

UNITED STATES COPYRIGHT OFFICE

105th
ANNUAL REPORT
of the Register of Copyrights
for the Fiscal Year Ending September 30, 2002



Message from the Register of Copyrights

THIS ANNUAL REPORT highlights the Copyright Office's administration of the copyright law, its core public services, regulatory activity and policy work, and our program to reengineer the Office's processes and information technology.

The Office's work was significantly affected this year by the anthrax-related mail disruption that stopped U.S. Postal Service deliveries between October 2001 and March 2002. The eventual delivery of a very large volume of this held mail in late April caused delays in the processing of registrations and other public services. Also, as a result of the anthrax incidents, an offsite screening process began for all Postal Service mail to Capitol Hill facilities, including the Copyright Office. The necessity for this safety and security screening will affect the delivery and receipt of all mail in the Office well into the future.

This year the Office's work on legislative issues included following up on the Office's 2001 report to Congress required under section 104 of the Digital Millennium Copyright Act, distance education, state sovereign immunity, and the use of works in peer-to-peer networks. We also completed a widely noted Copyright Arbitration Royalty Panel proceeding setting royalty rates for nonsubscription webcasting services. The Office was actively involved in international copyright matters, including free trade agreements and proceedings of the World Intellectual Property Organization.

We completed the second full year of the Office's reengineering initiative, developing an integrated implementation plan covering our four principal areas of activity: process, organization, facilities, and information technology. We will sustain this progress in Fiscal Year 2003.

I acknowledge the dedicated staff of the Copyright Office who met the challenges facing the Office this past year and thank them for their public service.

Marybeth Peters
Marybeth Peters
Register of Copyrights

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Copyright Law Administration

POSTAL MAIL DISRUPTION

IN OCTOBER 2001, anthrax-contaminated envelopes arrived in some Congressional offices. These incidents caused a one-week closure of Capitol Hill buildings (October 18–24, 2001), including the James Madison Memorial Building of the Library of Congress where the Copyright Office is located. As the single largest recipient of mail in the Library of Congress, the Copyright Office felt a significant impact from the anthrax incidents. Postal mail deliveries were severely disrupted between October 18, 2001, and March 4, 2002, resulting in a serious shortfall in fee receipts during the first half of the fiscal year. Postal mail, rerouted to



A portion of the six months worth of delayed mail delivered in April 2002 to the Copyright Office.

special facilities, received irradiation to destroy any possible anthrax contamination. Delivery of delayed mail picked up significantly in late April, and was completed by the end of July. By the end of Fiscal Year 2002, the Office had processed all six months worth of the delayed mail. The processing of this mail, however, affected the Office's processing of current incoming mail.

In response to the mail delay, the Office adopted an interim regulation in December 2001 to address the effect of the general disruption of postal services on the Copyright Office's receipt of deposits, applications, fees, and other materials. The regulation pro-

vided that persons who sent materials to the Office and believed the Office's receipt of those materials had been delayed may submit evidence that the materials would have been received in the Office by a particular date but for the disruption or suspension. Based on the evidence submitted, the Office may assign a receipt date based on the date on which the materials would have been received had there been no disruption. Invoking section 709 of the copyright law (title 17 of the *United States Code*), the Register announced a determination that there had been a general disruption or suspension of postal services commencing on October 18, 2001. This determination remained in effect at the end of the fiscal year.

The Effective Date of Registration (EDR) for copyrighted works is normally determined by the date the application, deposit, and correct fee are received in the Copyright Office. As of February 2002, the Register made a procedural determination that, for delayed postal mail, the EDR would be calculated as a specific number of days after the postmark, generally when it would have been received had the mail not been delayed.

The Copyright Office's website provided notification to the public of the disruption and suggested use of private carriers. Private carrier deliveries doubled as a result, becoming the primary method of mail receipt during the period of disruption.

Irradiation of delayed mail, causing high temperatures, subjected some photographs, videotapes, audiocassette tapes, and CDs to unreconstructable damage. The Office established a "triage" area to deal with damaged claims. Damaged filings from newly received mail continued through the end of the fiscal year.



Irradiation of mail at offsite facilities damaged some materials submitted for copyright registration and deposit.

The Licensing Division prepared notices about the postal disruption and sent copies to all cable television systems with outgoing Digital Audio Recording Technology (DART) and satellite carrier forms and with all Licensing Division correspondence. Copyright owners who qualify for royalties must file claims with the Copyright Office each year in order to receive a portion of the royalties collected the preceding calendar year under sections 111 and 119, and chapter 10, of the copyright law. The regulations require that a claimant either mail the claim or hand-deliver it to the Office of the General Counsel during the appropriate filing period. Because of the anthrax incidents, the Copyright Office announced in February and April 2002 that it would waive its mailing requirement and offered several additional means for delivering a cable, satellite, or DART claim to the

Office, including an electronic submission of the claim or, in the case of the DART claims, a facsimile submission of the claim.

The Office responded to problems of deposit accounts that went into "no funds" status because of undelivered replenishment checks, checks that became uncollectible after a certain time period, and refunds resulting from double payment of fees. The Office also established a method to replenish deposit accounts by credit card.

In January 2002, the Congress responded to the terrorist and anthrax attacks by authorizing security-related supplemental funding to various agencies. The Copyright Office

requested and received \$187,386 in this special security supplemental to fund overtime expenses to process mail and to purchase protective equipment for mail handlers.

As the Copyright Office obtains some two-thirds of its budget from fees for services, the ongoing mail disruption had an impact not only on service to users, but also on the flow of receipts to the Office. On the basis of seriously reduced first quarter fee receipts, the Office estimated a potential \$7.5 million shortfall in fee receipts for the fiscal year, about one-third of the total yearly receipts. In February, the Office requested \$7.5 million in FY 2002 supplemental funding to cover a possible receipt shortfall. The request was approved as part of a government-wide supplemental appropriation that passed the Congress and was signed by the President in August 2002.

COPYRIGHT REGISTRATION

THE COPYRIGHT OFFICE REGISTERED and cataloged more than a half million claims for copyrighted works during FY 2002, despite the effects of anthrax incidents on Capitol Hill mail and the subsequent postal disruption which hampered the flow of claims into the Office. The Office received 526,138 claims to copyright covering more than 800,000 works and registered 521,041 claims.

The Office worked diligently to improve the timeliness of its registrations and to decrease the time needed to make an online record of registrations available. Major progress was made in the Cataloging Division, which reduced its level of registrations awaiting cataloging from 183,204 to 78,379, a reduction of 57 percent. This was accomplished through a combination of processing changes and work efficiencies including assigning staff to catalog in areas other than their own to address specific backlogs, establishing specific target levels, and using overtime. The Examining Division completed its major effort, begun in February 2001, to reduce the number of claims awaiting examination. The goal of this effort was to reduce the processing time for a copyright registration from receipt of the application to issuance of a certificate and to reduce the amount of unexamined claims on hand to four weeks of receipts by the end of the calendar year. The new automated statistical database system, the Examining Production System (EPS), implemented in 2001, provided daily logs of the individual claims processed, resulting in more accurate information of progress toward the goal. Although the Office held a significant mail backlog, as of September 2002 the number of unprocessed claims on hand in the Examining Division had been reduced by 75 percent.

Copyright-Related Registrations

Mask Works

Mask works are defined in the Semiconductor Chip Protection Act of 1984 as a series of related images, however fixed or encoded, (1) having or representing the predetermined three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and (2) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product.

Mask works registered this fiscal year totaled 508.

Design Registrations

Vessel Hulls

The Vessel Hull Design Protection Act was signed into law on October 28, 1998, as part of the Digital Millennium Copyright Act (DMCA). The vessel hull law grants an owner of an original vessel hull design certain exclusive rights, provided that application for registration of the design with the Copyright Office is made within two years of the design being made public. Vessel hull deposit material may consist either of drawings or photographs of the design.

The Office registered 34 vessel hull designs this fiscal year.

Appeals of Denial of Registration

Under title 17, the Register of Copyrights may determine that the material deposited for copyright registration does not constitute copyrightable subject matter or that the claim is invalid for other reasons. In such cases, the Register refuses registration and notifies the applicant in writing of the reason(s) for such refusal. Applicants whose claims for registration are rejected can appeal such decisions in a two-stage process. The first appeal is made to the Examining Division. If the Division upholds the refusal, a second appeal may be made to the Copyright Office Board of Appeals, consisting of the Register of Copyrights, the General Counsel, and the Chief of the Examining Division.

From October 2001 through September 2002, the Division handled 191 first appeals covering 395 claims. Of the 395 initial rejections, 14 percent were reversed upon first appeal. The Copyright Office Board of Appeals met four times during the fiscal year and heard 15 requests for reconsideration involving 44 works. The Board issued decisional letters responding to 14 second appeals involving 26 works, registering two works and upholding the refusal to register the other 24.

