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Re: 2010 Special 301 Out of Cycle Review of Notorious Markets: Request for Public Comment, 75 Fed. Reg. 60854 (October 1, 2010), Docket No. USTR-2010-0029

Dear Mr. McCoy:

The International Intellectual Property Alliance (IIPA)¹ is pleased to provide this Written Submission in response to the October 1, 2010 request by the Office of the United States Trade Representative on the 2010 Special 301 Out-of-Cycle Review of Notorious Markets. We welcome USTR's initiative to publish separate from the Special 301 process a "Notorious Markets" list, which is a "compilation of examples of Internet and physical markets that have been the subject of enforcement action and merit further investigation for intellectual property infringements." This list purports to highlight the problem of marketplaces that deal in infringing goods and foster the vicious cycle of global piracy.

I. INTEREST OF THE IIPA IN THIS FILING

IIPA agrees with USTR's assessment that global piracy continues to thrive due in part to marketplaces, both physical and online, that deal in infringing goods, and is grateful for the U.S. government's renewed focus on examples of such marketplaces that have been the subject of enforcement action or that merit further investigation for copyright infringements. We believe the list of "Notorious Markets" can serve an important function as an illustrative and anecdotal account to help encourage foreign governments' responsible authorities to step up efforts to combat piracy in these and similar markets. It is critical to view the list not as an exhaustive or finite set of geographic locations or URLs which, if subject to enforcement, would resolve the problem of global piracy and market access restrictions. Rather, these locales (and digital spaces) are symptomatic of a larger struggle creators face to overcome years of lax attitudes and enforcement actions against piracy, as well as market access barriers.

¹ The International Intellectual Property Alliance (IIPA) is a private sector coalition formed in 1984 to represent the U.S. copyright-based industries in bilateral and multilateral efforts to improve international protection of copyrighted materials. IIPA comprises seven trade associations, each representing a significant segment of the U.S. community. These member associations represent over 1,900 U.S. companies producing and distributing materials protected by copyright laws throughout the world — business software (operating systems, Internet enabling software, browsers, search engines, office productivity software, database management software, green technology enabling software, security software and mobile technologies); entertainment software (interactive games for video game consoles, handheld devices, personal computers, and the Internet); theatrical films, television programs, home videos and digital representations of audiovisual works; musical compositions, recorded music, CDs, and audiocassettes; and textbooks, trade books, reference and professional publications and journals, in both print and electronic media.



Any list of physical locations or online spaces largely devoted to piracy will not only be non-exhaustive by its nature, but cannot capture the many forms of piracy creators face today. “Piracy” as we know it today has evolved and increasingly occurs in more sophisticated ways of using or supplying to users copyright materials without authorization, in addition to the simple duplication and sale of content on physical media in retail shops or on the streets. One example of this is the unauthorized use of software within businesses – organizational end-user piracy of business software – the principal and most damaging form of piracy to the business software industry, which represents a more than \$30 billion global problem for U.S. software companies. Since under-licensing or faulty software asset management occurs largely within otherwise legitimate businesses, such piracy often would not coincide with a pirate marketplace, so would be under-represented in a list of notorious marketplaces.

By contrast, Internet and mobile piracy affect all of the copyright industries and are amenable to being represented in a list of notorious marketplaces. The Internet and mobile networks, which have transformed the way we work, learn and play, have unfortunately also been used by a large number of services and users to steal, or to profit from the theft of, music, movies, games, books and journal articles, software and other copyrighted works. Such piracy makes unlawful use of a variety of tools such as P2P file sharing, deeplinking sites, BitTorrent sharing, cyberlockers, web bulletin boards, and other similar services. Internet piracy is by far the greatest priority issue for the music industry, which faces a global Internet piracy problem estimated at 95%. For business-to-business content providers, unauthorized use of their content is a growing problem as customers increasingly demand delivery of products and services in digital formats.

One of the greatest concerns to the motion picture industry is camcording piracy, in which movies are stolen from the screen during their initial theatrical release or pre-release screenings. Once the illegal camcord copy is made, “release groups” employ the Internet to move the pirate camcorded copies onto the Internet for illegal distribution or for pirate factory or recordable disc duplication, facilitating and catering to users who do not want to wait or pay for the legitimate version. The book publishing industry continues to be plagued by the unauthorized photocopying of books, principally on and around university campuses and with a focus on scientific, technical and medical textbooks. Illegal digitizations of their works and online piracy is a rapidly growing problem for the industry. The entertainment software industry suffers from a myriad of issues of increasing sophistication, including the manufacture, sale and distribution of circumvention devices used to make and play infringing copies of games, the establishment of pirate online servers for popular multiplayer games, and end-user piracy of their products in Internet café settings.

