

US singles out Ukraine as key piracy center

May 1 2013, by Paul Handley

The United States singled out Ukraine on Wednesday as a major center of intellectual property theft, saying that the government itself has been behind the growth in piracy in the country.

China meanwhile was cited especially for rising theft of trade secrets in the US Trade Representative's annual "watch list" of countries where violations of [intellectual property rights](#) are widespread.

The USTR named Ukraine as a "priority foreign country," a rarely used designation that came after years of frustration over Kiev's inaction on the problem of [intellectual property](#) violations.

"This designation is the culmination of several years of growing concern over widespread IP theft, including the growing entrenchment of IPR infringement that is facilitated by government actors," the USTR said in the report.

The USTR alleged that "rogue" groups with ties to Ukrainian government officials have taken over the collection of [music royalties](#), without forwarding them to the music rights-holders.

The government itself uses a large amount of [unlicensed software](#), more so than any other countries on the IPR watch list, the USTR said.

In addition, the country allows the operations of major websites for the download of pirated entertainment and software like ExtraTorrent.com, which illustrates "how Ukraine has become perceived as a safe haven for

online piracy enterprises serving other markets," it said.

The USTR said Ukraine in January 2012 had seized [computer servers](#) in an investigation into another free download website, EX.UA.

"Following intense negative public reaction, and public statements in support of the website by influential figures, the site reopened shortly thereafter and continues to monetize infringing content today," it said.

"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," said acting US Trade Representative Demetrios Marantis in a statement.

He called upon the [government](#) "to reverse recent backsliding and swiftly resolve the problems identified today."

The designation, under Section 301 of the Trade Act of 1974, allows Washington to pursue sanctions against a country seen as a violator, directly or through the World Trade Organization.

Meanwhile China remained one of 10 countries on the USTR's "priority watch list" for its poor enforcement of IP rights and for the growth in the theft of trade secrets.

"Real world conditions for rights holders have overall seen little significant improvement" in China, the USTR report said.

"The theft of trade secrets is an escalating concern. Not only are repeated thefts occurring inside China, but also outside of China for the benefit of Chinese entities."

The other priority watch countries were: Algeria, Argentina, Chile,

India, Indonesia, Pakistan, Russia, Thailand and Venezuela.

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