

June 5, 2024

VIA REGULATIONS.GOV (Docket No. USTR–2024–0006)

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

Re: “2025 AGOA Eligibility Review”—Kenya, Nigeria, and South Africa—IIPA’s Written Comments on the Annual Review of Country Eligibility for Benefits under the African Growth and Opportunity Act, 88 Fed. Reg. 42052 (May 14, 2024)

To the Trade Policy Staff Committee:

The International Intellectual Property Alliance (IIPA) appreciates the opportunity to submit these comments in response to the May 14, 2024, 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/or distributed by IIPA-member companies include: video games for consoles, handheld devices, personal computers, and online; motion pictures and television programming distributed in all formats (including cinema, television, online, mobile, DVD, etc.); 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, and databases.

The U.S. copyright-based industries are 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 encourages foreign governments to adopt copyright laws and enforcement regimes that foster the creation and dissemination of copyright materials and deter piracy. 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 African 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 (IP) 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 continues to expand. According to the International Telecommunications Union (ITU), in 2023 37% of Africans used the Internet, an increase from

¹ In December 2022, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2022 Report*, prepared by Secretariat Economists. (2022 Report). According to the 2022 Report, the “core” copyright industries in the United States generated over \$1.8 trillion of economic output in 2021, accounting for 7.76% of the entire economy, and employed approximately 9.6 million workers in 2021, accounting for 4.88% of the entire U.S. workforce and 5.53% 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 51% higher wages than other U.S. workers. The report also broke new ground by measuring the copyright industries’ significant contributions to the U.S. digital economy, as that concept was defined by the federal government. In 2021, the core copyright industries accounted for 52.26% of the U.S. digital economy and 48.1% of U.S. digital economy employment, even though the government’s digital economy definition does not encompass the full range of the copyright industries’ digital activities. In addition, according to the 2022 Report, the core copyright industries outpaced the U.S. economy, growing at an aggregate annual rate of 6.15% between 2018 and 2021, while the U.S. economy grew by 1.76%. When factoring in other industries that contribute to the copyright economy (which together comprise what the 2022 Report calls the “total” copyright industries), the numbers are even more compelling. Additionally, the 2022 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 2021, these sectors contributed \$230.3 billion in foreign sales and exports, exceeding that of many other industry sectors, including chemicals, pharmaceutical and medicines, agricultural products, aerospace products and parts, and food and kindred products. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.

² U.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, available at <https://www.usitc.gov/publications/332/pub5043.pdf>.

25% in 2016.³ Statista calculated that in January of 2024 Internet penetration in Nigeria was 45.5%, in South Africa it was 74.7%, and in Kenya it was 40.8%.⁴ To effectively harness the potential of the online marketplace and ensure that it is safe, healthy, and sustainable, 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 with 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. These standards will help AGOA-eligible countries to develop, nurture, and enjoy the fruits of their own cultural and creative output.⁵ 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 IP 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.”⁶

³ See Internet Telecommunications Union, Facts and Figures 2023, available at <https://www.itu.int/itu-d/reports/statistics/2023/10/10/ff23-internet-use/>; see also Internet Telecommunications Union, Facts and Figures 2016, available at <https://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2016.pdf>.

⁴ See Statista, Share of Internet Users in Africa as of January 2024, by Country, available at <https://www.statista.com/statistics/1124283/internet-penetration-in-africa-by-country/>.

⁵ In 2021, the Atlantic Council held an Africa Creative Industries Summit, which convened “leaders and stakeholders in dialogue to discuss the many opportunities, pathways and challenges in the creative industries.” See <https://www.atlanticcouncil.org/programs/africa-center/africa-creative-industries-summit/>. The event was co-sponsored by Prosper Africa, a U.S. government initiative to increase trade and investment between African nations and the United States. In 2022, the Atlantic Council hosted an event on the margins of the U.S.-Africa Leaders Summit that featured “leading artists from the United States and Africa, investors, business executives, academia, and government officials from around the world who believe in the power of Africa’s creative industries.” See <https://www.atlanticcouncil.org/event/investing-in-africas-creative-industries/>. The United Nations Conference on Trade and Development (UNCTAD) has recognized the importance of the creative economy to sub-Saharan Africa, with Marisa Henderson, Chief of the Creative Economy Program at UNCTAD, stating, “The creative economy is recognized now as a tool of sustainable development.” See UNCTAD, “The creative economy takes center stage,” available at <https://unctad.org/news/creative-economy-takes-center-stage>.

