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Leading U.S. Creative Industries Identify Global Challenges To Expanding Legitimate Digital Marketplace

IIPA Urges U.S. Government In New Filing to Help Ensure Trading Partners Strengthen Copyright Protection, Improve Enforcement Against Piracy, and Lower Trade Barriers to Grow Markets

Washington—Today the nation's leading creative industries, which employ approximately 5.7 million Americans and contribute \$1.3 trillion annually to the United States gross domestic product (GDP), called on the U.S. Government to ensure that our trading partners continue to modernize their copyright laws and improve enforcement practices to spur the healthy growth of digital trade in music, movies, TV programming, literary works, video games and other copyrighted materials. The creative industries further request that the U.S. Government increase engagement with trading partners to help reduce market access barriers that discriminate against U.S. goods and services and harm the U.S. export economy.

In its annual "Special 301" submission to the Office of the U.S. Trade Representative (USTR), the International Intellectual Property Alliance (IIPA) recommended 19 countries for inclusion on USTR's Special 301 watch lists because of its members' concerns regarding the protection and enforcement of intellectual property and/or market access barriers confronted in those countries. Additionally, specific challenges in seven other countries were detailed in an Annex report.

"The copyright industries have embraced all means of digital technologies to meet consumer demands and deliver their products, services, and creative content around the world" said Eric J. Schwartz, counsel to IIPA. "For these creative industries to flourish abroad, foreign markets need to have strong copyright laws and enforcement practices, as well as sound legal structures to enable healthy licensing of creative works, and eliminate market access barriers and unfair competitive practices.

Schwartz concluded: "IIPA commends USTR for making the Special 301 process a positive catalyst for change that will further open key markets around the world to products and services that embody American creativity and innovation. Meeting the challenges identified in this submission will create more well-paying American jobs, promote exports, and contribute substantially to healthy economic growth in the U.S. and abroad."

IIPA's submission focuses on several key markets where continued engagement by the U.S. Government will reap positive results for creators and the industries that support them. IIPA recommends the following:

- Ten countries—Argentina, Chile, China, India, Mexico, Russia, South Africa, Taiwan, Ukraine, and Vietnam—for placement on USTR's Priority Watch List;
- Nine countries—Brazil, Canada, Colombia, Ecuador, Indonesia, Peru, Switzerland, Thailand, and United Arab Emirates—for placement on USTR's Watch List.

Among the cross-cutting challenges highlighted in IIPA's Special 301 submission are:

- The global proliferation of **Piracy Devices**: set-top boxes and other devices weaponized with software and apps that enable unauthorized access to streaming music, video, games, and published materials. While China is the major source of Piracy Devices, their impact now undermines legitimate digital marketplaces worldwide.
- **Stream-ripping services** and other illegal means of circumventing technological protection measures that are essential to new digital consumer services—from streaming and downloading, to innovative entertainment software.
- A large number of trading partners that have yet to accede to, or fully implement, the **World Intellectual Property Organization Internet Treaties**, which set global, minimum copyright standards for the digital environment.



- **Disturbing trends in national copyright law amendments** that focus on weakening copyright protections, often falling below minimum global norms.
- The need for modernized legal frameworks adapted to **meet the challenge of online piracy**, including adequate legal incentives for intermediaries to cooperate with copyright owners to keep the digital marketplace secure and healthy, and making effective injunctive relief available to remedy online theft of intellectual property.
- Dismantling **market access barriers**, including rules and regulations that discriminate against U.S. copyright-based businesses and their products.

The full report and more materials can be found at <https://iipa.org/reports/special-301-reports/>. For more information, contact: the IIPA at (202) 355-7900 or at info@iipa.org.

IIPA 2019 Special 301 Recommendations	
Priority Watch List	Watch List
Argentina	Brazil
Chile	Canada
China	Colombia
India	Ecuador
Mexico	Indonesia
Russian Federation	Peru
South Africa	Switzerland
Taiwan	Thailand
Ukraine	United Arab Emirates
Vietnam	
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About the IIPA: 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 copyrighted materials and to open foreign markets closed by piracy and other market access barriers. IIPA's five member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. These include entertainment software, including interactive games for video game consoles, handheld devices, personal computers and the Internet; 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 (www.publishers.org), Entertainment Software Association (www.theesa.com), Independent Film & Television Alliance (www.ifta-online.org), Motion Picture Association of America (www.mpa.org), and Recording Industry Association of America (www.riaa.com).

In December 2018, IIPA released the latest update of its economic report, *Copyright Industries in the U.S. Economy: The 2018 Report*, prepared by Stephen E. Siwek of Economists Inc. According to the Report, the "core" copyright industries in the U.S. generated over \$1.3 trillion of economic output in 2017, accounting for 6.85% of the entire economy. The core copyright industries also employed approximately 5.7 million workers in 2017, accounting for 3.85% of the entire U.S. workforce, and 4.54% of total private employment in the U.S. These workers earn on average 39% higher wages than other U.S. workers. The core copyright industries also outpaced the U.S. economy, growing at an aggregate annual rate of 5.23% between 2014 and 2017, while the U.S. economy as a whole grew by 2.21%. When factoring in other industries that contribute to the copyright economy (which together make up the "total" copyright industries), the numbers are even more compelling. Finally, the report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. In 2017, these sectors contributed \$191.2 billion in foreign sales and exports, exceeding that of many other industry sectors, including: chemicals, aerospace products and parts, agricultural products, and pharmaceuticals and medicines. Studies such as this amply demonstrate the contribution of creators, and the copyright-based industries that support them, to the economy. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.