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VIA REGULATIONS.GOV (Docket No. USTR-2021-0009)

Edward Gresser
Chair of the Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: “2022 AGOA Eligibility Review”—South Africa, Nigeria, Burundi, Kenya, Rwanda, Tanzania, Uganda, and Namibia—IIPA’s Written Comments on the Annual Review of Country Eligibility for Benefits under the African Growth and Opportunity Act, 86 Fed. Reg. 26248 (May 13, 2021)

To the Trade Policy Staff Committee:

The International Intellectual Property Alliance (IIPA) submits these comments in response to the May 13, 2021 request for public comments by the African Growth and Opportunity Act (AGOA) Implementation Subcommittee of the Trade Policy Staff Committee, chaired by the Office of the U.S. Trade Representative, in connection with the review of the eligibility of sub-Saharan African countries to receive AGOA benefits.

A. Description of the IIPA and its Members

IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve copyright protection and enforcement abroad and to open foreign markets closed by piracy and other market access barriers. Members of the IIPA include: Association of American Publishers (www.publishers.org), Entertainment Software Association (www.theesa.com), Independent Film & Television Alliance (www.ifta-online.org), Motion Picture Association (www.motionpictures.org), and Recording Industry Association of America (www.riaa.com).

Collectively, IIPA’s five member associations represent over 3,200 U.S. companies producing and distributing copyrightable content. The materials produced and distributed by IIPA member companies include: entertainment software (including interactive video games for consoles, handheld devices, personal computers and the Internet) and educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music recorded in all formats (from digital files to CDs and vinyl) for streaming and other online services as well as broadcasting, public performance and synchronization in audiovisual materials; and fiction and non-fiction books, educational, instructional and assessment materials, and professional and scholarly journals, databases and software in all formats.

Historically, the U.S. copyright-based industries have been one of the fastest-growing and most dynamic sectors of the U.S. economy, responsible for millions of well-paying U.S. jobs.¹ Inexpensive and accessible reproduction technologies, however, make it easy for copyrighted materials to be pirated in other countries, including in the online environment. IIPA’s goals abroad include for foreign countries to adopt copyright laws and enforcement regimes that keep pace with market and technological trends to encourage the creation and dissemination of copyright materials, and to deter piracy of unauthorized materials in these countries. Such strong and effective copyright laws and enforcement regimes create a framework for trade in creative products, foster technological and cultural development, and encourage investment and employment in the creative industries.

B. AGOA and the Protection and Enforcement of Copyright

As sub-Saharan Africa economies develop, governments should look to copyright law and enforcement mechanisms that can incentivize their own creative industries and foster economic growth and stability. Unfortunately, as the U.S. International Trade Commission (USITC) noted in a 2020 report, piracy is a “widespread issue for rights holders operating in [the sub-Saharan African] market” and “poor administration of copyright regimes is a common issue in the key markets.”² The U.S. Government’s AGOA review is one of only a few regularly occurring opportunities to examine intellectual property protection and enforcement in AGOA-eligible countries and to provide guidance to make these mechanisms more effective. IIPA appreciates the opportunity to participate in the process.

Internet use in Africa has skyrocketed. According to Internet World Stats, in December 2020 there were 590.3 million users in Africa, up nearly 13,000% since 2000.³ Nigeria was estimated to have 154.3 million users, South Africa was estimated to have 34.5 million users, and Kenya was estimated to have 46.9 million users. This impressive technological growth, unfortunately, is accompanied by illegitimate activities that will hamper legitimate economic

¹In December 2020, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2020 Report*, prepared by Economists Inc. (2020 Report). According to the 2020 Report, the “core” copyright industries in the United States generated over \$1.5 trillion of economic output in 2019, accounting for 7.41% of the entire economy, and employed approximately 5.7 million workers in 2019, accounting for 3.79% of the entire U.S. workforce and 4.46% of total private employment in the U.S. The jobs created by these industries are well-paying jobs; for example, copyright industry workers earn on average 43% higher wages than other U.S. workers. In addition, according to the 2020 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 5.87% between 2016 and 2019, while the U.S. economy grew by 2.48%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2020 Report calls the “total” copyright industries), the numbers are even more compelling. Additionally, the 2020 Report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. Given the importance of digital delivery to the copyright-based industries, this sector has the potential to multiply its export revenues if our trading partners provide strong copyright-protective environments. In 2019, these sectors contributed \$218.8 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines, electronic equipment, appliances and components, agricultural products, and aerospace products and parts. The full economic report is available at <https://ipa.org/reports/copyright-industries-us-economy/>.

²U.S. International Trade Commission, “U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments,” Investigation No. 332-571, March 2020 [hereinafter USITC Africa Report], 172, <https://www.usitc.gov/publications/332/pub5043.pdf>.

