

ARGENTINA

INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE (IIPA) 2019 SPECIAL 301 REPORT ON COPYRIGHT PROTECTION AND ENFORCEMENT

Special 301 Recommendation: IIPA recommends that Argentina be maintained on the Priority Watch List in 2019.¹

Executive Summary: After assuming the G20 Presidency for 2018, and announcing a commitment to international cooperation, the Government of Argentina failed to make copyright protection and enforcement a priority in 2018. While there were some positive developments in 2018, including an agreement by DAC, an Argentine collective management organization representing directors of audiovisual works, to accept and pay claims for royalties asserted by U.S. directors, long-standing deficiencies in IPR protection persist. Digital piracy remains a serious concern, with no significant enforcement actions reported in 2018 and problematic legislative proposals reappearing in a bill impacting creative content. The lack of inter-agency cooperation, especially between prosecutors and police cybercrime agents to address the issue, continues to allow pirate sites to adapt and grow in resilience. The Government of Argentina should apply its existing Civil and Commercial Code provisions to enforce the liability of online service providers for infringing content stored on their services. In the area of criminal law, the government should also create a round table for the private sector to discuss potential cross-industry cooperation to tackle online piracy more effectively. In addition, a specialized IP Prosecution Office should be created to promote and encourage cross-agency law enforcement cooperation in both the offline and online arenas, and to ensure that copyright cases will be investigated and prosecuted. The government should also support increasing awareness amongst the judiciary of using existing powers of injunctive relief to tackle various types of copyright infringement. Awareness of foreign best practices should be increased both in the area of enforcement and in the area of application of copyright concepts, such as the right of making available or communication to the public, to various types of online services.

Hard goods piracy remains rampant, with little to no action taken on enforcement, including seizures or investigations by federal or local authorities. Notwithstanding the high-profile arrests of two alleged leaders and many associates of the notorious open-air market, *La Salada* in 2017, the market remained operational in 2018 and there was a significant growth in the number of locations and vendors across the entire city of Buenos Aires. The Government of Argentina must undertake routine inspections and raids of physical markets, and *ex officio* actions to stop physical piracy. Active involvement by the AFIP, the Argentinian Customs Office, is also needed to reduce hard goods piracy, including the broad and open importation of counterfeit high value products, such as illegal video game devices. Overall, the government should, at the highest levels, commit to developing and implementing a coordinated anti-piracy campaign that addresses hard goods and online infringements as a matter of national priority.

Market access obstacles persist. A 2018 regulation updated content quotas for movie theaters, requiring that domestically produced films represent 30% of the volume of content shown for the entirety of one week per quarter where there is a dedicated screen, and increasing that time period should the exhibitor share the screen with another movie. IIPA urges the Government of Argentina to remove such quotas which distort the market, discriminate against U.S. audiovisual content, and are likely to result in increased piracy because Argentine consumers are unable to obtain sought after U.S. content.

¹For more details on Argentina's Special 301 history, see previous years' reports, at <https://iipa.org/reports/reports-by-country/>. For the history of Argentina's Special 301 placement, see <https://iipa.org/files/uploads/2019/02/2019SPEC301HISTORICALCHART.pdf>.



PRIORITY ACTIONS REQUESTED IN 2019

- Devote increased resources to fighting online piracy, and develop a coordinated antipiracy campaign (including the judiciary), and long term agenda at the federal and local level to address online piracy.
- Undertake routine inspections and raids of physical markets, and *ex officio* actions to stop physical and online piracy.
- Continue to apply the Civil and Commercial Code to ISP liability cases.
- Improve market access by removing quotas for motion pictures and electronic devices.
- Engage customs authorities to monitor and perform border operations against counterfeit high value products (such as modified game consoles) entering the country via airports and land borders.
- Create a round table for the government and the private sector to discuss potential cross-industry cooperation to tackle online piracy more effectively and support local digital economy development.
- Create an IP-specialized Prosecution Office and establish a federal jurisdiction over copyright crimes.

THE NATURE OF PIRACY IN ARGENTINA

Piracy in Argentina is pervasive and takes many forms.

Online Piracy. Digital piracy is endemic and continues to increase. Both online and on mobile phones, digital piracy in Argentina takes many forms, including torrent sites, downloading, streaming, cyberlockers, and linking sites. The prevalence of piracy fundamentally undermines the emerging digital economy in the country.

