

January 26, 2017

Chairman Bob Goodlatte
Ranking Member John Conyers
House Judiciary Committee
2138 Rayburn House Office Building
Washington DC 20515

RE: Reform of the U.S. Copyright Office

Dear Chairman Goodlatte and Ranking Member Conyers:

I'm writing to share the perspectives of the Institute for Policy Innovation (IPI) on the House Judiciary Committee's published proposal for reform of the U.S. Copyright Office.

The Institute for Policy Innovation (IPI) is a 29 year-old free-market public policy "think tank." We're proponents of economic growth, and of the factors that contribute to economic growth. That's why IPI includes intellectual property protection as one of our key policy issue areas, because property rights are a key basis of economic growth. Intellectual property rights facilitate markets by turning intangible goods in exclusive property that can be traded in the marketplace. Intellectual property rights are particularly critical, because creativity and invention logically precede almost every commercial enterprise. It's because we view intellectual property as so vitally important that IPI became an observer NGO with the World Intellectual Property Organization (WIPO) in Geneva, Switzerland.

IPI supports your effort to modernize the U.S. Copyright Office, and supports your December 8, 2016 published policy proposal to strengthen and modernize the Office. Copyright is a significant sector of the U.S. economy, *contributing more than \$1.2 trillion annually to U.S. GDP*, and comprising *the largest share of US exports*—larger than agriculture, chemicals, food products or pharmaceuticals. Modernizing and strengthening the Copyright Office should be viewed as part of an overall strategy to stimulate increased U.S. economic growth, not simply as a matter of copyright policy. As significant as the copyright sector is to job creation and US exports, it should not be an afterthought, and it should not be a secondary concern within the Library of Congress.

Which is why we believe **bringing the Copyright Office out from under the Library of Congress and giving it autonomy**, within the Legislative Branch, is necessary to facilitate other important reforms. We also support creating a nomination and consent process for the Register in

line with other similarly important senior government officials. The recent experience with the untimely removal of Register Pallante simply reinforces the need for a more standardized process that is not subject to the whims of the Librarian. And while IPI and others have been calling for Copyright Office modernization long before Register Pallante's departure, that unfortunate episode underscores why modernization should be an immediate Congressional priority.

It is vital that Congress exert its Article 1, Section 8, clause 8 authority to ensure that the copyright function is being administered in a way that reflects its Constitutional and economic importance. We think the next key step is bringing the Copyright Office out from under the Library and into a next generation autonomous agency directly answerable to Congress.

We are deeply concerned that the IT infrastructure of the Copyright Office is inadequate, and will remain inadequate so long as it is subject to the Library of Congress, which was complicit in an infamous incident in 2015 where the entire Copyright Office database was put at risk by Library incompetence.

The creation of specialized offices of Chief Economist and Chief Technologist within a reformed Copyright Office is also highly advisable, and we suggest these offices be mandated in the reform legislation.

We further believe that a small claims system would be a significant improvement, as many copyright holders are deterred from making entirely appropriate claims because of the expense and complication of a standard court process. The same logic that justifies the existence of general small claims courts applies to the specialized area of copyright.

Concerning the future of the Copyright office and the selection of the next Register of Copyrights, we are concerned that the Librarian thought Survey Monkey was an appropriate means of obtaining input. Fixing the problems of the Copyright Office requires far more vision and insight than a survey will provide. And if the Library chose this method of gathering information because it is primarily focused on addressing the Library's own significant challenges, then all the more reason why the burden of the Office should be removed from the Librarian's portfolio. Nevertheless, the next Register should

- be an expert on copyright policy,
- should have a history of engagement with creators as the chief stakeholders in the copyright system, and ideally
- would have significant project management experience, since IT modernization is a key priority of the Office, and government IT projects have a less-than-encouraging track record.

Finally, as you know, there is an advocacy industry devoted to weakening copyright and attacking any effort to ensure that IP rights are protected and remain a force for economic growth. We ask you to resist their agenda and continue to pursue IP policies that are in the national interest of the United States. It is clear to us that a strengthened and modernized Copyright Office is certainly in the best interest of the U.S. economy and American workers and consumers.

Sincerely,

A handwritten signature in blue ink that reads "Tom Giovanetti". The signature is written in a cursive style with a long horizontal stroke at the beginning.

President