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**COPYRIGHT INDUSTRIES URGE THE U.S. GOVERNMENT TO COMMENCE CONSULTATIONS
IN THE WORLD TRADE ORGANIZATION WITH CHINA**

**IIPA SUBMITS “SPECIAL 301” OUT-OF-CYCLE REVIEW
RECOMMENDATIONS TO USTR**

Washington — The International Intellectual Property Alliance (IIPA), a coalition of six trade associations representing 1,500 U.S. copyright-based companies, today submitted its recommendation to USTR regarding the out-of-cycle review of copyright enforcement in China. It urged USTR to commence immediate WTO consultations with China. At the same time it asked that China be placed on the Priority Watch List and that a new out-of-cycle review be undertaken at the end of July to assess progress and consider further bilateral or multilateral action, including the possibility of establishing a dispute settlement panel at the WTO.

IIPA President Eric H. Smith commented on the IIPA’s recommendations. “Vice Premier Wu Yi told our government last April that the actions taken by the Chinese authorities would ‘significantly reduce piracy levels’ in China. So far, while raiding and seizures in most copyright sectors appear to have increased, piracy levels have not been significantly reduced. Despite Wu Yi’s commendable efforts, piracy rates continue to hover around 90% of the domestic market, pirate exports are increasing and our industries have lost, by conservative estimates, another \$2.5 billion in 2004 to piracy in China. This is on top of losses of a similar magnitude, suffered over many prior years. Our objective is to persuade the Chinese government that they must take real, not rhetorical, deterrent enforcement action that, as they committed in the JCCT, significantly reduces the rampant piracy that afflicts their entire country. In addition to our bilateral dialogue, the copyright industries believe it is time to open multilateral consultations with China. We also hope that our friends in Europe and Japan will join the U.S. government in this effort. Europe, Japan, Korea and many other countries also suffer staggering losses from piracy and counterfeiting in China.”

Smith added, “We will be meeting with the Administration to urge it to engage the Chinese government in a new, and hopefully, more effective forum. As always, our associations and their company members stand ready to work with the Chinese government and other governments to build an effective IPR enforcement system in China.”

About the IIPA: The International Intellectual Property Alliance (IIPA) is a coalition of six 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. In October 2004, the IIPA released its latest economic report entitled *Copyright Industries in the U.S. Economy: The 2004 Report*, which details the economic impact and contributions of U.S. copyright industries to U.S. Gross Domestic Product, employment, and trade. 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 employed 4% of U.S. workers in 2002 or 5.48 million persons. Also 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. For more info on this report and the IIPA, visit www.iipa.com.