



For Immediate Release
June 30, 2011

Contact: Fahizah Alim
(916) 651-4026

ARTS COMMITTEE HEARING CONVENED IN HOLLYWOOD BY SENATOR PRICE, TARGETS BILLIONS LOST TO ECONOMY THROUGH PIRACY

Hollywood, CA – “If you can make it, they can fake it,” an anti-counterfeiting expert told an informational hearing of the Joint Committee on the Arts convened by Senator Curren Price to examine piracy issues last week at Paramount Pictures.

“Intellectual property owners in the US economy lose an estimated \$200 billion to \$250 billion in revenues annually, equivalent to 750,000 jobs,” said Travis Johnson, Vice President and Director of Legislative Affairs and Policy for the International AntiCounterfeiting Coalition. He added that the problem has grown more than 10,000 percent in the past two decades.

Johnson was among a dozen experts invited by Senator Price to examine the current status of the issue of piracy and counterfeiting and the growing impact that these crimes have on the creative community and the economy.

“This topic is directly related to our economy and our future because the tax losses at the state and local level are at least \$500 million annually,” said Senator Price. “When People think about California, they think about our movie industry, our TV shows, our music, West Coast fashion and Silicon Valley. These are our signature industries and they are in danger.”

Carlos Linares, Vice President of Anti-Piracy Legal Affairs for the Recording Industry Association of America, noted that while the music industry was benefitting from advancing technologies and successful enforcement efforts against illegal file sharing, still, more than 821,000 illegal sound recordings were seized last year. He added that CDs seized in California last year were of higher quality than previously pirated CDs, making them harder to identify.

Linares underscored the importance of legislative efforts like Senate Bill 550, which Senator Price co-authored with Senator Alex Padilla this session. SB 550 would help authorities reduce music and movie piracy by verifying that large-scale disc replicating plants are complying with California anti-piracy laws.

SB 550 would also enable authorities to identify the CD and DVD plants responsible for pressing fraudulent discs. The bill would make it possible for law enforcement to inspect

CD and DVD plant machinery to confirm that plants are placing source identification information on the discs they press as required by existing law, and would allow the state to impose steep fines when violations are discovered.

“Some of the most pernicious forms of digital theft occur through foreign ‘rogue’ websites that traffic in stolen copies of motion pictures, television programs, music and other counterfeit consumer goods, threatening the jobs of millions of Americans who work in and around the entertainment industry,” said Kevin Suh, Senior Vice President, Internet Content Protection, Motion Picture Association of America

Mr. Suh was joined by other panelists who emphasized a need to caution U.S. consumers against digitally downloading pirated products because many of these “rogue” websites are tied to criminal organizations and malware, viruses and privacy breaches are often hidden by-products of these actions.

“We are working with Congress on legislation to curb this illegal activity. We appreciate the work of the Joint Committee on the Arts and the leadership of Sen. Curren Price in highlighting this rampant theft, which has a significant negative impact on the economy and citizens of California,” Suh said.

Eric Mueller, Director of Global Anti-Counterfeiting for Levi Strauss & Co stated that counterfeiters steal their brands and trademarks with impunity and without regard to quality and environmental standards. Last year alone, Mueller said, his company pursued some 800 counterfeiting cases with seized goods in those cases ranging from \$400,000 to \$100,000 million.

“The impact of piracy on California’s economy cannot be overstated,” said Senator Price. “Our creative sector provides at least one in six of our jobs, directly and indirectly in the Los Angeles and Orange County area. We must protect our brands, our products and our intellectual properties. How long will our creative economy survive with these kinds of losses?”

####