EXECUTIVE SUMMARY

**Special 301 recommendation:** Latvia should remain on the Special 301 Watch List.

**Overview of key problems:** Latvian anti-piracy efforts to combat all forms of copyright infringement are inadequate, if not virtually non-existent. As none of the Latvian governments over the past nine years have expressed any serious interest in showing the necessary political will to clear the country from pirate products and to enforce copyright legislation, the on-ground enforcement is reduced to a critical minimum. Piracy levels are growing and now constitute more than half the market in most copyright sectors.

A significant weakness is the lack of effective border enforcement, especially the failures of customs officials to take *ex officio* actions in checking the shipments entering the country and targeting materials transshipped through (and stored in) Latvia for other territories. Another major problem is an extremely low level of activity by the under-resourced and uninterested Economic Police responsible for fighting all IPR crimes. Insufficient financial and human resources for the Latvian authorities to use in conducting effective investigations and seizures are continuously pointed to by the on-ground enforcement agencies as the main reason for their lack of activity. Since 2001, the Municipal Police in Riga have expressed the interest vis-à-vis the IPR crimes by organizing some seminars for its officials. However, there have been no successful raids or administrative cases yet. Furthermore, the few actions taken have been undermined by poor cooperation with prosecutors, onerous evidentiary requirements, and courts reluctant to pursue copyright cases. Other Municipal Police claim that copyright protection does not fall within their jurisdiction, despite the fact that they have the duty to confiscate illegal goods (i.e., pirated goods) and prevent illegal trading. Prosecution priority for copyright cases is extremely low; penalties for copyright infringements are minimal (usually comparable to fines for minor administrative offenses); and the courts tend to return the infringing goods to the pirates. Finally, there is no successful cooperation between the enforcement authorities such as the Economic Police, Municipal Police, State Police, Customs, prosecutors and courts as well as no effective cooperation with rightsholder organizations.

Latvia’s 2000 copyright law still contains several key deficiencies, including no provisions on technological protection measures, rights management information or for TRIPS-mandated civil *ex parte* search procedures. The Latvian government had begun internal work to upgrade the copyright law (and other laws) by December 31, 2003, but this deadline has slipped until at least May 1, 2004, which is the date of Latvia’s accession to the European Union.
**Actions which the Latvian government should take in 2004**

**Enforcement**

- The government must immediately instruct Latvian enforcement agencies to make copyright piracy a priority issue for action;
- The government, specifically the Minister of Interior, must establish a centralized, modern and professional IPR unit within the police;
- Enforcement authorities must increase the number and frequency of criminal raids and prosecutions, and implement administrative actions, including against organized crime elements;
- Customs officers must strengthen their activities to intercept pirate product and act on their own initiative, *ex officio*, as permitted under the law;
- Administrative remedies (like removing business licenses and issuing fines) must actually be imposed (but not as a substitute for criminal actions, as appropriate);
- The Latvian judiciary must relax its onerous evidentiary burdens regarding preparation of expert reports in criminal cases involving sound recording and audiovisual piracy;
- The Latvian judiciary must improve the speed of the proceedings in copyright cases and impose deterrent penalties;
- Improve cooperation between customs and the police, and as well as the police, prosecutors and the judiciary. Intensive educational training for enforcement bodies including judges and prosecutors has started and needs to continue.
- Establish better cooperation with Estonian and Lithuanian customs agencies.
- Establish a system at the borders to track the importation of blank optical media products.

**Legislation**

- Implement Latvia’s obligations under the two 1996 WIPO treaties by amending the deficiencies which cause the law to be inadequate to protect copyright holders’ rights.
- Amend the Civil Procedure Code and the Copyright Law to provide for a civil *ex parte* search order, as required by TRIPS;
- Amend the Criminal Law and Administrative Offenses Code to increase criminal and administrative sanctions to levels which deter piracy.
LATVIA

ESTIMATED TRADE LOSSES DUE TO PIRACY
(in millions of U.S. dollars)
and LEVELS OF PIRACY: 1999 – 2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loss</td>
<td>Level</td>
<td>Loss</td>
<td>Level</td>
<td>Loss</td>
</tr>
<tr>
<td>Motion Pictures</td>
<td>NA</td>
<td>85%</td>
<td>NA</td>
<td>85%</td>
<td>1.5</td>
</tr>
<tr>
<td>Records &amp; Music</td>
<td>10.0</td>
<td>80%</td>
<td>8.0</td>
<td>67%</td>
<td>NA</td>
</tr>
<tr>
<td>Business Software Applications</td>
<td>NA</td>
<td>NA</td>
<td>7.4</td>
<td>58%</td>
<td>NA</td>
</tr>
<tr>
<td>Entertainment Software</td>
<td>NA</td>
<td>95%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Books</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>NA</td>
<td>15.4</td>
<td>1.5</td>
<td>5.5</td>
<td>4.0</td>
</tr>
</tbody>
</table>

