

## **Piracy Robs Spain's Youth of Opportunity**

The 11 superb films that composed the “Made in Spain” section of this month’s San Sebastian Film festival are a reminder of the richness of Spain’s film landscape – its creativity, talent, and professionalism. Recognized globally for its quality, it is an industry that has long attracted international partnership, including from the United States. Witness the decision by Ridley Scott to film “Exodus: Gods and Kings” in the Canary Islands last year. The hit television series “Game of Thrones” will begin production on part of its fifth season in Andalucia this fall. And Globomedia has just signed a deal with Hollywood’s Creative Artists Agency to develop contacts and content for the U.S. market. But it is also an industry that is struggling, in large part due to some of the highest rates of piracy in Europe, a weak legal environment that offers limited protection, and an acute lack of public awareness that piracy is really theft – theft that robs individuals of their livelihood. Strong early box office returns for “Ocho Apellidos Vascos,” which was featured at San Sebastian, for example, immediately fell off a cliff when a pirated version of the movie was uploaded to the internet. That hurts those whose livelihoods depend on the success of the Spanish film industry.

Spain’s most valuable resource is its incredibly smart and talented workforce. The culture and entertainment industry generates 4% of Spanish GDP and directly creates more than 500,000 jobs. There are enormous indirect economic benefits as well. Dubrovnik, Croatia saw a 24% growth in its tourism industry after Game of Thrones began filming there. The towns of Osuna and Seville have already reported tourism gains for the month of August, even though filming hasn’t yet begun. With improved protection, this industry, and all the associated economic benefits, could grow considerably over the coming years - but without an adequate legal framework, we may never see it reach its full potential.

IPR isn’t just about protecting the film and television industry, or the tourism revenues it often generates. It is also about creating a framework that rewards new ideas, driving the kind of innovation that modern economies are based on. This is particularly important for young people – the source of much of the creativity that economies need to stay competitive, yet paradoxically, those who have also been hardest hit by the lingering effects of the economic crisis.

A big part of the problem is the lack of understanding of the direct link between piracy and its role in depriving creative minds of opportunity. The same youth who dream of founding their own companies often fail to realize that downloading content illegally literally robs artists not unlike themselves of the financial means to realize their aspirations. Online piracy directly reduces the incentive to create new music, films, computer programs, apps and video games. It makes it more difficult to start up a new company, kills jobs, scares away investment and dries up research and development.

Atresmedia’s public awareness campaign ([creacultura.atresmedia.com/](http://creacultura.atresmedia.com/)) endeavors to make this clear by illustrating how piracy destroys opportunities – not just for producers and performers – but also for hairdressers, camera crews, writers, soundmen, technicians, and floor-sweepers. I’m impressed with this effort, and I hope it gets the attention of those who think that no one is hurt by this kind of activity. But awareness is only one piece of the puzzle. It is the U.S. Government’s view, and the view of many in the industry, that the draft reform of Spain’s IP law

currently being debated should significantly strengthen the tools available to law enforcement agencies to combat piracy. It should expand and improve the resources of the Intellectual Property Commission, allowing it to take quick and decisive action when a complaint is filed, before the damage is done.

IPR protection isn't just about big American or multinational companies. As the U.S. Ambassador, I of course care about the effect piracy has on American companies, but I also want to help protect a Spanish cultural industry that is important to this country's economy and that has close ties to my own. While it is up to Spain's leadership to chart a way forward on this issue, I would be remiss in my mission to promote stronger U.S. - Spain economic ties if I didn't draw attention to the fact that the lack of effective IPR protections costs both Spanish and multinational companies millions of euros and hampers investment in this country. Failure to act will limit the creativity and innovation that helps a society to prosper and has a direct effect on jobs - the jobs that youth in Spain so badly need.

*James Costos, U.S. Ambassador to Spain*