



FOR IMMEDIATE RELEASE

November 10, 2006
Washington, DC

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STATEMENT OF THE INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE (IIPA) ON USTR'S ANNOUNCEMENT REGARDING RUSSIA'S AGREEMENT ON ACCESSION TO THE WTO

Washington – The U.S. and Russian Governments today announced the anticipated imminent completion of phase one of Russia's WTO accession - the conclusion of a bilateral agreement between our two governments. Russia is an important market for IIPA members and thus IIPA wants to see Russia join the world trading system and the WTO. We do, however, want to ensure that, before Russia accedes to the WTO as required by WTO rules, that Russia will completely fulfill its obligations to provide TRIPS compliant protection and enforcement of IPR. At present, Russia is not fully compliant either with the necessary legal reforms nor with its enforcement regime, in particular against optical disc and Internet piracy. As part of the accession process announced today, the U.S. Government received commitments from the Russian Government, and the Russian Government fully understands that there needs to be IPR legal reforms and enforcement improvements before final WTO accession. We are looking forward to working with the two governments to obtain the necessary significant and identifiable Russian progress on enforcement as well as ensuring the laws of Russia (including the Civil Code) are fully TRIPS compliant.

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).

In October 2004, the IIPA released its latest economic report, entitled *Copyright Industries in the U.S. Economy: The 2004 Report*, the tenth such study written by Stephen Siwek of Economists Inc. for IIPA. The latest data shows that in 2002, the U.S. "core" copyright industries accounted for an estimated 6% of U.S. Gross Domestic Product (GDP), or \$626.6 billion, and the "total" copyright industries accounted for an estimated 12% of U.S. GDP, or \$1.25 trillion. The "core" copyright industries employed 4% of U.S. workers in 2002, or 5.48 million persons. Between 1997 and 2001, the "core" copyright industries' employment grew at an annual growth rate of 3.19% per year, a rate more than double the annual employment rate achieved by the U.S. economy as a whole (1.39% per year). Finally, in 2002, the U.S. copyright industries achieved foreign sales and exports estimated at \$89.26 billion, leading other major industry sectors such as chemicals and related products, motor vehicles, equipment and parts, and aircraft and aircraft parts.