INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE®

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IIPA WELCOMES USTR IDENTIFICATION OF NOTORIOUS MARKETPLACES THAT FACILITATE GLOBAL PIRACY

Special 301 Report of "Notorious Markets" Includes Online and Physical Marketplaces That Cause Significant Damage to Copyright Creators and the U.S. Economy

Washington, DC — Today the International Intellectual Property Alliance (IIPA), representing the seven leading trade associations of the U.S. copyright industries, praised the United States Trade Representative (USTR) announcement of "Results of the 2013 Out-of-Cycle Review of Notorious Markets." The USTR report identifies more than 40 online and physical marketplaces around the world that sustain global copyright piracy by dealing in infringing goods and services.

IIPA Counsel Steven J. Metalitz noted, "We are extremely appreciative of the U.S. Government's continuing focus on the constantly-changing landscape of notorious piracy markets, as highlighted in today's announcement. The listing draws attention to markets that evade enforcement and undermine the functioning and growth of a legitimate global marketplace for U.S. creative works, while noting that some important operators have begun to clean up their acts. Pirate markets impede the legitimate development of creative industries by prejudicing investment in original production, limiting revenues for local businesses and governments, and costing countless well-paying jobs in local economies."

Metalitz added, "Putting a stop to illegal activity online is a vital step in realizing the full potential of the Internet and mobile networks as engines for growth and creativity in the legitimate sectors of music, movies, games, software, published materials and other copyright works. The resistance of physical piracy marketplaces to enforcement, as detailed in USTR's report, also continues to damage the ability of U.S. and local creators to flourish in foreign markets. Today's report underscores the importance of strong laws and actions to crack down against piracy in notorious markets."

About the IIPA: The IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve international protection and enforcement of copyright materials and to open foreign markets closed by piracy and other market access barriers. IIPA's seven member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. This includes all types of computer software, including operating systems, systems software such as databases and security packages, business applications, and consumer applications such as games, personal finance, and reference software, free software, open source software, and software as a service; entertainment software including interactive games for videogame 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, records, CDs, and

audiocassettes; and fiction and non-fiction books, education instructional and assessment materials, and professional and scholarly journals, databases and software in all formats. Members of the IIPA include Association of American Publishers, BSA | The Software Alliance, Entertainment Software Association, Independent Film & Television Alliance, Motion Picture Association of America, National Music Publishers' Association, and Recording Industry Association of America.

In November 2013, IIPA released the latest update of the comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2013 Report*, prepared by Stephen Siwek of Economists Inc. The study tracks the economic impact and contributions of U.S. industries creating, producing, distributing, broadcasting or exhibiting copyright materials, including computer software, videogames, books, newspapers, periodicals and journals, motion pictures, music, and radio and television programming. For the first time, we reported that the "core" copyright industries added over $1 trillion in value to the U.S. economy in a single year, accounting for almost 6.5% of the total U.S. gross domestic product (GDP). These industries employed nearly 5.4 million U.S. workers – nearly 5% of the total private employment sector – with jobs paying an average of 33% more than the rest of the workforce. They also grew at an aggregate annual rate of 4.7%, more than twice the rate of growth for the U.S. economy. The core copyright industries accounted for $142 billion in foreign sales and exports, far more than sectors such as aerospace, agriculture, food, and pharmaceuticals and medicines.[1] The link between copyright protection and economic growth is documented by the World Intellectual Property Organization (WIPO) study, WIPO Studies on the Economic Contribution of Copyright: Overview (2013), compiling studies employing virtually the same agreed-upon methodology in 40 countries.[2]

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[1]*See* Stephen E. Siwek, *Copyright Industries in the U.S. Economy: The 2013 Report*, November 19, 2013, at http://www.iipa.com/copyright_us_economy.html. Core copyright industries are those whose primary purpose is to create, produce, distribute, or exhibit copyright materials.
[2]*WIPO Studies on the Economic Contribution of Copyright: Overview* (2013), available at http://www.wipo.int/export/sites/www/copyright/en/performance/pdf/economic_contribution_analysis_2012.pdf, last accessed February 3, 2014.