⁶ See Tarja Koskinen-Olsson, World Intellectual Property Organization (WIPO) Committee on Development and Intellectual Property, *Study on Collective Negotiation of Rights and Collective Management of Rights in the Audiovisual Sector*, August 12, 2014, available at https://www.wipo.int/edocs/mdocs/mdocs/en/cdip_14/cdip_14_inf_2.pdf; and Bertrand Moullier and Benoit Muller,

Unfortunately, in AGOA-eligible markets, both U.S. and domestic 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.

Countries are eligible for AGOA benefits if they meet certain prerequisites, including establishing, or making continual progress toward establishing, “the elimination of barriers to United States trade and investment, including by . . . the protection of intellectual property rights.”⁷ 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 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.⁸ Restrictions on live performances due to the COVID-19 pandemic worsened the problem for artists, further heightening the importance of providing adequate and effective copyright protection to enable legitimate licensing markets.⁹ In addition to economic and

WIPO Committee on Development and Intellectual Property, *Scoping Study on Strengthening and Development of the Audiovisual Sector in Burkina Faso and Certain African Countries*, September 25, 2013, available at https://www.wipo.int/edocs/mdocs/mdocs/en/cdip_12/cdip_12_inf_3.pdf.

⁷ See AGOA Section 104(a)(1)(C)(ii) (19 U.S.C. § 3703(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))).

⁸ See, e.g., Diana Pereira, Inventa, *Tackling Kenya’s ‘rampant’ film piracy problem*, Jan. 24, 2024, available at <https://inventa.com/en/news/article/948/tackling-kenyas-rampant-film-piracy-problem> (“Partners Against Piracy (PAP), a multi-sectoral association formed to combat digital piracy, estimates that Kenya’s creative industry is losing Sh92 billion (\$585.1 million) annually due to online piracy.”); Deborah Dan-Awoh, Nairametrics, *Pirated Books Worth N300 Million Seized at Onne Port by Copyright Commission*, April, 2024, available at <https://nairametrics.com/2024/04/14/pirated-books-worth-n300-million-seized-at-onne-port-by-copyright-commission/> (reporting that Dr. John Asein, the Director-General of the Copyright Commission “highlighted the evolving tactics employed by pirates [and] emphasized the audacity of these pirates, who, acting as agents of foreign printers, actively seek business opportunities in Nigeria.”); Chris Forrester, Advanced Television, *South Africa: Piracy Hurts DSTV*, Feb. 1, 2024, available at <https://advanced-television.com/2024/02/01/south-africa-piracy-hurts-dstv/> (“Reports from South Africa say that pirate streaming services . . . not only steal revenue from local broadcasters . . . but also significantly impact the creative industry as a whole.”); Sylvania Ambani, Nation Africa, *Music Piracy Increases by 59.2 Million in Kenya*, IFPI Report Shows, Mar. 30, 2023, available at https://nation.africa/kenya/life-and-style/art-books/music-piracy-increases-kenya-4178684#google_vignette (detailing growth in piracy in Kenya from 2021-2022).

⁹ See, e.g., Sifelana Tsiko, Black Star News, *Jerusalema Creator Master KG Wants to be Paid Royalties*, March 3, 2021, available at <https://www.blackstarnews.com/entertainment/music/jerusalema-creator-master-kg-wants-to-be-paid-royalties.html> (“Piracy hurts African musicians and leave[s] them impoverished. Many struggle to survive using proceeds from live performances, but that option has been eliminated due to Covid-19 restrictions.”); Columbus Mabika, The Herald, *Zimbabwe: Govt Implored to Tackle Piracy*, May 24, 2021, available at <https://allafrica.com/stories/202105240585.html>. (“Artistes are concerned with the surge in cases of piracy, especially

cultural benefits, adequate and effective protection of IP rights importantly supports good governance principles, including rule of law, judicial independence, control of corruption, and political stability.¹⁰

As a key element to AGOA eligibility, it is crucial that AGOA beneficiaries demonstrate some progress toward the adequate and effective protection of IP. We urge the Administration to continue to consider copyright laws and enforcement practices under the IP eligibility criteria of AGOA.¹¹ As IIPA has explained in previous AGOA-related filings, just what amounts to “adequate and effective” protection of IP rights is a flexible measure that rightly changes over time.¹² The obligations of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”), 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 **Kenya**, **Nigeria**, and **South Africa**, as well as some positive indications of improvements in copyright protection and enforcement in **Kenya** and **Nigeria**.

