U.S. copyright goods and services around the world. IIPA commends USTR for highlighting the problems of physical and online piracy and market access and other barriers,¹ listing 10 countries on the Priority Watch List and 27 on the Watch List, and announcing important reviews of the online piracy situation in Spain, and the IP regimes in India, Kuwait, and Paraguay.

According to IIPA Counsel²: "Special 301 remains a critical U.S. trade tool for identifying country practices that warrant attention for ineffective copyright protection or for maintaining onerous market barriers. This year's placement of India on the Priority Watch List with an Out-of-Cycle Review (OCR) highlights the increasing importance of the role of IP in the development of the world's second most populous country. Indian ingenuity and creativity, from Bollywood to vibrant music, publishing and software businesses, is almost unmatched in the world, but India needs to step up its efforts to ensure IP protection and enforcement in the country supports its own right holders as well as those from abroad. USTR importantly announced an OCR focused on steps taken by Spain to combat copyright piracy over the Internet, and calls upon Switzerland to expeditiously address Internet piracy. USTR's removal of Italy and the Philippines from the Watch List this year is a welcomed development, recognizing important new tools to combat Internet piracy in Italy and the resolve of Philippine authorities to address barriers to legitimate IP trade, and confirming the Special 301 process as a dynamic and effective tool for encouraging needed IP reforms."

"American creators continue to rely upon sound U.S. policy to foster effective copyright protection and enforcement, in combination with open markets, to generate millions of skilled high-wage U.S. jobs, expanded exports, and increasing contributions to the U.S. economy. By seeking practical solutions to piracy and market access barriers in significant copyright markets, USTR's Report signals the Administration's continuing commitment to protect our nation's most valuable IP assets. We thank all those in the U.S. Government for continuing to engage bilaterally and regionally to encourage our trading partners to make concrete progress toward stronger and more open IP marketplaces."

IIPA's full report and more materials can be found at <http://www.iipa.com/special301.html>.

¹ IIPA has proposed a 12 point agenda which includes: 1) The Need for Deterrent Enforcement Responses to Copyright Piracy, 2) Internet Piracy, 3) Enterprise (Including Government) End-User Piracy of Software and Other Copyright Materials, 4) Hard-Disk Loading, Mobile Device Piracy, and "Media Boxes," 5) Circumvention of Technological Protection Measures (TPMs), 6) Illegal Camcording of Theatrical Motion Pictures, 7) Piracy of Books and Journals, 8) Optical Disc Piracy, 9) Pay TV Piracy and Signal Theft, 10) Implementation of IPR Provisions in Trade Agreements, 11) Implementation of the WCT and WPPT, and 12) Market Access Barriers.

² Steven J. Metalitz, Eric Schwartz, Michael Schlesinger, Amanda Wilson Denton.



COUNTRY PLACEMENT IN USTR'S 2014 SPECIAL 301 ANNOUNCEMENT			
SECTION 301 INVESTIGATION	PRIORITY WATCH LIST	WATCH LIST	OUT-OF-CYCLE REVIEW
UKRAINE ³	ALGERIA ARGENTINA CHILE CHINA (306) ⁴ INDIA (OCR) INDONESIA PAKISTAN RUSSIAN FEDERATION THAILAND VENEZUELA	BARBADOS BELARUS BOLIVIA BRAZIL BULGARIA CANADA COLOMBIA COSTA RICA DOMINICAN REPUBLIC ECUADOR EGYPT FINLAND GREECE GUATEMALA JAMAICA KUWAIT (OCR) LEBANON MEXICO PARAGUAY (OCR) PERU ROMANIA TAJIKISTAN TRINIDAD AND TOBAGO TURKEY TURKMENISTAN UZBEKISTAN VIETNAM	SPAIN
1	10	27	1

About the IIPA: The IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve international protection and enforcement of copyright materials and to open foreign markets closed by piracy and other market access barriers. IIPA's seven member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. This includes all types of computer software, including operating systems, systems software such as databases and security packages, business applications, and consumer applications such as games, personal finance, and reference software, free software, open source software, and software as a service; entertainment software including interactive games for videogame consoles, handheld devices, personal computers and the Internet, and educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and fiction and non-fiction books, education instructional and assessment materials, and professional and scholarly journals, databases and software in all formats. Members of the IIPA include [Association of American Publishers](#), [BSA | The Software Alliance](#), [Entertainment Software Association](#), [Independent Film & Television Alliance](#), [Motion Picture Association of America](#), [National Music Publishers' Association](#), and [Recording Industry Association of America](#).

In November 2013, IIPA released the latest update of the comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2013 Report*, prepared by Stephen Siwek of Economists Inc. The study tracks the economic impact and contributions of U.S. industries creating, producing, distributing, broadcasting or exhibiting copyright materials, including computer software, videogames, books, newspapers, periodicals and journals, motion pictures, music, and radio and television programming. For the first time, we reported that the "core" copyright industries added over \$1 trillion in value to the U.S. economy in a single year, accounting for almost 6.5% of the total U.S. gross domestic product (GDP). These industries employed nearly 5.4 million U.S. workers – nearly 5% of the total private employment sector – with jobs paying an average of 33% more than the rest of the workforce. They also grew at an aggregate annual rate of 4.7%, more than twice the rate of growth for the U.S. economy. The core copyright industries accounted for \$142 billion in foreign sales and exports, far more than sectors such as aerospace, agriculture, food, and pharmaceuticals and medicines.⁵ The link between copyright protection and economic growth is documented by the World Intellectual Property Organization (WIPO) study, *WIPO Studies on the Economic Contribution of Copyright: Overview* (2013), compiling studies employing virtually the same agreed-upon methodology in 40 countries.⁶

For more information, contact: Steven J. Metalitz, Michael Schlesinger, Eric Schwartz, Amanda Wilson Denton (202) 355-7900

³ Ukraine was designated as a Priority Foreign Country in USTR's 2013 Special 301 Report, and subject to an investigation. On February 28, 2014, the U.S. Trade Representative determined that Ukraine's "acts, policies, and practices are unreasonable and burden or restrict United States commerce, but, due to the current political situation in Ukraine, no action would be taken at that time." In today's announcement, USTR indicates it "remains committed to addressing the problems that served as the basis for the designation of Ukraine as a PFC, and appreciates Ukraine's recent outreach and ongoing engagement in exploring how to ameliorate these problems and improve its overall IP regime."

⁴ The notation "306" refers to monitoring of a country's compliance with trade agreements with the U.S. under section 306 of the Trade Act.

⁵ See Stephen E. Siwek, *Copyright Industries in the U.S. Economy: The 2013 Report*, November 19, 2013, at http://www.iipa.com/copyright_us_economy.html. Core copyright industries are those whose primary purpose is to create, produce, distribute, or exhibit copyright materials.

⁶ *WIPO Studies on the Economic Contribution of Copyright: Overview* (2013), available at http://www.wipo.int/export/sites/www/copyright/en/performance/pdf/economic_contribution_analysis_2012.pdf, last accessed February 3, 2014.