The Moscow Times
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INDEPENDENT NEWS FROM RUSSIA

Piracy Still Looms Over WTO Bid

By The Moscow Times

June 27, 2010



WASHINGTON — U.S. business groups said Friday that they hoped U.S. President Barack Obama's pledge to help Russia join the World Trade Organization soon meant that Moscow would finally honor promises it made more than three years ago to crack down on piracy of American goods.

"We all want Russia to be in the WTO, but we don't want to give them a free pass," said Mark Esper, executive vice president at the U.S. Chamber of Commerce's Global Intellectual Property Center. "This affects [movies, music, books], business software, pharmaceuticals, you name it."

Obama and President Dmitry Medvedev said at a news conference Thursday that they would push their negotiators to finish work on Russia's bid in the coming months.

Russia, the largest economy still outside the WTO, has been trying to join for 17 years.

Moscow often complains that it is being held in the WTO talks to a higher standard on

intellectual property rights enforcement than earlier entrants, such as China.

"And they're right. Everyone feels pretty burned by the Chinese experience, where nine years later we're still waiting to see substantial IP enforcement," said Pat Mears, director for international commercial affairs at the National Association of Manufacturers.

To address those concerns, Russia promised the United States in a 2006 agreement to take a number of steps to reduce intellectual property theft, including bringing their domestic laws into line with international standards and increasing penalties for violations.

"The legal changes haven't yet been made, and they've really been dragging their feet on this," Mears said.

A spokeswoman for the U.S. Trade Representative Ron Kirk confirmed that implementing the 2006 pledges was "a big piece of the remaining work" Russia needs to do.

In addition to making the necessary legislative changes, Russia must also improve its enforcement of intellectual property rights, the spokeswoman said.

On Wednesday, U.S. Vice President Joe Biden unveiled a national strategy to protect U.S. intellectual property that included using trade agreements to achieve that goal and going after foreign web sites that sell pirated music.

While Biden did not mention Russia by name, the U.S. trade representative's office has put Russia on its "priority watch list" for intellectual property theft for 13 straight years.

The USTR also complained in an April report that after Russia shut down one of the world's largest pirate music web sites in 2007, a nearly identical one took its place and continues to operate.

It would be unrealistic for Washington to expect "perfection" from Russia since the United States also has problems with copyright theft, said Dan Griswold, director of the Cato Institute's Center for Trade Policy Studies.

"The important question is will the accession agreement be on commercially meaningfully terms," and not just done for diplomatic or political purposes, Griswold said.

If Obama is successful in shepherding Russia into the WTO, he will have to ask Congress to approve "permanent normal trade relations," or PNTR, with Moscow by removing a Cold War trade provision known as the Jackson-Vanik provision.

That conjures memories of an epic battle to win PNTR for China in 2000. That vote remains controversial 10 years later, with labor groups and some manufacturers blaming it for millions of lost U.S. manufacturing jobs.

The vote on Russia PNTR should not cause as much turmoil since it does not have a huge pool of cheap labor to compete against U.S. workers, Griswold said.

Russia plans to create a special court to rule on intellectual property issues as part of

Medvedev's plan to build a technology hub near Moscow, Vedomosti reported Friday, citing a department head at the Higher Arbitration Court.

The court should start functioning in 2012, the newspaper reported.

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