



April 4, 2014

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Register of Copyrights  
United States Copyright Office  
101 Independence Ave. S.E.  
Washington, DC 20559

*RE: Comments—Study on the Right of Making Available*

To the Register of Copyrights:

Pursuant to the Notice of Inquiry (“NOI”) published in the Federal Register on February 25, 2013 (79 Fed.Reg. 10,571), I submit these Comments on behalf of the Association of American Publishers (“AAP”)<sup>1</sup> regarding the Copyright Office’s study “to assess the state of U.S. law recognizing and protecting ‘making available’ and ‘communication to the public’ rights for copyright holders.”<sup>2</sup>

Given the growth of online distribution of digital formats of copyrighted works,<sup>3</sup> the ubiquity of the Internet in our daily lives, and the threat of online piracy to the continued development of legitimate online distribution of such works, AAP agrees with former Rep. Mel Watt, whose letter to the Register of Copyrights requested this assessment, that the “inconsistency in the various court discussions” of the rights of “making available” and “communication to the public” necessitates that “the Copyright Office study the current state of the law in the United States.”<sup>4</sup>

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<sup>1</sup> As the principal national trade association of the U.S. book and journal publishing industry, AAP represents some 400 member companies and organizations that include most of the major commercial book and journal publishers in the U.S., as well as many small and non-profit publishers, university presses and scholarly societies.

<sup>2</sup> United States Copyright Office, *Study on the Rights of Making Available; Comments and Public Roundtable*, 79 Fed. Reg. 10,571 (Feb. 25, 2014).

<sup>3</sup> Press Release, *Digital Trade Growing in the United States and Globally*, USITC (Aug. 15, 2013) [http://www.usitc.gov/press\\_room/news\\_release/2013/er0815111.htm](http://www.usitc.gov/press_room/news_release/2013/er0815111.htm) (noting that: “All types of online content are growing, including music, games, videos, and books. The economic effects of digital trade on the U.S. economy vary by sector. For music, games, and videos, the share of digital sales has rapidly increased over the last few years...[and] E-book sales are increasing as well.”); see also United States International Trade Commission, *Digital Trade in the U.S. and Global Economies*, Inv. No. 332-531, USITC Pub. 4415 (Jul. 2013).

<sup>4</sup> 79 Fed. Reg. 10,572.

To the best of its knowledge, AAP believes that the Copyright Office accurately states the current status of these rights in its NOI, confirming that “[t]he WIPO Internet Treaties—the WIPO Copyright Treaty (“WCT”) and the WIPO Performances and Phonograms Treaty (“WPPT”) — *require* member states to recognize the rights of ‘making available’ and ‘communication to the public’ in their national laws...[and that the] United States implemented the WIPO Internet Treaties through the Digital Millennium Copyright Act (“DMCA”) in 1998...but did not amend U.S. law to include explicit references to ‘making available’ and ‘communication to the public,’ concluding that Title 17 already provided those rights” as covered under the exclusive rights of reproduction, distribution, public display and/or public performance.<sup>5</sup>

Despite the clear legislative intent to implement these rights in the U.S., courts have reached conflicting decisions as to the scope and level of proof necessary to establish infringement of these rights. Most relevant to AAP’s members are the conflicting decisions as to whether proof of actual distribution (*i.e.*, download of a file by a specific user) is necessary to establish infringement of a copyright holder’s “making available” right in cases of unauthorized peer-to-peer (P2P) sharing of copyrighted works. The lack of consistent interpretation and application of Congress’s clear intent to secure the “making available” and “communication to the public” rights for copyright holders as subsumed under other preexisting exclusive rights of copyright brings into question whether there is meaningful recognition and protection of these rights within the U.S. judicial system. To assess whether legislative or other clarification of these rights is needed to ensure consistent acknowledgement and application of these rights, which is crucial to the continued growth of legitimate and innovative digital content distribution services, the Copyright Office asks the following questions relevant to AAP’s member publishers:

## **1. Existing Exclusive Rights Under Title 17**

- a. How does the existing bundle of exclusive rights currently in Title 17 cover the making available and communication to the public rights in the context of digital on-demand transmissions such as peer-to-peer networks, streaming services, and downloads of copyrighted content, as well as more broadly in the digital environment?*

In January of this year, Professor David Nimmer, a leading legal scholar and author of the treatise “Nimmer on Copyright,” offered his thoroughly researched views on this question to Congress as part of “The Scope of Copyright Protection” hearing before the House Judiciary Subcommittee on Courts, Intellectual Property and the Internet.<sup>6</sup> Professor Nimmer’s testimony also acknowledged his debt to revelatory research by another academic expert on copyright, Professor Peter S. Menell, regarding the legislative history of the distribution right codified in Section 106(3) of the Copyright

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<sup>5</sup> 79 Fed. Reg. 10,571. (internal citations omitted).