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 and stating, “The protection of the copyrights will essentially put money into the pockets of authors, producers and all creators.”¹³ 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 or to set a timeframe for accession.¹⁴ Kenya should ratify and implement the WIPO Internet Treaties as part of its ongoing Copyright Act amendment process.

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.”)

¹⁰ 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).

¹¹ For AGOA intellectual property eligibility criteria, see AGOA Sections cited *supra* note 7.

¹² 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>.

¹³ See Anyango Otieno, The Standard, *AG: Kenya to ratify copyright protection, information laws*, June 11, 2019, available at <https://www.standardmedia.co.ke/article/2001329381/how-copyright-creative-works-can-boost-gdp>.

¹⁴ Kenya’s Attorney General has affirmed that the government “is considering ratification of the WIPO Internet Treaties.” See *id.*

Kenya's 2019 amendment to the Copyright Act was intended to address some of the challenges of the digital age, but Kenya's copyright framework remains deficient in several significant respects. A 2020 draft Intellectual Property Bill (IP Bill), which largely incorporated the 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. While there has been no movement on the IP Bill, and the government's position on the bill is unclear, on October 17, 2023, the Kenyan Copyright Board (KECOBO) published a new draft bill, the Copyright and Related Rights Bill (2023 Bill), which is intended to replace the Copyright Act enacted in 2001. To ensure adequate and effective protection and enforcement of IP rights, Kenya's government should address the following shortcomings in Kenya's copyright and enforcement framework, many of which are not properly addressed in the proposed legislation, including by:

- rejecting any proposals 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 and the WTO TRIPS Agreement, and with the requirements of 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 technological protection measures (TPMs) and rights management information (RMI), in line with international standards;
- providing a term of protection consistent with international norms (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);
- ensuring that scope of exceptions and limitations to copyright protection is properly confined to the three-step test, including by expressly incorporating the three-step test into the law;
- improving Kenya's online liability regime to ensure that it supports sustainable growth of the digital content markets and does not shield copyright infringing services, including by:
 - (i) ensuring there is a clear legal basis under which Internet service providers (ISPs) may be held liable for IP infringements carried out by third parties using their services or networks;
 - (ii) clarifying that safe harbors apply only to passive and neutral intermediaries that do not contribute to infringing activities;
 - (iii) clarifying the responsibilities of ISPs eligible for safe harbors, including an obligation to remove infringing content expeditiously upon obtaining knowledge or awareness of the infringing activity and to take measures demonstrated effective in preventing or restraining infringement;
 - (iv) requiring ISPs to implement effective repeat infringer policies; and
 - (v) requiring marketplaces and encouraging all relevant intermediaries, not only those that may avail themselves of safe harbors, to implement "know your business customers" (KYBC) procedures.

- ensuring that the collective management framework and system reflects the essential characteristics of a collective management organization (CMO) (that they are non-profit and owned or controlled by their member rights holders) and that CMO operations are in keeping with the principles of transparency, accountability, and good governance consistent with international standards and best practices;
- rejecting any proposal to introduce a statutory licensing scheme for ring back tunes as artists and rights holders should be allowed to freely negotiate fair commercial terms for the use of their recordings, on the back of strong exclusive rights and effective measures to enforce 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, including applying increased penalties for second and subsequent offenses and fines and imprisonment terms for criminal offenses to all offenses, including circumvention of TPMs, distribution of devices designed to circumvent TPMs, and removal/alteration of RMI; and
- clarifying the role of the proposed IP Tribunal.

In addition, a mandatory IP recordation system, established under the Anti-Counterfeit Authority (ACA), went into effect on January 1, 2023. Under this system, it is an offense subject to criminal sanctions to import products protected by IP rights into Kenya if such rights have not been recorded with the ACA. The mandatory IP recordation system raises several concerns, including regarding Kenya's compliance with the Berne Convention, which prohibits formalities regarding the enjoyment and exercise of copyright rights. Kenya should amend its mandatory recordation system to be voluntary and ensure that copyright is not in scope.