In September 2003, the U.S. government welcomed the European Commission’s decision which endorses a political understanding preserving the U.S. bilateral investment treaties (BITs) with several EU-accession countries, including Latvia. This BIT is important for copyright purposes as it provides a broad provision on national treatment. Reports suggest that Latvia is interested in terminating this BIT; the copyright industries recommend that Latvia maintain the current U.S. BIT.

COPYRIGHT PIRACY IN LATVIA

Weak border enforcement and transshipment: Weak border control and lack of cooperation between enforcement agencies and the judiciary allows an unimpeded flow of pirated goods into and through Latvia. The copyright industries agree that Latvian customs authorities must take ex officio action when they detect border trade and domestic enforcement violations. Customs requires training and resources to address this problem effectively.

---

1 The methodology used by IIPA member associations to calculate these estimated piracy levels and losses is described in IIPA’s 2004 Special 301 submission, available at http://www.iipa.com/pdf/2004spec301methodology.pdf.

2 BSA’s 2003 piracy statistics were not available as of February 13, 2004, and will be made available in the near future and posted on the IIPA website at http://www.iipa.com. BSA’s statistics for 2003 will then be finalized in mid-2004 and also posted on the IIPA website. In IIPA’s 2003 Special 301 filing, BSA’s 2002 estimated losses of $7.9 million and levels of 57% were identified as preliminary. BSA’s revised, final 2002 figures are reflected above. BSA’s trade loss estimates reported here represent losses due to piracy which affect only U.S. business software publishers in Latvia, and differ from BSA’s trade loss numbers released separately in its annual global piracy study which reflect losses to (a) all software publishers in Latvia (including U.S. publishers) and (b) losses to local distributors and retailers in Latvia.

3 In IIPA’s 2003 Special 301 submission, IIPA estimated that total 2002 losses to the U.S. copyright-based industries in Latvia were $15.9 million. IIPA’s revised loss figures for 2002 are reflected above.

4 For more details on Latvia’s history under the Special 301 trade program, see Appendix D of IIPA’s Special 301 report at http://www.iipa.com/pdf/2004SPECIAL301USTRHISTORY.pdf, as well as Appendix E at http://www.iipa.com/pdf/2004SPEC301HISTORICALSUMMARY.pdf of this submission. Latvia is a beneficiary country under the U.S. Generalized System of Preferences (GSP) trade program, which contains IPR criteria. During the first 11 months of 2003, $10.2 million worth of Latvian goods (or 2.8% of Latvia’s total exports to the U.S. from January to November) entered the U.S. under the duty-free GSP code, representing a 0.7% decrease over the same period in the previous year.
Numerous pirated materials enter the country from Lithuania, Belarus and Russia which are harming the local market for legitimate products. Pirated material, including audio CDs, CD-ROMs containing business software, videos, and audiocassettes, regularly arrive from Lithuania. Most of the illegal prerecorded optical media material containing sound recordings comes from Russia. However, an increase in the numbers of CD-Rs with unauthorized reproduction has been noted, the likely source being local CD-R burning operations. The business software industry estimates that some 99% of illegal software on CD-ROMs found in Latvia has entered from the borders, but Latvian customs have yet to seize a single shipment using its *ex officio* authority. The entertainment software industry reports that all pirated CD and DVD imports come into Latvia from Russia, regardless of where they are manufactured. Much of the product for play on the PC is made in Russia.

The recording industry is investigating transshipment of pirate sound carriers through Latvia (along with its Baltic neighbors) into the European Union by using sea links with Finland and the other Scandinavian countries, which would fit the pattern of transshipment of varying quantities from neighboring Estonia. This transshipment problem indicates the importance of effective border enforcement measures in all of the Baltic countries. It is not sufficiently clear how much of the Russian pirate product is shipped beyond Latvia. However, the Baltic route provides a viable alternative routing of pirate discs to the Finland/Scandinavia route, which has evidenced seizures of Russian discs.