<sup>6</sup> See generally, *The Scope of Copyright Protection: Hearing Before the Subcomm. on Courts, Intellectual Property, & the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014) <http://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=101642> (Statement of David Nimmer, Professor, UCLA) (“Nimmer Statement”).

Act.<sup>7</sup> In deference to the exhaustive, authoritative and compelling analyses of Professors Nimmer and Menell, AAP endorses their conclusions affirming the existence of the “making available” right under the bundle of existing rights provided in Section 106 of Title 17 as presented in Professor Nimmer’s testimony.<sup>8</sup> Specifically, AAP agrees that:

- the U.S. is obligated by a number of treaties and trade agreements to provide a “making available” right;<sup>9</sup>
- the U.S. adheres to these multilateral copyright treaties, which require all adherents to embody such a provision;<sup>10</sup>
- “there is no stand-alone ‘making available’ right” under Title 17, but a copyright owner’s distribution<sup>11</sup> right includes a “making available” component;<sup>12</sup> and
- “[t]hat voluminous [legislative] history affords no indication that Congress intended to impose an ‘actual receipt’ requirement on the exercise of the distribution right.”<sup>13</sup>

AAP also appreciates Professor Nimmer’s clarification that “[a]ffirmative defenses are, by definition, wholly independent of the case in chief [and that the issue of the effective implementation of the “making available” right in the U.S.] should not be clouded with such distractions as fair use and the ‘first sale’ doctrine, as they raise affirmative defenses that do not affect the ‘making available’ right.”<sup>14</sup>

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<sup>7</sup> *Id.* at 2; see Peter S. Menell, *In Search of Copyright’s Lost Ark: Interpreting the Right to Distribute in the Internet Age*, 59 J. COPR SOC’Y 1 (2011) [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1679514](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1679514). Additionally, Prof. Menell has referenced his earlier work in a more recent article commenting on a federal appellate court decision that essentially confirms his conclusions. Peter S. Menell, *The Tenth Circuit Discovers Copyright’s Lost Ark: Section 106(3) Encompasses A ‘Making Available’ Right*, THE MEDIA INSTITUTE (Jan. 13, 2014)

[http://www.mediainstitute.org/IPI/2014/011314.php?utm\\_source=IP%3A+The+Tenth+Circuit+Discovers+Copyright%27s+Lost+Ark%3A+Section+106%283%29+Encompasses&utm\\_campaign=Eblast+The+Tenth+Circuit+Discovers&utm\\_medium=email#](http://www.mediainstitute.org/IPI/2014/011314.php?utm_source=IP%3A+The+Tenth+Circuit+Discovers+Copyright%27s+Lost+Ark%3A+Section+106%283%29+Encompasses&utm_campaign=Eblast+The+Tenth+Circuit+Discovers&utm_medium=email#).

<sup>8</sup> AAP expresses no opinion about Professor Nimmer’s suggestions regarding statutory damages, a small claims adjudicatory body for peer-to-peer infringement cases, or first sale.

<sup>9</sup> Nimmer Statement at 8.

<sup>10</sup> *Id.*

<sup>11</sup> AAP agrees with Professor Nimmer that, because there is no question that “copyright owners enjoy the exclusive right to control distribution of their works,” there should also be agreement that “detering unauthorized distribution (properly defined) promotes progress in the creative arts by empowering creators to determine when and how to commercialize their works.” *Id.* at 5.

<sup>12</sup> This view is based on the fact that “the United States government has consistently taken the position that our domestic copyright law already includes the ‘making available’ right within the existing distribution right.” *Id.* at 8.

<sup>13</sup> Nimmer Statement at 3-4.

<sup>14</sup> *Id.* at 9-10 (explaining that the “fair use doctrine arises as an affirmative defense asserted by the defendant...[and that if] the ‘making available’ right is recognized as part of the copyright owner’s distribution right, then the plaintiff’s case [in chief] is complete once proof is tendered that the defendant uploaded the file in question; at that point, the case can revolve around [the defendant’s] fair use defense...which [the defendant] remains free to develop in full.”).

*b. Do judicial opinions interpreting Section 106 and the making available right in the framework of tangible works provide sufficient guidance for the digital realm?*

AAP's members endorse the judicial logic underpinning the older *Hotaling v. Church of Jesus Christ of Latter-Day Saints*<sup>15</sup> and more recent *Diversey v. Schmidly*<sup>16</sup> decisions. However, while we are encouraged by the clarity in judicial reasoning as to the “making available” right expressed last December by the Tenth Circuit panel in *Diversey*, it is unclear whether other courts will follow suit in the digital context. Therefore, we ask the Copyright Office and Congress to closely monitor court decisions regarding the practical application of this right in physical and digital scenarios and to consider appropriate legislative action should barriers to effective online enforcement persist because some courts continue to require proof of actual distribution (*i.e.*, the downloading of a file by a specific user) in order to support a claim of violation of the “making available” right.