Traditional forms of physical piracy still cause major problems for many of the copyright industry sectors. Factory production of optical disc products, CDs, DVDs, CD-ROMs containing pirated software, movies, games, music and books, remains prevalent in many markets although over time it has been overtaken by local “burning” of CDs, DVDs, and CD-ROMS, often with content obtained from the Internet. The software and music industries continue to suffer from the unauthorized loading of software or music on computers, phones or other mobile devices at the point of sale, (in the software context known as “hard disk loading”). Factory piracy of



entertainment software in cartridge format, produced primarily in Asia and exported to dozens of markets, afflicts the entertainment software industry.

The primary challenge creative industries face globally is that many of our trading partners have not yet established and employed effective and deterrent enforcement mechanisms to combat piracy, including in both physical and online notorious markets of which there are many examples in this Submission. The key contributing factors to high levels of copyright piracy include: (1) the failure to provide reasonable and expeditious enforcement procedures that are accessible to all right holders; (2) the failure to provide deterrent remedies and sanctions, whether civil, administrative, or criminal; (3) the lack of modern legal structures that provide effective tools to law enforcement and the judiciary to deter piracy especially in the digital era; and, in some cases, (4) the denial of greater market access for copyright products on an open and non-discriminatory basis.²

Addressing IP theft, such as that occurring in notorious physical and online marketplaces, inures to the benefit of the U.S. economy. With the competitiveness of the U.S. economy still fragile in the wake of the financial crisis, it is striking that the U.S. copyright industries remain one of the few industry sectors capable of outpacing the rest of the economy in producing new jobs and returning revenue to our country when it needs it most.³ The degree to which this capability is sustained depends upon the extent to which piracy and market access barriers can be reduced. Over the last several years, the “core” U.S. copyright industries have added new workers to our economy at two to three times the rate of the economy as a whole. Today, one out of every 20 workers is employed in the copyright industries, and more than one in ten workers are in jobs that are in, or depend on, the “core” copyright industries. Most of these industries generate over half their revenue from outside the U.S. and that revenue contributes to the creation of U.S. jobs. The copyright industries also contribute significantly to our innovation economy and to national productivity and competitiveness as a whole. In 2007, these industries accounted for over 22% of economic growth, clearly showing that the creative industries are a key driver of growth and productivity in the U.S. economy. Notwithstanding these successes, the copyright industries suffer enormous losses around the world as a result of the theft of their works or lost opportunities due to market access impediments in a number of key markets. This substantially reduces their revenue, directly impacting U.S. employment.

II. ILLUSTRATIVE LIST OF PHYSICAL AND ONLINE PIRACY MARKETS

The Special 301 Subcommittee has requested examples of Internet and physical “notorious markets,” i.e., markets where “counterfeit or pirated products are prevalent to such a degree that

² For more specifics on appropriate enforcement mechanisms sought by IIPA in an effective copyright regime, see IIPA’s 2010 Special 301 Submission, at International Intellectual Property Alliance (IIPA), *Special 301: Comments regarding the Identification of Countries Under Section 182 of the Trade Act of 1974: Request for Public Comment (“Special 301”), and Request to Testify at the Public Hearing*, 75 Fed. Reg. 2578 (January 15, 2010), Feb. 18, 2010, at <http://www.iipa.com/pdf/2010SPEC301COVERLETTER.pdf>; and IIPA, *Comments of the International Intellectual Property Alliance to the Office of the Intellectual Property Enforcement Coordinator (IPEC)*, 75 Fed. Reg. 8137 (Feb. 23, 2010), March 24, 2010, at <http://www.iipa.com/pdf/IIPASubmissionToIPEC032410.PDF>, pp. 5-9.

³ The core U.S. copyright industries contributed an estimated 6.44% of the U.S. gross domestic product (GDP) in 2007. In conjunction with the Administration’s National Export Initiative, it is useful to note that the total core copyright industries’ sales in foreign markets exceeded \$116 billion in 2006 and rose over 8% to nearly \$126 billion in 2007. See the 2009 economic report prepared for the IIPA by Stephen Siwek of Economists Inc., *Copyright Industries in the U.S. Economy: the 2003 - 2007 Report*, available at <http://www.iipa.com/pdf/IIPASiwekReport2003-07.pdf>.



the market exemplifies the problem of marketplaces that deal in infringing goods and help sustain global piracy and counterfeiting.” The following is a non-exhaustive, illustrative list of physical and online piracy markets, including some which were previously published by USTR in its April 30, 2010 Special 301 Report. In addition, since the online environment continues to evolve so rapidly, and since particular websites can easily change names or locales of servers, we also use this opportunity to list certain kinds of phenomena that are susceptible to being used for online piracy marketplace activities.