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

Nigeria

Nigeria's vibrant film and music industries are critical to its economy.¹⁵ Nigeria's Minister of Information and Culture, Lai Mohammed, summarized the conclusion of an Afreximbank report that the creative industry "is a resource which is limitless, renewable, and can easily create wealth

¹⁵ See Samuel Anyanwu, Federal Ministry of Information & National Orientation of the Federal Public of Nigeria, *Warner Music Group Seeks Collaboration with Nigerian Government for Global Music Expansion*, May 19, 2024, available at <https://fmino.gov.ng/warner-music-group-seeks-collaboration-with-nigerian-government-for-global-music-expansion/> ("Warner Music Group... has expressed interest in partnering with the Federal Government of Nigeria to invest in the country's thriving music industry."); and Padili Mikomangwa, The Exchange, *Inside Africa's Multi-Billion Dollar Creative Economy*, May 8, 2024, available at <https://theexchange.africa/industry-and-trade/africas-creative-economy/> ("The nation's film industry, dubbed 'Nollywood' currently ranks as the world's second most prolific film industry, producing thousands of movies annually and contributing significantly to Nigeria's GDP.").

and jobs.”¹⁶ He further stated, “When you look at the development of the creative industry in Africa today you will realize that we are sitting on a goldmine.”¹⁷

Unfortunately, pervasive piracy remains a significant obstacle for Nigerian authors and artists, who, as a result, struggle to receive any compensation for their works.¹⁸ In 2019, the Nigeria Copyright Commission (NCC) disclosed that the country loses approximately \$3 billion yearly to digital piracy.¹⁹ According to the World Bank, nine out of every ten films sold in Nigeria are pirated copies.²⁰ Nigeria is a hub for music copyright piracy (and other forms of cybercrime) with its international reach undermining legitimate music markets across Africa, Latin America, and even in Europe. Illustrating the problem, a Nigerian actor commenting on the decline of that country’s Hausa language film industry (known as “Kannywood”) pointed to piracy, stating that “[w]e are all not happy and surely, piracy was what destroyed us.”²¹ In its report on Africa, the USITC found that piracy “remains the largest threat” to the film industry in Nigeria, citing to a 2014 NCC report that estimated that Nigeria lost over \$1 billion annually to film piracy.²² 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.²³

Nigeria ratified the WIPO Internet Treaties in 2017 but has not fully implemented the treaties. As a result, Nigeria’s legal regime has fallen short of international copyright norms in several key respects. In March 2023, the President of Nigeria assented to the new Nigerian Copyright Bill, 2022 (Copyright Act), resulting in the enactment of the Nigeria Copyright Act, 2022 (Act No. 8 of 2022). The new Copyright Act includes several important reforms, including: an exclusive right of making available; improvements to the enforcement framework, including procedures for blocking infringing websites and criminal penalties for online infringements; improved protections for TPMs; and obligations for ISPs to ensure their networks do not facilitate

¹⁶ See James Ojo, *The Cable Lifestyle, Lai: Creative industry is Africa’s only hope from economic woes*, June 21, 2022, available at <https://lifestyle.thecable.ng/lai-creative-industry-is-africas-only-hope-from-economic-woes/>.

¹⁷ See *id.*

¹⁸ See, e.g., Seye Olumide, *The Guardian, Publishers, Copyright Commission Rally Media, Security Operatives Against Piracy*, Apr. 25, 2024, available at <https://guardian.ng/news/publishers-copyright-commission-rally-media-security-operatives-against-piracy/> (Director-General of the Nigerian Copyright Commission referring to a container of over 300,000 pirated books that had been detained at a Nigerian port stated, “You could imagine the economic damage . . . to the publishers of those books if it was not accosted and seized?”); and Stephen Kenechi, *The Cable, Nigerian Filmmakers, Pay-TV Sector in Chokehold of Digital Piracy*, Dec. 16, 2023, available at <https://www.thecable.ng/nigerian-filmmakers-pay-tv-sector-in-chokehold-of-digital-piracy/>.

¹⁹ This Day, *NCC: Nigeria Loses \$3bn Annually to Piracy*, available at <https://www.thisdaylive.com/index.php/2019/04/26/ncc-nigeria-loses-3bn-annually-to-piracy/>.

²⁰ Africa Renewal, *Nigeria’s film industry: A potential gold mine?*, available at <https://www.un.org/africarenewal/magazine/may-2013/nigeria%E2%80%99s-film-industry-potential-gold-mine>.

²¹ See, Mohammed Lere, *Premium Times, Nigeria: Kannywood is on the Brink of Collapse – Actor*, June 24, 2019, available at <https://allafrica.com/stories/201906240774.html>.