Cataloging

The copyright law requires that the Register of Copyrights keep records of all deposits, registrations, recordations, and other copyright-related matters, such as renewals, to make these records available to the public, and to prepare indexes of all the records. The Cataloging Division records a bibliographic description and the copyright facts of all works registered in the Copyright Office. The Division also creates a record for all documents submitted for recordation.

Use of Copyright Office Cataloging Records in the Library of Congress

Records of copyright registrations are important, not only to users and owners of copyrighted works, but also throughout the Library of Congress:

Portions of copyright cataloging data are included in bibliographic records for cartographic materials, prints, photographs, and moving images.

The Motion Picture, Broadcasting, and Recorded Sound (MBRS) Division retrieves copyright records for pop, rock, jazz, and nonmusical sound recordings for possible conversion to the Library of Congress Integrated Library System (ILS). MBRS permanently retains motion picture data sheets and descriptions created in the Copyright Office and files them by registration number. Reference staff regularly search copyright cataloging records for retrospective holdings not yet in the ILS.

The Music Division shelves published sheet music received via copyright deposit according to copyright registration number, using the copyright cataloging record as a finding aid.

The Cataloging Distribution Service distributes copyright cataloging records to subscribers, including fee-based online information services with sophisticated data searching methods.

The Cataloging Division received 520,752 registrations in FY 2002 and created cataloging records for 578,658, including 23,109 submitted electronically through the CORDS system.

The Division also processed online service providers' designations of agents. The Digital Millennium Copyright Act amended the copyright law to provide limitations for service provider liability for infringement of copyright relating to online files. New subsection 512(c) of the copyright law provides limitations on service provider liability with respect to information that a user may place on a system or network that the service provider controls or operates. The limitation on liability is applicable if the service provider has designated an agent for notification of claimed infringement by providing contact information to the Copyright Office and through the service provider's publicly accessible website. A directory of agents is maintained on the Office website. During FY 2002, 644 interim designations of agent were posted.

The Division also catalogs claims for vessel hulls. By the end of the fiscal year, 36 vessel hull design registrations and four distinctive identification submissions (logos) had been processed.

Contributions to Library of Congress Collections

Copies of works submitted for registration under section 408 of title 17, or for mandatory deposit under section 407, may be selected by the Library of Congress for its collections. Since 1870, copyright deposits have formed the core of the Library's "Americana" collections, and they continue to serve as the mint record of American creativity.

During the fiscal year, the Copyright Office transferred to the Library of Congress for its collections 896,504 copies of registered and unregistered works valued at \$31,302,048.

RECORDATION

THE COPYRIGHT OFFICE CREATES public records of documents relating to a copyright, a mask work, or a vessel hull design that are submitted for recordation. These documents frequently involve intellectual properties of high economic value. One type of document is security interests, where one or more copyrights may serve as collateral for the creation of another work, as in the case of mortgage rights in existing motion pictures used to finance a new motion picture. The majority of documents submitted for recordation involve transfers of rights from one copyright owner to another. The transfer of exclusive rights is not valid unless that transfer is in writing and signed by the owner of the rights conveyed or by such owner's duly authorized agent. Other recorded documents include contracts between authors and publishers, notices of termination, and notices of intent to enforce a restored copyright.

The Documents Recordation Section received 12,600 documents for recordation and cleared 10,506, covering nearly 218,000 titles or works.

MANDATORY DEPOSIT

THE COPYRIGHT OFFICE IS ENTITLED to receive copies of every copyrightable work published in the United States within three months of publication, as provided by the mandatory deposit provision in section 407 of the copyright law. These deposit copies are made available to the Library of Congress for its collections or for exchange or transfer to other libraries. The Copyright Acquisitions Division (CAD) uses the mandatory deposit requirement and Copyright Office regulations to acquire works needed for the collections of the Library of Congress when those works have not been obtained as registration deposits. Although the Division encourages copyright owners to deposit or register works regularly and voluntarily as soon as possible after publication, the copyright law authorizes the Register to issue demands for the required copies any time after publication.

CAD made demands for 3,967 works, based on recommendations by CAD librarians and Library of Congress recommending officers, and in response to congressional requests.

Of the 896,504 copies of works transferred by the Copyright Office to the Library of Congress for its use, 390,150, with an estimated value of \$9,239,703, were received under the mandatory deposit provisions of the copyright law.

STATUTORY LICENSES AND OBLIGATIONS, AND THE CARP SYSTEM

THE COPYRIGHT OFFICE OVERSEES the statutory licenses and obligations in the copyright law. These licenses and obligations deal with secondary transmissions of radio and television programs by cable television systems; the making of ephemeral recordings; the noninteractive digital transmission of performances of sound recordings; the making and distribution of phonorecords of nondramatic musical works; the use of published nondramatic musical, pictorial, graphic, and sculptural works and nondramatic literary works in connection with noncommercial broadcasting; secondary transmissions of superstations and network stations by satellite carriers for private home viewing; secondary transmissions by satellite carriers for local retransmissions; and the importing, manufacture, and distribution of digital audio recording devices or media. The Licensing Division collects royalty fees from cable operators, satellite carriers, and importers and manufacturers of digital audio recording products. The Division deducts its full operating costs from the royalty fees and invests the balance in interest-bearing securities with the U.S. Treasury for later distribution to copyright owners. It also records voluntary licensing agreements between copyright owners and specified users of their works. Licensing documents submitted for a statutory or compulsory license are examined to determine that they meet the requirements of the law.

Royalty Fee Distributions

The Copyright Office distributes royalties collected under sections 111 and 119 and chapter 10 of the copyright law.

In Fiscal Year 2002, the following distributions were made:

- On October 31, 2001: \$104,020,510.78 comprising 50 percent of 1999 cable royalties and 50 percent of the 1999 satellite carrier fund.
- On February 14, 2002: \$822,478.92 of the 1996 satellite carrier fund, \$822,478.92 of the 1997 satellite carrier fund, and \$500,000.00 of the 1998 satellite carrier fund.
- On June 27, 2002: a further distribution of the 1998 satellite carrier fund totaling \$1,257,310.21.
- A full distribution for the 2001 Digital Audio Recording Technology (DART) Sound Recording Fund: June 27, 2002, the Nonfeatured Musicians Subfund and Nonfeatured Vocalists Subfund, totaling \$103,042.70; and, July 25, 2002, the Copyright Owners Subfund and the Featured Artists Subfund, totaling \$2,476,334.55.

Financial statements for royalty fees available for distribution in the cable and satellite statutory licenses and in the digital audio recording technology statutory obligation are reported and audited on a calendar-year basis. The calendar year 2001 financial statements are included in the appendices. Financial statements for royalty fees available for distribution in the cable and satellite statutory licenses and in the digital audio recording technology statutory obligation are reported and audited on a calendar-year basis. The calendar year 2001 financial statements are included in the appendices.

Remittance Collection and Electronic Filing

Pay.gov

The Licensing Division implemented a new form of electronic fund transfer (EFT) through a program called *Pay.gov*, which is an Internet-based remittance collection system developed and administered by the U.S. Treasury's Financial Management Service. In an Automated Clearing House (ACH) debit, the remitter gives the Treasury permission to take funds from the remitter's bank account. The ACH debit allows remitters to pay a cable television system, satellite carrier, or DART royalty fee from their office computer without the need to contact their financial institution. Use of *Pay.gov* will further increase the percentage of remittances via EFT, which facilitates quicker deposit and investment of royalties; eliminates lost, stolen, or mail-delayed checks; allows for tracing of payments; reduces operating costs; reduces paper handling; allows licensees to keep their funds longer; and obviates the need for remitters to spend time obtaining a cashier's check, certified check, or money order. *Pay.gov* also requires the remitter to provide detailed information concerning the allocation of the remittance, which increases internal efficiencies, helps assure proper credit to accounts, and precludes return of the royalty fee to a remitter's account, which might result in an interest assessment. Although over 90 percent of royalty fees are now received in the form of EFTs, the 10 percent not received in this form accounts for an estimated \$20 million dollars annually.

E-Filing

The Licensing Division identified high-level requirements for the electronic filing of cable television system statements of account. The form SA 1-2 is the least complicated of the two cable forms and considered a good choice for electronic filing development. Electronic filings will be an important component of the reengineering process for licensing that began in late FY 2002 as part of the Office's overall reengineering effort (see the Management section of this report for further details).