The U.S. Government has said that Internet piracy rates have reached extremely high levels in several content areas, citing the example of the Argentine-run notorious market *Cuevana*, which offers pirated movies and TV shows and has expanded to include a mobile streaming application. Enforcement against *Cuevana* gained momentum in December 2017, with the indictment of a key figure in the case, but this has taken years to accomplish and the market remains operational. The lack of a level playing field in the digital content market stymies the growth of legitimate services, which struggle to compete when vast quantities of copyright material are available from a multitude of sources. Argentina has the highest Internet penetration rate in the region, but its prospects for a robust legitimate online content market will remain bleak until the government makes concerted efforts to address rampant piracy issues.

Argentina is a heavy consumer of BitTorrent and pirate streaming websites. Following a regional trend, Argentina continues to see an increase in the usage of Piracy Devices (PDs), in particular, dedicated Android boxes such as the HTV box and Kodi boxes, which are used to stream illicit copies of films and television. The creative industries report that in 2018, there was also an increase in consumption of films and television through pirate streaming websites, piracy mobile apps and add-ons.

The illegal distribution of video game content continues to grow and damage the creation and consolidation of a digital economy in the country. Online marketplaces offering illegal video games and entertainment software, from video game titles to consoles and other counterfeit devices is a growing trend among pirates because it provides a better environment for business to reach a bigger audience and reduce operational costs and risk for the illegal activity. Online piracy is supported by social media platforms that enable pirates to target wider audiences in a more effective way. Linking sites are the most popular piracy channel for video game products among Argentinean users, monetized by advertisements and available in Spanish language. Several local infringing sites in Argentina are very popular abroad, including in Spain, Mexico, and Colombia.

There are currently 13 legal digital music services in Argentina, including Spotify, Apple Music, Tidal, Personal Música, Claro Música, Napster and Deezer. While Argentina has a relatively large physical and public performance rights market, demonstrating the country's appetite for music consumption, digital sales are currently

well below potential. For example, in 2017, digital music accounted for only 31% of sales revenue by trade value, which is much lower than the global average. Direct download and stream-ripping are the most widely used piracy tools, and are undoubtedly having the highest negative impact on the market, followed by free music access through mobile apps. Despite promising growth in streaming revenue (78% in 2017) in recent years, it is clear that the digital market cannot flourish while widespread piracy undermines. Tellingly, more than 50% of the market growth in 2017 came from traditional performance rights, the largest contributor to the music market in Argentina.

Physical Piracy. According to local reports, there are more than 490 illegal open-air markets in the country, and hard copy piracy is still rampant in major public markets and by street vendors, especially in Buenos Aires. By some estimates, hard copy piracy accounts for 60% of the illegal market for some industries. While hard copy piracy is not a concern for some industries, such as the music industry which is heavily digital for both legitimate and illegal source consumption, for many, it remains a significant concern.

A bright spot in enforcement has been an increased enforcement against piracy in several open-air markets in Buenos Aires, including *La Salada*, one of the largest black markets for pirated goods. As reported by USTR, in January 2017, Buenos Aires city authorities, with the support of Argentina's national government, evicted 2,000 illegal street vendors from the Once neighborhood.² These street vendors were relocated to nearby commercial facilities and provided with a stipend and a two-month business-training course organized by the Argentine Confederation of Small and Medium-Sized Enterprises. The high profile arrests of two alleged leaders and many associates of notorious market *La Salada* in June and October 2017, followed by largescale enforcement operations in December 2017, show a renewed governmental interest in cracking down on marketplaces known for counterfeit and pirated goods. Unfortunately, however, the market remained operational in 2018 and there was a significant growth in the number of locations and vendors across the entire city of Buenos Aires. By some estimates, there were 112.8% more illegal street vendors in Argentina in 2018, even if fewer stalls have been detected in illegal open air markets.

Camcording. While no illicit recordings of MPAA member films were sourced from Argentine cinemas in the period of January—November 2018, and only two camcords have been sourced to Argentina since January 2015, Argentina is home to a number of release groups which source camcorded material from all over the region and resell it online.

COPYRIGHT ENFORCEMENT

The creative industries report that, as in previous years, there were no significant enforcement actions in 2018. As seen in previous years, only a few basic actions (such as small street raids) took place, despite the government being in a better position to do more. Greater protections are especially needed online for IP and should be given more attention to help support the country's economic development.