³ See Internet World Stats at <https://www.internetworldstats.com/stats1.htm>.

growth if left unchecked. To effectively ensure a safe, healthy, and sustainable digital marketplace, AGOA-eligible countries should assess whether their legal regimes are capable of responding to today's challenges, including rampant online piracy.

For the copyright industries to flourish in AGOA-eligible markets, these countries need to: (i) have copyright laws that meet high standards of protection; (ii) provide efficient copyright enforcement and sound legal structures to enable healthy licensing of works and recordings; and (iii) eliminate market access barriers and unfair competitive practices. Markets with these features also will help AGOA-eligible countries to develop, nurture, and enjoy the fruits of their own cultural and creative output. The ongoing implementation of the African Continental Free Trade Agreement provides an important opportunity to reinforce these principles and ensure the continent enjoys the benefits of adequate and effective protection of intellectual property rights.

These principles are echoed by two World Intellectual Property Organization (WIPO) studies conducted in 2013 and 2014 concerning the creative industries in Kenya, Burkina Faso, and Senegal. Among the recommendations from the two studies were the following: greater respect for contracts, as “contracts are in many cases non-existent [in Kenya], which as such is a hurdle for the audiovisual industry to become more professional;” ratification and implementation of the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) (collectively, the WIPO Internet Treaties), which should be “urgently considered as Internet legal and illegal distribution is rapidly changing the market;” and “a concerted effort against audiovisual piracy in both East-Africa and West-Africa,” which “would have a positive effect on the market.”⁴

Unfortunately, in AGOA-eligible markets rights holders and copyright-dependent services generally confront inadequate and ineffective copyright protection, deficient local laws, weak enforcement, and market access barriers (or other discriminatory or unfair competitive practices). These shortcomings enable parties to engage in piracy, some on a commercial scale, because it is a high-profit, low risk enterprise, unencumbered by the considerable costs associated with either producing and licensing works, or protecting them against theft.

The protection and enforcement of intellectual property rights are important prerequisites for AGOA eligibility.⁵ The adequate and effective protection and enforcement of copyright is the foundation on which both U.S. and local creators and investors base their production and distribution activities in AGOA-eligible markets. Creators from AGOA beneficiary countries

⁴See Tarja Koskinen-Olsson, “STUDY ON COLLECTIVE NEGOTIATION OF RIGHTS AND COLLECTIVE MANAGEMENT OF RIGHTS IN THE AUDIOVISUAL SECTOR”, WIPO Committee on Development and Intellectual Property, August 12, 2014. https://www.wipo.int/edocs/mdocs/en/cdip_14/cdip_14_inf_2.pdf; and Bertrand Moullier, Benoit Muller, “SCOPING STUDY ON STRENGTHENING AND DEVELOPMENT OF THE AUDIOVISUAL SECTOR IN BURKINA FASO AND CERTAIN AFRICAN COUNTRIES”, WIPO Committee on Development and Intellectual Property, September 25, 2013, https://www.wipo.int/edocs/mdocs/en/cdip_12/cdip_12_inf_3.pdf.

⁵See AGOA Section 104(a)(1)(C)(ii) (19 U.S.C. § 3703(a)(1)(C)(ii)) and AGOA Section 111 (adding Section 506A to the Trade Act of 1974 authorizing the President to designate AGOA eligible countries if he determines they meet the criteria of AGOA Section 104 and the Generalized System of Preferences (GSP) country eligibility criteria of Section 502 of the Trade Act of 1974, including Section 502(c)(5) (19 U.S.C. § 2462(c)(5))).

recognize the importance of adequate and effective copyright protection and enforcement to incentivize investment in the production of cultural works, and allow local artists to sustain their livelihoods. There is no shortage of news reports that highlight local artists struggling to make a living in the face of widespread piracy in sub-Saharan Africa.⁶ Restrictions on live performances due to the COVID-19 pandemic have worsened the problem for artists, further heightening the importance of providing adequate and effective copyright protection to enable legitimate licensing markets.⁷ In addition to economic and cultural benefits, adequate and effective protection of intellectual property rights importantly supports good governance principles, including rule of law, judicial independence, control of corruption, and political stability.⁸

As a key element to AGOA eligibility, it is crucial that AGOA beneficiaries demonstrate some progress toward the adequate and effective protection of intellectual property. We urge the Administration to continue to consider copyright laws and enforcement practices under the intellectual property eligibility criteria of AGOA.⁹ As IIPA has explained in previous AGOA-related filings, just what amounts to “adequate and effective” protection of intellectual property rights is a flexible measure that rightly changes over time.¹⁰ The obligations of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”),