Copyright Arbitration Royalty Panels (CARP)

During FY 2002, the Copyright Office administered eight CARP proceedings that included five rate adjustment proceedings and three distribution proceedings. Of the five rate adjustment proceedings, four involved setting rates and terms for the section 114 digital performance right in sound recordings, and the section 112 statutory license for the making of ephemeral recordings to facilitate these transmissions. The fifth proceeding involved setting

Copyright Arbitration Royalty Panels (CARP)

CARPs make determinations about distribution of royalties collected by the Licensing Division for the cable and satellite licenses and for the digital audio recording devices and media obligation. They also set and adjust royalty rates and set terms and conditions of payment of some of the statutory licenses. A CARP panel consists of two arbitrators selected by the Librarian of Congress upon the recommendation of the Register of Copyrights, with a third, who is chairperson, selected by the first two. The first CARP proceeding took place in 1996.

Rate adjustments and royalty distribution proceedings under CARPs are divided into two essential phases. Phase I: The first is the 45-day pre-controversy discovery period during which the parties engage in a pre-CARP motions practice and exchange their documentation and evidence in support of their cases, in preparation for the hearings before a CARP Phase II: The second phase is the proceeding before a CARP itself, including the presentation of evidence through hearings and submission of proposed findings by all of the parties. CARPs have 180 days to conduct a proceeding, including receiving evidence and submitting the final written decision to the Register of Copyrights. Within 60 days of receipt of the report, the Librarian of Congress, on the recommendation of the Register of Copyrights, must either accept or reject the panel's determination. If the Librarian rejects the CARPs decision, he has 30 additional days in which to substitute his own determination.

rates and terms for the section 118 statutory license for the use of certain copyrighted works in connection with noncommercial broadcasting. Of the three distribution proceedings, two dealt with the distribution of royalty fees collected in accordance with the section 111 cable statutory license, and the last one concerned the distribution of royalty fees collected under the Audio Home Recording Act of 1992.

Rate Setting and Adjustments

Webcasting: Docket No. 2000-9 CARP DTRA1&2

On June 20, 2002, the Librarian of Congress issued a final order, setting rates and terms of payment for two statutory licenses that allow for the performance of a sound recording publicly by means of digital audio transmissions (“webcasting”) and the making of ephemeral recordings in furtherance of these transmissions. The rates and terms of payment cover the licensing period between October 28, 1998, the effective date of the Digital Millennium Copyright Act, and December 31, 2002, and are for those services making eligible nonsubscription transmissions. The announcement of the rates and terms concluded a particularly difficult rate adjustment proceeding that began on November 27, 1998, with the announcement of a six-month voluntary negotiation period and ended with the publication of the rates and terms on July 8, 2002, approximately three and

one-half years later. In setting the rates, the Librarian reviewed the CARP's February 20, 2002, report, and initially rejected that report on May 21, 2002. On July 8, 2002, the Librarian published his final order in which he announced his decision to accept the recommendation of the Register of Copyrights and halve the CARP-proposed rates applicable to Internet-only transmissions made by webcasters and commercial broadcasters, while accepting the CARP-proposed rates for Internet retransmissions of radio broadcasts made by these same services. Through this process, the Librarian established a rate of \$0.0007 per performance for all Internet transmissions made by webcasters and commercial broadcasters, and a base rate of \$0.0002 per performance for Internet retransmissions of over-the-air AM/FM broadcasts made by noncommercial broadcasters other than the Corporation for Public Broadcasting. The order also set the rate for making ephemeral recordings under the statutory license at 8.8 percent of the performance rate and a minimum annual fee of \$500 for all licensees other than exempt business-to-business services whose minimum annual fee is \$10,000.

These rates, as well as other parts of the Librarian's decision, are the subject of a number of appeals, which at the end of the fiscal year were pending before the United States Court of Appeals for the District of Columbia Circuit.

Public Performance of Sound Recordings:

Docket No. 2002-1 CARP DTRA3

Public performance of sound recordings is related to webcasting. When webcasters operate under the section 114 license, they are paying for the performance right in the sound recording. On January 30, 2002, the Copyright Office announced the six-month voluntary negotiation period to set rates and terms of payments for the public performance of sound recordings by means of eligible nonsubscription transmissions and the making of ephemeral recordings in furtherance of these performances during the next license period. The rates to be set in this proceeding cover those transmissions made between January 1, 2003, and December 31, 2004. Although interested parties have filed petitions to convene a CARP, no hearing schedule had been set at the close of the fiscal year.

Public Performance of Sound Recordings:

Docket Nos. 2001-2 CARP DTNSRA and 2001-1 CARP DSTRA 2

During FY 2001, the Copyright Office began two additional CARP proceedings to set rates and terms of payment for the public performance of sound recordings under section 114 for two different categories of services: preexisting services, including satellite digital audio radio services, and new types of subscription services. During the six-month negotiation

period mandated by statute, parties with an interest in setting these rates were unable to reach an industry-wide agreement for use of the sound recordings pursuant to the statutory license. The Copyright Office then initiated the hearing phase of the proceeding by requesting that all parties interested in participating in either or both proceedings file notices of intent to participate no later than December 20, 2001. After receipt of all notices of intent to participate, the Office set a hearing schedule for the proceeding to establish rates for the pre-existing services.

Non-Commercial Educational Broadcasting:

Docket No. 2002-4 CARP NCBRA

On April 1, 2002, the Copyright Office initiated a rate adjustment proceeding to establish the rates and terms for the non-commercial educational broadcasting compulsory license, section 118 of the copyright law, with its announcement of a six-week voluntary negotiation period. Broadcast Music, Inc.; National Religious Broadcasters Music License Committee; WCPE-FM; the National Federation of Community Broadcasters; the Harry Fox Agency; the Society of European Stage Authors and Composers; the American Society of Composers, Authors, and Publishers; National Public Radio; the Public Broadcasting Service; the Corporation for Public Broadcasting; and the American Council on Education took part in these discussions and succeeded in negotiating voluntary settlements. By the end of the fiscal year, all parties had submitted their proposed settlements to the Copyright Office for further consideration. The proposed rates shall go into effect on January 1, 2003, if they are adopted, following the notice and comment period that was in progress as the fiscal year ended.

Distribution Proceedings

The Office also administered three CARP distribution proceedings. Two of the proceedings pertained to the distribution of cable royalty fees. One proceeding concerned the distribution of the 1998 and 1999 cable royalty fees among Phase I claimants, and the second proceeding concerned the resolution of a Phase II controversy in the Program Suppliers category over the distribution of the 1997 cable royalty fees. The third and final distribution concerned the distribution of the 1999, 2000, and 2001 digital audio recording royalty fees allocated to the Musical Works Funds for those years.

1998 and 1999 Cable Royalty Fees:

Docket No. 2001-8 CARP CD 98-99

On November 20, 2001, the Copyright Office announced a hearing schedule for a Phase I proceeding to determine the distribution of the 1999 cable royalty fees collected under section 111 of the copyright law. At the same time, the Office requested comment on the advisability of consolidating this proceeding with the Phase I proceeding to determine the distribution of the 1998 cable royalty fees. After consideration of the comments and the efficiencies associated with consolidating like proceedings, the Office issued an order announcing a new hearing schedule for a consolidated 1998 and 1999 cable distribution proceeding. Under this new schedule, hearings will be conducted during FY 2003.

1997 Royalty Fees:

Docket No. 2000-2 CARP CD 93-97

All controversies but one surrounding the distribution of the 1993, 1994, 1995, 1996, and 1997 cable royalty fees were settled through the negotiation process. A single Phase II controversy between the Motion Picture Association of America (MPAA) and the Independent Producers Group (IPG) remained over the distribution of the 1997 royalty fees in the Programs Suppliers category. Consequently, the Copyright Office convened a CARP on October 17, 2000, to resolve the last remaining dispute between these parties. This Panel submitted its report to the Librarian on April 16, 2001.

On June 5, 2001, after review of the CARP's report and the petitions to modify the report, the Librarian accepted the Register's recommendation and issued an order rejecting the Panel's decision, stating that the Panel acted arbitrarily. He remanded the case to the Panel for reconsideration. In light of the Librarian's June 5 order, the Panel reconsidered its report and submitted a modified decision to the Librarian on June 20, 2001. After carefully reviewing the Panel's revised report and the parties' petitions to modify it, the Librarian of Congress, upon the recommendation of the Register of Copyrights, announced his rejection of both the initial and revised reports of the CARP on December 26, 2001. He also remanded the case for a new proceeding before a new CARP. Both parties to this proceeding have filed petitions to review the Librarian's order with the United States Court of Appeals for the District of Columbia Circuit. The parties have discussed settlement; but as of September 30, 2002, the parties had not reached a settlement.

