

IIPA GSP Post-Hearing Brief on Russia's IPR Review

Accepted Case # 018-CP-05

Russia IPR
IIPA – ANSWERS TO QUES FROM
HEARING AS POST-HEARING BRIEF

Message From: Eric Schwartz [schwartz@smimetlaw.com]
Sent: Wednesday, December 14, 2005 4:28 PM
To: FN-USTR-FR0441
Cc: Teeter, Regina; Eric Schwartz IIPA; Eric Smith; Joe Papovich; Pam Burchette; Watkins, Ralph J.
Subject: Russia, Kazakhstan, Uzbekistan: IIPA Responses to USG Follow-up Questions at GSP Country Practice Hearing (Nov. 30, 2005)

Attached please find our responses to the questions posed by the U.S. Government at the GSP Country Practice Hearing (Nov. 30, 2005)...

The International Intellectual Property Alliance (IIPA) offers the following additional information in response to the three questions posed by the U.S. Government (USG) at the GSP Country Practice Hearing (Nov. 30, 2005):

[IIPA responses to questions on Kazakhstan and Uzbekistan have been deleted from this document.]

2. USG Question Regarding RUSSIA (IPR):

The IFPI website states that IFPI and Russia's largest CD plant, Ural Electronic, signed a cooperative agreement whereby the plant agreed to abide by IFPI standards for replication of music. This appears to be a major breakthrough. What details can you provide? How are your members working with other organizations to convince them to convert from pirate to legitimate production? (USTR)

IIPA RESPONSE RE: RUSSIA:

On July 28, 2005, IFPI and the Ural Electronic Plant (UEP) signed an agreement aimed at helping that plant (the largest OD plant in Russia) produce only legitimate audio and video discs.

While the IIPA and the recording industry welcomed the settlement with the Ural Electronics Plant, the settlement is not really a development in the larger anti-piracy battle in Russia, but rather reflects the desire of this one plant to become a recognized player in the legitimate business – a desire developed within the context of civil litigation. While this is a positive step, it does not have great significance for the remaining players – the 40+ other plants in Russia -- and it has not had an impact on the availability, or the extent of production, of pirate product in Russia. At present, there is not nearly enough demand for legitimate production for Russian OD facilities, thus broadly licensing with the existing marketplace is unfortunately not a viable option.

We re-iterate the need for the Government of Russia to act by properly criminally prosecuting the major players involved in illegal production and distribution – a step Russia has so far not undertaken. In addition,

as noted in our testimony and filing, Russia must undertake many other steps against optical disc pirates (including inspections of all the plants, closure of illegal plants, the seizure of equipment used to make illegal material, and criminal prosecutions against plant owners). Unfortunately, there is little sign that the Russian Government is approaching the point of implementing these steps at this time. Should the Russian Government take decisive action to rein in illegal operations, there is little doubt that legal licensing opportunities would expand dramatically.

* * *

Thank you.

Eric J. Schwartz
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Washington, D.C.

- - - ORIGINAL MESSAGE - - -

From: Watkins, Ralph J. [mailto:Ralph_Watkins@ustr.eop.gov]
Sent: Tuesday, December 06, 2005 2:16 PM
To: tdo@pakistan-embassy.org; Eric Schwartz IIPA; Eric Smith; Deborah Lamb
Cc: Sandler, Marideth; Yinug, Christopher F.; Teeter, Regina
Subject: Russia, Kazakhstan, Uzbekistan: Follow-up questions for GSP Country Practice Hearing (Nov. 30, 2005)

Debby Lamb
Christine LoCascio
Ashraf Hayat
Gregory Sadowski
Joseph Popovich
Eric Schwartz

Thank you for providing testimony at the Trade Policy Staff Committee, Subcommittee on GSP hearing November 30, 2005, regarding country practices. We have a few remaining questions for each of you. Please provide your responses by e-mail to FN-USTR-FR0441 by 5:00 p.m., December 14, 2005. Thank you for your important contributions to this process.

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