²² See USITC Africa Report at 186.

²³ See Samuel Andrews, *The Conversation, Netflix Naija: creative freedom in Nigeria’s emerging digital space?*, March 19, 2020, available at <https://theconversation.com/netflix-naija-creative-freedom-in-nigerias-emerging-digital-space-133252>. See also Joseph Onyekwere, *The Guardian, Nigeria: Outdated Laws, Bane of Nigeria’s Creative Industry, Says Idigbe*, May 15, 2018, available at <https://allafrica.com/stories/201805150315.html>.

piracy, including to “expeditiously” take down infringing content, institute a repeat infringer policy, and ensure infringing content that has been taken down remains off their networks. These elements are strongly welcomed and a positive step forward; unfortunately, there are several significant deficiencies in the Copyright Act that should be corrected for Nigeria to properly implement the WIPO Internet Treaties and meet its international obligations and evolving global norms, including the following:

- Section 35 of the Copyright Act introduces a compulsory license scheme that risks being incompatible with Nigeria’s international obligations. Under this provision, the NCC could bypass the copyright owner and authorize the use of a copyrighted work “by any person for the purpose of rectifying the abuse of a dominant market position or to promote public interest.” The provision would undermine rights holders’ ability to assert their rights in or license their works because any user could request that the NCC bypass the copyright owner and authorize or prohibit certain uses of a work based on the mere allegation that the user “made a reasonable effort to obtain permission from the owner of copyright on reasonable commercial terms and conditions and that the effort was not successful.” Hence, Section 35 undermines contractual freedom and legal certainty and is inconsistent with Nigeria’s international obligations, including under the Berne Convention and the WIPO Internet Treaties. This section is outside the scope of the compulsory licenses set out in the Berne Convention and its Appendix, which cannot be applied to the right of making available or beyond the narrow uses set out therein. Moreover, Section 35 reduces the scope of the exclusive right of making available, thereby undermining implementation of the WIPO Internet Treaties by compromising their milestone right.
- The Copyright Act also introduces extended collective licensing (ECL) in Nigeria. An ECL system is appropriate only in well-developed collective rights management systems, where organizations represent a substantial number of rights holders for each segment of the collective marketplace, and only in well-defined areas of use, where obtaining authorization from rights holders on an individual basis is typically onerous and impractical to a degree that makes a license unlikely. As noted above, Nigeria’s collective management system is inadequate. In addition, the provision is overly broad. For these reasons, such a system is not appropriate in Nigeria and the new ECL framework should be withdrawn. At the very least, adequate safeguards should be introduced, e.g., via the CMO Regulation proposals (discussed below), using best practice examples such as Article 12 of the European Union (EU) Digital Single Market (DSM) Directive.
- The Copyright Act appears to provide for a hybrid fair use-fair dealing provision that may be implemented substantially broader than the U.S. fair use doctrine to the detriment of the creative industries for several reasons. First, the provision includes additional broad purposes that are not present in the U.S. statute, including “private use” and “private study.” Second, U.S. fair use is determined on a fact-intensive, case-by-case basis. Without the foundation of a well-developed body of case law, Nigeria’s untested, broader fair use provision would result in uncertainty for both rights holders and users on the parameters of permissible uses. The additional broad purposes listed in the text adds to the uncertainty and risk that Nigerian judges, none of whom have ever adjudicated a fair use case and would be doing so without any binding precedent to guide them, will find an unacceptably

wide range of uses to be non-infringing. Third, the expansive, new “fair use” exception is included as part of a “fair dealing” system that includes several overly broad new exceptions, as discussed below. This unprecedented hybrid approach further adds to the uncertainty and risk that the fair use provision will deny copyright owners fundamental protections on which they rely to license their works and sound recordings. Therefore, the broad hybrid fair use-fair dealing provision is inconsistent with the three-step test because it is not limited to certain special cases and there is a substantial risk that it would be applied in a manner that conflicts with the normal exploitation of a work or unreasonably prejudices the legitimate interests of the rights holder.