1999, 2000, and 2001 Royalty Fees:

Docket No. 2002-6 CARP DD 99-01

On July 16, 2002, the Copyright Office published a notice in the *Federal Register* directing all parties with claims to shares of the royalty fees collected in 1999, 2000, and 2001 for the distribution of digital audio recording devices and media to file comments with the Office. The purpose of the comments was to notify the Office of the existence and extent of all controversies regarding the distribution of these fees. The notice also directed interested parties to file their Notices of Intent to Participate in the distribution proceeding. Based upon these submissions, the Office ascertained that there was a single controversy over the distribution of these fees between one songwriter and the remaining claimants who have reached a confidential settlement with regard to their respective distribution shares. Hearings to resolve this issue will be conducted during the next fiscal year.

Claims Filed for Royalty Fees

The Copyright Office received and processed claims from copyright owners who are entitled to receive royalty fees generated from the use of their copyrighted works during 2001 under the terms of the cable, satellite, and DART compulsory licenses. In January and February of 2002, the Office received 40 claims for DART royalty fees. In July 2002, it received 532 claims for cable royalty fees and 227 claims for satellite royalty fees. Distribution proceedings will begin for these royalty funds some time after the Office ascertains whether a controversy exists among the claimants concerning the distribution of the funds.

[Regulations related to statutory licenses are listed in the Regulatory Activities, Policy Assistance, and Litigation portion of this report.]



Regulatory Activities, Policy Assistance, and Litigation

COPYRIGHT OFFICE REGULATIONS

THE REGISTER OF COPYRIGHTS is authorized, under 17 U.S.C. §702, to establish regulations for the administration of the copyright law. In addition to regulatory activities discussed elsewhere in this report, regulations issued during FY 2002 included the following:

Cost of Living Adjustment for Performance of Musical Compositions by Colleges and Universities

To reflect the change in the Consumer Price Index, the Copyright Office each year adjusts the rates for the public performance, by public broadcasting entities licensed to colleges and universities, of musical compositions in the repertoires of the American Society of Composers, Authors and Publishers (ASCAP); the Society of European Stage Authors and Composers (SESAC); and Broadcast Music, Inc. (BMI). On November 30, 2001, the Office published the new rates, adjusting for a 2.1 percent cost of living increase. The revised rates went into effect on January 1, 2002.

Copyright Restoration of Works in Accordance with the Uruguay Round Agreements Act

In *Alameda Films, S.A. v. H. Jackson Shirley II*, the United States District Court for the Southern District of Texas ordered Authors Rights Restoration Corporation (ARRC) to retract notices of intention to enforce (NIEs) certain restored copyrights filed under 17 U.S.C. §104A. The court held that ARRC improperly filed NIEs as the copyright owner of 81 Mexican motion pictures. The Office does not have cancellation procedures for NIEs, but, where applicable, filers may correct errors recorded in the Office's public record of NIEs. A major NIE correction of this type, however, was untimely and could not be made for Mexican works, because the NIE filing eligibility for works from that country had expired.

As an appropriate measure in this unique circumstance, on December 3, 2001, the Office issued public notice of the District Court Order regarding the 81 films and the ARRC's response to the order.

Mechanical and Digital Phonorecord Delivery Compulsory License

On March 9, 2001, the Office published a Notice of Inquiry (NOI) requesting comments regarding the interpretation and application of section 115 to musical works that are part of certain kinds of digital transmissions, namely, on demand streams and limited downloads. Specifically, the notice sought information for the purpose of defining an incidental phonorecord delivery. While considering the comments and replies to the NOI, the Recording Industry of America, Inc. (RIAA), the National Music Publishers' Association, Inc. (NMPA), and the Harry Fox Agency, Inc. (HFA), submitted a joint statement to the Copyright Office on December 6, 2001, advising the Office of certain developments relevant to the Copyright Office's March 9 NOI. In order to assess fully the relevance of the subsequent filing, the Copyright Office issued a second notice on December 14, 2001, in which it requested additional public comment on its March 9 NOI in light of the RIAA/NMPA/HFA agreement filed in this proceeding. The Office continues to consider the comments filed in this proceeding.

Notice and Recordkeeping for Use of Sound Recordings Under Statutory License

On February 7, 2002, the Copyright Office initiated a rulemaking proceeding to determine the requirements for giving copyright owners reasonable notice of the use of their works under the section 112 and 114 statutory licenses and for how records of such use shall be kept and made available to copyright owners. Because of the widely disparate viewpoints of the commenting parties and the complexity of the issues, the Copyright Office held a public roundtable on May 10, 2002, to elicit more specific information regarding the adoption of such a regulation. The Office made a third and final request for written proposals regarding data format and delivery on September 23, 2002. The Copyright Office hopes to announce interim notice and recordkeeping regulations to establish transitional reporting requirements for services making digital transmissions of sound recordings under the section 112 and 114 licenses during the first half of the next fiscal year.

Registration of Claims to Copyright: Group Registration of Contributions to Periodicals

On March 7, 2002, the Copyright Office published a final rule adopting an existing practice that expands the number of acceptable formats for a deposit accompanying a single application to register groups of contributions to periodicals. Section 408(c)(2) of title 17, *United States Code*, authorizes the Register of Copyrights to establish a procedure permitting a single registration for groups of contributions to periodicals published by the same author within a twelve-month period. Expanding the number of acceptable formats reduces hardships to applicants and simplifies administrative processing.

Fees for Copyright Office Services

The Copyright Office may propose a change in fees to Congress. The Register must conduct a study of costs incurred in providing services. When the Register determines that fees should be adjusted, the Register prepares and submits to Congress a proposed fee schedule along with the cost study. If Congress does not enact legislation within 120 days to disapprove the proposed schedule, the Copyright Office may institute the changed fees by regulation. An adjusted fee schedule was submitted to Congress in February 2002 and became effective on July 1, 2002. The basic fee for registration of an original work of authorship was not affected. However, the fees for a supplementary or renewal registration, document recordation, registration of an original vessel hull design, search and preparation of a report from Copyright Office records, and recordation of a designated online service provider agent were increased to cover more of the costs incurred in providing these services. The Office eliminated the fee for inspection of Office records and also reduced the minimum cost for the first 15 pages of photocopying. Other statutory fees remained the same.

[Docket numbers and dates of *Federal Register* documents issued during Fiscal Year 2002 are listed in an appendix of this Report.]

REPORTS AND LEGISLATION

THE U.S. GOVERNMENT RELIES on the Copyright Office for legal and technical advice on copyright matters. The Office advises Congress on proposed changes in U.S. copyright law, analyzes and assists in the drafting of copyright legislation and legislative reports, and undertakes studies on current issues for Congress. Copyright-related legislative activity during this fiscal year included the following:

The Register of Copyrights testified at three Congressional hearings during Fiscal Year 2002. The Senate Committee on the Judiciary held a hearing on the Intellectual Property Protection Restoration Act (S.1611). The House Subcommittee on Courts, the Internet, and Intellectual Property held two hearings: a two-day hearing regarding the Copyright Office's Digital Millennium Copyright Act (DMCA) Section 104 report, and one on reform of the Copyright Arbitration Royalty Panels (CARPs).

State Sovereign Immunity and the Intellectual Property Restoration Act

The Intellectual Property Protection Restoration Act (S.1611) addressed issues raised by two 1999 rulings in which the Supreme Court determined that the doctrine of sovereign immunity prevents states from being held liable for damages for violations of the federal intellectual property laws even though states enjoy the full protection of those laws.

State Sovereign Immunity

During its 1999 term, the U.S. Supreme Court issued opinions in *Alden v. Maine*, *College Savings v. Florida Prepaid*, and *Florida Prepaid v. College Savings*. These opinions reshaped the scope of state sovereign immunity under the U.S. Constitution and Congress' constitutional authority to abrogate that immunity. Under the new framework, by invoking their immunity, states can escape monetary liability for copyright infringement. Ever since those decisions, the issue of how to reinstate full enforcement of the copyright law has been pending before Congress.

Under current law, copyright owners are unable to obtain monetary relief under the copyright law against a state, state entity, or state employee unless the state waives its immunity. The Register testified on February 27, 2002, in support of S.1611 and its three main components: a system to encourage states to waive their immunity by granting fully enforceable intellectual property rights only to those states that do so; a circumscribed abrogation of state sovereign immunity in the intellectual property field to provide a remedy against states that choose not to waive their immunity; and a codification of the judicially-made rule that, notwithstanding a state's sovereign immunity, the employees of a state may be enjoined by a federal court from engaging in illegal action. The Office worked closely with Congressional staff on the impact of state

sovereign immunity on copyright. At the request of Congressional staff, the Copyright Office moderated negotiations between intellectual property owners and public universities over the proposed legislation. The Register convened a series of meetings over a period of several weeks. Although the affected parties were able to reach tentative agreement on some issues, no final agreement was reached on the legislation before the end of the fiscal year.

