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IIPA Welcomes USTR Attention on Major Copyright Markets in the 2022 Special 301 Report

2022 Special 301 Report Highlights Market Access and Enforcement Challenges for U.S. Creative Industries in 32 Overseas Markets

Washington — The International Intellectual Property Alliance® (IIPA®) congratulates the Office of the United States Trade Representative (USTR) on the release today of the **2022 Special 301 Report**. Among other things, this congressionally mandated annual report identifies obstacles to expanding legitimate global commerce in creative works. IIPA thanks Ambassador Tai, the USTR team, and their interagency colleagues for their hard work and their continued dedication to open foreign markets to American creative content and, in so doing, supporting U.S. creators and workers. Successfully opening markets requires strong copyright laws; effective and efficient copyright enforcement; sound legal structures for copyright licensing; and the removal of market access barriers. Special 301 remains a key policy tool for advancing these priorities, and America's copyright industries appreciate USTR's commitment to preserving this tool's integrity and effectiveness.

This year's Report once again takes up key priorities of the U.S. creative industries, especially in the online and mobile marketplaces, including by calling upon our trading partners to eliminate barriers that impede the ability of lawful services to compete. IIPA welcomes the Report's discussion of online and broadcast piracy, including stream-ripping and unauthorized camcording; collective management problems that impede right holders from receiving compensation for their works; and the need to improve IP enforcement overall.

The Report also notes the importance of freedom of contract for the transfers of exclusive rights, which allows copyright owners "to freely and separately transfer their economic rights by contract and to fully enjoy the benefits derived from those rights," a critical factor for the healthy growth of a dynamic digital marketplace. This issue, and others are under consideration in USTR's ongoing review of South Africa's eligibility under the Generalized System of Preferences (GSP) program.

Principally, the Special 301 Report identifies overseas markets where trade barriers, including inadequate copyright protection and enforcement and other market access restrictions, should be addressed. Progress on elimination of these barriers will not only support U.S. creators but will also help our trading partners to develop their domestic creative industries and nurture their own creators.

As the digital marketplace grows, so do the opportunities—but also the challenges—for the American creative community. IIPA members greatly welcome the U.S. government's work on these concerns over the year – including its engagement with India, culminating at the U.S.-India Trade Policy Forum, and recently with Kenya and Nigeria, all concerning problematic copyright proposals that would have a devastating impact on the creative community – and welcome continued engagement with these and other countries in the coming year. The U.S. copyright industries look forward to working with USTR and with agencies across the U.S. government to encourage our trading partners to continue to make concrete progress toward stronger and more open copyright marketplaces.

On January 31, IIPA made a detailed submission to USTR with its recommendations for the 2022 Special 301 Report. IIPA's full submission can be found at <https://www.iipa.org/reports/special-301-reports/>.

In today's announcement:

- USTR lists 7 countries on the Priority Watch List, including key copyright markets like Argentina, Chile, China, India, Indonesia, and Russian Federation;
- USTR lists 20 countries on the Watch List, including key markets for creators like Brazil, Canada, Columbia, Mexico, Thailand, and Vietnam.
- USTR announced an Out-of-Cycle Review of Bulgaria.

The 2022 Special 301 Report lists the following countries:

USTR 2022 Special 301 Decisions		
Priority Watch List	Watch List	Out-of-Cycle Review
Argentina Chile China India Indonesia Russian Federation Venezuela	Algeria Barbados Bolivia Brazil Canada Colombia Dominican Republic Ecuador Egypt Guatemala Mexico Pakistan Paraguay Peru Thailand Trinidad & Tobago Turkey Turkmenistan Uzbekistan Vietnam	Bulgaria

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About the IIPA: IIPA is a private sector coalition, originally 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. IIPA represents producers and publishers of creative content on copyright, international trade policy, and similar issues. 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 (www.motionpictures.org), and Recording Industry Association of America (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 2020, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2020 Report*, prepared by Economists Inc. (2020 Report). According to the 2020 Report, the “core” copyright industries in the United States generated over \$1.5 trillion of economic output in 2019, accounting for 7.41% of the entire economy, and employed approximately 5.7 million workers in 2019, accounting for 3.79% of the entire U.S. workforce and 4.46% 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 43% higher wages than other U.S. workers. In addition, according to the 2020 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 5.87% between 2016 and 2019, while the U.S. economy grew by 2.48%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2020 Report calls the “total” copyright industries), the numbers are even more compelling. Additionally, the 2020 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 2019, these sectors contributed \$218.8 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines, electronic equipment, appliances and components, agricultural products, and aerospace products and parts. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.