



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

Re: Request for Comments: Study on the Right of Making Available [Docket No. 2014-2]

The Entertainment Software Association (“ESA”) is grateful for the opportunity to provide comments in response to the issues identified in the above referenced Request for Comments. ESA serves the business and public affairs needs of companies that publish interactive games for play on video game consoles and dedicated handhelds, mobile devices, and the Internet. Our members create and bring to market a wide array of expressive, interactive copyrighted content enjoyed by hundreds of millions of users around the world. Accordingly, ESA and its members have a keen interest in the outcome of the Copyright Office’s study on the making available right and its ultimate recommendation on the “feasibility and necessity of amending U.S. law to strengthen or clarify our law in this area.”

For reasons described in further detail below, we do not believe that legislative changes are currently warranted. In our view, consistent with the earlier expressed position of the Copyright Office, the bundle of exclusive rights afforded to rights holders by § 106 of the Copyright Act provides protection commensurate to that required by the WIPO Internet Treaties, including the “making available” and “communication to the public” rights.¹ Moreover, copyright owners and their licensees have structured licensing arrangements that are reliant on a mutual understanding of the existing scope of statutory rights. Therefore, because there is no demonstrated need for an explicitly codified “making available” right, and because its introduction could complicate and adversely disrupt established licensing practices, the Copyright Office should not endorse legislative changes to the scope of existing rights.

I. Title 17 Provides Protection for the Communication to the Public and Making Available Rights

As the Request for Comments notes, the WIPO Internet Treaties “obligate member states to give authors of works, producers of sound recordings, and performers whose performances are fixed in sound recording the exclusive right to authorize the transmission of their works and sound recordings, including through interactive platforms, such as the Internet, where the public can choose where and when to access them.” The WIPO Internet Treaties do not, however, require member states to protect these rights through standalone “communication” or “making available” rights. Rather, a member state may comply with its Treaties’ obligation “through the combination of different rights as long as the acts of such

¹ See Letter from Marybeth Peters, register of Copyrights, to Representative Howard L. Berman, Representative from the 28th Dist. Of Cal. (Sept. 25, 2002) (“While Section 106 of the U.S. Copyright Act does not specifically include anything called a ‘making available’ right, the activities involved in making a work available are covered under the exclusive rights of reproduction, distribution, public display and/or public performance set out in Section 106.”).

‘making available’ are fully covered.”² Indeed, the U.S. availed itself of this flexibility when it implemented the WIPO Internet Treaties. Relying on the determination of the Copyright Office that a combination of Title 17’s reproduction, distribution, public display and public performance rights provided protection commensurate to the making available right, Congress concluded that amendments to U.S. law would be unnecessary for purposes of complying with the WIPO Internet Treaties.³

Nonetheless, questions about whether Title 17 adequately provides for the making available right have arisen. As the Request for Comments notes, “courts, academics, and practitioners particularly have focused on the scope of the distribution right under Section 106 and have debated whether it fully encompasses the making available of a copyrighted work without proof of an actual distribution.” Indeed the federal courts have differed on the quantum of evidence required to prove an online infringement of the distribution right. The divide is most pronounced in the context of file sharing cases, where the debate centers on whether the mere making of infringing copies available for download via a file sharing network violates the distribution right, or whether proof the infringing file was in fact downloaded is required. A number of courts have interpreted the distribution right as fully encompassing the notion of “making available,” and thus attached liability to the mere act of making a work available without authorization.⁴ Other courts have interpreted the distribution right more narrowly and predicated liability for infringement of the distribution right on evidence that an “actual dissemination” (i.e., download) occurred.⁵

The decisions requiring evidence of an “actual dissemination” to substantiate a claimed infringement of the distribution right have provoked questions about whether the U.S. is meeting its WIPO Internet Treaties’ obligations. It has been suggested that amending Section 106 to explicitly reference the making available right would resolve existing ambiguities and streamline judicial proceedings.⁶ However, notwithstanding the existence of limited and wrongly decided case law to the contrary, we believe that Section 106, properly applied, adequately encompasses the making available right and continues to provide sufficient certainty for copyright owners to enforce their rights against the type of rogue actors the WIPO Internet Treaties were intended to address. Although the distribution right has been the focus of litigation concerning the existence of the “making available” right, Section 106’s reproduction right (particularly in combination with the doctrines of secondary liability) provide rights holders with additional tools to enforce against entities who make available copyrighted works without the requisite authorization. Of course, technological and legal developments could necessitate reconsideration of this issue in the future. We therefore urge the Copyright Office to continue

² Mihaly Ficsor, World Intellectual Property Organization, Guide to the copyright and Related Rights Treaties Administered by WIPO and Glossary of Copyright and Related Rights Terms 209 (2003).

³ See H.R. Rep. No. 105-551, at 9 (1998); *WIPO Copyright Treaties Implementation Act and Online copyright Liability Limitation Act: Hearing on H.R. 2282 & H.R. 2180 Before the H.R. Subcomm. On Courts and Intellectual Property of the Comm. on the Judiciary*, 105th Cong. 43 (1997).

⁴ See e.g., *Universal City Studios Prods. LLP v. Bigwood* (D. Me. 2006); *Warner Bros. Records, Inc. v. Payne* (W.D. Tex. 2006); *Motown Record Co., LP v. DePietro* (ED Pa 2007); *Elektra Entertainment Group, Inc. v. Barker* (SDNY 2008); *UMG Recordings, Inc. v. Alburger* (ED Pa 2009); *Warner Bros. Records v. Walker* (WD Pa 2010).

⁵ See, e.g., *Atlantic Recording Corp. v. Brennan* (D. Conn. 2008); *London-Sire Records, Inc. v. Doe 1* (D. Mass. 2008); *Atlantic Recording Corp. v. Howell* (D. Ariz. 2008); *Capitol Records, Inc. v. Thomas* (D. Minn. 2008).