Digital Millennium Copyright Act Section 104 Report

In December 2001, the Register testified before the House Subcommittee on Courts, the Internet, and Intellectual Property on each of the two days of hearings on the August 2001 report prepared by the Office as required by section 104 of the DMCA. The report evaluated

the impact of advances in electronic commerce and associated technologies, as well as the amendments to title 17 made in the DMCA, to sections 109 and 117 of the copyright law.

Digital Millennium Copyright Act (DMCA)

The DMCA, (Public Law 105-304 (1998)), was enacted into law on October 28, 1998. This Act revised the copyright law (title 17 of the *United States Code*) in a number of ways, including adding a new chapter 12 which, among other things, prohibits circumvention of access control technologies employed by copyright owners to protect their works. The DMCA implemented two World Intellectual Property Organization treaties; created certain new limitations on liability for copyright infringement by online service providers; expanded the existing exemption relating to computer programs in section 117 of the copyright law; and contained several miscellaneous provisions regarding the functions of the Copyright Office, distance education, webcasting, and other issues. The enactment of the DMCA was the beginning of an ongoing effort by Congress to address the relationship between technological change and U.S. copyright law.

The report made recommendations regarding three issues: (1) *Digital first sale doctrine*: section 109 of the copyright law permits a person who lawfully owns a copy of a work to sell or dispose of that copy as he or she chooses. In her testimony, the Register noted that section 109 at this time applies to tangible copies of work in digital form and that expansion of the section to permit retransmission of such works could do harm. (2) *Incidental “buffer” copies*: buffer copies are created incidentally as part of the process of streaming. Such copies exist only for a brief time and only as a portion of the entire work. The Register noted that the making of a buffer copy in the course of licensed streaming should be considered a fair use of the work, and recommended legislation of a narrow exemption for such incidental or buffer copies. (3) *Archival copies*: section 117 of the copyright law permits users to create archival copies

of computer programs that they legally own. The Register found that making an archival copy of other types of digital works should be considered a fair use. However, the Register observed that section 109 permits the owner of a particular copy lawfully made to distribute

that copy without the copyright owner's permission. This would appear to permit the user to sell or otherwise dispose of the archival copies, which would harm the copyright owner. The Register recommended that Congress close this gap.

Copyright Arbitration Royalty Panel (CARP) Reform

CARPs are temporary bodies composed of hired arbitrators who set or adjust royalty rates and terms of statutory licenses, and determine royalty distributions. These panels have been operating under the auspices of the Copyright Office and the Library of Congress since Congress eliminated the Copyright Royalty Tribunal (CRT) in 1993. The purpose of a June 13 hearing before the House Subcommittee on Courts, the Internet, and Intellectual Property was to consider how effective the CARP process has been thus far and ways in which it can be improved. The Register addressed a report on CARP reform that the Office had prepared in 1998 at the request of the Subcommittee and commented on the need to reform the CARP process. She noted the Office's willingness to work with the Subcommittee and the parties to produce a system that would address four critical elements: the hiring of full-time employees who are well-versed and experienced in the pertinent fields; the need for ensuring that there are no periods of inactivity as there were with the CRT; the need for the Register to have a substantial role during the process to address important policy and substantive matters that might arise; and the question of funding in rate setting proceedings.

Distance Education

The Technology, Education and Copyright Harmonization (TEACH) Act was passed by the Senate in June 2001 and placed on the House of Representatives calendar late in FY 2002 as part of the Department of Justice Appropriations Authorization. The TEACH Act promotes digital distance education by implementing the recommendations made in the Register's report to Congress in May 1999 titled "Report on Copyright and Digital Distance Education." At the request of the Senate Judiciary Committee, the Copyright Office played a key role in bringing about the compromise reflected in the legislation by facilitating negotiations between the affected parties.

The TEACH Act expands the coverage of the exception in section 110(2) to allow the delivery of authorized performances and displays by nonprofit accredited educational institutions through digital technologies, expands the categories of works exempted from the performance right but limits the amount that may be used in these additional categories to "reasonable and limited portions," and emphasizes the concept of "mediated instruction"

to ensure that the exemption is limited to what is, as much as possible, equivalent to a live classroom setting. The Act requires that institutions availing themselves of the expanded exception apply technological measures to prevent prolonged retention or further distribution of the work and that the institutions not interfere with technological protection measures applied by the right holders in the work.

Protection of Authentication Features

Recent legislative discussions have considered criminalization of illicit authentication features affixed to or embedded in a phonorecord, a copy of a computer program, or a copy of a motion picture or other audiovisual work. Current anticounterfeiting laws make it a crime to traffic in counterfeit labels or copies of certain forms of intellectual property, but not authentication features such as the hologram that a software maker uses to ensure that copies of its software are genuine.

Copyright Office staff advised Congressional staff on the implications of the copyright law's provisions on proposed legislation to criminalize the trafficking in counterfeit authentication features used by copyright owners to detect piracy of their works.

Piracy in Peer-to-Peer Networks

The underlying issue in peer-to-peer networks piracy is “file sharing” which entails unauthorized distribution and copying of copyrighted works. Pioneered in the late 1990s by companies such as Napster, file sharing initially enabled users to “share” digital copies of songs after being indexed on a central computer. Because file sharing enables widespread distribution of copyrighted material without payment of royalties to the creators, Napster's activities were ruled illegal in 2000 in *A&M Records, Inc. v. Napster* before the Ninth Circuit Court of Appeals.

File sharing continues, however, through peer-to-peer networks that do not use a centralized server for indexing. This decentralization makes it more difficult to pursue copyright violators in court.

Recent legislative approaches have considered allowing copyright owners to use digital self-help measures to protect their own intellectual property. The legal concept of self-help against theft permits homeowners, for instance, to take reasonable action to stop burglars found in their homes. In the case of intellectual property, the principle remains the same. If, under the relevant copyright laws, intellectual property is being distributed without the owner's consent, the owner can be allowed to impede the theft. Specifically, legislation

proposed in the 107th Congress would protect the owners from liability for blocking, diverting, or otherwise impairing the unauthorized distribution of their copyrighted work on a publicly accessible peer-to-peer file trading network.

The Copyright Office advised House staff on copyright and legislative drafting issues concerning legislation to permit copyright owners to engage in self-help to disrupt infringing file-trading activities on peer-to-peer networks.

Technical Amendments Bill

The Office began work in FY 2001 on various technical amendments to the copyright law that Congress wanted to pass together with technical amendments related to other federal agencies' work. These technical amendments were added to the "21st Century Department of Justice Appropriations Authorization Act." The conference on the bill was completed in September 2002. The House passed the conference report on September 26, 2002. The conference report was awaiting Senate consideration as the fiscal year ended.

INTERNATIONAL ACTIVITIES

NATIONAL LAWS OF EACH COUNTRY are the primary protection against unauthorized use of a copyrighted work in that country. Most countries offer protection to foreign works under the aegis of international copyright treaties and conventions.

The Copyright Office continued to assist executive branch agencies on international matters, particularly the United States Trade Representative (USTR), the Patent and Trademark Office (PTO), and the Departments of State and Commerce.

Copyright Office staff participated in numerous multilateral, regional, and bilateral negotiations in Fiscal Year 2002. Office staff were part of the U.S. delegation in the May 13–17, 2002, meetings of the World Intellectual Property Organization (WIPO) Standing Committee on Copyright and Related Rights, which considered issues relating to a possible treaty on the protection of broadcasting organizations. In cooperation with the PTO, staff prepared a proposed treaty text to present at the next Standing Committee meeting. The Copyright Office also participated in the meetings of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge, and Folklore December 10–12, 2001, and June 17–21, 2002.

Staff served as part of the U.S. delegation in the World Trade Organization (WTO) Council on TRIPS (trade-related aspects of intellectual property rights), which convened in November 2001 and March, June, and September 2002. The TRIPS Council is responsible for monitoring the operation of the TRIPS Agreement, and, in particular, how members comply with their obligations under it. The Council reviews the intellectual property laws of member countries for compliance with TRIPS obligations.

The Office continued to participate in the U.S. team that has been considering a draft Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters under the auspices of the Hague Conference on Private International Law.

Copyright Office staff were members of the U.S. delegation to the November 2001 and September 2002 meetings of the Intellectual Property Negotiating Group of the Free Trade Area of the Americas and were instrumental in preparations, including the redrafting of U.S. treaty proposals. The goal of the negotiating group is to prepare and finalize an intellectual property chapter for a Free Trade Area of the Americas Agreement. The overall agreement is due to be completed by 2005.