**CD-R piracy and Internet piracy**: Latvia continues to be a fast-growing Internet piracy source. Many websites illegally host musical material in MP3 format or offer physical discs for sale. The entertainment software industry faces problems with “warez” sites offering pirate videogames for direct download, and “master” copies from which to burn CDs. Some illegal sites operate in government-controlled servers. In 2003, the recording industry identified and sent 56 “cease and desist” notices to 190 infringing sites estimated to contain around 38,000 illegal files; 86 of those sites (45%) were removed from Internet. Despite the increasing figures, several websites have been operating with impunity for over four years without any prosecutorial action to shut them down. To date, there are also no court cases dealing with Internet piracy. The Latvian enforcement authorities have not begun to address Internet piracy. This makes the proper and effective implementation of the WIPO treaties all the more vital.

BSA reports that no Internet-related raids or arrests have taken place in relation to business software in 2003. Latvian ISPs are generally cooperative in terms of taking down sites that are identified to them as hosting infringing material. While BSA members experience problems in Latvia associated with the unauthorized use of FTP servers, an increasingly significant problem concerns the growing use of file sharing technologies in Latvia.

**Copyright piracy levels are high across almost all industry sectors**: Piracy of sound recordings and music continues to be widespread in Latvia. The local recording industry group, LaMPA, reports that due to the ineffective enforcement the estimated level of music piracy is rising every year, reaching as high as 80% of the market in 2003. Estimated trade losses due to the piracy of sound recordings and musical compositions in Latvia in 2003 were $10 million. The biggest distribution points are bazaars in Riga, which have 60 to 100 sales points for pirated audio products. The prices of pirated music CDs are approximately US$4.50 for international repertoire and US$5.00 for local repertoire. Another significant problem is the parallel importation of legal sound recordings which are for distribution only in Russia; according to Article 148 of the Criminal Code, such distribution of legal copies not authorized by the rightsholders is considered to be a copyright crime in Latvia. One particularly disturbing form of piracy is the hardly detectable “hand-to-hand” piracy, i.e., sales of pirated sound recordings.
offered in the catalogue by the physical persons. In general, the recording industry reports that the police have not taken decisive action against the open markets; there are no seizures or raids, much less prosecutions.

The Business Software Alliance (BSA) reports that almost all of the infringing business software in this market comes from Latvia’s neighbors. Poor border enforcement and the lack of cooperation between neighboring countries (especially Estonia and Lithuania) are problems that need the most attention. In October 2003, BSA launched a month-long public educational campaign primarily targeted at small- and medium-sized businesses, urging them to ensure that software on their computers is legal.

The Motion Picture Association (MPA) reports that the video piracy rate in Latvia is approximately 85%. Corruption and organized criminal activity are major problems. Although piracy is not as overt as it has been in the past, street traders still solicit customers with pirate catalogues. Pirate copies are available in video rental stores as early as two months before their Latvian theatrical release. Web-based piracy is also starting to appear. Pirate sites marketing hard goods are expected to be a growing problem.

The entertainment software industry (Entertainment Software Association, ESA) concurs that poor border enforcement is the most significant for their industry in Latvia. It must be addressed in order to cut off the flow of material from organized crime syndicates in Russia. Latvian Internet cafes are another problem; only 10% of them use licensed products in their shops. Distribution of pirated games from the Internet, werez sites and CD-burning are other phenomena adversely affecting this industry. Local piracy rates for entertainment software product are approximately 95%.

**COPYRIGHT ENFORCEMENT IN LATVIA**

**Lack of centralized coordination and communication:** Under Latvia’s National Program for EU Integration, the government agreed to financially support IPR enforcement actions and assigned 185,000 Lats (US$350,000) from the state budget of 2002 for the establishment of an anti-piracy department within the State Police. However, a dedicated IPR enforcement division of state police was never established. Instead, the State Police spent the finances for “different purposes” and delegated all IPR enforcement to a special department in the Economic Police employing merely three persons. Cooperation between the Economic Police and other enforcement agencies leaves much to be desired.