⁶ See, e.g., Peace Hyde, “The Fortune and Fury Behind Nollywood,” Jan. 30, 2018, [Forbes Africa](https://www.forbesafrica.com/life/2018/01/30/fortune-fury-behind-nollywood/), <https://www.forbesafrica.com/life/2018/01/30/fortune-fury-behind-nollywood/> (quoting Kofi Ansah, an emerging Ghanaian movie producer: “Piracy works with informal networks and to be honest, there is really no fear of punishment because you hardly hear of anybody who has been arrested on the grounds of video piracy. That is where the law needs to act. Instill a fear of imprisonment and people will behave accordingly.”); Sharon Kantengwa, “Rwanda: Why Rwanda’s Hillywood Dream Is Still Elusive,” Mar. 2, 2018, [The New Times](https://allafrica.com/stories/201803020040.html), <https://allafrica.com/stories/201803020040.html> (quoting Willy Ndahiro, an actor and founder of Hillywood Actors and Modelling Agency: “Rwandan films are not well protected property rights infringement. Although the law was put in place in 2009, stakeholders have not put into account any implementation and instead movies are increasingly being pirated.”); Muhamed Bah, “Gambia: Film Makers, Actors Lament On Challenges Within the Industry,” July 6, 2018, [FOROYAA Newspaper](https://allafrica.com/stories/201807060745.html), <https://allafrica.com/stories/201807060745.html> (quoting Sheikh Tijan Sonko, a film producer, actor and entertainer: “Government must do all they can to assist them in their fight against piracy on their products; that this is the worst illegal activity that is killing their work; that they will not make any gain either for the nation or themselves, if this illegal activity continues.”); and Aarni Kuoppamäki, “Stolen melodies: Copyright law in Africa,” November 6, 2018, [DW.com](https://www.dw.com/en/stolen-melodies-copyright-law-in-africa/a-44149899), <https://www.dw.com/en/stolen-melodies-copyright-law-in-africa/a-44149899>. (quoting a Cameroonian saxophonist, referring to the proliferation of pirated content across Africa, stating simply: “Who is paying the price? Right now it’s the artists.”).

⁷ See, e.g., Sifelana Tsiko, “Jerusalema Creator Master KG Wants to be Paid Royalties,” March 3, 2021, [Black Star News](https://www.blackstarnews.com/entertainment/music/jerusalema-creator-master-kg-wants-to-be-paid-royalties.html), <https://www.blackstarnews.com/entertainment/music/jerusalema-creator-master-kg-wants-to-be-paid-royalties.html> (“Piracy hurts African musicians and leave them impoverished. Many struggle to survive using proceeds from live performances, but that option has been eliminated due to Covid-19 restrictions.”); Columbus Mabika, “Zimbabwe: Govt Implored to Tackle Piracy,” May 24, 2021, [The Herald](https://allafrica.com/stories/202105240585.html), <https://allafrica.com/stories/202105240585.html>. (“Artistes are concerned with the surge in cases of piracy, especially involving music, videos and books leaving some of the producers wallowing in abject poverty, especially with live shows banned at the moment due to Covid-19.”).

⁸ See USITC Africa Report at 169 (noting that evaluating the “overall IP environment” in sub-Saharan Africa requires, among other things, looking at factors including “rule of law, judicial independence, control of corruption, and political stability,” and further observing that “legal and political factors can play an important role in the IP environment” in sub-Saharan Africa).

⁹ For AGOA intellectual property eligibility criteria, see AGOA Sections cited *supra* note 5.

¹⁰ See, e.g., IIPA’s 2009 Public Comments in the Annual Review of AGOA Country Eligibility, available at <https://iipa.org/files/uploads/2018/01/IIPAAGOAfilingtoUSTR101909-1.pdf>.

which provide global minimum standards of copyright protection and enforcement, are central to this determination. Also central to the determination are the standards provided under the WIPO Internet Treaties, which contemplate many of the legal norms for a sustainable and healthy online marketplace. These treaties establish a foundation for essential legal frameworks that foster the continued growth of legitimate digital trade by providing copyright holders with a full panoply of exclusive rights in the digital networked environment to protect their valuable content.

C. Copyright Protection and Enforcement in Select AGOA Countries

IIPA highlights below serious concerns with copyright law reform efforts in **Nigeria**, **Kenya**, **South Africa**, and **Namibia**, as well as some positive indications of improvements in copyright protection and enforcement in **Nigeria**, **Burundi**, **Kenya**, **Rwanda**, **Tanzania**, and **Uganda**.

Nigeria

Nigeria's vibrant film and music industries are critical to its economy.¹¹ Nigeria's Minister of Information and Culture, Lai Mohammed, has stated, "When we talk about diversifying the economy it is not just about agriculture or solid minerals alone, it is about the creative industry—about the films, theatre and music."¹² Unfortunately, pervasive piracy remains a significant obstacle for Nigerian authors and artists, who, as a result, struggle to receive any compensation for their works.¹³ Illustrating the problem, a Nigerian actor commenting on the decline of that country's Hausa language film industry (known as "Kannywood") said, "We are all not happy and surely, piracy was what destroyed us."¹⁴ In its recent report, the USITC found that piracy "remains the largest threat" to the film industry in Nigeria, citing to a 2014 Nigeria Copyright Commission (NCC) report that estimated that Nigeria lost over \$1 billion annually to film piracy.¹⁵ Particularly as Nigeria looks to recover from economic damage caused by the pandemic, stronger copyright protection and enforcement are needed to support the country's burgeoning creative sector.¹⁶