In its April 2018 Special 301 Report, the U.S. Government noted long-standing deficiencies in Argentina's IPR protection, and especially the lack of effective enforcement by the national government. The report noted that Argentine police do not take *ex officio* actions, prosecutions can stall, and cases may languish. In addition, it observed that even "when a criminal investigation reaches final judgment, criminal infringers rarely receive sentences that deter recidivists or other potential infringers." In addition, the U.S. Government said that "criminal enforcement for online piracy is nearly nonexistent." The U.S. Government cited weak laws, leaving rights holders dependent on trying to persuade cooperative Argentine online providers to agree to take down specific infringing works as well as seeking injunctions in civil cases. These problems persist.

²USTR, 2017 Out-of-Cycle Review of Notorious Markets (January 2018), available at <https://ustr.gov/sites/default/files/files/Press/Reports/2017%20Notorious%20Markets%20List%201.11.18.pdf>.

Some of the weakness in Argentina's copyright enforcement regime is attributable to a lack of resources during a persistent economic crisis, but much rests on failings in procedures not making use of the existing laws to tackle the challenge. A lack of sustainable action and public policies at the federal and provincial levels directed to combat piracy online and offline allow for multiple markets and sites to adapt and grow in resilience. There has been little to no action taken on both the online and physical enforcement, including seizures or investigations by federal or local authorities. In addition, *ex officio* action by enforcement agencies remains non-existent; the police fail to comply with search warrants in a timely manner; and prosecutors fail to take criminal cases forward. Moreover, few cases are being brought to the courts because the pre-trial judicial investigation (*instrucción del sumario*) tends to be lengthy and extensive and the piracy crimes are not a priority for the investigative authorities. All of this makes enforcement very difficult and the overall IP protection status in the country very low.

The general perception is that while enforcement actions remained at the same, very low level as in previous years, there is improved government initiative to (1) tackle organized crime; and (2) promote a legitimate digital market in Argentina that could be used to improve IPR protections generally. However, law enforcement agencies lack human and technical resources, and without adequate resources, agencies have a difficult time investigating and enforcing against IPR crimes.

Online Piracy. Particularly as to online piracy, there is a noticeable lack of action by either federal or local law enforcement. Thus, online infringement remains a major problem. Difficulties persist in the investigations of copyright violations, evidence gathering procedures, and the assessment of monetization structures based on advertisements by infringing sites, and a general perception of tolerance, including judicial tolerance, for online copyright infringements presents obstacles to law enforcement efforts and to rights holders' own civil litigation. There is also a jurisdictional issue between local and federal police forces when it comes to online piracy cases. Both local and federal authorities suffer from a lack of technical support and human resources able to tackle the problem on a large-scale level.

While there are agreements related to U.S.-based companies with DMCA-style requirements for content removal, ISPs typically ignore takedown notices submitted by rights holders. The agreements require much-needed improvement in order to counter rampant piracy levels, especially for repeat infringers.

To address digital piracy, the government should: (i) facilitate the bringing of civil cases based on the Civil and Commercial Code concepts of liability where liability in the online environment is concerned; (ii) encourage the development of processes that enhance cooperation between rights holders and online intermediaries; (iii) establish voluntary best practices or codes of conduct to facilitate dealing with copyright piracy over Internet services and to increase the application of measures once a relevant order has been issued; (iv) ensure that the law establishes sufficient liability for knowledge or inducement of, or material contribution to, infringement, and permits courts' access to incriminating data regarding online piracy; (v) create and train special working groups on federal and local levels for police and prosecutors and the judiciary; (vi) encourage and promote the engagement of prosecutors on a wider agenda of online activities against cybercrime in Argentina to generate the necessary framework for future cases;³ and (vii) create an IP-specialized Prosecution Office and establish a federal jurisdiction over copyright crimes. Currently, there is no official initiative with respect to Argentina's huge Internet piracy problem, and there has been no significant progress or evidence of political will in this area.

