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**STATEMENT OF THE INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE
ON USTR'S "SPECIAL 301" OUT-OF-CYCLE REVIEW
DECISIONS ON TAIWAN AND POLAND**

Washington — The International Intellectual Property Alliance (IIPA), a coalition of six trade associations representing 1,300 U.S.-based copyright companies, today commented favorably on USTR's announcement concerning the "Special 301" out-of-cycle review decisions concerning Taiwan and Poland

IIPA President Eric H. Smith stated: "Following IIPA's recommendations made in November 2004, USTR today determined to upgrade Taiwan from the Special 301 Priority Watch List to the Watch List in recognition of improvements made in both copyright law reform and enforcement from April 2004. USTR also maintained Poland on the Watch List."

"Taiwan's progress is particularly noteworthy," Smith added, "given that it has been on the Priority Watch List since 2001. In a special August session of its legislature, corrective amendments were adopted to repair faulty amendments made in 2003. Taiwan is to be commended for making these changes during a difficult political time. In addition, significantly improved enforcement against pirate CD factories, CD and DVD "burning" labs, against distributors and night markets, off-campus photocopy shops and against piracy of business software by business enterprises is continuing at an effective rate. Among the concerns that remain, however, are that this stronger enforcement is maintained, that the new copyright amendments are fully and properly implemented and that the two internet services, Kuro and Ezpeer – now under indictment for operating commercial pirate internet services — are forced quickly to cease profiting from facilitating infringement."

"In the case of Poland, Watch List placement was maintained following review of Poland's progress on four issues: 1) strengthening anti-piracy and anti-counterfeiting measures at the Warsaw Stadium and continuing effective raids and prosecutions against piracy and counterfeiting activities across the country; 2) strengthening border enforcement; 3) signing into law and implementing new copyright amendments and optical disc regulations; and 4) taking concrete, effective steps to strengthen domestic enforcement of IPR. While Poland has made some progress in all four areas (more so on law reform and less on border and criminal law enforcement), continued Watch List placement is warranted to encourage more effective deterrence against piracy at all levels of the Polish enforcement system (including the judiciary)."

Smith concluded, “The out-of-cycle review process under Special 301 provides a powerful incentive for countries to improve protection sooner in the hope of improving its placement on these lists in mid year. We commend USTR for its careful review of these copyright reform and enforcement practices.”

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.

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