

**FOR IMMEDIATE RELEASE**

October 31, 2001  
Washington, DC

**CONTACT:**

Eric H. Smith  
President, IIPA  
(202) 833-4198

### Copyright industries react to USTR Special 301 "Out of Cycle" decisions on Malaysia, Costa Rica and Lithuania, plus Poland

Washington — Today U.S. Trade Representative Robert B. Zoellick announced his decisions regarding the "out of cycle reviews" for several countries. Eric H. Smith, President of the International Intellectual Property Alliance (IIPA), a coalition of copyright-based associations, noted, "These out of cycle reviews are important exercises to ensure sufficient and effective progress is being made in these targeted countries to improve copyright enforcement and legal reform."

- Malaysia has taken important steps to crack down on optical media piracy, including the adoption of a comprehensive law regulating the distribution and use of optical disc replication equipment. Malaysian law enforcement authorities have demonstrated exemplary levels of cooperation with the private sector in targeting facilities, executing raids and seizing equipment, and we applaud these critical developments. We express our hope that this is just the beginning of Malaysia's efforts to enhance copyright protection, and that remaining issues will be quickly tackled. Serious problems remain, in particular that there has been virtually no progress in obtaining prompt convictions and deterrent sentencing of pirates in Malaysian courts. Given the huge overcapacity for optical media production in Malaysia, issuance of any more licenses for such facilities would be a matter of deep concern.
- Costa Rica remained on the "Priority Watch List" because of continuing deficiencies related to criminal and civil enforcement there. Little progress has been made on the four-point list of enforcement-related actions in USTR's April 30 announcement in which Costa Rica was to improve coordination of enforcement activities between public prosecutors and investigators, appoint special prosecutors to take on intellectual property cases, create a coordinated nationwide plan for defending and enforcing IP rights, and improve enforcement-related training at all levels of government. A bill which would amend the gaps in the existing procedural laws affecting copyright enforcement has been forwarded to Congress for its review.
- Lithuania stayed on the "Watch List" because of ongoing serious on-the-ground enforcement failures confronting all industries. The copyright industries worked for many years to ensure the passage of proper criminal penalties in May 2000; now, after just over one year and only one case, there are factions in Lithuania that want to weaken this law. Lithuania needs to retain the existing provisions and step-up, not diminish, criminal enforcement of copyright violations. Ineffective border enforcement also remains a serious concern.

While Poland was not subject to this set of "out of cycle reviews," Ambassador Zoellick identified his continuing concern over the vast amount of pirate products found in the Warsaw Stadium. This Stadium is a well-known haven for copyright piracy and other illegal activities, most of which are controlled and protected by organized crime elements. The Polish authorities should act immediately to halt the sale of pirated copyrighted products (including optical media) in and through the Stadium. In addition, and in order to halt the lawlessness that pervades the entire Stadium, Polish officials at both the federal and municipal levels should act to close down the Stadium entirely.

For further information on the IIPA and its activities, check out [www.iipa.com](http://www.iipa.com).

###