¹¹Universal Music has launched a division in Nigeria, and Netflix has increased its investment in Nigeria as well as other key markets in Sub-Saharan Africa. See Richard Smirke, "Universal Music Grows African Presence With Launch Of Nigeria Division," July 17, 2018, Billboard, <https://www.billboard.com/articles/business/8465836/universal-music-nigeria-western-africa-ezegozie-eze>; and Christopher Vourlias, "Netflix's Head of African Originals Lays Out Streamer's Plans for the Continent (EXCLUSIVE)," Feb. 28, 2020, Variety, <https://variety.com/2020/digital/news/netflix-head-african-originals-lays-out-plans-for-continent-1203518648/>.

¹² See Franck Kuwonu, "Nigeria's 'new oil' export is beating the charts," May 28, 2018, Business Report, <https://www.iol.co.za/business-report/opinion/opinion-nigerias-new-oil-export-is-beating-the-charts-15194513>.

¹³See, e.g., "Nigeria: Piracy Is Endangering Kannywood Industry – Uzee," March 7, 2021, Leadership (Abuja), <https://allafrica.com/stories/202103100305.html> and Dionne Searcey, "Nigeria's Afrobeats Music Scene is Booming, but Profits Go to Pirates," June 3, 2017, NY Times, <https://www.nytimes.com/2017/06/03/world/africa/nigeria-lagos-afrobeats-music-piracy-seyi-shay.html>.

¹⁴See, Mohammed Lere, "Nigeria: Kannywood is on the Brink of Collapse – Actor," June 24, 2019, Premium Times, <https://allafrica.com/stories/201906240774.html>.

¹⁵USITC Africa Report at 185.

¹⁶See Samuel Andrews, "Netflix Naija: creative freedom in Nigeria's emerging digital space?," March 19, 2020, The Conversation, <https://theconversation.com/netflix-naija-creative-freedom-in-nigerias-emerging-digital-space-133252> and Kuwonu, <https://www.iol.co.za/business-report/opinion/opinion-nigerias-new-oil-export-is-beating-the-charts-15194513>.

Nigeria ratified the WPPT and WCT in 2018, but it has not fully implemented the treaties, and, as a result, its legal regime has fallen short of international copyright norms in several key respects. A draft copyright bill, first circulated in 2017, was re-circulated in 2020. It has a number of significant deficiencies that need to be corrected for Nigeria to properly implement the WIPO Internet Treaties, including the following:

- The draft legislation does not, but should, clearly define technological protection measures (TPMs) to refer to technologies that prevent infringement as well as to technologies that are designed to have that effect. At present, the draft law provisions on TPMs are not compliant with the WIPO Internet Treaties.
- The draft law does not include an exclusive right of distribution as required by the WPPT, and proposes only a remuneration right for broadcasting for sound recordings in lieu of an exclusive right.
- The definition of “broadcasting” should be limited to “wireless” means, consistent with the WPPT (and the Rome Convention), and the rights of preexisting sound recordings, incorporated into audiovisual works, should be protected in accordance with the Agreed Statements to Article 2 of the WPPT.
- To be compatible with the Berne Convention and international treaties, the draft law should abolish the requirement for a copyright registration; registration can be voluntary but it cannot deny the “enjoyment or exercise” of rights under the Berne Convention (nor should it be subject to fines for non-registrations, as in the current draft law).
- The draft law proposes draconian criminal sanctions, including imprisonment, for rights holders who fail to keep proper records of the disposition of their rights. This proposal is unprecedented and disproportionate to any intended purpose and should be deleted from the draft law.
- Any new law also should provide that limitations and exceptions comply with the three-step test.
- Other fixes needed from the 2017/2020 proposal: amend the provisions that would grant broad immunity to Internet Service Providers (ISPs) from copyright liability. These safe harbors should only apply to passive and neutral intermediaries that do not contribute to infringing activities. The draft law should also include expeditious timetables for takedowns and provisions to address repeat infringers.
- Private copying exceptions, and with them, provisions for levies, should apply only to content that is lawfully acquired—the exceptions should not be misused as a license to legalize piracy.

[15194513](#). See also Joseph Onyekwere, “Nigeria: Outdated Laws, Bane of Nigeria’s Creative Industry, Says Idigbe,” May 15, 2018, [The Guardian](https://allafrica.com/stories/201805150315.html), <https://allafrica.com/stories/201805150315.html>.

- The term for sound recordings should be extended to 70 years from fixation or publication (and the same for juridical entities), and, for works, to the life of the author(s) plus 70 years.