Internet Piracy Markets

- **Baidu (China):** One of the most notorious examples of a search engine which offers “deeplinks” to infringing copyright materials stored on related servers or third-party servers is Baidu, a publicly traded company (BIDU on NASDAQ).⁴ Baidu operates the largest deeplinking service in China. It is estimated that Baidu on its own is responsible for almost 50% of all illegal music downloads in China. Baidu frequently creates “top 100” charts and indexes inducing users to find and then download or stream infringing music without permission or payment. While a Beijing court ruled that its deeplinking service was not infringing – an unexpected development given prior court decisions (e.g., against Yahoo!China) there is evidence of Baidu’s contributions to, and profiting from, the infringing activities over its services. Baidu’s deeplinking service also continues to provide infringing products to Hong Kong and Taiwan, as well as being accessible worldwide.
- **Vkontakte (Russia):** VKontakte, the most popular online social network in Russia,⁵ has a functionality specifically designed to enable members to upload music and video files, hundreds of thousands of which contain unlicensed copyright works. Its dedicated content search engine enables other members to search and instantly stream infringing content, giving VKontakte the edge over other social networks that do not offer free access to unlicensed material. As more members upload infringing content, more new members are attracted to the site, and yet more infringing files are uploaded. With some 93 million registered members, the scale of damage to right holders is significant. In addition, third party software developers have distributed ‘apps’ that enable non-Vkontakte members to search and download the content available on the site. The developer of the Mulve ‘app’ has been subject to criminal action in the UK, but similar apps remain available.
- **Torrentz.com (Finland), Isohunt.com,⁶ MoNova, BTMon, Fenopy,⁷ TorrentPortal, and Torrentzap, BTJunkie.org (all with connections in Canada):** Canada⁸ and Russia remain host to a number of the world’s most notorious and prolific BitTorrent indexing sites that are

⁴ Baidu’s status as a publicly traded company in the U.S. has implications, such as opening its officers and directors to a potential shareholder suit if it was found to be illegally facilitating copyright infringement.

⁵ VKontakte is also available to a wider international audience in many languages including English. It currently ranks in the top 40 most visited sites in the world according to alexa.com. VKontakte’s full ownership structure is not publicly known, but Russian Internet company Mail.ru has plans to increase its 24.9% holding to 39.9%.

⁶ Press accounts noted the Isohunt torrent index site was host to over 9 petabytes of files as of October 2010.

⁷ Search results for “MoNova,” “BTMon,” and Fenopy revealed tens of major motion pictures available for free torrent download, including BluRay versions of classic and recent films.

⁸ A compilation of the “25 Most Popular Torrent Sites of 2009” published by TorrentFreak in December 2009, based on widely available worldwide traffic data, included seven sites hosted, registered or otherwise connected to Canada, including 4 of the 10 most popular, and 2 of the 3 leading BitTorrent sites in the world.



popular channels for illegal peer-to-peer (P2P) downloading. “Topsites” acquire pirate content (e.g., from camcords or by obtaining pre-release copies of music) and make it available globally, while websites including Torrentz.com (self-described as a “meta search engine” that indexes torrents from many sites) not only provide searches to other sites for illegal torrents but contain links to the illegal “torrent” files, where the illegal download process is then controlled by tracker sites. Several notorious torrent sites including Suprnova and Mininova have been shut down based on court findings of secondary copyright liability.

