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IIPA Welcomes USTR Special 301 Report

Special 301 Report Highlights Market Access and Enforcement Challenges for U.S. Creative Industries in Major Overseas Markets

Washington — The International Intellectual Property Alliance® (IIPA®) welcomes the 2016 Special 301 Report issued today by the Office of the United States Trade Representative (USTR). This annual report, mandated by Congress, identifies many of the major impediments to expanding legitimate global commerce in creative works.

The ultimate goal of Special 301 is to enhance the ability of U.S. creators to reach foreign markets, including in the evolving digital marketplace, with their publications, recorded music, movies and TV programming, video games, and other products and services that depend on copyright. To achieve this, these markets need world-class copyright laws; efficient copyright enforcement; sound legal structures for copyright licensing; and elimination of market-access barriers. Opening these markets is a proven means to grow U.S. exports, create good American jobs, and enhance U.S. global competitiveness. Special 301 remains a key policy tool for advancing these goals; and America’s copyright industries appreciate the Administration’s continued commitment to preserving this tool’s integrity and effectiveness.

This year’s report once again summarizes major global trends, especially in the online and mobile marketplaces, that impede the ability of lawful copyright-based services to compete. The report also identifies key overseas markets where trade barriers such as inadequate copyright enforcement and other market access restrictions must be addressed. Progress in these markets will not only contribute to positive results for U.S. creators, but will also help our trading partners to develop and nurture their own local cultural and creative output. Finally, this year’s report stresses the need for full implementation of the copyright standards in the Trans-Pacific Partnership (TPP) Agreement.

As the digital marketplace grows, so do the opportunities – but also the challenges – for the American creative community. These challenges are found not only in major emerging markets, such as China, Russia, and Brazil, but also elsewhere, such as in Switzerland, which appears on the Special 301 Watch List for the first time. The U.S. copyright industries look forward to working with USTR and with agencies across the U.S. government to encourage our trading partners to make concrete progress toward stronger and more open copyright marketplaces.

In today’s announcement:
• USTR lists 11 countries on the Priority Watch List, including key copyright markets like Chile, China, India, Indonesia, Russia, Thailand, and Ukraine;
• USTR lists 23 countries on the Watch List, including key markets for creators like Brazil, Canada, Colombia, Mexico, Switzerland and Vietnam;
• USTR maintains its current Out-of-Cycle Review for Spain, and announces three other new or continued OCRs.

On February 5, IIPA made a detailed submission to USTR with its recommendations for the 2016 Special 301 report. IIPA’s full submission and more materials can be found at http://www.iipawebsite.com/special301.html.
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. Members of the IIPA include Association of American Publishers (www.publishers.org), Entertainment Software Association (www.thesea.com), Independent Film & Television Alliance (www.ifta-online.org), Motion Picture Association of America (www.mpaa.org), and Recording Industry Association of America (www.riaa.com). 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 video games for 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.

In December 2014, IIPA released the latest update of its comprehensive 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 2.25%. When factoring in other industries that contribute to the copyright economy (which together make up the “total” copyright industries), the numbers are even more compelling. 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.

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1IIPA also recommended that Hong Kong, Taiwan, and United Arab Emirates be added to the Watch List.
2The notation “306” refers to monitoring of a country’s compliance with trade agreements with the U.S. under Section 306 of the Trade Act.
3IIPA had recommended that Indonesia be lowered to the Watch List.
4IIPA had recommended that Ukraine be elevated to Priority Foreign Country.
5IIPA had recommended that Vietnam be elevated to the Priority Watch List.
6See Stephen E. Siwek, Copyright Industries in the U.S. Economy: The 2014 Report, December 17, 2014. The report can be accessed at http://www.ipaweb.org/copyright_us_economy.html. Core copyright industries are those whose primary purpose is to create, produce, distribute, or exhibit copyright materials.