SMITH & METALITZ LLP

ERIC H. SMITH
STEVEN J. METALITZ
ERIC J. SCHWARTZ
MARIA STRONG

MICHAEL SCHLESINGER

DR. MIHÁLY FICSOR
International Legal Consultant
(Not admitted to the D.C. Bar; resident in Hungary)

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David O. Carson, Esq.
General Counsel
United States Copyright Office
Copyright GC/I&R
P.O. Box 70400
Southwest Station
Washington, DC 20024

Dear Mr. Carson:

This responds to your letter of June 7, which followed up on the March 23 and March 31 hearings[1] in which the exemptions proposed by the Internet Archive (IA) were discussed.

You ask "whether the statutory exception found in 17 U.S.C. § 1201(f) dealing with 'reverse engineering' is sufficiently broad to permit the activities in which Mr. Kahle and Mr. Montoro seek the above exceptions to engage." With the caveat that the applicability of the exception to any particular set of facts cannot be definitively forecast, the Joint Reply Commenters believe that the general answer to your question is no.

By its terms, the statutory exception only applies to steps that are "necessary to achieve interoperability of an independently created computer program with other programs." 17 U.S.C. § 1201(f)(1). The legislative history of the provision states that it is intended "to allow legitimate software developers to continue engaging in certain activities for the purpose of achieving interoperability," and "to avoid hindering competition and innovation in the computer and software industry." House Managers' Report - Staff of House Committee on the Judiciary, 105th Cong., Section-By-Section Analysis of H.R. 2281 as Passed by the United States House of Representatives on August 4, 1998 at 14 (Comm. Print 1998), reprinted in 46 J. Copyright Soc'y U.S.A. 631 (1999). The "independently created program" referred to in the statute "must be a new and original work." Id.

The enactment of § 1201(f) was aimed at preserving case law under which software developers could engage in "certain acts of identification and analysis done in respect of

[1] For the purposes of this letter, we refer to hearing transcripts with this abbreviation - Tr. All references to hearing transcripts refer to the March 23 hearing, which is available at http://www.copyright.gov/1201/2006/hearings/transcript-mar23.pdf. We also refer to the Joint Reply Comments, available at http://www.copyright.gov/1201/2006/reply/11metalitz_AAP.pdf, as R11.

1747 PENNSYLVANIA AVENUE, NW, SUITE 825, WASHINGTON, DC 20006-4637 U.S.A.
PHONE: 202.833.4198 • FAX: 202.872.0546 • EMAIL: INFO@SMIMETLAW.COM • WEBSITE: WWW.SMIMETLAW.COM

computer programs." Id. In these decisions – including Sega Enterprises Ltd. v. Accolade, 977 F.2d 1510 (9th Cir. 1992), cited in the legislative history of § 1201(f), and its progeny – the copying of a computer program was excused as fair use largely because that copying was an essential step in the development of an independent, original and non-infringing computer program.[2] Congress incorporated into § 1201(f) this essential feature of the fair use analysis underlying the reverse engineering cases. The "independently created computer program" criterion cannot be overlooked or read out of the statute.

It does not appear that any of the activities in which IA wishes to engage (and for which it seeks the new exemption it proposes) involve the independent creation of a new and original work; they simply involve copying. As further explicated at the hearing on March 23 by Mr. Kahle:

> ...[W]e're making copies of software that we can then run in emulated environments, at least that would be the end goal.... [W]hat we're looking to do is make copies and break access protections of the original software and be able to make copies of those, not just for the purpose of identifying compatibility points; we're looking to make copies onto newer media and then running those to make sure that we have a full fledged working copy.

Tr. at 122. The copies that would be made would apparently be identical to the originals, except perhaps to the extent of modifying any features that would prevent them from running on more up-to-date operating systems or hardware platforms. This is far afield from what Congress intended in enacting § 1201(f). What IA wishes to do by this proposed exemption would not help legitimate software developers, nor would it promote competition and innovation in the computer and software industry. However laudable IA's archival contributions might be, the activities they describe are generally not covered by this statutory exception. The same is true of Mr. Montoro's activities, which simply involve the operation of an existing program on a different hardware or software platform, rather than the independent creation of any new work.[3]