Policy and International Affairs (PIA) staff participated in the drafting and negotiation of the intellectual property provisions of bilateral Free Trade Agreements with Chile and Singapore, including the drafting of proposed text, and have also taken part in preliminary

discussions concerning a possible bilateral agreement with Morocco and multilateral agreements with groups of nations in Central America and southern Africa.

The Office participated in numerous additional bilateral negotiations and consultations during the year, including those held with the Bahamas, Bahrain, Canada, Chile, China, Colombia, Egypt, Georgia, Indonesia, Japan, the Kyrgyz Republic, Macau, Mexico, New Zealand, Poland, Romania, Russia, Singapore, South Africa, South Korea, Taiwan, Turkey, Ukraine, Uruguay, and Vietnam on issues ranging from enforcement to copyright law revision. Staff met on a regular basis with foreign officials and visitors interested in learning about the U.S. copyright system and exchanging information about topics of mutual concern. They completed reviews of draft copyright bills for countries such as Armenia, Canada, Egypt, South Africa, and Ukraine. For the USTR, staff provided assistance to nations such as Armenia, Azerbaijan, Cambodia, China, Macedonia, Palau, Russia, Saudi Arabia, Taiwan, Uzbekistan, Vanuatu, and Vietnam in their WTO accession processes and provided responses regarding U.S. copyright law and policy to the WTO Trade Policy Review queries.

Staff represented the Copyright Office on the interagency Special 301 Committee that evaluates the adequacy and effectiveness of intellectual property protection and enforcement throughout the world. This annual process, established under U.S. trade law, is one of the tools used by the U.S. government to improve global protection for U.S. authors, inventors, and other holders of intellectual property rights.

International Copyright Institute

The Copyright Office carries out an international educational program through its annual International Copyright Institute (ICI) symposium. The ICI is designed to further international understanding and support of strong copyright protection, including the development of effective copyright laws and enforcement overseas. The program is conducted jointly with WIPO's educational arm.

The Register participated in a number of symposia and conferences outside the United States, including programs in Ghana and Switzerland. Staff also participated in symposia and conferences sponsored by WIPO, the United States Information Agency, the U.S. Agency for International Development, and the Commerce Department's Commercial Law Development Program, and provided training on copyright to the State Department's Foreign Service Institute.

The International Copyright Institute held an International Symposium on the Effect of Technology on Copyright and Related Rights for nineteen copyright experts and government officials from fourteen countries on November 13–16, 2001. Participants discussed international treaties and legislation that relate to the Internet and technology.

LITIGATION

ALTHOUGH THE OFFICE does not enforce the provisions of title 17, it may be involved in litigation in several ways. It can choose to intervene under section 411(a) in a case where registration has been refused; it may be sued under the Administrative Procedure Act; it may be asked to participate in litigation either by assisting in the preparation of an *amicus curiae* brief in support of a particular position, by assisting the Department of Justice in defending a particular action, or by bringing a suit under section 407 to compel the

deposit of copies of the best edition of a work. The Copyright Office continued to respond to requests for assistance from the Department of Justice relating to copyright litigation, including one case before the U.S. Supreme Court.

Sonny Bono Copyright Term Extension Act

On October 27, 1998, President Clinton signed this Act into law, extending for an additional 20 years the term of copyright protection in the United States [Pub. L. No. 105-298, 112 Stat. 2827 (1998)]. This extends the term of copyright for most works to the life of the author plus 70 years. It similarly extends for an additional 20 years the terms of anonymous and pseudonymous works, works made for hire, and works in their renewal terms.

Eldred v. Ashcroft **(formerly *Eldred v. Reno*)**

The Plaintiffs, who used works on which copyright had expired, challenged the constitutional validity of the Sonny Bono Copyright Term Extension Act of 1998. The Act extended the copyright term by an additional 20 years for all works, including those still under copyright protection in the United States

on the effective date of the Act. Plaintiffs argued that the extension unlawfully took works that would have gone into the public domain out of the reach of the public for additional time. Both the district court and the United States Court of Appeals for the District of Columbia Circuit found the Act constitutional. The United States Supreme Court granted the Appellants' petition for a *writ of certiorari*. Copyright Office staff provided assistance to the Solicitor General's Office in drafting Respondent's briefs and in preparing for oral argument. The Court was set to hear oral arguments on October 9, 2002.

Bonneville v. Peters

As reported in Fiscal Year 2001, the Broadcasters of AM/FM radio stations appealed the decision of the United States District Court for the Eastern District of Pennsylvania upholding the Copyright Office's final rule that AM/FM broadcast signals transmitted

simultaneously over a digital communications network, such as the Internet, were not exempted by 17 U.S.C. § 114(d)(1)(A) from the digital performance right for sound recordings. During FY 2002, the Copyright Office worked with the Department of Justice in preparing the appellee's brief defending the district court's decision. The case is scheduled for oral argument on December 2, 2002, and should be decided in FY 2003.

Paul Morelli Design, Inc. v. Tiffany and Company

The Copyright Office continued to review all copyright cases filed where the Register of Copyrights has the right to intervene under 17 U.S.C. § 411(a). The Register chose to intervene in one case where registration was refused—*Paul Morelli Design Inc. v. Tiffany and Company*—in order to defend the Examining Division's decision and the Office's practices and procedures regarding registration. The Copyright Office refused registration of 18 pieces of jewelry created by Paul Morelli Design, Inc., finding that the jewelry contained an insufficient level of creative authorship to sustain a registration. After this refusal of registration by the Office and a subsequent first appeal, Paul Morelli Design, Inc., brought a copyright infringement action against Tiffany & Co. for copying this jewelry. The Register intervened in the suit in order to counter inaccuracies regarding Office policies and practices contained in the expert report of the Plaintiff and in order to support the decisions of the Examining Division. The trial before a jury in the Eastern District of Pennsylvania resulted in a finding that the works were not copyrightable.

The case addressed numerous issues affecting the Office, including the limits on the Register's ability to intervene beyond the statutory time frame, the appropriate level of deference to be accorded to the Copyright Office's determination of insufficient creative authorship in an infringement suit in which the allegedly copied works were denied registration, the proper considerations for evaluating sufficient creative authorship, and the meaning of the statutory requirement that an application for registration be received by the Office "in proper form."

Universal City Studios, Inc. v. Corley (formerly Universal City Studios, Inc. v. Reimerdes)

In FY 2001, the Copyright Office assisted and consulted with the Solicitor General's Office and the United States Attorney for the Southern District of New York in an intervention defending the constitutionality of 17 U.S.C. § 1201. In this fiscal year, the Second Circuit affirmed the decision of the District Court and held that the Digital Millennium Copyright Act did not violate the constitutional rights of the defendants.



Public Information and Education

A PRINCIPAL FUNCTION of the Copyright Office is the provision of information on copyright law and its application. The Copyright Office responds to public requests for information in person, through its website, and via email, telephone, and correspondence. It also engages in outreach programs to educate the public about copyright issues.

In Fiscal Year 2002, the Office as a whole responded to 358,604 requests for direct reference services, including 57,263 email inquiries, of which some 10,000 were on the issue of webcasting.

The Public Information Section assisted 25,005 members of the public in person, taking in 17,644 registration applications and 2,884 documents for recordation. The Section answered 123,106 telephone inquiries, 10,783 letter requests, and 31,681 email requests for information from the public, representing a more than 100 percent increase in the use of email communications. This increase in electronic mail requests is partly a result of the public using an alternative means of communication during the mail disruption and

website modifications that made it easier to contact the Office by email.

The Copyright Office website continued to play a key role in disseminating information to the copyright community and the general public, with 13 million hits on key pages during the year, an 8 percent increase over the prior year. In FY 2001, the Copyright Office received 6,000 responses from the public to a survey about its website, resulting in a plan for a complete overhaul of the Office's web

The **Copyright Office Website**

(www.copyright.gov) is a public service that makes available circulars, announcements, regulations, the copyright law, related material, and all copyright application forms. The website can also be searched for copyright registrations and recorded documents from 1978 to the present.

presence. In conjunction with Copyright Awareness Week in April 2002, the Copyright Office launched its redesigned website (www.copyright.gov) to provide for easier and faster provision of information. Among the new enhancements for the website were:

- a navigational bar at the top of all pages, having tabs for the most frequently requested pages, enabling users to always know where they are and see other options without needing to revisit the home page
- a new, easier way to search Copyright Office registrations and documents
- a step-by-step guide to registration, arranged by category or work, with pop-up menus and windows to guide the user to the right form and to provide additional information
- a new, streamlined look that makes locating information easier and faster
- design compliance with requirements for federal website accessibility, so that members of the public who are blind, deaf, or cannot use their hands can access information on the website, for example by using alternative browsers for speech synthesizers or braille displays
- a search engine for the website
- an interactive “help desk” page to assist the public in responding to specific questions

The Copyright Office electronically published 39 issues of *NewsNet* during the year. The number of subscribers to this electronic news service rose to 5,797 by the end of the fiscal year, a 13 percent increase over the prior year.

