

INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE®



2101 L STREET NW, SUITE 1000 · WASHINGTON, DC 20037 · TEL (202) 833-4198 · FAX (202) 331-3101 · WWW.IIPA.COM · EMAIL: INFO@IIPA.COM

FOR IMMEDIATE RELEASE

May 19, 2011

CONTACT: Eric H. Smith

(202) 833-4198

International Intellectual Property Alliance (IIPA) Applauds USITC Findings in its Second Report on the “Effects of China’s Intellectual Property Infringement and Indigenous Innovation Policies on the U.S. Economy”

USITC estimates \$23.7 billion in losses in the United States due to copyright piracy in China alone; overall, U.S. firms lose \$48.2 billion due to IP theft in China, according to the USITC

Washington, D.C. — The International Intellectual Property Alliance (IIPA) applauded yesterday's release of the United States International Trade Commission (USITC) Report *China: Effects of Intellectual Property Infringement and Indigenous Innovation Policies on the U.S. Economy*, Investigation No. 332-519, USITC Publication 4226 (May 2011). Specifically, the USITC found that

- US IP-intensive firms reported more than **\$48 billion** in losses due to IP infringement in China in 2009, with copyright infringement accounting for the largest share – **\$23.7 billion**. These firms spent an additional \$4.8 billion to combat IP infringement in China.
- Improving IP protection in China to levels comparable to the U.S. could lead to an estimated **\$107 billion** gain in US exports and sales, and **2.1 million** U.S. job gains.

Eric Smith, counsel to IIPA, made the following statement: “IIPA commends the USITC for reporting on and quantifying the significant harm caused to U.S. firms and the U.S. economy due to physical and digital piracy, under-licensing of IP (e.g., of software), and lack of market access in China. The Report concludes that improved IPR protection in China would likely add almost a million new jobs and over \$100 billion to sales and exports. The USITC confirms the vital contribution of the IP-intensive industries to the U.S. economy, noting that royalties from sales of IP globally resulted in a \$64.6 billion trade surplus in 2009 and that IP-intensive industries represent about 16.3% of the total U.S. economy.”

Smith continued, “We are grateful to the USITC for undertaking such a comprehensive study, which supports the key findings in its first Report issued last year – that ineffective copyright enforcement of IPR, and market access restrictions that limit the availability of legitimate goods and services combine to significantly undermine the interests of the U.S. creative community. We also thank the bipartisan leadership of the Senate Finance Committee which requested these reports, and which, upon release of this second Report yesterday, demanded ‘an end to China’s violations of U.S. intellectual property rights (IPR) that cost the U.S. tens of billions of dollars in economic activity and millions of jobs.’”

###

About the IIPA: The International Intellectual Property Alliance (IIPA) is a coalition of seven trade associations – Association of American Publishers (AAP), Business Software Alliance (BSA), Entertainment Software Association (ESA), Independent Film & Television Alliance (IFTA), Motion Picture Association of America (MPAA), National Music Publishers' Association (NMPA) and the Recording Industry Association of America (RIAA) – which represent the U.S. copyright-based industries in bilateral and multilateral efforts to open up foreign markets closed by piracy and other market access barriers. These member associations represent over 1,900 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 discs and cartridges, personal computer CD-ROMs, and multimedia products); theatrical films, television programs, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and textbooks, trade books, reference and professional publications and journals (in both electronic and print media). Visit our webpage to find more details on this and other copyright and trade issues, www.iipa.com.