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IIPA Statement at the Public Forum in support of the Negotiations for an Anti-Counterfeiting Trade Agreement (ACTA)

Washington -- Today the International Intellectual Property Alliance (IIPA), a coalition representing the copyright-based industries, participated in a public forum on the ongoing negotiations of the Anti-Counterfeiting Trade Agreement (ACTA). In the ACTA, the U.S. and other interested governments seek an agreement with provisions in three main areas: international cooperation, enforcement practices, and the legal framework for the enforcement of intellectual property rights. Given the serious global problem of copyright piracy and the need to improve effective enforcement, IIPA endorses this important initiative and looks forward to an agreement that contains high standards agreed by all the signatories. Achieving an agreement that enhances international coordination, promotes more effective enforcement, and shares ideas on best practices are essential components in the struggle against a piracy problem that knows no borders.

In earlier public comments on the ACTA, IIPA stated that, “An ACTA should have high level enforcement standards, not those that simply reiterate the WTO TRIPS Agreement. TRIPS already sets out the minimum level of enforcement standards. While many countries may have laws in place, those laws are not effectively enforced in practice.”

The TRIPS enforcement standards were essentially agreed to in 1990, over 18 years ago. Given the vast changes that have occurred since then, the purpose of the ACTA must be to clarify those standards, enhance them to take account of changes in technologies and new ways that commercial pirates have developed for infringing intellectual property rights, and take new steps to ensure that countries provide the kind of effective and deterrent enforcement practices that TRIPS envisions. The IPR chapters of the free trade agreements concluded by the U.S. with a number of our trading partners contain standards of enforcement that are adapted to fighting piracy and counterfeiting as we now know it, particularly in the online environment. The ACTA should follow along these same lines. We understand that this is the intention of the U.S. and our trading partners, and IIPA applauds this approach.

As IIPA has stated earlier, “The ACTA’s objective should be an ambitious agreement that addresses today’s challenges, including strengthened legal regimes and strengthened and effective copyright enforcement in both the hard goods and online environments. Such ambition should not be sacrificed for additional signatories or the need for a hurried conclusion of negotiations.”

Given the heavy losses the copyright-based industries suffer due to piracy, it is critical that the ACTA enhance existing international norms and strengthen standards for the enforcement of intellectual property rights. The vitality and competitiveness of the U.S. economy depends on a thriving copyright

sector that creates jobs and exports. Without effective and deterrent enforcement, the continued growth and future competitiveness of these industries are threatened. It is essential that our trading partners provide not only free and open markets, but also high levels of protection for copyright, and effective policies to enforce that protection. To meet the constantly evolving threats to copyright worldwide, these countries' responses must remain flexible, innovative and committed.

The creativity, production and distribution of original high-value content is a key driver of investment, job creation and increased tax payments to government. The theft of copyrighted creative content -- in both hard goods and online -- severely undercuts the ability of U.S. creators, both companies and individuals, to engage in legitimate commerce and to grow in both the domestic U.S. market, and increasingly, the international market. Positive industry growth simply cannot be sustained in countries where piracy dominates the market.

The marketplace for copyright materials is in the midst of major transformation, and copyright owners are currently exploring a variety of new ways to distribute their content. Unfortunately, such efforts are significantly hampered by the continuing growth of online piracy. Robust laws and effective enforcement measures adapted to the online environment must be in place to provide both right holders and governments with the proper means to combat this very damaging form of economic and cultural theft.

About the IIPA: 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 over 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 discs and cartridges, personal computer CD-ROMs, and multimedia products); theatrical films, television programs, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and textbooks, trade books, reference and professional publications and journals (in both electronic and print media).

The Contributions of the U.S. Copyright Industries on the U.S. Economy and Foreign Trade: On January 30, 2007, the IIPA released an economic report entitled *Copyright Industries in the U.S. Economy: The 2006 Report*, the eleventh study written by Stephen Siwek of Economists Inc. This report details the economic impact and contributions of U.S. copyright industries to U.S. Gross Domestic Product, employment, and trade. The latest data show that the "core" U.S. copyright industries accounted for an estimated \$819.06 billion or 6.56% of the U.S. gross domestic product (GDP) in 2005. These "core" industries were responsible for 12.96% of the growth achieved in 2005 for the U.S. economy as a whole (this means that the growth contributed by these core industries (12.96%) was almost double their current dollar share of GDP (6.56%)). In addition, the "core" copyright industries employed 5.38 million workers in 2005 (4.03% of U.S. workers) in 2005. And the report, for the first time, provides data on the estimated average annual compensation for a worker in the core copyright industries: \$69,839 in 2005, which represents a 40% premium over the compensation paid the average U.S. worker. Finally, estimated 2005 foreign sales and exports of the core copyright industries increased to at least \$110.8 billion, leading other major industry sectors. Those sectors include: chemicals and related products (not including medicinal and pharmaceutical products); motor vehicles, parts and accessories; aircraft and associated equipment; food and live animals; and medicinal and pharmaceutical products. *The 2006 Report* is posted on the IIPA website at www.iipa.com.

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