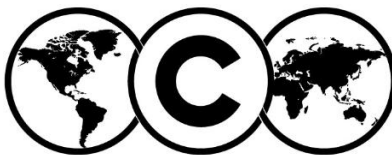


INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE®



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IIPA Deeply Appreciates USTR's Focus on Notorious Piracy Markets *Increasingly Alarming Online Piracy Highlighted; Physical Piracy Trouble Spots Noted*

Washington — The International Intellectual Property Alliance (IIPA) – a coalition of seven member associations, each of which represents a significant segment of the U.S. copyright industries – expressed its appreciation for USTR's announcement yesterday afternoon of its "Results of Special 301 Review of Notorious Markets." The announcement highlights dozens of Internet and physical markets exemplifying the global struggle against online and physical piracy.

IIPA Counsel Eric Smith noted, "We commend USTR for shedding light on notorious piracy markets. While the Internet and mobile networks have transformed the way we work, learn and play, they have also, unfortunately, resulted in massive infringement of music, movies, games, software, published materials and other copyright materials. Physical piracy markets also continue to harm our industries and close off markets to legitimate commerce in creative products."

IIPA Counsel Steve Metalitz continued, "USTR's report highlights the need for accountability in the online space and continuing vigilance in physical piracy markets. This may require not only an updating of the laws in countries where notorious markets have been identified by USTR, but stricter enforcement. It also requires all actors in the copyright value chain to recognize the responsibility they hold for being part of the solution rather than contributing to the growing problem of online and physical copyright theft."

Among the non-exhaustive list of notorious online markets are: **Baidu** (which provides "deep links" to online locations containing allegedly infringing materials); **Taobao** (Business-to-business (B2B) and business-to-consumer (B2C) websites offering a wide range of infringing products); **ThePirateBay**, **IsoHunt**, and **BtJunkie** (BitTorrent indexing sites used for the high speed location and downloading of allegedly infringing materials from other users); **Publicbt** (one of many BitTorrent tracker sites which can be used for the transfer of allegedly infringing material by directing users to those peers sharing the infringing content); social networking site **vKontakte** (which permits users to provide access to allegedly infringing materials); **TV Ants** (an example of streaming sites making live sports telecasts and other audiovisual works available on the Internet without authorization); and **91.com** (cited for making phone software applications available to the public without compensating rights holders). Physical piracy marketplaces cited include many previously noted by IIPA from around the globe.

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About the IIPA: The International Intellectual Property Alliance (IIPA) is a private sector coalition formed in 1984 to represent the U.S. copyright-based industries in bilateral and multilateral efforts to improve international protection of copyrighted materials. IIPA comprises seven trade associations, each representing a significant segment of the U.S. copyright community. These member associations represent over 1,900 U.S. companies producing and distributing materials protected by copyright laws throughout the world—business software (operating systems, Internet enabling software, browsers, search engines, office productivity software, database management software, green technology enabling software, security software and mobile technologies); entertainment software (interactive games for video game consoles, handheld devices, personal computers, and the Internet); theatrical films, television programs, home videos and digital representations of audiovisual works; musical compositions, recorded music, CDs, and audiocassettes; and textbooks, trade books, reference and professional publications and journals, in both print and electronic media.



The economic report *Copyright Industries in the U.S. Economy: The 2003 - 2007 Report*, the twelfth study written by Stephen Siwek of Economists Inc. This report details the economic impact and contributions of U.S. copyright industries to U.S. Gross Domestic Product, employment, economic growth and trade. The latest data show that the "core" U.S. copyright industries accounted for an estimated \$889.1 billion or 6.44% of the U.S. gross domestic product (GDP) in 2007. These "core" industries were responsible for 22.74% of the real economic growth achieved by the U.S. economy in 2006-2007. In addition, the "core" copyright industries employed 5.6 million workers in 2007 (4.05% of U.S. workers) in 2007. The report also provides data on the estimated average annual compensation for a worker in the core copyright industries: \$73,554, which represents a 30% premium over the compensation paid the average U.S. worker. Finally, estimated 2007 foreign sales and exports of the core copyright industries increased to at least \$126 billion, leading other major industry sectors.