One additional concern in Nigeria is the absence of an accredited Collective Management Organization (CMO) for music rights holders to manage their public performance and broadcast rights. This is the result of a dispute between the Nigerian Copyright Commission (NCC) and the CMO COSON Limited, which was responsible for managing performance rights in musical works and sound recordings, but whose operating license was withdrawn by the NCC. Since then, working with rights holders, steps were taken to improve COSON's transparency and governance, and as a result, IIPA recommends COSON should be reinstated. Additionally, the draft law should define CMOs and their proper governance, so that CMOs should exist only if they are owned or controlled by their member rights holders and are non-profit organizations. With these provisions in place, CMOs would be able to license effectively in Nigeria.

The draft law includes a proposal to add extended collective licensing (ECL) in Nigeria. An ECL system is only appropriate in well-developed collective rights management systems, where organizations represent a substantial number of rights holders for each segment of the collective marketplace. For these reasons, such a system is not appropriate in Nigeria and IIPA recommends that these provisions be removed from the draft law.

Finally, because there are a number of unlicensed online entertainment services in Nigeria, which are harming many markets inside and outside of Nigeria, there needs to be more effective online enforcement against these entities.

East African Community

The East African Community (the regional intergovernmental organization of **Burundi, Kenya, Rwanda, Tanzania, and Uganda**) passed the EAC Creative and Cultural Industries Bill of 2015, which would establish a Creative and Cultural Industries Council, whose purposes include “to enhance awareness of intellectual property rights, and consequently strengthen the foundation for successful creative and cultural industries.”¹⁷ Unfortunately, Tanzania has withheld its assent for this initiative, putting its future in jeopardy.¹⁸ Tanzania’s continued reluctance to adopt the EAC Bill is deeply concerning; adoption of the Bill is long overdue. IIPA encourages Tanzania and the rest of the East African Community to follow through with this important commitment to incentivize its creative and cultural industries with dedicated resources and the assistance of international capacity building wherever available.

Kenya

In 2019, **Kenya**’s Attorney General Kihara Kariuki highlighted the creative industries’ contribution to Kenya’s economy, citing a study estimating the contribution to be 5.3% of GDP

¹⁷ See Section 6(e) of the Creative and Cultural Industries Bill, available at <https://ipkenya.files.wordpress.com/2015/03/eac-creative-and-cultural-industries-bill-2015.pdf>.

¹⁸See Zephania Ubwani, “East Africa: EALA Bills Hang in the Balance After Rejection By Tanzania,” April 24, 2017, The Citizen, <https://allafrica.com/stories/201704240739.html>.

and stating, “The protection of the copyrights will essentially put money into the pockets of authors, producers and all creators.”¹⁹ Yet Kenya’s copyright legal and enforcement frameworks remain deficient, and piracy, particularly online, remains a significant barrier for the creative industries in Kenya. While the Government of Kenya has indicated its intention to ratify the WIPO Internet Treaties, it has yet to do so and there has been no stated timeframe for accession.²⁰ Kenya’s 2019 Copyright Act amendment was intended to address some of the challenges of the digital age, but Kenya’s copyright framework remains deficient in a number of significant respects. A 2020 draft Intellectual Property Bill (IP Bill), which largely incorporated 2019 amendments to the Copyright Act, failed to address many of these deficiencies, and included additional provisions that fall short of Kenya’s international obligations and best practices.

IIPA submitted a country report on Kenya as part of its 2021 Special 301 submission to USTR.²¹ The country report includes a full description of the deficiencies in Kenya’s legal and enforcement regimes. As detailed in the report, to ensure its legal framework provides adequate and effective protection and enforcement of intellectual property rights, Kenya’s government should revise the IP Bill to address shortcomings in Kenya’s copyright and enforcement framework, including by:

- deleting the provisions requiring copyright registration and compulsory recordation of assignments, and removing the requirement in the Copyright Act that authentication devices be affixed to sound recordings, all of which are incompatible with Kenya’s international obligations, including under the Berne Convention, the TRIPS Agreement, and the WPPT;
- ensuring that the exclusive rights of communication to the public and making available are clearly defined and meet the requirements of the WPPT;
- ensuring that exclusive rights apply to all sound recordings, including “born digital” recordings;
- retaining the rights of communication to the public and broadcasting as exclusive rights;
- providing adequate and effective protections for TPMs and rights management information (RMI), in line with international standards;
- providing a term of protection consistent with international standards (life of the author plus 70 years, or at least 70 years from fixation or publication for sound recordings or works not measured by the life of a natural person);

¹⁹See Anyango Otieno, “AG: Kenya to ratify copyright protection, information laws”, June 11, 2019, [The Standard](https://www.standardmedia.co.ke/article/2001329381/how-copyright-creative-works-can-boost-gdp), <https://www.standardmedia.co.ke/article/2001329381/how-copyright-creative-works-can-boost-gdp>.

²⁰Kenya’s Attorney General has affirmed that the government “is considering ratification of the WIPO Internet Treaties.” See id.

