



For Release:
Friday, January 13, 2006

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**U.S. copyright- based industries welcome progress on combating piracy
and commitments by Brazil to pursue sustained actions
to deter piracy and improve enforcement and public awareness measures**

IIPA and its members approve of the new partnership between the U.S. and Brazilian governments

Washington, D.C. – The International Intellectual Property Alliance (IIPA), a coalition of seven trade associations representing over 1,900 U.S.-based copyright companies, reacted positively today to the U.S. government’s determination to close its review of Brazil’s copyright enforcement practices under the Generalized System of Preferences (GSP) trade program. The U.S. Administration’s decision, as issued by the Office of the U.S. Trade Representative, was based on progress made by Brazilian authorities and their commitment to continue to work through the United States-Brazil Bilateral Consultative Mechanism to address copyright piracy and enforcement problems in Brazil. Today’s decision ends a review process which was launched when the IIPA filed a petition in 2000 and USTR started the investigation in early 2001; at stake was more than US\$3 billion in annual preferential GSP trade benefits.

“Today marks a positive change by which both governments will work, in partnership under the Bilateral Consultative Mechanism, to engage constructively in ways Brazil can halt copyright piracy and improve enforcement,” said Eric H. Smith, IIPA President. “We understand that there are several goals which will be part of the ongoing U.S.-Brazil Bilateral Consultative Mechanism, including: (1) increase anti-piracy raids in well-known marketplaces; (2) encourage the establishment and formation of joint state and municipal anti-piracy IPR task forces which focus on priority locations; (3) take enforcement actions on the Brazil-Paraguay border; (4) enhance deterrence through criminal prosecutions and the application of deterrent penalties; (5) continue work to complete the 99 action items in the national plan developed by the National Council to Combat Piracy and Intellectual Property Crimes (CNCP); (6) pursue educational and media anti-piracy campaigns sponsored by the federal government, working with the private sector to raise public awareness of the anti-piracy fight; and (7) continue working with the industry through the CNCP.

Smith continued, “IIPA and its member associations in the recording, music, film, computer software, entertainment software, and book publishing industries are heartened by developments in Brazil, including the cooperation between the copyright private sectors and the National Council to Combat Piracy and Intellectual Property Crimes (CNCP), under the direction of officials Luiz Paulo Barreto and Marcio Gonçalves. Seizures of infringing copyrighted materials at the borders have been high, public seminars on anti-piracy are numerous, training cooperation between Brazilian and U.S. law enforcement continues, and there is growing cooperation between Brazilian law enforcement authorities at the federal and state levels.”

“Significant and lasting improvements in the Brazilian market are currently within reach, but much more work remains to be done. We have witnessed a decisive change in the attitudes of government officials towards piracy. It is now time to fully implement this new vision, and it remains imperative that the Brazilian government demonstrate sustained results in its anti-piracy campaigns,” Smith said. “The copyright industries’ overarching goals consistently have been, and remain, (1) reducing copyright piracy and (2) generating effective criminal enforcement in Brazil. Achieving these twin goals will result in the increase in the sales of legitimate product and a significant increase in Brazil’s cultural, educational and technical products. Piracy for our copyright materials remains very serious in Brazil, contributing to US\$960 million estimated trade losses due to piracy in 2004 alone. Retail piracy in well-known street marketplaces is rampant. The number of criminal prosecutions for copyright infringements remains very few, though more cases are being initiated under anti-smuggling laws. The copyright industries look forward to continue our work with Brazilian authorities to stop the illegal actions which undermine the economic vitality of a vibrant cultural marketplace.”

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