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IIPA Highlights Challenges in Opening Foreign Markets for U.S. Creative Works

Trade Agreement Compliance, Government Engagement Take Center Stage in Push to Foster Legitimate Playing Field Around the Globe

Washington—The nation's leading creative industries, whose products and services are fostered and protected by copyright laws, today called on the U.S. Government to leverage U.S. trade agreements and other trade tools to further open key international markets to opportunities for legitimate digital business, and to address acts, practices and policies that stand as obstacles to achieving this goal.

In the submission made today in the annual “Special 301” inquiry launched by the U.S. Trade Representative (USTR), the International Intellectual Property Alliance® (IIPA®) stressed that the U.S. economy loses vital economic and export opportunities every year because of trade barriers in overseas markets. These barriers, including insufficient legal and enforcement tools to deal with organized copyright infringement enterprises online, stand in the way of growth of a legitimate digital marketplace for U.S. and foreign creators alike.

The IIPA noted that the core copyright industries—including music, films and TV, video games, and text publishing—are a major segment of the U.S. economy, generating over $1.1 trillion dollars of economic output in 2013, and accounting for nearly 5.5 million U.S. jobs. But their efforts to deliver their content to more people in more countries in more diversified and flexible ways than ever before are hampered by unfair competition from those who engage in infringement on a commercial scale as a high-profit, low-risk enterprise.

IIPA’s submission highlights markets that stand to influence—for better or worse—international respect for legal means of disseminating copyrighted works, and in particular:

- Focuses on key markets where sustained engagement by the U.S. government will reap positive results for creators and the industries that support them;
- Calls for USTR to designate Ukraine as a Priority Foreign Country;
- Recommends 6 countries—Chile, China, India, Russia, Thailand, and Vietnam—for placement on USTR’s Priority Watch List;
- Identifies 9 countries—Brazil, Canada, Colombia, Hong Kong, Indonesia, Mexico, Switzerland, Taiwan, and United Arab Emirates—for placement on USTR’s Watch List; and
- Asks for a formal review of Spain’s performance under each of the benchmarks in its pending Out-of-Cycle Review, and then for USTR to take appropriate action.

According to Steven J. Metalitz, IIPA Counsel, “The U.S. Trade Representative’s Special 301 Review initiates a crucial annual dialogue on markets that have unfulfilled potential for U.S. creative products, and highlights the changes needed in the legal and enforcement structures in those countries to permit fair and expanding marketplaces both online and offline. This week’s signing of the Trans-Pacific Partnership (TPP) is a timely reminder of the valuable role our government plays in promoting U.S. economic interests abroad, and of the need to seek enforceable commitments from key trading partners to remove impediments to legitimate marketplaces. TPP holds the potential to make a critical contribution, along with other trade agreements and Congressionally-mandated reviews like the Special 301 Report, to this market-opening drive.

“To reach foreign markets through legitimate and state-of-the-art channels, members of the publishing, film, music, and video game sectors rely on consistent, modern standards of copyright protection, efficient copyright enforcement, sound legal structures for licensing, and the elimination of market access barriers. Progress in these areas serves the dual purpose of advancing U.S.
trade goals while clearing the way for our trading partners to develop and expand their own cultural and creative output. The ultimate objective is to promote markets where the creative industries can bring more products and services in an increasing variety of ways from a greater diversity of players before an ever-growing global audience.”

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The full report and more materials can be found at [http://www.iipa.com/special301.html](http://www.iipa.com/special301.html). For more information, contact: the IIPA at (202) 355-7900 or at info@iipa.com.

About the IIPA: 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 copyrighted materials and to open foreign markets closed by piracy and other market access barriers. IIPA’s five member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. These include entertainment software, including interactive games for video game consoles, handheld devices, personal computers and the Internet; 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 ([www.publishers.org](http://www.publishers.org)), Entertainment Software Association ([www.theesa.com](http://www.theesa.com)), Independent Film & Television Alliance ([www.ifta-online.org](http://www.ifta-online.org)), Motion Picture Association of America ([www.mpaa.org](http://www.mpaa.org)), and Recording Industry Association of America ([www.riaa.com](http://www.riaa.com)).

In December 2014, IIPA released the latest update of its economic report, *Copyright Industries in the U.S. Economy: The 2014 Report*, prepared by Stephen E. Siwek of Economists Inc. According to the report, the “core” copyright industries in the U.S. generated over $1.1 trillion dollars of economic output in 2013, accounting for 6.71% of the entire economy. The core copyright industries also employed nearly 5.5 million workers in 2013, accounting for over 4% of the entire U.S. workforce, and nearly 5% of total private employment in the U.S. These workers earn on average 34% higher wages than other U.S. employees. The core copyright industries also outpaced the U.S. economy, growing at 3.9% between 2009 and 2013, while the U.S. economy grew by 2.2%. When factoring in other industries that contribute to the copyright economy (which together make up the “total” copyright industries), the numbers are even more impressive. Finally, the report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. In 2013, these sectors contributed $156 billion in foreign sales and exports, exceeding that of many other industry sectors, including: chemicals, aerospace products and parts, agriculture, and pharmaceuticals and medicines.1 Studies such as this amply demonstrate the contribution of creators, and the copyright-based industries that support them, to the economy.

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