### **3. Possible Changes to U.S. Law**

*a. If Congress continues to determine that the Section 106 exclusive rights provide a making available right in the digital environment, is there a need for Congress to take any additional steps to clarify the law to avoid potential conflicting outcomes in future litigation? Why or why not?*

Congress's conviction that the existing exclusive rights under Section 106 already provide the “making available” right in the digital environment has and continues to be clear. It is the courts that have made the practical implementation of this right questionable.

As noted above, AAP is encouraged by the Tenth Circuit's recent decision in *Diversey* and hopes that its rationale, which drew upon legislative history brought to light in Professor Menell's legal scholarship on this issue and Professor Nimmer's application of this research in his treatise's updated coverage of the topic,<sup>17</sup> will be adopted more broadly.<sup>18</sup> However, if courts do not follow the Tenth Circuit's lead and instead “uncertainty continues to cloud the legal rights and liabilities fundamental to the recording, motion picture, and publishing industries,” Congress should follow Professor Nimmer's recommendation that “legislative clarification of the ‘making available’ right is appropriate, if not imperative.”<sup>19</sup>

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<sup>15</sup> *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199 (4th Cir. 1997).

<sup>16</sup> *Diversey v. Schmidly*, No. 13–2058, 2013 U.S. App. LEXIS 25506, at \*12–13 (10th Cir. Dec. 23, 2013).

<sup>17</sup> *Id.* at \*10 (quoting *Nimmer on Copyright* § 8.11[B][4][d] at 8-154.10 (2013) for the proposition that: “No consummated act of actual distribution need be demonstrated . . . to implicate the copyright owner's distribution right” and referencing Professor Menell's research from *In Search of Copyright's Lost Ark: Interpreting the Right to Distribute in the Internet Age*, to highlight his analysis of the “legislative history regarding the distribution right and [his] conclu[sion that] the requirement of actual distribution of an unauthorized copy is unwarranted.”) (internal citations omitted).

<sup>18</sup> However, it is questionable whether such broad application will occur given that the Tenth Circuit expressly stated that “we need not delve into the file-sharing issue today.” *Diversey*, No. 13–2058 at \*10. AAP appreciates that the Copyright Office has taken note that the Tenth Circuit “avoided extending its holding to [Internet file-sharing cases]” and that this decision therefore, may not lead to sufficient clarity with regard to the “making available” right in the digital environment if other courts decline to adopt its reasoning. *See* 79 Fed. Reg. 10,572.

<sup>19</sup> Nimmer Statement at 4.

- b. *If Congress concludes that Section 106 requires further clarification of the scope of the making available right in the digital environment, how should the law be amended to incorporate this right more explicitly?*

If further clarification is needed in the absence of additional wayward court decisions, AAP believes that Congress should simply reaffirm the existence of the right within the current set of exclusive rights provided in Section 106 without amending the Copyright Act to create an explicit, stand-alone “making available” right.<sup>20</sup> To the extent Congress believes further guidance would improve the implementation of this right within the courts, AAP encourages Congress to authorize the Copyright Office to issue such guidance.

### ***Conclusion***

All types of publishers represented within AAP’s membership—across the trade, academic, and scientific, professional and technical sectors—are investing and innovating to meet consumer demand for instant online access to high-quality, copyrighted content through the production, distribution and making available of eBooks, online journals, audio-books, integrated digital learning solutions, and other new forms of works.<sup>21</sup> Meaningful recognition and predictable enforcement of the “making available” right in the digital environment is crucial to the continued investment in new creative works and distribution models.

AAP hopes these Comments will be helpful in the Copyright Office’s efforts to “assess the state of U.S. law recognizing and protecting ‘making available’ and ‘communication to the public’ rights for copyright holders,”<sup>22</sup> and we look forward to discussing this issue with the Copyright Office and other stakeholders at the upcoming public roundtable.

Respectfully Submitted,



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<sup>20</sup> *Id.* at 10 (providing reasons why reaffirming the existence of the “making available” right is the best course of action and why a stand-alone right is unnecessary and could potentially raise issues that would complicate judicial enforcement of the right); see also *The Scope of Copyright Protection: Hearing Before the Subcomm. on Courts, Intellectual Property, & the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014) (David Nimmer’s responses to questions concerning the creation of a stand-alone “making available” right throughout the hearing).

<sup>21</sup> See *The Rise of Innovative Business Models: Content Delivery Methods in the Digital Age: Hearing Before the Subcomm. on Courts, Intellectual Property, and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2013) (Post-hearing Statement of the Association of American Publishers available at [http://www.publishers.org/\\_attachments/docs/publicstatements/aapstatement-riseofinnovativebusinessmodels.pdf](http://www.publishers.org/_attachments/docs/publicstatements/aapstatement-riseofinnovativebusinessmodels.pdf).)

<sup>22</sup> 79 Fed. Reg. 10,571.