A working group under the supervision of the Ministry of Justice of Latvian officials and private sector representatives was established in May 2003 for the purpose of developing and introducing legislation to more fully integrate TRIPS-level requirements into Latvian law. As a result, the Cabinet of Ministers accepted a concept for the necessary amendments to the relevant laws. After that on October 2003, the Prime Minister issued a decree to establish another working group in the Ministry of Justice to implement the Action Plan that was prepared and submitted to the Government by the non-governmental organizations (CIPR, BSA, LaMPA and the collecting societies LaIPA and AKKA/LAA). The implementation of the Action Plan includes (a) preparing draft amendments to the different legislative acts such as the Civil Procedure Law and the Copyright Law [including the ex-parte provision]; (b) preparing new legislative acts (for example, regulations on destruction of pirated goods); (c) establishment of an Intellectual Property Coordination Council, etc. The drafts prepared by the working group will be
submitted to the Cabinet of Ministers for discussions and consideration. It should be noted that the latest government’s decision is that no legislative acts will be accepted if their implementation requires additional financing from the state budget.

**Border enforcement remained weak in 2003:** Since most of Latvia’s piracy problem is due to heavy importation of infringing materials from Russia, Belarus and Lithuania, it is essential that border measures be enforced in practice. As part of Latvia’s WTO accession package in 1999, several laws and decrees were passed to improve substantive border enforcement measures. In Spring 2002, the Latvian government allocated 20 new customs regional officials and two additional persons to the Customs Head Office solely for IPR protection; unfortunately these officials have not enforced the customs rulings.

Customs officers are not using the *ex officio* even though they have such authority under Government Regulation No. 420. Coordinating customs between Latvia, Estonia and Lithuania would help stem the tide of pirated Russian material entering all three countries. Russian customs officials agreed to cooperate and share cross-border information in 2001. BSA reports that Russian and Baltic Customs officers have co-operated since 2001, although they have not focused on IPR-related seizures.

**Low level of police raids and results despite moderate cooperation with industry:** Reports indicate that the Economic Police claim that the amount of seized goods is increasing. LaMPA organized some raids with the Economic Police that failed, as the target outlets and market places were informed in advance. Retailers of all pirate goods (music, films, software) feel untouched by the high corruption level in the enforcement. There have been no serious raids against the well known and biggest importers, distributors and retailers of pirate goods.

The recording industry group reports further that cooperation with the regional police (for whom LaMPA provides the expert reports on regular basis) is generally good. In contrast, in Riga, the anti-piracy campaign launched by the Minister of Economic Affairs failed, as no support and actions followed from the on-ground enforcement agencies (police) as well as from Riga Council. The only most impressive action in Riga in 2003 was the attempt to close down the biggest market place “Latgalite” trading with all forms of pirate material. This was also supported with a letter from Latvian musicians to the Riga Council. Unfortunately, no action followed and Latgalite continues to trade successfully. In summer 2003, LaMPA conducted a survey for the police of the 20 biggest towns in Latvia. The survey gave a good overview of the situation of the Latvian regional police. Reportedly, the raids in the region take place once in a month or once in every two months. Most popular distribution points for pirate material are markets (34%), streets (21%), music stores and video rentals (21%) and supermarkets (21%). The police officials feel that they need more training on the IPR and do not have enough knowledge and experience. Interestingly, 70% of the regional police officials find the current system for tackling the piracy unsatisfactory and ineffective.

The Business Software Alliance (BSA) reports reasonable cooperation, albeit on a limited number of cases, from the Economic and Finance Police; mostly, this has focused on end-user raids. The Economic and Finance Police conducted a total of 23 raids in 2003 with the cooperation of BSA: 12 of these concerned end-users, 11 were of resellers. As a result, seven

---

5 Two laws form the basis for Customs enforcement measures in Latvia: (1) the 1997 Customs law (of June 11, 1997); and (2) a Cabinet of Ministers Regulation on Customs measures for IPR protection (of February 9, 1999) which entered into force on July 1, 1999.
criminal cases, and seven administrative cases, were initiated. Only three cases resulted in convictions in 2003, all concerning reseller action. Two cases resulted in suspended policy terms of 7-8 months; the third resulted in a fine of US$400. BSA reports that the IPR Enforcement Division of the State Police has taken action—both on the basis of information supplied and ex officio— with respect to end-user piracy. Most notably, the IPR unit conducted a large-scale end-user raid against a well-known publishing house in Riga in October 2003.

**Prosecutorial delays:** Latvian criminal prosecutions take considerable time, anywhere from 18 months to two years just to begin the trial. This is because criminal cases must proceed through three stages: first, the police review the preliminary records; second, there is a police investigation; and finally, the prosecutor must review and get the Prosecutor’s Office to issue a formal charge. Generally, delays at the prosecution stage accounted for the poor quality of enforcement.