Physical Piracy. As for piracy of hard goods, there are simple measures that the Government of Argentina can take to reduce piracy. Market organizers should be required to restrict licenses to vendors selling legitimate products. Routine inspections followed by raids are needed for markets in Buenos Aires that offer counterfeit goods,

³In December 2018, a nine year piracy-related judicial procedure against *Taringa!*, the Argentine information exchange platform, resulted in an acquittal. In 2009, several legal publishing companies initiated a claim stating that copyright-protected material was being uploaded to the *Taringa!* site without proper authorization. According to the court, even though its users shared links to pirated material, given that the material was not stored on the *Taringa!* platform, obliging them to stop its publication would be tantamount to committing an act of prior censorship. See <https://www.lanacion.com.ar/2204758-la-justicia-absuelve-fundadores-taringa-9-anos>.

including illegal copies of video games, film and television DVDs, and pirated sound recordings, especially the markets located in the city center which are more accessible to customers. The enforcement of the existing laws on IP protection by local and federal authorities, including active participation by prosecutors on such actions, would create a positive impact in the short term on the local market and also allow for more long term cases, such as those to pursue organized crime groups behind many of these markets. Authorities should receive institutional support and training, including training on organized crime activities, to effectively deal with these cases. Active involvement by the AFIP is needed to reduce hard goods piracy, including the broad and open importation of illegal video game devices, consoles, and video cards, many of which come into Argentina from Paraguay.

Civil and Criminal Prosecution. In a positive development, the Administration's draft Penal Code Reform bill includes a number of provisions that will improve enforcement, including: (i) a provision prohibiting the commercialization of PDs; (ii) the making of IP theft equivalent to the theft of physical objects; and (iii) making illegal the incorrect reporting of pay-TV subscriber numbers. The Administration is expected to send its proposal to the legislature in March 2019. Rights holders encourage Argentine lawmakers to maintain these helpful provisions during the legislative process.

In June 2018, the Argentine Prosecutors Office successfully removed the site, *DescargasMix*, after two years of investigation. The site contained illegal links for the download of multiple media, including music, movies, and video games, and it had 15 mirror sites and over 1.8 million monthly visits. The *Cuevana* case, filed in August 2013, regained movement in 2018, with a positive decision determining the indictment of the service operator and the freezing of operators' assets up to US\$270,000. The criminal courts also determined that blocking *Cuevana* and all *Cuevana*-related domains served the purpose of deterring copyright infringement.

Notwithstanding these developments, criminal and civil prosecution of pirates continue to present significant procedural hurdles in the criminal and civil courts, and criminal prosecution of cases remain relatively non-threatening due to a very slow criminal prosecution process. For example, criminal cases can take up to six years to reach a final verdict. Thus, reform is needed to help cases move through the system. Providing authorities with information on digital piracy could potentially improve the duration and success of criminal prosecution. The Criminal Code needs reform, including legislation to clearly criminalize camcording activities.

In addition, Argentina does not have a prosecution unit dedicated to IP crimes, and law enforcement in general does not prioritize IP cases. The creation of that unit is absolutely indispensable to develop enforcement of IP rights in the country. Similarly, the judiciary should be exposed to the international best practices in this area. Moreover, jurisdictional rules concerning online copyright infringement remain unclear, and the effects of that can be seen on the enormous length of cases presented to the judiciary system in Argentina. One attainable solution is the federalizing the prosecution of copyright infringement in Argentina, exactly as it is done with brand infringement.

Civil action is often the only available recourse, particularly for obtaining preliminary injunctions. Procedural hurdles persist here as well, such as the high cost of conducting civil cases, high cost for obtaining a bond, and very long processes. In 2014, the *Pirate Bay* case seemed to set a positive precedent for site blocking. A 2018 survey revealed that the *Pirate Bay* site was still blocked by ISPs and that the blocking was active with respect to all domains, except one which still could be accessed. This was brought to the attention of the court, which in turn, requested the National Entity for Communications (ENACOM) to take action. Authorities should take *ex officio* initiative and also implement international best practices on site blocking.

A Civil and Commercial Code, entered into force in 2015, provides for general principles of secondary liability and due care. Applied effectively to online infringement cases, this Code has the potential to activate cooperation by various intermediaries whose services are used by pirate operators who otherwise risk liability. While most cases so far have concerned the liability of search engines, it is notable that judges often link the liability of ISPs to the injunction to remove the illegal content, and not to negligent actions of ISPs.

Working Group. Finally, IIPA welcomes and encourages continued dialog between the U.S. Government and the Government of Argentina under the Creativity and Innovation Working Group, including on how best to address digital piracy issues in Argentina.

COPYRIGHT ACT AND RELATED LAWS IN ARGENTINA

In April 2017, the Government of Argentina launched a public input process to gather views on how, if at all, Argentina should update its copyright law. After receiving submissions from various stakeholders, it does not appear that any legislative changes will be proposed. Should the Government of Argentina proceed with any reform of the copyright law, the Government of Argentina should ensure adequate opportunities for relevant stakeholders to contribute to the process, and insist on adherence to international agreements. IIPA urges the U.S. Government to closely monitor this process.

