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CONGRESS TOLD OF "STAGGERING" BOOK PIRACY PROBLEM IN CHINA

Washington, DC, February 15, 2007: By conservative estimates American publishers lost \$52 million from the piracy of books and journals in China last year *not including digital piracy on the Internet*, former Congresswoman Pat Schroeder, President and CEO of the Association of American Publishers (AAP), told the House Ways and Means Committee today, calling upon the U.S. government for more help in bringing about "meaningful change in the Chinese market place."

Testifying before the Ways and Means Committee's Subcommittee on Trade, Mrs. Schroeder spelled out some details of the "pervasive problems of copyright piracy and trademark counterfeiting in China." Visits to China and discussions with AAP member publishers have revealed a staggering amount of book piracy plaguing this promising market. The problem is further exacerbated by "severe restrictions on market access for several industries including publishing."

Mrs. Schroeder testified that book piracy manifests itself in a number of different forms, but the most immediate concern is the illegal commercial-scale photocopying of academic materials, which is taking place "with either the tacit or active consent of the universities themselves." However, she noted, print piracy and illegal translations of bestsellers such as the Harry Potter series, Dan Brown novels, and political autobiographies, are having a profound effect on the market as well, with pirate editions in English and Chinese available even before legitimate books can reach the market. These pirated books are being sold "without fear by the vendors of any government action." Internet piracy in the form of sites offering illegally scanned books for download, peer-to-peer trading and unauthorized access to electronic journals and other database compilations is growing exponentially. A host of market access barriers and Chinese government regulations that deny foreign publishers the ability to freely import into the Chinese market, distribute their own materials, obtain local Chinese book publication numbers, or print for the local market further compound these issues. It is crucial for government-to-government dialogue to take place to bring about meaningful change. Mrs. Schroeder added: "We encourage the Administration and Congress to keep engaging the Chinese government in a variety of venues, consistently emphasizing the need for strong intellectual property rights protection for China's local industry as well as foreign industry, and the need for greater market opening in this sector so important to Chinese culture and scholarship."

Piracy in China not only hurts U.S. publishers but legitimate publishers in China as well, and destroys the market for English and Chinese-produced books alike. AAP and the Publishers Association (PA), its sister association in the U.K., have been working with authorities in the General Administration of Press and Publication, the National Copyright Administration of China, regional copyright authorities, and the Ministry of Education to bring light to these issues.

The full text of Mrs. Schroeder's remarks can be found at the bottom of this release.

The Association of American Publishers is the national trade association of the U.S. book publishing industry. AAP's more than 300 members include most of the major commercial publishers in the United States, as well as smaller and non-profit publishers, university presses and scholarly societies—small and large. AAP members publish hardcover and paperback books in every field, educational materials for the elementary, secondary, postsecondary, and professional markets, scholarly journals, computer software, and electronic products and services. The protection of intellectual property rights in all media, the defense of the freedom to read and the freedom to publish at home and abroad, and the promotion of reading and literacy are among the Association's highest priorities.

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