- An exception for archives, libraries, and galleries, is broader than the exception in U.S. law and inconsistent with the three-step test, because it would permit these institutions to make and distribute “copies of works protected under this Act as part of their ordinary activities” without limitation, and it would also permit lending such copies to users.
- The Copyright Act provides for compulsory licenses for translation and for reproduction of published works. This provision should be revised to ensure it is calibrated according to the terms of the Berne Convention Appendix, which it currently is not.
- While the Copyright Act includes an exclusive right of distribution, extraneous language has been added that appears to limit the right of distribution “for commercial purposes” and for works that have “not been subject to distribution authorized by the owner.” IIPA is concerned that this language could be interpreted to extend the concept of exhaustion of rights to distributions of digital content.
- While the broadcast right for sound recordings is granted as an exclusive right in Section 12, it is then downgraded to a mere remuneration right in Section 15. Sound recording producers’ broadcast right should be maintained as an exclusive right without being downgraded to provide the fair market conditions in which rights holders can negotiate commercial terms that reflect the economic value of uses of recorded music to broadcasters.
- The Copyright Act introduces draconian criminal sanctions, including imprisonment, for rights holders who fail to keep proper records of the disposition of their rights. This provision is unprecedented and disproportionate to any intended purpose and should be deleted.
- The overbroad quotation exception should be revised to limit the use of a quotation to purposes of criticism or review.
- 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—and ensure that rights holders receive adequate shares of collections made, deductions are kept to a minimum, and compensation is payable directly to rights holders.
- The term of protection for all works and sound recordings should be extended to 70 years from fixation or publication (and the same for juridical entities), and, for all works, to the life of the author(s) plus 70 years.

An additional concern in Nigeria is the failure by the NCC to meaningfully engage recording industry stakeholders on the accreditation of a related rights CMO following protracted dispute between the NCC and The Copyright Society of Nigeria (COSON, the CMO that was responsible for managing performance rights in musical works and sound recordings but whose operating license was withdrawn by the NCC). While rights holders and the NCC took steps to improve COSON's transparency and governance, in 2023 the NCC in consultation with select rights holders validated an Action Plan for CMO in the Music Industry that included recognition of the Musical Copyright Society of Nigeria (MCSN) as the only accredited music industry CMO. Several leading domestic stakeholders and international companies in the industry controlling significant repertoire have expressed concern regarding the ability of MCSN to effectively manage their rights. To resolve this, the Government of Nigeria should reform the collective management framework in Nigeria, in partnership with key stakeholders including the recording industry body, RELPI, to ensure a clear, fair, market-based, and transparent system. This should include engaging with sound recording producers to allow for the existence of a CMO that represents local and foreign producers effectively, has the relevant expertise and technical capability to perform collective management functions, is owned or controlled by its member rights holders, and is a non-profit organization. Accordingly, IIPA recommends that through the Nigerian recording industry body, RELPI, a new CMO should be established with the support of the NCC to ensure there is adequate and effective representation of both local and international rights holders. With these provisions in place, as well as improved enforcement as noted above, CMOs would be able to license effectively in Nigeria.

Nigeria also needs to more effectively enforce against the numerous unlicensed online music and audiovisual services that operate in Nigeria, which are harming many markets inside and outside of Nigeria. New criminal provisions added by the Copyright Act should be used by the NCC as the basis for enforcement actions against such services. Moreover, more resources are needed for the NCC online enforcement unit to adequately sustain efforts to combat piracy in the country, including ensuring that authorities have critical resources such as electricity and Internet access. IIPA's country report on Nigeria, submitted to USTR as part of IIPA's 2024 Special 301 submission, provides a full description of the deficiencies with Nigeria's legal and enforcement regimes, including the deficiencies with the Copyright Act.²⁴

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 to bring the country's laws into compliance with international agreements, including the TRIPS Agreement, and the WIPO Internet Treaties.²⁵ For example, South Africa lacks basic protections required to enable trade in copyrighted materials in the digital environment. These basic protections should include the right of copyright owners to control the

²⁴ IIPA's 2024 Special 301 submission is available to the public via www.regulations.gov, as well as our website, at <https://www.iipa.org/reports/special-301-reports/>. The 2024 Nigeria country report from IIPA's Special 301 submission is available at <https://www.iipa.org/files/uploads/2024/01/NIGERIA-2024.pdf>.

²⁵ South 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.

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 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 failed to consider whether the proposed changes would be compliant with South Africa's Constitution and international obligations. Further, as part of its required Socio-Economic Impact Assessment System (SEIAS) process, the government did not publish a SEIAS report to adequately measure the economic impact of the bills on South Africa's creative sector.