- **Youku and Tudou (*T•dòu W•ng*) (China):** The motion picture industry suffers in particular from infringements on Youku and Tudou which are “User-Generated Content” (UGC) sites where users upload/make available illegal copies of their favorite feature films or TV programs in China, which then become accessible to anyone in the world. Linking sites to these UGC sites or to other sites multiply the accessibility to the unauthorized content and thereby significantly increase the harm to the copyright companies. The Motion Picture Association of America continues to report that close to half of the illegal content available on the world’s “topsites” is sourced from UGC sites in China.
- **PPLive, PPStream, TVAnts (a Chinese-based P2P service used for real-time streaming):** PPLive and PPStream are examples of unauthorized IPTV webcasting channels, which webcast all kinds of television content without authorization. Such pirated IPTV webcasts damage right holders both in their ability to legitimately license pay television and Internet streaming rights and their ability to foster the deployment of legitimate IPTV distribution platforms. TVAnts is an example of a P2P software model which results in real-time illegal streaming of television content and live sporting event telecasts. These sites unfortunately provide an efficient environment for infringing activities online with respect to broadcast content to occur. Streaming sites allow, with or without the downloading client software, the viewing or listening to illegal content directly without making a permanent copy as occurs in a download. Such sites are an increasingly popular form of pirate site causing significant damage to the creative industries.
- **Limewire (U.S.);⁹ Xunlei, verycd.com,¹⁰ BTPig, Kugou or Kugoo (China); Chilewarez (now Chilecomparte) (Chile):** The listed sites are P2P file sharing sites, which have become the most popular means of distributing pirate content worldwide. These sites provide services and software that connect individual computer users to each other directly, without a central point of management or server-hosting of copies of pirate content. Users download and install the P2P client application, enabling them to search for illegal files on each other’s computers and illegally download the infringing files they want. Some proprietors, makers and/or distributors of P2P services, software, and websites have been found liable for copyright infringement in court cases in several countries and/or have been shut down in the aftermath

⁹ On October 26, 2010, U.S. District Judge Kimba Wood issued a permanent injunction against the company that operates the popular file-sharing software LimeWire and ordered managers there to disable “the searching, downloading, uploading, file trading...and/or all functionality” of the LimeWire software, Lime Wire announced. The press report noted “LimeWire, the software, was released 10 years ago and quickly emerged as one of the favorite ways to pass pirated music across the Web. Gorton and his company have acknowledged making millions from offering the software.” See Greg Sandoval, *Judge slaps Lime Wire with permanent injunction*, CNet News, October 26, 2010, at http://news.cnet.com/8301-31001_3-20020786-261.html?part=rss&subj=news&tag=2547-1_3-0-20.

¹⁰ VeryCD is a Chinese website that claims all its available music, movies, software, and books are licensed through Creative Commons licenses.



of enforcement actions.¹¹ Some of these services have also been found to include adware, spyware, or even malware.

- **Kangjian Shixun (China):** Kangjian Shixun has been providing unauthorized digital copies of medical and scientific journal articles on a subscription basis to customers in libraries and hospitals throughout China, with neither the consent of nor payment of a subscription fee to the actual rights holders. More recently, ebooks are being pirated, and suspect sites include those listed.
- **Rayfile, Namipan, and 91files (China); Megaupload and FileSonic (Hong Kong SAR); RapidShare; Hotfile (hosted in Panama); FreakShare (Netherlands):** Cyberlocker sites Rayfile, Namipan, and 91files have been implicated in music piracy activities in China. The cyberlocker site Megaupload entices users to infringe by offering “reward” schemes for numbers of downloads and then fosters further infringement by providing web links (and keys) which are then provided by the subscriber to others via direct e-mail or advertising on other websites to access illegal content. Megaupload users store a massive amount of content, much of it infringing. RapidShare and Hotfile are also reported to be major sources for the distribution of infringing materials. FileSonic and FreakShare are cited for their high volume of infringing game files and their low rates of compliance with requests to take down infringing material.
- **TaoBao, Eachnet (China), UBid (U.S.), Mercadolibre in Latin America, QL (EU), Modchip.ca and ConsoleSource.com (Canada):** The Chinese website TaoBao is one of the top online marketplaces selling videogame circumvention devices and has been cited by industry as offering infringing products to consumers and businesses. Scanned copies of commercial bestsellers (trade books) and academic textbooks are also increasingly available on TaoBao. UBid, Mercadolibre and QL are noted for allowing bulk or large-scale distribution of counterfeit software, and pose some of the biggest problems for the business software industry. Industry reports that Modchip.ca and ConsoleSource.com sell circumvention devices into countries where such trafficking is illegal, underscoring the urgency for Canada to implement the WIPO Internet Treaties.
- **Allofmp3.com clones (Russia, Ukraine):** Although allofmp3 (formerly the world’s largest server-based pirate music website) was shut down in 2007, nearly identical sites in both Russia and Ukraine have taken its place and continue illegally distributing copyrighted materials. These sites operate without interference from government, despite the fact that they are commercial operations that claim patently bogus licenses from rogue collecting societies.
- **Tomatolei.com (China):** In IIPA’s 2009 submission, we highlighted a criminal case brought against the Tomato Garden website (tomatolei.com) which since 2003 had been offering pirate copies of Windows XP and other U.S. software products to an estimated 10 million users, and subsequently copied and resold extensively by software dealers around the country. In a

¹¹ Previous notorious markets servicing illegal P2P filesharing that have been found liable and/or shut down include Bearshare, Kazaa, Grokster, and Morpheus.



major positive and deterrent development, that case – the first criminal conviction for online software piracy – has concluded, and on August 20, 2009, the operator of the site and the founders and managers of the company were sentenced to prison and fined. It was reported that the site was converted upon the conviction to a search engine.