There have also been recent legislative proposals that, if enacted, would be a step backwards for Argentina's protection of creative content. Draft bills S-1865/15 and S-942/16, together known as the "Pinedo Bill," aimed to establish overbroad ISP liability limitations. They were approved by the Senate in December 2016, but fortunately were rejected by the Chamber of Representatives in November 2018. A troubling new bill establishing expansive safe harbors to protect a wide range of online intermediaries from content-related liability is expected to be presented to Congress in March 2019, by the Internet Chamber (CABASE). Like its predecessor, the new bill is expected to define "ISP" broadly enough to include nearly any company with an online or cloud presence, and would severely compromise the ability of rights holders to remove infringing content quickly from websites, by requiring them to initiate judicial proceedings and obtain a court order before a service provider is required to remove illegal content. The bill would make online copyright enforcement unworkable in Argentina. IIPA urges the U.S. Government to be vigilant to ensure that the troubling provisions of this draft legislation do not resurface. If such a bill were approved, there would be serious consequences to the local digital market and Argentina would risk becoming a safe harbor for even greater numbers of infringing sites and platforms. While rights holders appreciate the willingness of Argentine lawmakers to start fresh on this initiative, any future iteration of this proposal must be significantly modified to protect copyright.

In addition, IIPA members are concerned about proposals granting total immunity to ISPs and other platforms from any civil or criminal liability, and urge foreign governments to include in these proposals exceptions for IP enforcement, which must then be properly implemented. Additionally, there are concerns with overly broad copyright immunity, for example, provisions that immunize parties who induce or facilitate infringement. Such troubling proposals are also occurring in Brazil and broad immunities are in operation in Chile. Legal incentives that ensure cooperation of ISPs and other online intermediaries with rights holders, are important for online enforcement.

Within the former Ministry of Communications, a Commission was set up for the drafting of a bill to amend, update and unify Law No. 26,522 regarding Audio-visual Communication Services and Law No. 27,078 regarding Digital Argentina. The Convergent Communications bill, drafted by ENACOM, has not yet been submitted to the National Congress for debate. Chapter IV of the bill incorporates the net neutrality principle indicating that users enjoy the right to access, use, send, receive, and offer content, and banning ISPs from engaging in any conduct resulting, among other things, in content blocking. However, technical steps relating to traffic management and network administration required to comply with a court order or a user's express request are listed as exceptions. The bill could have an impact on anti-piracy actions carried out by phonogram producers and/or the Argentine Chamber of Phonograms and Videograms Producers (CAPIF). The bill's developments are being monitored to ensure that, if it is passed into law, right holders will be entitled to take blocking actions against unauthorized content. Although the latest version of the bill establishes net neutrality for all types of content, *i.e.*, it does not distinguish between legal and illegal contents, the above-noted two exceptions to this general rule apply: court order restrictions, and user express requests.

MARKET ACCESS

Local Content Quotas. Resolution 4773 E/2017 went into effect on January 1, 2018, and mandates certification of compliance with the screen quota provisions set forth in Section 67 of the Media Law and accompanying regulation (Decree 1225/10). The quota regime requires free television licensees to show eight Argentine feature films per calendar year, or, for certain licensees, to pay 0.50% of the previous year's annual turnover to acquire, prior to filming, the broadcast rights to locally-produced Argentine film and TV movies. Likewise, non-national (retransmitted) subscription television services that show primarily fiction programs are required to allocate 0.50% of the previous year's annual turnover to acquire the broadcast rights to independent Argentine film and TV movies. Regulatory Decree 1225/2010 established that the National Film and Audiovisual Arts Institute (INCAA) would create a registry of national films to be purchased (Art. 67), but that list has not yet been finalized and produced.

The article and regulations might be applied retroactively, meaning that the motion picture industry could be held accountable for screen quota compliance, including investment and screening, for the entire year 2017. The quota mandate was incorporated in the 2009 Media Law but has not been previously enforced. As of this writing, the status of content quotas for pay-TV and streaming services remains unregulated in relation to content quotas. U.S. stakeholders are engaging ENACOM to explore ways in which this resolution may be mitigated, or postponed pending further consultation. In December 2018, Resolution 131/2018 of Modernization Secretariat was published in the Official Gazette, establishing a fifth drafting extension for the still pending Convergent Communications bill. The new draft is to be presented one year after the publication of this Resolution, or 90 days after the "Short Law" is sanctioned, whichever happens first. The new bill is expected to address critical and controversial matters such as content quotas and advertising quotas; industry incentives; as well as new platforms.