BSA has conducted five training seminars in regional prosecution offices in 2003, and plans to continue this program on a cross-Baltic basis in 2004. The level of expertise among state prosecutors in relation to IPR matters is low, and the software industry plans to provide a certain level of training in order to remedy this issue.

**Inadequate administrative penalties:** Copyright infringement cases in Latvia are often pursued as administrative offenses, which can take a short amount of time (anywhere from 2 to 4 months). Businesses, especially illegal kiosks and stores that sell pirated material, should be fined or their business licenses revoked; either of these measures would be important first steps toward proper enforcement of the copyright law. Unfortunately, convicted pirates are only fined 50-100 Lats and, in case of repeated infringement, a maximum of 250 Lats (US$473), which is far from being deterrent (see further discussion under the Copyright Law section, below).

**No civil ex parte search provision:** A glaring deficiency of the 2000 copyright law is that it fails to provide for a TRIPS-required civil ex parte search remedy. This omission must be corrected immediately. In end-user piracy cases, the civil ex parte remedy is an essential enforcement tool, the absence of which leaves BSA overly dependent upon police cooperation, which is, for practical and policy reasons, difficult to secure.

BSA has conducted several meetings with Latvian government representatives in 2003 in order to advance the civil search issue. In autumn 2003, the Latvian Ministry of Justice established a working group to examine the issue, the results of which have been the production of a draft implementation proposal. It appears that the implementation proposal is broadly TRIPS compliant. However, progress in relation to the implementation of the proposal is frustratingly slow, and BSA has been advised that it may be autumn 2004 before the proposal is finally incorporated into Latvian substantive law. BSA is concerned that the provisions of the draft EU Enforcement Directive relevant to civil search and seizure provisions may cause further delays in implementation.

**Judicial obstacles and delays:** The main reason for the slow and burdensome proceedings in IPR cases is that, due to the lack of relevant knowledge, the judiciary has created its own rules on IPR procedures based on the former Soviet procedural codes. The copyright industries experienced substantial difficulties and delays in securing expert reports that courts require in order to pursue criminal actions against pirates. These delays have the effect of “pushing” criminal cases into the administrative areas, where they can be disposed of quickly, but with much reduced penalties.
COPYRIGHT AND RELATED REFORM IN LATVIA

Five years ago, Latvia accomplished legal reforms in a variety of copyright-related areas in advance of its 1999 accession to the World Trade Organization (WTO). On January 21, 1999, the Latvian Parliament adopted a package of amendments to several laws, including the Code of Administrative Offenses, the Criminal Code, the Consumer Protection Act and the Customs Act.

Latvia has deposited its instruments of accession to both the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. No doubt implementation of the WIPO treaties’ obligations will be part of any Latvian copyright reform efforts. For example, Latvian law must allow rightsholders to enforce their rights against the circumvention of technological protection measures. In addition, rightsholders need to be able to protect so-called “copyright management information” that is attached to or accompanies a work or sound recording, including protection against the alteration, removal or falsification of this information.

The Copyright Law of 2000: Latvia’s 2000 copyright law was the result of a series of reforms undertaken in the late 1990s.6 The 2000 law does contain some significant improvements over the prior 1993 law, including a right of “making available” and higher penalties for software piracy infringements (both end-user and reseller). Several deficiencies remain in the current law, however:

- Too broad exceptions to the reproduction right: (a) ephemeral copying exception — the scope of the period for keeping the ephemeral copies should be reduced to 28 calendar days [Article 27]; (b) the scope of private copying exception should be limited strictly to the own private purposes and copying with any commercial implications should be strictly excluded [Article 33].
- No exclusive rights for phonogram producers contrary to other rightsholders such as authors and performers [Article 51]. Latvia should give performing artists and phonogram producers an exclusive right of public communication, instead of merely a claim for remuneration. It is essential that rightsholders, like producers of sound recordings, enjoy exclusive rights, and not merely rights to claim remuneration.
- No civil ex parte search procedure, a TRIPS-required tool, which is especially critical to enforcement in business software actions.
- Lack of provisions on technological protection measures and right management information.
- Too narrow scope of application of neighboring rights to the foreign rightsholders [Article 56(5)].
- Low administrative penalties that do not deter piracy.
- An objectionable provision regarding the destruction of equipment used to produce illegal copies, which indicates that the equipment (and perhaps the illegal copies) can be given to charity [Article 69(3)].

