INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE



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FOR IMMEDIATE RELEASE December 6, 2001 CONTACT: Eric H. Smith (202) 833-4198

IN A MAJOR ADVANCE FOR THE FUTURE OF GLOBAL ELECTRONIC COMMERCE, TODAY THE 30TH COUNTRY NECESSARY TO BRING THE WIPO COPYRIGHT TREATY (WCT) INTO FORCE ACCEDED TO IT BY DEPOSITING ITS INSTRUMENT OF ACCESSION AT WIPO IN GENEVA.

IIPA and its members applaud this milestone development and also await the 30th member of the WIPO Performances and Phonograms Treaty (WPPT) before the end of this year.

Washington — The International Intellectual Property Alliance (IIPA) today hailed the announcement from the World Intellectual Property Organization (WIPO) that Gabon had deposited its instruments of accession to one of the "Internet Treaties" -- the WIPO Copyright Treaty -- in Geneva, becoming the 30th country to accede. By its terms, the treaty will enter into force 3 months after 30 countries have acceded to it, or on March 6, 2002. The companion treaty, the WIPO Performances and Phonograms Treaty (WPPT), is expected to have 30 country accessions by the end of the year. When both treaties enter into force, they will embody a new international legal standard on the protection for copyrighted works transmitted over digital networks like the Internet

"This is truly a milestone development for the continued growth of electronic commerce, for the future of the Internet globally, and for copyright," said Eric H. Smith, President of the IIPA. "These treaties, drafted in 1996, form the core legal infrastructure for the protection of valuable copyright content traveling on digital networks. The U.S. implemented its obligations under both the WCT and WPPT by adopting the Digital Millennium Copyright Act (DMCA) in October 1998. Besides the U.S., leading markets such as Japan, Australia and many developing countries have adopted legislation to implement the Internet Treaties, and the Member States of the European Union are in the process of doing so. IIPA and its members applaud these countries, and the other nations that have acceded to the Treaties, particularly developing countries, for their recognition that the Internet and Electronic Commerce will be key engines of economic growth in this new Millennium. IIPA looks forward to all other countries ratifying and implementing these treaties and to cooperating to build a secure environment for copyright works – movies, music, literary materials, business and entertainment software and other protected works – to be transmitted on a global, cost-effective basis over the Internet. We look forward to working with all governments to assist in this implementation process."

Attached is WIPO's Press Release announcing the adherence by Gabon to the Treaties with an explanation by WIPO Director General Kamil Idris of the obligations contained in these Treaties and their importance to the global economy.

The 30 countries that have acceded or ratified the WCT are: Argentina, Belarus, Bulgaria, Burkina Faso, Chile, Colombia, Costa Rica, Croatia, Czech Republic, Ecuador, El Salvador, Gabon, Georgia, Hungary, Indonesia, Japan, Kyrgyzstan, Latvia, Lithuania, Mexico, Panama, Paraguay, Peru, Republic of Moldova, Romania, Saint Lucia, Slovakia, Slovenia, Ukraine, and United States of America.













About the IIPA and the Impact of the U.S. Copyright Industries in the U.S. economy

The International Intellectual Property Alliance (IIPA) is a coalition of seven trade associations representing U.S. copyright-based industries in bilateral and multilateral efforts to open up foreign markets closed by piracy and other market access barriers. These member associations represent approximately 1,900 U.S. companies producing and distributing materials protected by copyright laws throughout the world - all types of computer software including business applications software and entertainment software (such as videogame CD's and cartridges, personal computer CDs and multimedia products); motion pictures, television programs, DVDs and home videocassettes; music, records, CDs, and audiocassettes; and textbooks, tradebooks, reference and professional publications and journals (in both electronic and print media).

According to <u>Copyright Industries in the U.S. Economy: The 2000 Report</u>, prepared for IIPA by Economists, Inc., the core copyright industries accounted for \$457.2 billion in value added to the U.S. economy, or approximately 4.9% of the Gross Domestic Product (GDP) in 1999 (the last year for which complete data is available). In the years since 1977, the core copyright industries share of GDP grew at an annual rate more than twice as fast as the remainder of the economy (7.2% vs. 3.1%). Employment in the core copyright industries more than doubled over the same time period to 4.3 million workers and grew nearly three times as fast as the annual rate of the economy as a whole (5.0% vs. 1.6%). In 1999, the U.S. copyright industries achieved foreign sales and exports of \$79.65 billion, a 15% gain from the prior year.

