



## GLOBAL INITIATIVES AND CHALLENGES IN 2007

### EFFECTIVE AND DETERRENT ENFORCEMENT AGAINST COPYRIGHT PIRACY

The copyright industries most important goal is to significantly reduce piracy levels through effective and deterrent enforcement, to open foreign markets and create increased revenue and employment for U.S. companies. Only through TRIPS-compatible deterrent enforcement can this goal be met. Industry and the U.S. government must seek new and creative tools to persuade and assist governments around the world to achieve this goal.

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

Internet piracy, including unauthorized file sharing, has undergone explosive growth and has quickly become the leading threat to the global copyright industries and to healthy electronic commerce. To respond to the threat, countries should ratify and fully implement the WIPO Internet Treaties and take other effective legislative and enforcement measures.

### OPTICAL DISC PIRACY

Pirate product in optical disc formats (e.g., CDs, VCDs, DVDs, CD-ROMs, recordable discs) causes enormous harm to copyright owners, and requires a global response. Production capacity has outpaced legitimate demand with the excess serving pirate markets. Effective and deterrent enforcement is sorely needed against pirate optical disc factories and labs (including tough deterrent sentencing against owners and financiers of pirate production facilities), along with regulations to require licensing of industrial factory production.

### 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 and enforcement against this piracy must be strengthened. 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, entities, contractors, and educational institutions, to control the use of their facilities (including against illegal P2P file sharing), to audit their practices and use only legal products.

### 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 (e.g., in shops, underground, and on university campuses), unauthorized photocopying for commercial research purposes in both for-profit and non-profit institutions, unauthorized translations, and print piracy. These operations are often highly organized and networked, and require deterrent enforcement mechanisms.

### PIRACY BY ORGANIZED CRIME SYNDICATES

Criminal syndicates have increasingly taken over commercial copyright piracy – a high profit-low risk activity. The copyright industries look to governments to take leadership through enactment and implementation of strong criminal copyright measures, and the use of other laws geared toward combating organized criminal behavior.

### 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) has become the chief vehicle to persuade trading partners to modernize their copyright laws and enforcement regimes. These new norms must be carried forward to all our trading partners.

### IMPROVING MARKET ACCESS

There exists a strong connection between a country's willingness to open its market to legitimate copyright businesses and its ability to combat piracy effectively. Where there are unjustifiable impediments to the introduction or distribution of legitimate products, or to the commercial establishment of companies involved in the creation, manufacture or distribution of such products, illegal operations fill the void with piratical product. In essence, limitations on market access or excessive regulatory burdens allow pirates to become *de facto* exclusive distributors of U.S. copyright products.