## U.S. Chamber of Commerce



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January 31, 2025

The Honorable Darrell Issa
Chair
Subcommittee on Courts, Intellectual
Property, and the Internet
U.S. House of Representatives
Washington, DC 20510

The Honorable Hank Johnson Ranking Member Subcommittee on Courts, Intellectual Property, and the Internet U.S. House of Representatives Washington, DC 20510

Dear Chairman Issa and Ranking Member Johnson:

The U.S. Chamber of Commerce ("Chamber") appreciates the Subcommittee's dedication to supporting copyright-intensive industries, and we eagerly await the results of the Subcommittee's January 31 roundtable in Los Angeles, CA.

The Chamber continues to engage stakeholders on digital piracy concerns, and we stand open to engaging with Congress on this critical issue. The Chamber's 2019 report Impacts of Digital Video Piracy on the U.S. Economy demonstrates that digital piracy costs American businesses almost \$77 billion annually. We are preparing to release a sequel to this study this coming fall. This update will address digital piracy issues more broadly – including new challenges and more creative industries – while highlighting some of the more successful endeavors employed in combatting this challenge. The Chamber stands ready to provide insights and a readout as these efforts progress. Additionally, we will release the 13th edition of the International IP Index on April 15th, highlighting the progress and opportunities 55 global economies face in developing a robust IP ecosystem, including tracking developments related to static and dynamic injunctions of sites, commonly referred to as site-blocking.

Digital piracy is a <u>multi-billion-dollar issue</u>. This low-risk, high-reward endeavor is often driven by global criminal syndicates whose operations harm communities, consumers, businesses, and national security. Experts have noted such piracy sites are often riddled with viruses and malware and put individual, corporate, and educational institution networks at great risk of harm. According to the 2022 <u>report Unholy Triangle</u>, digital piracy operators net \$2.3 billion annually through ads and subscription fees, with \$122 million coming from malvertising. American consumers alone account for more than half of that revenue (\$68.3 million). In fact, 1 in 3 Americans admit to using pirate sites, and illicit streaming of sports content is the

most prominent form of piracy. With <u>8 out of 10</u> pirate sites promoting malvertising, it's no wonder consumers who visit these sites are three times more likely to report malware, and those who use a credit card to subscribe for a pirated service are four times more likely to be a victim of fraud.

Digital piracy is a threat that cannot be ignored. The Chamber welcomes the Subcommittee's interest in this topic and willingness to find common sense solutions that protect America's intellectual property. We stand ready to work with Congress to ensure effective IP enforcement and look forward to engaging in further discussions with you.

Sincerely,

Tom Quaadman

Senior Vice President

Economic Policy

U.S. Chamber of Commerce

cc: Members of the House of Representatives Subcommittee on Courts, Intellectual Property, and the Internet