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IIPA testifies at GSP IPR hearings to urge six countries to comply with "adequate and effective" standards of copyright protection and enforcement, as required under U.S. trade program

Washington — The International Intellectual Property Alliance (IIPA) today testified at hearings held by the GSP Subcommittee as part of its 1999 Annual Review cycle. In June 1999, IIPA filed petitions under the Generalized System of Preferences (GSP) trade program against several countries, and in February 2000, the GSP Subcommittee accepted six petitions and initiated its reviews of intellectual property (IPR) practices in Armenia, Dominican Republic, Kazakhstan, Moldova, Ukraine and Uzbekistan.

"To receive these duty-free trade benefits, these countries must provide 'adequate and effective' copyright protection and enforcement. These countries must take this bargain seriously and provide such protection if they want to retain these benefits. Right now, copyright theft is rampant," said IIPA President Eric H. Smith.

The IIPA petition against the Dominican Republic, which is based on both IPR criteria in both the GSP and the Caribbean Basin Initiative (CBI) programs, focuses on inadequate copyright legislation and ineffective enforcement. While a pending copyright bill does represent a vast improvement over the current 1986 law, IIPA provided comments to refine the bill to improve its level of protection in recognition of the growing digital economy. Copyright enforcement also needs to be strengthened to reduce the high levels of piracy across all sectors. Several measures in the copyright bill would provide both authorities and rightsholders with better remedies to combat piracy of computer software, videos, television programming, sound recordings, music and books. Actual implementation in practice of improved legal protection and stronger enforcement measures will be key, especially as the Dominican Government is working toward attracting foreign investment in its new Cyberpark project.

The IIPA's petitions against five nations in the Confederation of Independent States (C.I.S.) – Armenia, Kazakhstan, Moldova, Ukraine and Uzbekistan -- are based primarily on those countries' failures to provide adequate and effective protection and enforcement. These failures include: legal reform deficiencies in terms of substantive copyright law reform, lack of proper points of attachment (some countries still have no protection for foreign sound recordings), and/or ineffective enforcement. Some, but not all, of these obligations were negotiated in bilateral trade agreements with the U.S., signed in the early-1990s -- agreements with which these countries are still not yet fully complying. In the case of Ukraine, for example, the copyright industries and the U.S. Government are concerned about the high levels of piracy, including the export of pirate optical media product throughout the region, and the failure of Ukrainian authorities to fight piracy effectively.

The 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. According to Copyright Industries in the U.S. Economy: The 1999 Report, prepared for IIPA by Economists, Inc., the core copyright industries accounted for \$348.4 billion in value added to the U.S. economy, or approximately 4.3% of the Gross Domestic Product (GDP) in 1997 (the last year for which complete data is available). The core copyright industries' share of the GDP grew more than twice as fast as the remainder of the U.S. economy between 1977 and 1997 (6.3% vs. 2.7%). Employment in the core copyright industries grew three times the rate of national employment growth between 1977 and 1997 (4.8% vs. 1.6%). The core copyright industries generated an estimated \$66.85 billion in foreign sales and exports in 1997, with preliminary estimates for foreign sales and exports for 1998 is \$71.0 billion. Visit the IIPA's website at www.iipa.com.



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