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## **IIPA Statement on Baucus, Hatch Introduction of the International Intellectual Property Protection and Enforcement Improvement Act of 2008**

**Washington**—Today Senate Finance Committee Chairman Max Baucus (D-Mont.), joined by Senator Orrin Hatch (R - Utah) introduced the International Intellectual Property Protection and Enforcement Improvement Act of 2008.

Eric H. Smith of the International Intellectual Property Alliance (IIPA) made the following statement:

“IIPA commends Chairman Baucus and Senator Hatch for introducing this important legislation to reduce global levels of piracy that damage the U.S. economy and U.S. jobs. Their Bill would enhance the capability of the Office of the U.S. Trade Representative (USTR) to negotiate improved protection and enforcement of, and improved market access for, U. S. intellectual property assets, including copyrighted works such as movies, music and recordings, business and entertainment software and books and journals. The Bill would require USTR to develop “action plans” for countries that have appeared on the Special 301 Priority Watch List for at least one year, creating “benchmarks” for improved protection and enforcement in that country. If a country did not make significant progress toward meeting those benchmarks, the President would have the authority to suspend, limit or deny certain benefits provided to them under U.S. law, strengthening the hand of the U.S. to persuade countries to improve protection.

These amendments would give the U.S. government additional and stronger trade tools to ensure that U.S. copyrighted works (and other intellectual property) receive adequate protection, and adequate market access, in these countries. IIPA also applauds the Bill’s provision of additional funding for technical assistance to countries to assist them in meeting these “benchmarks.” This balanced approach will significantly enhance the ability of USTR to persuade our trading partners that U.S. intellectual property products must be protected.

The Bill would also require the President to appoint intellectual property attachés in countries which have a commercially significant trade relationship with the U.S. These attachés would work with these countries to provide improved protection and enforcement and report back to USTR on progress being made.

The U.S. economy and U.S. workers lose billions of dollars to widespread piracy and counterfeiting and IIPA members and the more than 1,900 companies they represent, and that depend on copyright protection, applaud Senators Baucus and Hatch’s recognition of the importance of intellectual property protection to not only our industries and the millions of workers they employ but to overall U.S. economic growth.”

**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 Impact 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](http://www.iipa.com). # # #