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IIPA SUPPORTS USTR IDENTIFICATION OF NOTORIOUS MARKETS FACILITATING GLOBAL PIRACY TO PROTECT U.S. CREATORS

Special 301 Report of "Notorious Markets" Includes Online and Physical Marketplaces that Cause Significant Economic Harm to Copyright Creators and the U.S. Economy

Washington, DC —The International Intellectual Property Alliance (IIPA), representing five leading trade associations of the U.S. copyright industries, applauds the U.S. Trade Representative's (USTR's) 2023 Special 301 "Notorious Markets" Report (The Report), and its issue focus on the potential health and safety risks posed by counterfeit trademark goods to consumers. The Report includes many of the notorious online and physical markets identified by IIPA members in their respective filings to the U.S. government in 2023. The 2023 USTR Report identifies 39 online markets and 33 physical markets that are reported to engage in or facilitate substantial trademark counterfeiting or copyright piracy.

The 2023 USTR Report includes several previously identified online markets, such as *Libgen.rs* and *Sci-Hub.se*. These sites and their mirror sites provide access to millions of journal articles and academic papers. This year's Report also includes newly identified markets such as *Savefrom.net*. Stream-ripping sites like this one allow users to copy and paste a YouTube link into a conversion bar and quickly convert videos into digital audio files. Additionally, the Report highlights BitTorrent sites like *1337x.to* provide access to a range of pirated content, including movies, TV series, music, and video games. The Report also notes some markets that have closed due to the notoriety of past listings and the ensuing enforcement actions.

IIPA Executive Director Kevin M. Rosenbaum commented, "We congratulate USTR and the interagency partners for their outstanding work on this year's Special 301 Report of Notorious Markets. We welcome USTR's highlighting the dangers to consumers from counterfeit goods and that 'commercial-scale copyright piracy and trademark counterfeiting cause significant financial losses for U.S. right holders and legitimate businesses, undermine critical U.S. comparative advantages in innovation and creativity to the detriment of American workers, and pose significant risks to consumer health and safety. The Notorious Markets List has achieved meaningful results, and we fully support USTR's stated goal 'to motivate appropriate action by the private sector and governments to reduce piracy and counterfeiting." The 2023 USTR Notorious Markets Report can be found here.

About the IIPA:

IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve copyright protection and enforcement abroad and to open foreign markets closed by piracy and other market access barriers. Members of the IIPA include Association of American Publishers (www.publishers.org), Entertainment Software Association (www.motionpictures.org), and Recording Industry Association of America (www.riaa.com). Collectively, IIPA's five member associations represent over 3,200 U.S. companies producing and distributing copyrightable content. The materials produced and/or distributed by IIPA-member companies include: video games for consoles, handheld devices, personal computers, and online; motion pictures and television programming distributed in all formats (including cinema, television, online, mobile, DVD, etc.); music recorded in all formats (from digital files to CDs and vinyl) for streaming and other online services, as well as broadcasting, public performance, and synchronization in audiovisual materials; and fiction and non-fiction books, educational, instructional and assessment materials, and professional and scholarly journals, and databases.

In December 2022, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2022 Report*, prepared by Secretariat Economists. (2022 Report). According to the 2022 Report, the "core" copyright industries in the United States generated over \$1.8 trillion of economic output in 2021, accounting for 7.76% of the entire economy, and employed approximately 9.6 million workers in 2021, accounting for 4.88% of the entire U.S. workforce and 5.53% of total private employment in the U.S. The jobs created by these industries are well-paying jobs; for example, copyright industry workers earn on average 51% higher wages than other U.S. workers. The report also broke new ground by measuring the copyright industries' significant contributions to the U.S. digital economy, as that concept was defined by the federal government. In 2021, the core copyright industries accounted for 52.26% of the U.S. digital economy amployment, even though the government's digital economy definition does not encompass the full range of the copyright industries' digital activities. In addition, according to the 2022 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 6.15% between 2018 and 2021, while the U.S. economy grew by 1.76%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2022 Report calls the "total" copyright industries), the numbers are even more compelling. Additionally, the 2022 Report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. Given the importance of digital delivery to the copyright-based industries, this sector has the potential to multiply its export revenues if our trading partners provide strong copyright-protective environments. In 2021, these sectors contributed \$230.3 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines,