Physical Markets

- **Pacific Mall (Canada):** Several markets in distinct locales around the world specialize in the circumvention of modification devices (including installation services) for videogame consoles. Such mod chips or “modded” devices will play pirated or unauthorized games and foster illegal copying and distribution of such games. One such market is in Canada’s Markham region, in stores located inside the Pacific Mall (but such activities are spreading to multiple locations in Canada). Popular pirated materials sold by these stores include burned optical discs and memory sticks containing hundreds of illegal copies of videogames for numerous gaming platforms including the Wii, PlayStation 2, Xbox 360, DS, PSP, and personal computer; consoles housing hard drives pre-installed with numerous pirated copies of games; and the aforementioned circumvention or modification devices (including installation services).
- **Thailand’s “Red Zones,” including Panthip Plaza, Klong Thom, Sapan Lek and Baan Mor shopping areas, Patpong and Silom shopping areas, the Mah Boon Krong (MBK) Center, and the Sukhumvit Road area (Thailand) etc.:** These locations in Thailand are notorious for openly selling pirated and counterfeit goods, with the government even designating the areas as “red zones,” which are markets targeted for increased raids due to their high piracy and counterfeiting rates, or “yellow zones” which are targets to be aware of for possible piracy activities.¹²
- **Greenhills, Quiapo (Manila), Davao, Antipolo, Dasmaringas, and Cagayan de Oro, Visayas (Cebu City), Makati Cinema Square (Makati City), Metrowalk (Pasig City) (Philippines):** Several areas of the Philippines are plagued by retail pirate trade. For example, Manila’s Quiapo district remains a center for OD pirate trade, Davao’s pirate trade has largely been untouched, and Cebu City remains a major hub in the operations of pirates in the Visayas. The sale of pirate and counterfeit optical media also remains unchecked in Antipolo, Dasmaringas, and Cagayan de Oro. In addition, retail piracy of software and games can still be observed in Makati Cinema Square (Makati City), Metrowalk (Pasig City), and practically every mall in metropolitan Manila. Market intelligence also suggests an increase of locally burned pirated discs (including a recent proliferation of pirate DVD-Rs) from Quiapo Barter Trade complex. Pirate DVDs remain at hotspots like Virra Mall, Greenhills Shopping Center in San Juan, and Circle C Mall in Project 8, Quezon City, although they are now sold in a

¹² The complete list of Red Zones include: in Bangkok – Klong Thom, Sapan Lek and Baan Mor shopping areas, Patpong and Silom shopping areas, Mah Boon Krong (MBK) Center, Sukhumvit area (Soi 3 – 19), Panthip Plaza; Chiangmai Province; Phuket Province; Koh Samui District in Surattani Province; Pattaya in Chonburi Province; Haad Yai District in Songkla Province; Ao Nang area in Krabi Province; Hua-Hin in Prajauabkirikan Province. Yellow Zones include: in Bangkok – Nom Chit shopping area, Lad Prao, Pata Pin Klao shopping area, Fortune shopping area, Taladmai Don Muang shopping area, Tawanna shopping area, Pratunam shopping area, Jae Leng shopping area, Kao San Road shopping area, Sapan Bhud shopping area; Patumtani Province; Nonthaburi Province; Nakornrachasrima Province; Konkan Province; and Ratchaburi Province.



clandestine fashion through the use of runners, while music, software and games are openly sold on discs or offered for downloading.

