

FOR IMMEDIATE RELEASE

February 6, 2020

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

### IIPA Urges U.S. Government to Help Ensure Trading Partners Strengthen Copyright Protection, Improve Enforcement Against Online Piracy, and Open Markets

**Washington**—The nation’s leading creative industries, which provide almost 6 million American jobs and contribute over \$1.3 trillion annually to the United States economy, today asked the U.S. Government to ensure that our trading partners provide strong copyright laws, and effectively and efficiently enforce those laws, to expand 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 remove discriminatory and restrictive trade barriers in those countries that harm exports of U.S. creative goods and services.

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 concerns regarding the protection and enforcement of intellectual property rights and/or market access restrictions in those countries. Additionally, particular issues in seven other countries were detailed in short summary reports in an Annex, including recommendations for inclusion on the watch lists for those countries as well.

“The copyright industries have moved aggressively, through all means of digital technologies, to meet consumer demands and deliver more creative works and services than ever before around the world” said Eric J. Schwartz, counsel to IIPA. “For these creative industries to continue to flourish abroad, foreign markets need to have sound legal and enforcement structures to incentivize the creation and distribution of new and existing works. This includes markets without barriers or unfair competitive practices, which otherwise thwart the healthy licensing of creative works for sought-after U.S. content.”

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 can reap further positive results for creators and the industries that support and invest in them. IIPA recommends the following:

- Eleven countries—**Argentina, Chile, China, India, Indonesia, Mexico, Russia, South Africa, Taiwan, Ukraine, and Vietnam**—for placement on USTR’s **Priority Watch List**;
- Eight countries—**Brazil, Canada, Colombia, Ecuador, 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:

- **Alarming 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.



- 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.
- **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](mailto:info@iipa.org).

IIPA 2020 Special 301 Recommendations	
Priority Watch List	Watch List
Argentina	Brazil
Chile	Canada
China	Colombia
India	Ecuador
Indonesia	Peru
Mexico	Switzerland
Russian Federation	Thailand
South Africa	United Arab Emirates
Taiwan	
Ukraine	
Vietnam	
11	8

**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](http://www.publishers.org)), Entertainment Software Association ([www.theesa.com](http://www.theesa.com)), Independent Film & Television Alliance ([www.ifta-online.org](http://www.ifta-online.org)), Motion Picture Association ([www.motionpictures.org](http://www.motionpictures.org)), and Recording Industry Association of America ([www.riaa.com](http://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 2018, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2018 Report*, prepared by Stephen E. Siwek of Economists Inc. (2018 Report). According to the 2018 Report, the "core" copyright industries in the United States generated over \$1.3 trillion of economic output in 2017, accounting for 6.85% of the entire economy, and 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. The jobs created by these industries are well-paying jobs; for example, copyright industry workers earn on average 39% higher wages than other U.S. workers. In addition, according to the 2018 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 5.23% between 2014 and 2017, while the U.S. economy grew by 2.21%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2018 Report calls the "total" copyright industries), the numbers are even more compelling. Additionally, the 2018 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 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. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.