

Beat: Business

## U.S. names Ukraine world's worst copyright offender

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**USPA News** - Ukraine has been designated the world's top violator of intellectual property rights in an annual report released by the U.S. government, citing a "severe deterioration" of enforcement. It also named other countries such as China, Russia and Thailand.

The report, released by the Office of the U.S. Trade Representative (USTR), studies the protection and enforcement of intellectual property rights (IPR) and the market access for people and businesses that rely on IPR protection. It named Ukraine as the worst country, followed by ten other countries that were placed on a priority watch list. "I regret that the Government of Ukraine has earned the first new Priority Foreign Country designation in 11 years due to its severely deteriorating climate for IPR protection and market access, and call upon that government to reverse recent backsliding and swiftly resolve the problems identified today," said Acting U.S. Trade Representative Marantis. The U.S. government said it is deeply concerned by the "deterioration of the entire system" for collecting and disbursing music royalties in Ukraine. The report said that while the Ukrainian government recognized that it has a significant problem with illegal collection societies that collect royalties by falsely claiming they are authorized to do so, authorities have failed to prosecute them. On the contrary, the State Intellectual Property Service of Ukraine last year revoked the authorization of the Ukrainian Music Rights League that, according to producers, had fairly disbursed royalties. Some observers claim the move was an attempt to empower a rogue collection society that allegedly has strong ties to government officials. "The current system of collecting societies in Ukraine institutionalizes misappropriation of royalties," the report said, which notes that an August 2012 court ruling left Ukraine with no authorized collecting societies for producers or performers. "Ukraine must implement a fair and transparent system for authorizing collecting societies as soon as possible and must provide rights holders with a fair and transparent mechanism for enforcing their rights." Furthermore, the Ukrainian government has acknowledged that a significant percentage of the software used on government computers is unlicensed. A recent survey shows Ukraine as having a higher software piracy rate than almost all other countries on the report's watch list. The Ukrainian government has repeatedly acknowledged that it needs to use legal software but, despite numerous official instructions as far back as 2002, there have been no results. The government budgeted 100 million Ukrainian Hryvnia (\$12.3 million) for software legalization in state institutions in 2013, but action is yet to be taken. The report also raises concern about the growing piracy of copyrighted content in Ukraine. ExtraTorrent.com, which is based in Ukraine and claims to be the world's largest BitTorrent system, is among the top 200 sites in seven countries, including the United Kingdom, Australia and India. "[This illustrates] how Ukraine has become perceived as a safe haven for online piracy enterprises serving other markets," the report said. "It noted that there had not been a single online piracy-related conviction in Ukraine in 2012, despite authorities seizing the servers of a website that continues to violate copyrights of international music, software, and video. "During intensive bilateral engagement, Ukraine has made a series of commitments to make specific improvements in the areas of government use of pirated software, nontransparent administration of royalty collection societies, and online piracy," USTR said in its report. "Unfortunately, the situation has continued to deteriorate on [all issues]. Recent efforts on the side of the Government of Ukraine have not gone far enough to demonstrate a commitment to resolving long-standing problems." Countries which were placed on this year's priority watch list are Algeria, Argentina, Chile, China, India, Indonesia, Pakistan, Russia, Thailand, and Venezuela. Thirty countries on the watch list include Brazil, Canada, Colombia, Egypt, Finland, Israel, Italy, Mexico, the Philippines, Romania, and Turkey. Brunei and Norway were removed from the watch list. Canada moved from the priority watch list to the watch list in recognition of what the U.S. described as "significant progress" on copyright issues. "I hope that Canada will sustain and build upon that progress, and that other listed countries will make similar progress," Marantis said.

### Article online:

<https://www.uspa24.com/bericht-912/us-names-ukraine-worlds-worst-copyright-offender.html>

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