In June 2020, South Africa's President referred the Copyright Amendment Bill (CAB) and the Performers' Protection Amendment Bill (PPAB) back to the National Assembly based on reservations regarding the bills' compliance with South Africa's Constitution and its international commitments. Without conducting a proper economic impact assessment study as is required under the government's own SEIAS protocols and ignoring serious concerns raised by the majority of provinces (six out of nine) regarding the proposed new and invasive regime of copyright exceptions and limitations and the introduction of an expansive "fair use" exception to copyright protection, on March 1, 2024 the South African Parliament again passed the bills, making only minor revisions and failing to address the major concerns. South Africa's President now faces a choice to sign the legislation, let it languish, or refer it to the Constitutional court to address concerns, including that the bills are inconsistent with South Africa's international obligations.

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.²⁶ As South Africa is an important market in Sub-Saharan Africa that other countries in the region may seek to emulate, the stakes are extremely high. IIPA recommends that the U.S. government continue to emphasize that the bills remain fundamentally flawed and that South Africa's President should not sign them to avoid destabilizing the creative industries and to support a thriving copyright sector, which contributes so significantly

²⁶For 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.iipa.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.iipa.org/files/uploads/2020/03/SOUTH-AFRICA-IIPA-GSP-Post-Hearing-Brief.pdf>.

to economic and job growth in the country, and which has potential for substantial growth under the proper conditions.²⁷

The bills contain many provisions that lack clarity, risk major negative disruption of the creative industries, and pose significant harm to the creators they purport to protect. IIPA's country report on South Africa, submitted to USTR as part of IIPA's 2024 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.²⁸ Major issues of immediate and primary concern to the copyright industries are the following:

- The bills would severely restrict the contractual freedom of authors, performers, and other rights holders, 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 to freely license and otherwise derive value from their copyrighted works, performances, and sound recordings. For example, as explained below, 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 an expansive "fair use" rubric (not in line with the U.S. doctrine) appended to a large number of extremely open-ended new exceptions and limitations to copyright protection (on top of the existing "fair dealing" provision), resulting in an unclear thicket of exceptions and limitations.
- The bills would unjustly interfere with and over-regulate the relationship between creative parties, including by introducing statutory royalty and remuneration entitlements and onerous reporting obligations coupled with disproportionate penalties for non-compliance, all of which would undermine producers' ability to finance content and introduce legal risks for the legitimate use of audiovisual works and sound recordings by rights holders and their licensees. Instead, the bills should provide a flexible and robust legal framework for the protection of creative content and investment in production, enabling private parties to freely negotiate the terms of their relationships and the exploitation of copyrighted works and sound recordings.
- The bills would not provide adequate legal remedies for rights holders to take effective action to enforce their rights against infringers and to combat piracy, especially in the

²⁷According to a study conducted by the Department of Trade and Industry (the DTI) and 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.

²⁸IIPA's 2024 Special 301 submission is available to the public via www.regulations.gov, as well as our website, at <https://www.iipa.org/reports/special-301-reports/>. The 2024 South Africa country report from IIPA's Special 301 submission is available at <https://www.iipa.org/files/uploads/2024/01/SOUTH-AFRICA-2024.pdf>.

online environment, 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 overly broad exceptions to prohibitions on the circumvention of such measures would further impinge on the ability of legitimate markets for copyrighted materials to further 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 IP 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.

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 IP rights. Such an exercise would further benefit both creators in AGOA-eligible countries and U.S. companies seeking to invest and do business in those nations, 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 both domestic and foreign stakeholders and the U.S. Government, guided by the AGOA eligibility requirement to provide adequate and effective protection of IP rights.

Several AGOA-eligible countries have either enacted legislation intended to implement the WIPO Internet Treaties or are considering such legislation. So far, fourteen AGOA-eligible countries have deposited their instruments to join the WCT and the WPPT: **Benin, Botswana, Burkina Faso, Cabo Verde, Comoros, Gabon, Ghana, Guinea, Madagascar, Nigeria, Sao Tome and Principe, Senegal, Togo, and Uganda.** 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 useful in making a determination of 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, move South Africa further out of compliance with AGOA's eligibility criteria. In addition, USTR should monitor legislative reform efforts in Kenya 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 IP rights. It is essential that the annual AGOA review remain an opportunity to evaluate the progress of its beneficiaries toward meeting these IP rights criteria, and to identify opportunities to enhance IP 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,

/Kevin M. Rosenbaum/

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