- **Ratu Plaza, Pinangsia Plaza, Harco Glodok, and Ambassador Mall (Indonesia):** Indonesia's markets remain replete with retail piracy in kiosks and malls, including factory and burned-to-order CDs, VCDs, DVDs and CD-ROMs of music, movies (including pirate movies in or claiming to be in BluRay format), software, and published materials. Also problematic are mobile device piracy (loading illegal copyrighted files onto various mobile devices or carriers) and hard disk loading, in which computers are loaded with the latest software – all of it unauthorized – at the point of sale of the hardware. Enforcement officials are reportedly reluctant to conduct regular enforcement actions because of the presence of organized criminal gangs.
- **Tepito, Plaza Meave, Eje Central, Plaza de la Computación, Lomas Verdes, Bazar Pericoapa in Mexico City, CAPFU in Puebla, Las Pulgas in Monterrey and San Juan de Dios in Guadalajara (Mexico):** Mexico has widespread, and well-entrenched, street piracy. With Tepito as the main warehousing and distribution center for infringing products, these informal markets sell pirated and counterfeit goods connected to or purchased from organized crime syndicates. Although Tepito and San Juan de Dios remain dominant sources for the manufacture and commercialization for different types of illegal products, Plaza de la Computación and Plaza Meave are increasingly becoming sources of pirated products. Pirate vendors are sometimes connected to criminal groups (Zetas and Familia Michoacana) in popular pirate markets like La Cuchilla in Puebla and Las Vias in San Luis Potosí. In Mexico City, many of the well known markets, such as Tepito, Pericoapa, Bazar Lomas Verdes, and Plaza Meave remain active venues for the retail sale of pirated games and circumvention devices. In Guadalajara, the San Juan de Dios market is the principal area where pirated games can be found.
- **Tri-Border Region (Paraguay, Argentina, and Brazil), including Ciudad del Este:** This region, with Ciudad del Este forming the focal point between the three countries, remains a focus of street piracy full of burned copies of CD-Rs/DVD-Rs full of copyrighted content, pirated music and film products, copies of business software, and cartridge-based video games. All can easily be found at the wholesale and retail levels, such as the San Blas municipal market at the foot of the Friendship Bridge. Brazil's extensive border makes it very vulnerable to smuggling of all sorts of goods, from drugs to DVDs. With some increasing efforts in the Foz do Iguazu-Ciudad del Este area in recent years, copyright pirates have gone either south (smuggling from Uruguay) or north in the dry zones of Ponta Porã-Pedro Juan Caballero (Brazil-Paraguay) or Corumbá-Puerto Suarez (Brazil-Bolivia), all known drug trafficking routes. Symptomatic of the massive piracy problem, seizures of blank media increased by 9% in 2009, up to 28.4 million units (comprised of 7,594,865 blank CDs and 20,845,530 blank DVDs). Customs authorities have been very active not only at the border of Paraguay where the seizures of blank optical discs increased significantly, but also in ports like Santos and Paranaguá. Customs authorities in the state of Parana alone seized over 300,000 pirated video games.



- **Urdu Bazaars (Pakistan):** The Urdu Bazaars in Karachi (which have at times featured 350 booksellers and wholesalers) and Lahore (which have at times featured 700 sellers) remain the main sources of pirated books in the country, though book piracy has spread beyond just bazaars and is rampant. Pirate booksellers are highly organized, well-connected, and often succeed in convincing authorities to drop cases immediately after any enforcement action or avoid enforcement action altogether. In some cases, they have even resorted to threats of violence and intimidation to try and avoid enforcement. All types of books are pirated. Practically anything that can sell more than a few hundred copies is a target for the pirate market. English language novels and other trade books are popular among pirates, harming U.S. publishers of mainstream commercial fiction and non-fiction. Some pirate enterprises are now able to produce fairly high-quality counterfeit copies that are difficult to differentiate from legitimate versions.
- **La Salada (Buenos Aires, Argentina) and other street fairs:** “La Salada Fair,” is an enormous central market in Buenos Aires that provides pirated and counterfeit merchandise to retailers and re-sellers from Argentina and neighboring countries. The physical area is growing and probably also the total invoicing, but we do not have reliable statistics. One report indicated that this market area covers about two million square feet, and approximately 50,000 consumers visiting daily. In fact, local press reports suggest that La Salada may even be expanded, noting that it costs up to US\$80,000 to purchase a stand in the fair itself. There are organized groups operating around La Salada, providing raw materials for piracy and recording, storing and distributing pirate products. This untenable situation is well known by the police. Local government officials and flea market administrators simply do not cooperate with the private sector on raiding actions and refuse to close this market. The authorities have identified some organized criminal syndicates that operate in the market. These kinds of flea market fairs are appearing in more and more cities across the country.

IIPA appreciates this opportunity to provide input in this Special 301 out-of-cycle review regarding notorious markets for copyright piracy.

Respectfully submitted,

Michael Schlesinger

International Intellectual Property Alliance