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IIPA SUPPORTS USTR IDENTIFICATION OF NOTORIOUS MARKETS FACILITATING GLOBAL PIRACY TO PROTECT U.S. WORKERS

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 —The International Intellectual Property Alliance (IIPA), representing five leading trade associations of the U.S. copyright industries, today applauds the U.S. Trade Representative’s (USTR’s) Special 301 “Notorious Markets” Report, and its issue focus on the adverse impact of online piracy on U.S. workers. IIPA also notes that the Report includes many of the notorious online and physical markets identified by IIPA members in their respective filings to the U.S. government in 2022. The 2022 USTR report identifies 39 online markets and 33 physical markets that are reported to engage in or facilitate substantial trademark counterfeiting or copyright piracy.

Examining the adverse impact of online piracy on U.S. workers is an issue of great importance to IIPA members that has important implications for the Administration’s worker-centric trade policy. Moreover, the 2022 USTR report includes several previously identified online markets, such as *Flvto.biz* and *2conv.com*. Stream-ripping sites like these allow users to copy and paste a YouTube link into a conversion bar and quickly convert videos into digital audio files. Additionally, as highlighted in the report, BitTorrent sites like *1337x.to* provide access to a range of pirated content, including movies, TV series, music, and software. The report also 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 congratulate USTR and the interagency partners for their outstanding work on this year’s Special 301 Report of Notorious Markets, which includes an issue focus on the harm copyright piracy causes to American workers. We welcome USTR’s highlighting that digital copyright piracy results in lowered revenues and wages across the industry, which then impairs workers’ benefits and job security. The report makes clear why addressing copyright piracy in foreign markets, particularly in their digital marketplaces, advances the Administration’s worker-centric trade policy. As USTR correctly noted, a goal of the NML should be ‘to motivate appropriate action by the private sector and governments to reduce piracy and counterfeiting.’”

The 2022 USTR Notorious Markets Report can be found here: [2022 Notorious Markets List \(final\).pdf \(ustr.gov\)](#)

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), Entertainment Software Association (www.theesa.com), Independent Film & Television Alliance (www.ifta-online.org), Motion Picture Association (www.motionpictures.org), and Recording Industry Association of America (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 2022, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2022 Report*, prepared by Secretariat Economists. (2022 Report). According to the 2022 Report, the "core" copyright industries in the United States generated over \$1.8 trillion of economic output in 2021, accounting for 7.76% of the entire economy, and employed approximately 9.6 million workers in 2021, accounting for 4.88% of the entire U.S. workforce and 5.53% 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 51% higher wages than other U.S. workers. The report also broke new ground by measuring the copyright industries' significant contributions to the U.S. digital economy, as that concept was [defined](#) by the federal government. In 2021, the core copyright industries accounted for 52.26% of the U.S. digital economy and 48.1% of U.S. digital economy employment, even though the government's digital economy definition does not encompass the full range of the copyright industries' digital activities. In addition, according to the 2022 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 6.15% between 2018 and 2021, while the U.S. economy grew by 1.76%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2022 Report calls the "total" copyright industries), the numbers are even more compelling. Additionally, the 2022 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 2021, these sectors contributed \$230.3 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines, agricultural products, aerospace products and parts, and food and kindred products. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.