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## IIPA COMMENDS USTR IDENTIFICATION OF NOTORIOUS MARKETS FACILITATING GLOBAL PIRACY

### Special 301 Report of “Notorious Markets” Includes Online and Physical Marketplaces that Cause Significant Economic Harm to Copyright Creators and the U.S. Economy

Washington, DC — Yesterday, the United States Trade Representative (“USTR”) announced the results of its 2021 Special 301 Out-of-Cycle Review of Notorious Markets. The 2021 USTR report identifies 60 online and physical marketplaces around the world that engage in and facilitate substantial copyright piracy by marketing and distributing infringing goods and services. The International Intellectual Property Alliance (IIPA), representing five leading trade associations of the U.S. copyright industries, praises the USTR report, noting in particular that the list includes many of the notorious online and physical markets identified by IIPA members in their respective filings to the U.S. government in 2021.

This year’s report includes an issue focus on the significant harm to workers of online infringement, which is an issue of great importance and an area of focus that IIPA members welcome as part of the Administration’s worker-centric trade policy. Moreover, the 2021 USTR report includes several previously identified online markets, such as *sci-hub.io* and *libgen.rs*. *Sci-hub* facilitates unauthorized access to some 87.97 million journal articles and academic papers (at least 85% of all toll access journal articles published). *Libgen* boasts that it hosts 2.4 million non-fiction books, 80 million science magazine articles, 2.2 million fiction books, 0.4 million magazine issues, and 2 million comic strips, which is also being made available through multiple mirror sites. Additionally, the report notes some markets that have closed due to the notoriety of past listings and the ensuing enforcement actions.

IIPA Executive Director Kevin M. Rosenbaum commented, “We commend USTR and the interagency partners for their outstanding work in identifying notorious markets for copyright piracy, and for highlighting the negative impacts of infringement on American workers. Piracy undermines legitimate markets, severely harming creators, producers, workers, and consumers. Identifying specific online and physical illegal markets is critical for rights holders to develop legitimate services and markets for the ultimate benefit of workers and consumers worldwide. Ridding marketplaces of blatant infringers allows greater access to legal content, including literary works, music, movies and TV programming, video games, software, and other products and services, all of which are available now for consumers, in more formats than at any time in history.”

The 2021 USTR Notorious Markets Report can be found here:

<https://ustr.gov/sites/default/files/IssueAreas/IP/2021%20Notorious%20Markets%20List.pdf>.

**About the IIPA:** IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve copyright protection and enforcement abroad 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](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 ([www.motionpictures.org](http://www.motionpictures.org)), and Recording Industry Association of America, Inc.

Association of America ([www.riaa.com](http://www.riaa.com)). Collectively, IIPA's five member associations represent over 3,200 U.S. companies producing and distributing copyrightable content. The materials produced and distributed by IIPA member companies 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 recorded in all formats (from digital files to CDs and vinyl) for streaming and other online services, as well as broadcasting, public performance and synchronization in audiovisual materials; and fiction and non-fiction books, educational, instructional and assessment materials, and professional and scholarly journals, databases and software in all formats.

In December 2020, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2020 Report*, prepared by Economists Inc. (2020 Report). According to the 2020 Report, the "core" copyright industries in the United States generated over \$1.5 trillion of economic output in 2019, accounting for 7.41% of the entire economy, and employed approximately 5.7 million workers in 2019, accounting for 3.79% of the entire U.S. workforce and 4.46% of total private employment in the U.S. The jobs created by these industries are well-paying jobs; for example, copyright industry workers earn on average 43% higher wages than other U.S. workers. In addition, according to the 2020 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 5.87% between 2016 and 2019, while the U.S. economy grew by 2.48%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2020 Report calls the "total" copyright industries), the numbers are even more compelling. Additionally, the 2020 Report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. Given the importance of digital delivery to the copyright-based industries, this sector has the potential to multiply its export revenues if our trading partners provide strong copyright-protective environments. In 2019, these sectors contributed \$218.8 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines, electronic equipment, appliances and components, agricultural products, and aerospace products and parts. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.