



COPYRIGHT INDUSTRY INITIATIVES AND CHALLENGES IN 2006

○ EFFECTIVE AND DETERRENT ENFORCEMENT AGAINST COPYRIGHT PIRACY

The copyright industries most important global goal is to significantly reduce piracy levels through effective and deterrent enforcement in order to open foreign markets, and create increased revenue and employment. Only through TRIPS-compatible deterrent enforcement can this goal be met. The lack of effective enforcement undergirds virtually all the initiatives/challenges described below. Industry and the U.S. government must seek new and creative tools to persuade/assist governments around the world to achieve this goal and bring their enforcement regimes into compliance with their international obligations. Ranking the effectiveness of countries' enforcement systems, creating "best practice" models (including "zero-tolerance" policies against retail piracy of all types), negotiating specific enforcement targets and improved training methods are some ways this might be done.

○ INTERNET PIRACY, ELECTRONIC COMMERCE, AND THE WIPO INTERNET TREATIES

Internet piracy, including unauthorized file sharing, has undergone explosive growth and is quickly becoming the number one threat to the global copyright industries. Internet piracy threatens to undermine the foundations of electronic commerce in the new Millennium. The adoption of adequate legislation on a global basis and its effective enforcement online, including ratification and full implementation of the WIPO "Internet" treaties, will promote healthy growth of legitimate electronic commerce in copyright materials.

○ OPTICAL DISC PIRACY

The growth in optical disc production capacity (including CDs, VCDs, DVDs, CD-ROMs, blank media, and "burned" discs) globally has been staggering. Production capacity continues to greatly exceed legitimate demand. New formats with far greater storage capacity will endanger markets for copyright materials as never before. Recordable optical media are also used to "burn" unauthorized copies on a commercial basis. Effective enforcement against piratical optical disc factories and labs – the sources of pirate production – is essential to preserve the legitimate market for CDs, DVDs, and other like media. Regulations to require licensing of large-scale factories is essential, but must be accompanied by the political will to properly implement and enforce these measures to deter pirate production, including tough deterrent sentencing against owners and financiers of pirate production facilities.

○ PIRACY BY ORGANIZED CRIME SYNDICATES

Because it is a high profit-low risk activity, criminal syndicates have increasingly taken over commercial copyright piracy. These syndicates control the production and distribution of pirated and counterfeit optical disc products in domestic markets and for export. The copyright industries look to governments to exhibit leadership through enactment and implementation of strong criminal copyright measures, and the use of other laws geared toward combating organized criminal behavior (e.g., money-laundering, fraud, smuggling, criminal conspiracy, etc.).

○ END-USER PIRACY OF BUSINESS SOFTWARE AND OTHER COPYRIGHT MATERIALS

The unauthorized use and copying of software by businesses and government entities result in the loss of billions of dollars to U.S. software companies. Piracy of other copyrighted materials like sound recordings, movies, video games, and printed materials using government or corporate servers, computers networks or facilities also causes increasing losses to copyright industries. Governments should issue orders or directives to government agencies to control the use of their facilities, to audit their practices and use only legal products. Similarly, governments, government-run schools and universities, business entities, and other enterprises should take effective steps to ensure that their computers and networks are not used to facilitate infringement, including through P2P file distribution networks, and that on-campus facilities are not used for illegal photocopying. Governments, including their judicial branches, must take effective enforcement action against enterprises that use unlicensed software or otherwise facilitate infringement of copyrighted materials.

○ PIRACY OF BOOKS AND JOURNALS

In addition to digital and online piracy, the publishing industry's greatest challenges are dealing with unauthorized commercial-scale photocopying – causing the industry's greatest losses – and print piracy. These operations are often highly organized and networked. Publishers also suffer from unauthorized translations of books of all genres.

○ USING FTAs TO IMPROVE GLOBAL STANDARDS OF COPYRIGHT PROTECTION AND ENFORCEMENT

The U.S. government's negotiation of regional and bilateral free trade agreements (FTAs) offers an important opportunity to persuade trading partners to further modernize their copyright laws and enforcement regimes. With no other multilateral process moving forward to adjust protection to new technological advances, the FTAs have become the chief vehicle to set new global precedents in copyright protection and enforcement, providing further impetus to e-commerce and to global economic growth and employment.