⁶ See Statement of David Nimmer, Professor, UCLA School of Law, The Scope of Copyright Protection: Hearing Before the Subcomm. On Intellectual Property, Courts, & the Internet of the H. Comm. on the Judiciary, 113th Cong. (2014).

monitoring developments to evaluate whether existing judicial doctrine keeps pace with emerging distribution technologies.

II. Tinkering with the Scope of Existing Rights Creates a Risk of Unintended Consequences

Our perspective is also informed by ESA members' reliance on well-defined exclusive rights for purposes of securing the necessary authorizations to bring their works to market. ESA members publish a wide array of highly expressive, interactive copyrighted works that are made available through a range of online services. For instance, the video game industry has developed both hardware platforms, including home consoles and handheld devices, and software platforms, including web portals and cloud services, that are dedicated to delivering game content and enabling game play. Each of the three major home consoles works in tandem with an integrated, console-specific online network. Those networks provide a wide array of functions in support of game play, including enabling multiplayer game play, downloading of games, announcements for new games, expansion packs and updates, tournaments, tracking of trophies and achievement badges, social and community features, and customization of avatars. In addition to physical game consoles and their associated networks, consumers also may access, obtain, and play video games through online game platforms, such as EA's Origin, Microsoft's Games for Windows Live, and Valve Corp.'s Steam. Separately, game publishers also develop video game software for other multipurpose platforms, such as the Windows Store and Apple's App Store, which serve as digital distribution hubs for games playable on mobile phones, tablets and PCs. At both the platform level and in-game, many ESA members regularly integrate third-party sound recordings and other protected works into their own content offerings. The common denominator of all of these services is that they are made possible by licensing practices that have developed over time and provide game publishers and platform providers with relative certainty about the rights clearances that are necessary to offer a game to the public.

Adjustments to the scope of existing rights, or the introduction of new exclusive rights, can be disruptive to established licensing practices. In fact, recent developments in Canada illustrate the very real uncertainty that can arise when the contours of an existing right are altered. On July 12, 2012, the Supreme Court of Canada issued a landmark decision that construed the scope of the communication to the public and reproduction rights.⁷ In *ESA v. SOCAN*, the Supreme Court of Canada clarified that a single Internet transmission cannot simultaneously trigger royalty obligations for both the reproduction and communication to the public rights. Consistent with U.S. law,⁸ the Supreme Court of Canada held that the communication right (which had historically been associated with activities akin to "performance") was not implicated by content downloads.⁹ The Supreme Court of Canada therefore held that game publishers who clear the reproduction rights for music in their games are not responsible for an additional, overlapping layer of communication right royalties for subsequently making those games available for download. Given that video game publishers had already compensated composers for the use of their music in downloadable games by

⁷ See *Entertainment Software Association v. Society of Composers, Authors and Music Publishers of Canada* ("SOCAN") 2012 SCC 34, [2012] 2 SCR 31.

⁸ See *United States v. Am. Soc'y of Composers, Authors, and Publishers*, 627 F.3d 64 (2d. Cir. 2010) (holding that the download of a file containing a musical work is not a "public performance" of that work).

⁹ In a companion case, the Supreme Court clarified that the communication right is triggered only in the context of Internet transmissions of streaming content. See *Rogers Communications Inc. v. Society of Composers, Authors and Music Publishers of Canada*, 2012 SCC 35, [2012] 2 SCR 283.

clearing the associated reproduction rights, the decision in *ESA v. SOCAN* is sensible. The decision clarifies that the single delivery of a copy of a work through the Internet triggers royalty obligations for either the reproduction right or the communication/public performance right, but not both.

Unfortunately, ESA members must now bear the cost and uncertainty involved in relitigating the scope of their royalty obligations as a result of amendments to the Canadian *Copyright Act* that entered into force just a few months after the Supreme Court of Canada issued its *ESA v. SOCAN* decision. On November 7, 2012, the *Copyright Modernization Act* (“CMA”) entered into force. Among other things, the CMA introduced a definition of the communication to the public right that was designed to clarify, for purposes of WIPO Internet Treaties implementation, that the communication right extends, not only to an actual communication of a copyrighted work, but also to the making available of a work for communication.¹⁰ Although this amendment does not implicate the underlying reasoning of the *ESA v. SOCAN* decision (i.e., that royalty obligations for the communication right are limited to the making available of *streaming* content),¹¹ SOCAN successfully petitioned the Copyright Board of Canada to launch a proceeding to determine yet again whether it is entitled to public performance royalties for downloadable content. Regardless of the Copyright Board of Canada’s determination, there is a strong likelihood that the issue will be appealed to the Federal Court of Appeal and quite possibly to the Supreme Court. As a consequence, ESA members will yet again face years of uncertainty about the scope of their royalty obligations with respect to games that are made available for download to Canadian users.

Respectfully submitted,

ENTERTAINMENT SOFTWARE ASSOCIATION

By: /s/ Christian Genetski

Christian Genetski, Sr. Vice President & General Counsel
Christian Troncoso, Counsel

¹⁰The CMA introduced Section 2.4(1.1) to the definitions section of the Copyright Act: “For the purposes of this Act, communication of a work or other subject-matter to the public by telecommunication includes making it available to the public by telecommunication in a way that allows a member of the public to have access to it from a place and a time individually chosen by a member of the public.”

¹¹ It is important to note that the Canadian Parliament passed the CMA prior to the Supreme Court’s issuance of the decision in *ESA v. SOCAN*. Based on this timeline, it cannot be said that any portion of the CMA was intended to abrogate the holding or underlying principles of the *ESA v. SOCAN* decision.