In July 2018, INCAA published a resolution (Resolution 1050/2018) regulating content quotas for movie theatres, which came into force on July 10, 2018. Domestically produced films must represent 30% of the volume of content shown, for the entirety of one week per quarter where there is a dedicated screen. While that 30% content quota was in effect previously, under the prior regulatory regime, the screen could be shared with another film. Under the new regulation, should the exhibitor share the screen with another movie, it will be considered a partial fulfillment, and the local production must be shown for two weeks (a minimum of one screening per day for at least one additional week) or until the full quota is fulfilled. Also in July 2018, ENACOM announced Resolution 4513 establishing that a 30% local content quota would be enforced on free-to-air TV in urban areas (10-15% for lesser populated markets). IIPA recommends that this quota provision be eliminated, as the quotas distort the market, discriminate against U.S. audiovisual content, and are likely to result in increased piracy because Argentine consumers are unable to get sought after U.S. content.

Temporary Export Tax and Import Tax. The motion picture industry reports that content produced in Argentina for regional export will likely be negatively impacted by Argentina's temporary export tax, the extent to which is currently unknown. The Government of Argentina has called for a withholding tax on exports in response to Argentina's IMF package, as Argentina is under pressure to have zero public deficit in the wake of rampant inflation, rising interest rates, and plunging currency. The new tax was included in the 2019 Budget Bill passed in the Senate on November 14, 2018. The law modifies the Customs Code and provides for "services rendered in the country whose use or effective exploitation is carried out abroad" to be included in the concept of "merchandise," including "copyrights and intellectual property rights." The law also provides that services suppliers can be considered exporters. The temporary tax to be set at 12% on the billing value would be applied from January 1, 2019 to December 31, 2020. However, key definitions remain pending, including the services exports to be taxed and how the billing will be controlled by the local Federal Administration of Public Revenue (AFIP). The temporary export tax threatens to raise costs and make it difficult for U.S. producers to operate in the country.

In December 2017, the government passed a tax reform law that imposes a 35% customs duty on imported video game consoles, which will have a negative impact on the video game industry as well as on consumers who

resort to “unofficial importation” to avoid paying the extra charges. Moreover, the law will also impose a 21% VAT on over-the-top (OTT) services as well as on a range of services provided by companies in the “collaborative economy.”

COLLECTIVE RIGHTS AND COLLECTIVE MANAGEMENT ORGANIZATION ISSUES

In May 2018, a new Defense of Competition Law (LDC) became fully effective. The purpose of the LDC is to make significant changes to Argentina's anti-competition regulations and enforcement procedures. The new law seeks to foster competition, fairer market practices and prevent cartelization. It also creates the National Competition Authority and a Competition Defense Authority with a tribunal that will investigate and penalize practices that threaten market competition, a responsibility that will no longer depend on just one government official's perspective. There is a concern, however, that the law has been used to undermine collective licensing practices of rights holders' CMOs who are considered to be in the dominant position.

In connection with the amendment to the LDC, the Secretary of Commerce issued a resolution on June 26, 2018 imposing a fine on SADAIC (the Collective Management Organization representing Authors and Composers in Argentina) for charging abusive prices in the collection of performance rights to hotels. This resolution is not yet final, as SADAIC has filed a motion for appeal which is currently under review by Panel III of the Federal Civil and Commercial Court of Appeals. Two bills introduced in 2018 (S-537/18 and S-2884) would amend Section 36 of Law No. 11,723 for hotel rooms to be considered royalty-free areas, *i.e.*, exempting hotels from paying performance rights for the music played in their establishments. Such proposals would be inconsistent with Argentina's international obligations under the WPPT. In November 2018, the Federation of Gastronomic Hoteliers of the Argentine Republic (FEHGRA) repeated a request for a decree exempting them from paying royalties, on the understanding that it is an “abuse” to pay those tariffs for the mere possession of a television in a hotel room. Several CMOs request that royalties be paid assuming that access to a TV set in the bedroom implies that each passenger consumes copyrighted material. The Administration has not yet responded.