²¹ IIPA’s 2021 Special 301 submission is available to the public via www.regulations.gov, as well as our website, at <http://www.iipa.org/special301.html>. The 2021 Kenya country report from IIPA’s Special 301 submission is available at <https://www.iipa.org/files/uploads/2021/01/2021SPEC301KENYA.pdf>.

- expressly incorporating the three-step test into the law to properly confine the scope of exceptions and limitations to copyright protection;
- adding secondary liability principles to ensure adequate legal incentives for cooperation between Internet Service Providers (ISPs) and rights holders;
- clarifying the correct scope of ISP safe harbors from liability as applying to only passive and neutral intermediaries that do not contribute to infringing activities;
- revising notice and takedown procedures to ensure expeditious takedown of infringing materials and other measures demonstrated effective in preventing or restraining infringement, and by removing onerous notice requirements;
- introducing an obligation for ISPs to adopt and implement a repeat infringer policy;
- ensuring effective, transparent and accountable collective management of rights consistent with international standards and best practices to ensure rights holders are able to control the use of their rights;
- introducing a rate-setting standard applicable to the licensing of collectively managed rights requiring that rates reflect the economic value of the use of the rights in trade (i.e., willing buyer/willing seller standard);
- providing deterrent civil and criminal penalties to combat piracy; and
- clarifying the role of the proposed IP Tribunal.

IIPA hopes the Government of Kenya will address these concerns to ensure Kenya meets its international commitments, including the AGOA eligibility criteria on intellectual property rights, and complies with international norms.

South Africa

South Africa’s current legal regime fails to provide adequate and effective protection of copyrighted materials. Significant reforms are needed to South Africa’s Copyright Act and Performers’ Protection Act in order to bring the country’s laws into compliance with international agreements, including the TRIPS Agreement, and the WIPO Internet Treaties.²² For example, South Africa lacks basic protections required to enable trade in copyrighted materials in the digital environment. This includes the right of copyright owners to control the distribution of copies of their works and sound recordings, and to control the manner in which their works and sound recordings are communicated to the public. South Africa also lacks adequate protections for TPMs, which foster many of the innovative products and services available online by allowing creators to control and manage access to copyrighted works (for example, via streaming services), and to

²²South Africa’s Cabinet has approved the country’s accession to the WIPO Copyright Treaty (WCT), the WIPO Performances and Phonograms Treaty (WPPT) (collectively, the “WIPO Internet Treaties”), and the Beijing Treaty.

diversify products and services. At the same time, TPMs enable consumers to enjoy desired content on a variety of platforms, in many different formats, and at a time of their choosing. In addition, South Africa’s legal regime does not provide adequate civil remedies or criminal penalties to allow rights holders to recover their losses from infringement or to deter piracy. Without an adequate means to remedy infringement or deter piracy, the path for legitimate services to operate is difficult.

In late 2018, the South African Parliament adopted the first major revision of the copyright and related laws in decades. While the intent of South Africa’s copyright reform process was to bring the country’s laws into compliance with international agreements, the bills that ultimately passed fell far short of international norms for the protection of copyrighted works in the digital era. Moreover, the copyright reform process, which began in 2015, transpired without adequate consultation with the public and, where opportunity for public consultations was provided, comments submitted by rights holders apparently were disregarded entirely.

In June 2020, South Africa’s President referred the two bills—the Copyright Amendment Bill (CAB) and the Performers’ Protection Amendment Bill (PPAB)—back to the National Assembly based on “a number of reservations as to the Constitutionality of the Bills.” At the time of this filing, the National Assembly is reconsidering these bills. Enactment of the bills in their current form would place South Africa out of compliance with the AGOA eligibility criteria, the GSP eligibility criteria, international norms, and South Africa’s obligations under the TRIPS Agreement.²³ IIPA’s country report on South Africa, submitted to USTR as part of IIPA’s 2021 Special 301 submission, includes a full description of the deficiencies in the two pending bills, as well as other deficiencies in South Africa’s legal and enforcement regimes.²⁴ It is critical that the National Assembly does not rush reconsideration of the bills and make only cosmetic revisions; instead, consistent with the President’s directives, South Africa’s Parliament, in full consultation with stakeholders, should redraft the bills to address the concerns of *all* stakeholders and ensure the provisions comply with South Africa’s constitution and with international agreements.

One of the grounds on which the President referred the bills back to Parliament is that the Parliament did not follow the correct process in passing the bills. As a result, the provincial governments, which should have participated in the legislative process, did not. The President’s June 2020 letter referring the bills to Parliament also mentioned the lack of proper consultation regarding the extremely broad “fair use” exception, which is discussed in further detail below. In addition, the Parliament did not adequately consult on other provisions of the bills, including failing even to publish, for stakeholder consultation, Section 8A of the CAB, which would regulate the remuneration terms of private contractual agreements between performers and copyright owners. According to South Africa’s Constitution, because the CAB and PPAB were passed using

²³For additional details, see IIPA’s comments and post-hearing brief on South Africa’s Generalized System of Preferences (GSP) eligibility in the 2019 annual GSP review, available at <https://www.ipa.org/files/uploads/2020/01/2020-01-17-IIPA-South-Africa-GSP-Review-Written-Comments-and-Notice-of-Intent-to-Testify.pdf> and <https://www.ipa.org/files/uploads/2020/03/SOUTH-AFRICA-IIPA-GSP-Post-Hearing-Brief.pdf>.

