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**Statement of Eric H. Smith, President, IIPA, on the
“Report of the Department of Justice’s Task Force on Intellectual Property”**

The Report’s recommendations to strengthen international coordination abroad are needed to fight piracy abroad and to ensure the continuing vitality of the U.S. copyright-based industries.

Washington, D.C. – Eric Smith, President of the International Intellectual Property Alliance (IIPA), a coalition representing the U.S. copyright-based industries, had the following remarks about today’s announcement by U.S. Attorney General John Ashcroft on the release of the “Report of the Department of Justice’s Task Force on Intellectual Property.”

Attorney General Ashcroft and the Justice Department are to be commended for this report and its recommendations which recognize, with great clarity, that piracy, both at home and abroad, is costing our citizens both jobs and revenue. The recommendations to strengthen international cooperation and to involve the Department more deeply in fighting organized crime internationally is a welcome and critical addition to the overall effort that the Administration is taking in its STOP! (Strategy Targeting Organized Piracy) program. Piracy, both of physical goods and on the Internet, is a global problem in a global economy. We commend actions to bolster U.S. resources devoted to fighting piracy including fostering broader contacts with law enforcement outside this country. For example, the report recommends that federal prosecutors be sent to U.S. Embassies in various countries to coordinate regional IP enforcement efforts. Additional training for foreign prosecutors and law enforcement officials would also assist in educating foreign officials and enhancing the communication between them and U.S. officials in operational matters. These international initiatives and their domestic counterparts are important and appreciated – declared by Attorney General Ashcroft as “the strongest, most aggressive legal assault against intellectual property crime in our nation’s history.”

Smith added, “The creative industries are a critical engine of economic growth. This is clearly demonstrated by IIPA’s recently released economic report, Copyright Industries in the U.S. Economy: The 2004 Report, written by Stephen Siwek of Economists Incorporated, which found that the U.S. ‘core’ copyright industries (those industries whose primary purpose is to produce or distribute copyright materials, such as our members’ creative output) accounted for an estimated 6% of the U.S. gross domestic product (\$626.6 billion) in 2002. The U.S. ‘total’ copyright industries accounted for an estimated 12% of the U.S. gross domestic product (\$1.25 trillion). In addition, the ‘core’ copyright industries employed 4% of U.S. workers (5.48 million workers), while the ‘total’ copyright industries employed 8.41% of U.S. workers (11.47 million workers) 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, food and live animals, motor vehicles, parts, and accessories, and aircraft and associated equipment sectors.”

About the IIPA: The International Intellectual Property Alliance is a private sector coalition representing the U.S. copyright-based industries in bilateral and multilateral efforts to improve international protection of copyrighted materials. This year IIPA celebrates the 20th anniversary of its founding. IIPA is composed of six trade associations, representing 1,300 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 CDs and cartridges, personal computer CD-ROMs and multimedia products); theatrical films, television programs, home videos and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and textbooks, tradebooks, reference and professional publications and journals (in both electronic and print media). Visit www.iipa.com for more information on IIPA and its activities. # # #