In response to public requests, the Reference and Bibliography Section searched 22,515 titles (a 23 percent decrease from FY 2001) and prepared 2,215 search reports (a 50 percent decrease). This decline was due to mail disruption and improved public access to registration records via the website using newly implemented search software. In addition, the Section received 9,483 telephone calls and assisted 9,153 visitors to the Copyright Card Catalog.

The Certifications and Documents Section produced 4,837 copies of certificates of registration, a 32 percent decrease from the previous year caused by the mail disruption. During the fiscal year, the section produced 1,309 copies of copyright deposits and 858 certifications of deposits or records.

The Clerical Support Unit responded to 11,669 letter requests, 55,274 telephone requests, and 25,159 email requests from the public for forms and publications.

During the fiscal year, 347,955 deposits were processed for storage at the Deposit Copies Storage Unit in Landover, Maryland, constituting some 7,249 cubic feet. This is a slight increase from the volume processed the previous year. The unit transferred to remote off-site storage facilities 4,154 cubic feet of records, consisting of unpublished deposits and registration applications.

Credit Cards

In FY 2001, the Copyright Office began accepting credit cards as payment in public service areas. In FY 2002, the Office expanded credit card use to permit deposit account holders to replenish their accounts by credit card. The ability to accept credit cards in public service areas enabled the Office to proceed with processing orders for members of the public whose checks had been delayed in the mail disruption.

Freedom of Information Act (FOIA)

The Office received 36 requests under the FOIA during the fiscal year.

Management

BUILDING ON LAST YEAR'S planning efforts, the Office made significant progress in its reengineering initiative.

Reengineering

The Copyright Office continued its extensive multi-year effort to reengineer its principal public services for the purposes of providing Copyright Office services online, ensuring prompt availability of new copyright records, providing better tracking of individual items in the workflow, and increasing acquisition of digital works for the Library of Congress collections.

The reengineering program has involved over 200 staff in redesign of Copyright Office work processes, and included unprecedented cooperative efforts with the Library of Congress' Library Services. In FY 2002, the Office moved from a planning/redesign phase into the intensive implementation phase that runs from FY 2003 through FY 2005. The re-

engineering work proceeded on four fronts: process, organization, facilities, and information technology.

The Four Fronts of Reengineering

Reengineering is moving forward on four fronts:

Process: Redesign of the Office's core processes of registering claims, recording documents, answering requests, acquiring deposits for Library of Congress collections, receiving mail, and maintaining accounts

Organization: Development of a revised organizational structure centered on the new processes, with new job descriptions focused on the requirements of those processes

Facilities: Reconfiguration of Copyright Office space so that space relationships support movement of work through the processes

Information Technology: Development of new integrated systems to permit primarily electronic processing of copyright services

Process

The Copyright Process Reengineering Team presented redesign recommendations for the new processes and the new organization to support those processes in FY 2001. The affected processes are registering claims, recording documents, acquiring deposited works for the Library of Congress, answering public requests, receiving mail, and maintaining accounts. The implementation of the Team's recommendations continued in FY 2002 with the assistance and facilitation of the consulting firm PricewaterhouseCoopers LLP (PwC). During FY 2002, the process teams for all six processes defined their processes to an operational level and drafted procedures manuals.

Organization

Organization teams for each process developed a proposed reorganization structure and job roles incorporating cross-training and rotational opportunities. A high-level training plan, developed with process owners, identified likely training needs of Copyright Office staff for the new processes. The Office began an intensive evaluation of the draft reorganization package in the fiscal year's last quarter.

Facilities

The Copyright Office accomplished several key steps toward facilities redesign in FY 2002. The Office completed a baseline space assessment in February and a furniture and furnishings inventory in September. These steps will support a redesign of the Office's existing space to accommodate the new processes.

Information Technology (IT)

Information technology is critical in the registration of claims to copyright, the recordation of documents pertaining to copyrighted works, statutory licenses, and the Office's responsibilities as an agency of public record.

In July 2001, the Office issued a request for quotation for contract assistance to complete an IT requirements analysis. This was the first step in the process of building IT systems that will support the reengineered business processes and allow the Office to provide more services electronically. Work on the analysis was initiated in October 2001. Major accomplishments on the IT front during Fiscal Year 2002 included completion of the following:

- an assessment of the needs of processes not included in the reengineering effort
- a report of options and recommendations for logical system components
- a framework of functional specifications for logical system components
- a report on recommended hardware and software

These products formed the basis for initial sequence planning in preparation for letting contracts for the purchase of off-the-shelf components, development of new components, and their integration into a single electronic system to support Copyright Office services.

Staff Communications and Interaction with the Library of Congress

Communications with staff about reengineering implementation continued through several vehicles: the new reengineering newsletter, *ReNews*, first published in April 2002; stakeholder meetings with staff and managers within the Office, in affected areas of the Library

of Congress' Library Services, and with infrastructure support units; hallway chats; all-staff meetings; the posting of updates and information on a reengineering Intranet website; and articles in *Copyright Notices* and the *Library of Congress Gazette*.

The Copyright Office and Library Services formed Joint Issue Groups in FY 2002 to discuss and present recommendations for cooperation in five areas of interaction between the two organizations—serials processing, labeling, cataloging, selection, and the Library's opening of the National Audio-Visual Conservation Center in Culpeper, VA. These Joint Issue Groups were comprised of representatives from both service units, and met throughout the year to develop their recommendations. The Labeling Group proposed significant changes in how works are identified (the Management section of this report details the security-related work of this group). The Selection Group suggested that routine selection decisions be performed by Copyright Office staff. The remaining Joint Issue Groups were continuing their work at the end of FY 2002.

Because the four fronts of reengineering affect areas not reviewed in the original reengineering study, the Office decided to study Licensing Division processes, organization, and information technology to make recommendations for changes to provide more effective handling of its licensing and royalty responsibilities. The reengineering of the Licensing Division can benefit from already completed work on receive mail, maintain accounts, record documents, and answer requests.

The fiscal year ended with the formation of a reengineering program organization (RPO) within the Copyright Office, managing both the business process reengineering and information technology efforts. The formation of this group consolidates into one program the responsibility for all four fronts of the reengineering effort: process, organization, facilities, and information technology. Each of the four fronts can be distinguished as projects that comprise the larger reengineering program, but they interrelate and have inherent dependencies on one another. The staff of the RPO will coordinate these four fronts using an Integrated Implementation Plan. The RPO staff met in September to plan reengineering implementation sequencing. A Library of Congress Advisory Committee was formed to offer advice on implementation issues. In addition, the Office developed plans to form an Information Technology Technical Review Board (ITTRB), composed of six members with IT expertise from government and private industry, to provide outside perspectives and experiences concerning large-scale complex IT implementations.

Management Planning and Policy Initiatives

Strategic Planning

In February 2002, the Copyright Office published a new Strategic Plan covering the years 2002–2006 (available online at www.copyright.gov/reports/s_plan.html). The document outlines the Office's priorities and future direction. The Office's mission "to promote creativity by administering and sustaining an effective national copyright system" is supported by a series of goals keyed to three strategic areas and management support:

- Copyright Law Administration
- Policy Assistance, Regulatory Activities, and Litigation
- Public Information and Education
- Management Support and its overarching initiative of Business Process and Information Technology Reengineering

Each strategic goal is supported by a number of objectives, and each objective is followed by the means to be used in achieving the objective and a set of action items. The plan also includes the methods by which accomplishment of the goals will be evaluated. The strategic objectives serve as goal statements for the Office's Annual Program Performance Plans, while the action statements are the source of the annual plans' targets.

Management Controls

The Management Control Program ensures that Copyright Office programs are carried out in the most effective and economical manner possible and that assets are safeguarded. During FY 2002, the Office conducted Vulnerability Assessments on all 22 management control modules, of which one was found to be low risk and the rest at medium risk. The Office decided to perform control reviews for eleven modules, which were completed by June. The Register issued a year-end memorandum asserting reasonable assurance that obligations and costs comply with applicable law; assets are safeguarded against waste, loss, unauthorized use, or misappropriation; proper accounting of revenues and expenditures are provided; and program activities are carried out effectively and economically.

Business Continuity Plan

The Copyright Office completed part one of its Business Continuity Plan to describe actions to ensure continuity in the event of short-term closure of its main location of operations. The Office drafted part two as an interim plan to deal with intermediate and long-term dislocation. The continuity plan includes appendices for handling each computer system.

The Office is part of a Library of Congress-wide Continuity of Operations Task Force to integrate existing service unit plans into a larger plan for the entire Library.