²⁴ IIPA’s 2021 Special 301 submission is available to the public via www.regulations.gov, as well as our website, at <http://www.ipa.org/special301.html>. The 2021 South Africa country report from IIPA’s Special 301 submission is available at <https://www.ipa.org/files/uploads/2021/01/2021SPEC301SOUTHAFRICA.pdf>.

incorrect parliamentary processes, they are invalid *ab initio* and must be redrafted and properly processed by the National Assembly as well as the governments of the nine provinces. As part of this process, the governments of the provinces and the National Assembly must conduct rounds of stakeholder consultations on all aspects of the bills.

At a time when South Africa is endeavoring to rebound from the economic impacts of the global pandemic, the stakes are extremely high. Parliament should redraft these bills to avoid destabilizing the creative industries and to support a thriving copyright sector, which contributes so significantly to economic and job growth in the country and which has potential for substantial growth under the proper conditions.²⁵ The bills contain many provisions that lack clarity, risk major negative disruption of the creative industries, pose significant harm to the creators they purport to protect, and fall far short of needed reforms. Major issues of immediate and primary concern to the copyright industries are the following:

- The bills would severely restrict the freedom of rights holders to contract in the open market, which is a key factor for the healthy growth of the entire creative sector. These restrictions would fundamentally impair the value of copyrighted materials by depriving rights holders of the ability freely to license and otherwise derive value from their copyrighted works and sound recordings. For example, both the CAB and the PPAB limit certain assignments of rights to a maximum of 25 years, and both bills provide ministerial powers to set standard and compulsory contractual terms for contracts covering seemingly any transfer or use of rights.
- The bills would create an overbroad amalgamation of copyright exceptions that includes a more expansive version of the U.S. “fair use” rubric appended to a proliferation of extremely open-ended new exceptions and limitations to copyright protection (on top of “fair dealing” copyright exceptions), resulting in a vast and unclear thicket of exceptions and limitations.
- The bills would overly regulate the relationship between creative parties, including mandating the mode of remuneration for audiovisual performers, which would undermine the digital marketplace and severely limit the ability of rights holders to exercise exclusive rights in their copyrighted works and sound recordings, rather than providing a robust legal framework for the protection of creative works within which private parties can freely negotiate the terms of their relationships.
- The bills would not provide adequate criminal or civil remedies for infringement, including online piracy, and would deny rights holders the ability to effectively enforce their rights

²⁵According to a study conducted by the Department of Trade and Industry (the DTI) and the World Intellectual Property Organization (WIPO) in 2010 using data from 2008, the South African copyright-based industries contributed 4.11% to gross domestic product (GDP) and 4.08% to employment. See WIPO, Economic Contributions of Copyright Based Industries in South Africa, available at https://www.wipo.int/export/sites/www/copyright/en/performance/pdf/econ_contribution_cr_za.pdf.

against infringers, thus thwarting the development of legitimate markets for copyrighted works and sound recordings.

- The bills' provisions on TPMs are inadequate, falling short of the requirements of the WIPO Internet Treaties, and the overbroad exceptions to prohibitions on the circumvention of such measures would further impinge on the ability of legitimate markets for copyrighted materials to launch and develop.

These provisions are inconsistent with South Africa's international obligations, for example, by far exceeding the scope of exceptions and limitations permitted under the TRIPS Agreement (Article 13) and the Berne Convention (Article 9). Moreover, aspects of both bills are incompatible with the WIPO Internet Treaties. The incompatibility of these provisions with a healthy, sustainable, and fair digital marketplace for creators, both domestic and foreign, runs afoul of the AGOA eligibility criteria to provide "adequate and effective protection" of intellectual property rights.

Furthermore, this legislative process is occurring against a backdrop of increasing online piracy in South Africa. Growth in bandwidth speeds, coupled with lax controls over corporate and university bandwidth abuse, drive this piracy. In addition, piracy devices (i.e., set-top boxes equipped with apps for accessing pirated content) and sticks pre-loaded with infringing content or apps, continue to grow in popularity in South Africa. Enforcement in South Africa is not, at present, adequate or effective. To facilitate a healthy online ecosystem, South Africa should appoint cybercrime inspectors and develop a cybercrime security hub recognizing copyright as one of its priorities.