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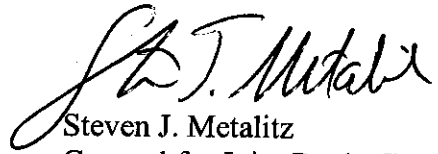
[2] See, e.g., Sega, 977 F.2d at 1522 (defendant's use "led to an increase in the number of independently designed video game programs offered for use with the Genesis console. It is precisely this growth in creative expression ... that the Copyright Act was intended to promote"); Triad Sys. Corp. v. Southeastern Express Co., 64 F.3d 1330, 1336 (9th Cir. 1995) (explaining that the 9th Circuit found fair use in Sega because "the copying resulted in the proliferation of independent, creative expression" and finding against a defendant because it "invented nothing of its own"); Sony Computer Entm't, Inc. v. Connectix, 203 F.3d 592, 607 (9th Cir. 2000) (defendant created "a wholly new product, notwithstanding the similarity of uses and functions between" the new product and the plaintiff's program). By contrast, courts have found the Sega line of cases inapplicable when the defendant "never used the copy to develop its own noninfringing product," Compaq Computer Corp. v. Procom Tech., Inc., 908 F. Supp. 1409, 1420 (S.D. Tex. 1995), or sought "not to create any new form of expression, but rather to retransmit the same expression in a different medium." UMG Recordings, Inc. v. MP3.com, 92 F. Supp. 2d 349, 351 n.2 (S.D.N.Y. 2000).

[3] IA's and Montoro's activities might fall outside the scope of § 1201(f) for other reasons as well. The statutory exception applies only to activities necessary to achieve interoperability between or among computer programs. To the extent that theses parties' activities are aimed at interoperability with physical hardware, or with audio-visual works embodied in videogames, § 1201(f) would not apply even if an independently created computer program were involved.

The hearing testimony appears to confirm that the new exemption is sought for activities that are a species of the genus "platform shifting." The main distinguishing characteristic of the proposal is that it is focused on situations in which an access control has been applied to a copy of a work that was originally made available on hardware or operating system platform that is now asserted to be obsolete. In fact, at the hearing it was suggested that the exemption might be broader: so long as "something along the chain makes it so that it is an obsolete system," the exemption IA seeks (and which Mr. Montoro supports) would permit users to "break up access protection on the original thing." Tr. at 135-37. As the Joint Reply Comments point out, and as was reiterated at the March 23 hearing, such a proposed exemption could have a very broad sweep and a substantial adverse impact on a significant market for re-issues of entertainment software and other works that were originally made available for use with operating systems or hardware that is now outdated.[4]

Please let me know if you have further questions or if there is additional information I can provide.

Sincerely yours



Steven J. Metalitz
Counsel for Joint Reply Commenters

cc: Brewster Kahle
Joseph Montoro

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[4] In this regard, we take this opportunity to update the Joint Reply Comments, to note that the "Nintendo Revolution system" referred to on page 37 will be launched in the fourth quarter of this year under the name Wii and will feature downloadable access to a number of game titles that were originally released for play on outdated consoles originally manufactured by Nintendo (NES, Super NES, and Nintendo 64), Sega (Genesis), and NEC/Hudson (TurboGrafx). See Wii Homepage, http://wii.nintendo.com/home.html; Press Release, Nintendo of America, Inc., Wii Will Offer Unprecedented Video Game Experiences for Everyone (May 9, 2006), available at http://www.nintendo.com/newsarticle?articleid=bkRHX2kl2OCjxrzCzD4HIGCTnutXhNsn&page=currentNews. Similarly, we note that Nintendo's Game Boy Advance and Nintendo DS hardware systems have featured a highly successful line of "classic" games originally released on now-outdated consoles. These "classic" games have proven a strong commercial success; indeed, the top selling DS title nationwide is a game originally developed for the Nintendo 64 (Super Mario 64). See Matt Slagl, "Classic games make a comeback on Nintendo DS: Prove You Don't Need Fancy Graphics Or Costly High-Def Display For A Fun Time," http://games.consumerelectronicsnet.com/articles/viewarticle.jsp?id=44207. Finally, we also note that since at least 2004, in order to defend the market for classic videogame titles, civil infringement actions and criminal prosecutions have been launched against activities that include trafficking in videogame consoles in which are embedded unauthorized copies of classic games such as Donkey Kong and Mario Bros., originally released for the NES. See Nintendo Cracks Down on Major U.S. Piracy Operation, http://www.pluginz.com/news/2453; Press Release, U.S. District Attorney for the Southern District of New York, U.S. Announces the Arrest of Four Individuals in Massive Scheme to Distribute Nintendo Video Game Consoles (April 13, 2005); Piracy is a Crime, http://wcco.com/local/local_file_322174150; Nintendo Applauds the FBI -- Four Arrested for Allegedly Distributing Pirated Nintendo Products, http://www.jivemagazine.com/forum/showthread.php?t=9245. These facts provide further evidence "that there is a strong consumer market for the type of works that Internet Archive seeks to exempt." R11 at 37.