6 Latvian copyright reform began in 1993, when Latvia overhauled its old Soviet-style copyright law. Latvia became a member of the Berne Convention (August 11, 1995) and the Geneva Phonograms Convention (August 23, 1997); it also became a member of the Rome Convention (August 20, 1999). After a series of revision efforts in 1998 and 1999, Latvia’s new copyright law was enacted, effective April 27, 2000 (with some provisions in force on January 1, 2001 and others on January 1, 2003).
• Cumbersome and unnecessary requirements of proof of rights ownership imposed upon the rightsholders. Latvia should introduce a presumption of ownership for phonogram producers and other rightsholders similar to the presumption in place for authors [Article 8(1) of the Copyright Law].

Reports indicate that copyright reform is currently being contemplated as part of the harmonization effort necessary for Latvia’s EU accession this year. (Some locally based copyright industries already have submitted copyright law amendment proposals to the Latvian government.) In fact, draft Amendments to Copyright Act were promulgated in the Meeting of State Secretaries on January 15, 2004, and after the reception of comments from government institutions and public organizations, they will be sent to Committee of Cabinet of Ministers.

**Criminal Law:** Latvia passed a new criminal law in June 1998, which entered into force on April 1, 1999. The latest amendments to the criminal law regarding protection of copyright and neighboring rights were made at the end of 2001 and 2002, adopted by the Parliament on October 17, 2002, and entered into force on November 11, 2002. Although some provisions were improved, the fines imposed for the infringement of copyright and neighboring rights are disproportionately low. The criminal law provides that for certain type of criminal actions, the judge can apply a penalty up to, for example, 200 minimal monthly salaries, which is about 16,000 Lats (~US$30,000). Unfortunately, the reality is that courts still impose very low penalties (for example, in one piracy case the fine was only 3 monthly salaries).

The Latvian government started drafting the new Criminal Procedure Law in 2001. There is special Parliament’s Under-Committee of Legal Committee established to work on the Draft Criminal Procedure Law. Draft law was passed in the first reading by Parliament on June 19, 2003. There are no special provisions on procedures regarding copyright and neighboring rights cases. Although the draft provides shortened procedures, the efforts of music industry and other rightowners to include the principle of presumption of ownership were not taken into account.

**Administrative Offenses Code and the Civil Law:** The most recent amendments to the Administrative Offenses Code were passed by Parliament on June 19, 2003, and came into force on July 24, 2003. The amendments apply administrative penalties only in the cases of the acquirement of pirated goods with the aim of distribution, storage and hiding of pirated goods. If those actions are accomplished for the second time, then the criminal law is applied. There are no administrative penalties for the distribution of pirated goods as there were before these amendments. In cases of distribution of pirated goods, only criminal liability is provided. The reason for these amendments was to avoid inadequate sanctions for copyright and neighboring rights infringements, but fines are still too low, as mentioned above.

At the end of 2002, the Ministry of Culture proposed authorizing the Municipal Police to take actions against IPR infringements and increase the fines for legal entities infringing

---

7 Several IPR-related provisions in the 1999 criminal code amendments (Articles 148-149) provide: fines for manufacturing, selling, storing or concealing unauthorized copies; confiscation of infringing copies and equipment; prison terms of one to two years for repeat offenders (including activities related to unauthorized decoders and smart cards); and up to five years imprisonment for organized crime activity. The fines range from between 50 and 200 times the minimum monthly salary (which as of January 1, 2003, is 70 Lats, or US$132), meaning the fines range between US$6,620 and $26,480.
copyrights among the amendments package to the Administrative Offenses Act. The proposal concerned Article 155(8) of the act, but was unfortunately rejected by the Parliament. The mentioned article provides penalty only for the use of copyrighted material without license only in the case of public performance of work and neighboring rights objects).

There are no known pending amendments regarding civil penalties. Articles 1770-1792 (Civil Code) and Article 69 (Law on Copyright and Neighboring Rights) do include civil sanctions for copyright infringements.

**Government software management:** BSA reports that the level of unlicensed use of business software applications within the Latvian government remains at a very high level, but that a series of reviews of software installations and licenses has taken place within the central or municipal government in Latvia. Government use of software is seen as an essential behavior determinant by BSA for business users of software: It is essential that government take steps to regularize and legalize its use of business software applications in order to set an example to the software-using community.