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Press Release PR/20011300

Geneva, December 6, 2001

30TH ACCESSION TO KEY COPYRIGHT TREATY PAVES WAY FOR ENTRY INTO FORCE

Gabon's accession on December 6, 2001 to the WIPO Copyright Treaty (WCT) paves the way for entry into force of this key treaty that will bring copyright law in line with the digital age, a move welcomed by the Director General of the World Intellectual Property Organization (WIPO), Dr. Kamil Idris. This accession means that the WCT will enter into force in three months time, on March 6, 2002. The WIPO Performances and Phonograms Treaty (WPPT) is also expected to enter into force in the near future when 30 countries have become part, to it (28 to date). By safeguarding the interests of creators in cyberspace, the WCT opens new horizons for composers, artists, writers and others to use the Internet with confidence to create, distribute and control the use of their works within the digital environment.

"This is an important day in the history of copyright, making it better equipped to meet the technological challenges of cyberspace" said Dr. Idris, noting that this will provide a platform for creators to further exploit the Internet with confidence. "Together, these treaties represent a milestone in modernizing the international law of copyright and neighboring rights, ushering it into the digital age," said Dr. Idris.

The Director General emphasized the importance of the new norms provided for in the WCT and the WPPT which, he said, are vital for the further development of the Internet, electronic commerce and thereby the culture and information industries. He stressed that for the treaties to be truly effective in the borderless world of cyberspace, they must become widely adopted by countries in all regions of the world. "While we have reached the key number of 30 countries required for entry into force, I urge all other countries to follow suit and to incorporate the provisions of the WCT and WPPT into their national legislation. This will create the conditions necessary for the broad-based and legitimate distribution of creative works;, and recordings on the Internet," he said. These two treaties will help ensure that artists, composers, writers, musicians and others involved in the creative process are protected from Internet piracy, Dr. Idris noted.

Background

Copyright law provides protection for literary and artistic works, giving authors the ability to control the exploitation of their works. The law o related rights provides similar protection for the creative contributions of those involved in presenting works to the public, such as performers, phonogram producers and broadcasters. These rights are provided by national laws in individual countries. International treaties serve to forge links among different national laws, ensuring that creators are also protected in another country than their own. The treaties do not overrule national law, but require the countries that join them to grant some specified minimum rights, and to do so on a nondiscriminatory basis.

Adopted in 1996, the WCT and WPPT update and improve the international protection which was established prior to the development arc widespread use of personal computers and the Internet. The WCT introduces new and far-reaching norms to protect the rights of authors within the digital environment. It protects literary and artistic works, a broad category that includes books, computer programs, music, art, and movies. It updates and supplements the Berne Convention for the Protection of Literary and Artistic Works, the major international copyright treaty in the world today which was originally adopted in 1886, and most recently revised in 1971.

The WPPT will similarly safeguard the interests of producers of phonograms or sound recordings as well as of the performers whose performances are fixed in phonograms. It updates and supplements the major related rights treaty, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (adopted in 1961). In this way, the WCT and WPPT provide responses to the challenges of the new digital technologies. It is for this reason that they have come to be known **AS** the "Internet treaties."

Both treaties require countries to provide a basic framework of rights, allowing creators to control and/or be compensated for the various ways in which their creations are used and enjoyed by others. The treaties ensure that rightholders will continue to be adequately and effectively protected when their works are disseminated over the Internet. They do so, first, by clarifying that the traditional right of reproduction continues to apply in the digital environment, including to storage of material in digital form in an electronic medium; and by confirming the rightholders' right to control the making available of their creations on demand to individual members of the public. In order 1 achieve a balance of interests, the treaties also make clear that countries have flexibility in establishing exceptions or limitations to rights it the digital environment, and may either extend existing exceptions and limitations or adopt new ones, as appropriate in the circumstances.

The treaties also break new ground by ensuring that rightholders can effectively use technology to protect their rights and to license their works online. The "anti-circumvention" provision addresses the problem of "hacking" by requiring countries to provide adequate legal protection and effective remedies against the circumvention of technological measures, such as encryption. Such technologies are used by rightholders to protect their rights when their creations are disseminated on the Internet. The treaties also serve to safeguard the reliability and integrity of the online marketplace, by requiring countries to prohibit the deliberate alteration or deletion of electronic "rights management information": that is, information that identifies a work, its author, performer or owner, and the terms and conditions for its use

Both treaties also contain provisions on rights of distribution and rental, rights to be remunerated for certain forms of broadcasting or communication to the public, and an obligation for countries to provide adequate and effective enforcement measures.

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