Namibia

Namibia is proceeding to revise the Copyright Act and Neighboring Rights Act of 1994. Although it was a 1996 signatory to the WCT and WPPT, Namibia has neither acceded to those treaties, nor revised its laws to implement the WCT and WPPT. At present, the Business and Intellectual Property Authority (BIPA) is preparing a draft Copyright Law for Namibia. There are several concerns with the existing law (and draft law).

First, Namibia's draft law should limit exceptions and limitations—explicitly—to the Berne three-step test. Several of the proposed exceptions would not comply with the three-step test—including the private use and private copying, quotation, and the hyperlinking exceptions—and these provisions should either be amended, or deleted from the draft law. In addition to enumerated exceptions, many of which are broadly-written and ill-defined, the draft law includes a sweeping "fair use" provision. The adoption of a hybrid system with both "fair use" (to be determined by a regulatory body in lieu of a case-by-case judicial determination, as in the United States), and broad enumerated exceptions, would undermine the protections for rights holders and result in uncertainty for the production and dissemination of copyrighted materials.

Second, in the Namibian draft law, the provisions on TPMs should be revised to ensure compliance with the WIPO Internet Treaties. Treaty compliant provisions on TPMs should cover both the acts of circumvention, as well as the trafficking in any technology, device, product or

service that will circumvent, or that are designed to circumvent, a TPM. A clear definition of a “technological protection measure,” consistent with the WIPO Internet Treaties, is an important component of any new law, and so are strong civil and criminal remedies for TPM violations.

Third, the “safe harbor” provisions—which limit third party monetary liability for platforms and certain services—should only apply to passive and neutral activities of intermediaries that do not contribute to infringing activities.

Fourth, the draft law should clarify the scope of protection for sound recordings, including the reproduction right, right of broadcasting, and communication to the public and making available right.

Last, the term of protection for works should be life plus 70 years. For sound recordings (or works created by juridical entities), the term should be at least 70 years calculated from first fixation or publication (and not, as the draft proposes, based on a “life plus” term). Most sound recording producers, for example, are juridical entities, so such a life plus term would not be appropriate.

Rather than weaken its existing law, Namibia should take this opportunity to revise its copyright law to ensure that it is meeting the AGOA criteria to provide adequate and effective protection of intellectual property rights.

D. Request for Review of Conditions in Sub-Saharan Africa

IIPA requests that the Administration continue to assess the progress of AGOA-eligible governments in legislative measures and enforcement of copyright protections, and to identify those countries that could benefit from U.S. assistance in capacity building to meet the requirement to provide “adequate and effective” protection of intellectual property rights. Such an exercise would further benefit both AGOA-eligible nationals and U.S. companies seeking to do business in those nations by creating better conditions for creators, thereby encouraging economic development, cultural diversity, and the rule of law.

Widespread online copyright piracy remains a very serious problem among all African countries. As a result, many copyright-based sectors and companies may still be reluctant to invest in these smaller markets where piracy is, in effect, out of control. As AGOA-eligible countries consider reforms to their copyright systems, they should be encouraged to work with stakeholders and the U.S. Government, while mindful of the requirement to provide adequate and effective protection of intellectual property rights under AGOA.

Several AGOA-eligible countries have either enacted legislation or are considering the implementation of the WIPO Internet Treaties. So far, twelve countries in sub-Saharan Africa have deposited their instruments to join the WCT and the WPPT: **Benin, Botswana, Burkina Faso, Comoros, Gabon, Ghana, Guinea, Madagascar, Mali, Nigeria, Senegal, and Togo.** While **Kenya, Namibia, and South Africa** signed the WCT and WPPT between 1996 and 1997, these three important AGOA-eligible countries have yet to ratify or implement either of the treaties.

IIPA recommends that USTR require, as part of the annual review process, that the eligible AGOA countries provide an update on the status of their current copyright legislation as well as their plans, if any, to amend their copyright legislation and to accede to relevant international instruments. Such information would be most useful in advance of the determination of the recommendations for AGOA eligibility.

As noted above, South Africa's CAB and the PPAB contain numerous problematic provisions that run afoul of international norms and would, if enacted, result in international treaty violations, stifle opportunities to invest in South Africa's creative economy, and, importantly, place South Africa out of compliance with AGOA's eligibility criteria. In addition, USTR should monitor legislative reform efforts in Kenya, Namibia, and Nigeria and engage with these governments to ensure the resulting copyright legal frameworks meet AGOA's eligibility criteria.

CONCLUSION

IIPA appreciates this opportunity to provide the Trade Policy Staff Committee and the AGOA Subcommittee with our views on AGOA and its eligibility criteria regarding the adequate and effective protection of intellectual property rights. It is essential that the annual AGOA review remain an opportunity to evaluate the progress of its beneficiaries toward meeting these intellectual property rights criteria, and to identify opportunities to enhance intellectual property protection and thereby expand economic development. It is also essential to undertake reviews of the conditions in such countries to determine if capacity building assistance can make a difference. We look forward to working with you to foster improved copyright protection in sub-Saharan Africa as a region.

Respectfully submitted,

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