Budget

The Copyright Office annually receives three appropriations from Congress: Basic, Licensing and CARP. Total FY 2002 Copyright Office budget authority was \$40,896,000 with a full-time equivalent (FTE) staff ceiling of 530. The Basic appropriation (\$34,912,000) funds the majority of the Office's activities. The Licensing budget activities (\$3,396,000) and the CARP budget activities (\$2,588,000) were fully funded from user fees withdrawn from royalty pools. The Office also received a Furniture and Furnishings allocation of \$380,313. Due to the anthrax incident that caused a severe mail disruption, in January 2002 the Office received a special security supplemental of \$187,386 to fund overtime expenses to process the mail. Furthermore, in August 2002 the Office received another special supplemental of \$7.5 million to replace a possible receipts shortfall due to disruptions in receiving postal mail.

The total Basic appropriation derives its funding from two revenue sources: net appropriations from the U.S. Treasury (\$13,032,000 in FY 2002) and offsetting collections authority from user fees (\$21,880,000). At the end of the fiscal year, the Office had collected \$19,624,226 in user fees.

Investment Income from Deposit Accounts

In FY 2002, the Office continued to invest deposit account holdings in U.S. securities. Deposit account holdings increased to more than \$4 million. Over \$3 million was invested in each of two three-month Treasury bills during the first and fourth quarters. A total of \$59,577 in interest was earned from investments during the fiscal year, a significant decrease compared to FY 2001 earnings due to lowered interest rates.

Security

Security Tagging, Asset Marking, Item Bar Code Labeling

Reassignment of the security tagging process from Library Services Collections Management Division to the Copyright Receipt Analysis and Control Center (RACC) has been delayed until the Office receives security tags that meet the new performance and material specifications for book materials. The reassignment is expected in 2003.

The Library of Congress Preservation Directorate developed security tag specifications for video cassette formats. Tags will be purchased after the Library's Motion Picture, Broadcasting, and Recorded Sound Division determines placement on the various cassette sizes.

The Library Services/Copyright Office Joint Issues Group on Labeling, under PricewaterhouseCoopers (PwC) facilitation of the business process reengineering effort, issued a report in July 2002. The report recommended that management streamline the marking and labeling of formats received by the Acquisitions Directorate and the Copyright Office to reduce the proliferation of labels that obscure important information, and eliminate hand transcription of labeling information. The affected formats include bound and unbound books, documents on sheets, digital discs, film, magnetic tape, mixed media, and copyrighted objects. Recommendations that will affect the Copyright Office include:

- Create a new label that combines the current barcode label and the Copyright Office accession stamp to identify an item as Library of Congress property, track the item through the Copyright Office, document the time and place of receipt, and allow retrieval of related pieces that become separated.
- Include the Piece Identification Number on the current laser mark for CDs, CD-ROMs, DVDs, and other materials, to facilitate retrieval of an item record if the item becomes separated from its container.
- Use an "edge" or property stamp at the beginning of processing, replacing the Library of Congress Seal, which will alert security officers that an item is Library property and provide greater protection for in-process materials.
- Apply a perforation mark on microfilm, with the Library's name and the date of perforation punched out on the film leader.

The labeling concept was accepted by the Register and Associate Librarian for Library Services Winston Tabb. A labeling implementation team will be formed in FY 2003 as part of the Copyright Office reengineering implementation effort.

The RACC temporarily suspended laser marking of unpublished audio cassettes in April to focus its attention on processing mail held during the anthrax situation. The RACC will resume laser marking of this category of materials when it has processed the mail backlog. RACC staff continued to apply Library accession stamps to the audio cassette containers, thus identifying the materials as Library property.

Item Level Tracking and Inventory Control

The reengineering group charged with reviewing the management of information technology in the Copyright Office developed principles for change and outlined an action plan that includes item level tracking. Item level tracking will make it possible to track all copyright registration and deposit requirement materials through all processes, including custodial transfer to Library of Congress collections.

Site Assistance Visits (SAVs) to Monitor Adherence to Security Practices in Processing and Curatorial Divisions

Members of the Library of Congress Collections Security Oversight Committee, assisted by the Office of Security, created a system and protocol for authorized staff visits to curatorial and processing divisions, insuring adherence to established standards and security practices. The Site Assistance Visits Program has four objectives: (1) strengthen the Library's security; (2) enhance staff's security awareness; (3) provide independent follow-up addressing control weaknesses identified in risk assessments identified by the contractor KPMG in select divisions; and (4) address control weaknesses identified by the Office of Inspector General March 29, 2002, audit of collections security. Inspections, begun in May, are to be conducted for every division in the Library of Congress within 24 months to ensure compliance with all collections security regulations and policies.

Automation

In addition to the IT reengineering work outlined above, the following technology work was undertaken during the fiscal year:

Information Technology Oversight Group

The Information Technology Oversight Group (ITOG), a Copyright Office oversight body established in August 2001, met regularly to monitor tasks in the Information Technology Action Plan of June 2001, coordinate Copyright Office information technology initiatives, review contractor deliverables for future systems, oversee ongoing projects to upgrade existing systems, and approve participants for electronic services.

Copyright Office Electronic Registration, Recordation and Deposit System (CORDS)

CORDS is the Copyright Office's automated system to receive and process digital applications and digital deposits of copyrighted works for electronic registration via the Internet from a limited number of cooperating partners who meet current criteria. Through CORDS, copyright applications can be filed electronically by sending applications and deposits in digital form. The CORDS system facilitates full electronic processing, both initial preparation by the applicants on the "front end" and completely automated processing on the "back end" by the Copyright Office.

During the year, work continued on strengthening the electronic registration system with more robust software and preparation of system documentation and materials to facilitate transfer of operation and maintenance to Library staff. By the end of the fiscal year, nearly all of the development work had been completed and testing was under way. CORDS was adjusted to handle additional classes of electronic submissions and to interact with new versions of the Office's information technology systems.

The Office processed 22,900 full electronic claims in textual and musical works through CORDS. ProQuest Information and Learning Company continued to submit approximately 500 electronic claims per week in university dissertations, the largest number of claims from any single submitter. The Harry Fox Agency, which previously submitted approximately 50 claims per week in musical works on behalf of several music publishers, discontinued its participation in favor of direct participation by the music publishers. Potential users who met specific criteria were approved for participation in the CORDS system during the year.

COINS

Work continued on migration of the workload management system (COINS) to more reliable and efficacious hardware and software. Implementation of this system is scheduled for FY 2003. The Copyright Automation Group (CAG) continued to collaborate with the Library's Information Technology Service (ITS) to continue the conversion of the present Data General system to Oracle. By the end of the fiscal year, most of the development work had been completed, and user testing of the system components had begun. The development team also worked on planning the conversion of the data, including the archiving of old completed records that did not need to be included in the new database.

Copyright Imaging System

Work continued on the redevelopment of the Copyright Imaging System to move the Office away from the current proprietary system. The CAG coordinated the drafting of user guides

for the input, administrative, and retrieval subsystems, and worked with end users to test the software and report problems. A series of meetings and discussions resulted in the creation of testing and implementation plans.

Respectfully submitted to the Librarian of Congress by
MARYBETH PETERS
Register of Copyrights
and
Associate Librarian of Congress for Copyright Services

Appendices and Tables

Register's Testimony to Congress

- Testimony before the Subcommittee on Courts, the Internet, and Intellectual Property, Committee on the Judiciary, regarding the CARP (Copyright Arbitration Royalty Panel) Structure and Process (June 13, 2002)
- Testimony before the Senate Committee on the Judiciary regarding sovereign immunity and the protection of intellectual property (February 27, 2002)
- Testimony before the Subcommittee on Courts, the Internet, and Intellectual Property, Committee on the Judiciary, regarding the Digital Millennium Copyright Act, Section 104 Report (December 12 and 13, 2001)

Full text of statements is available on the Copyright Office website: www.copyright.gov

Federal Register Documents Issued

- Notice and Recordkeeping for Use of Sound Recordings Under Statutory Licenses: Notice requesting written proposals and announcing status conference · 67 FR 59573, September 23, 2002
- Public Performance of Sound Recordings: Definition of a Service; Request for comments · 67 FR 58550, September 17, 2002
- Ascertainment of Controversy for the 2000 Cable Royalty Funds; Notice with request for comments and notices of intention to participate · 67 FR 55885, August 30, 2002
- Ascertainment of Controversy for the Distribution of the 1999, 2000, and 2001 Digital Audio Recording Royalty Funds; Notice with request for comments and Notices of Intention to Participate · 67 FR 46698, July 16, 2002; correction: 67 FR 47574, July 19, 2002
- Determination of Reasonable Rates and Terms for the Digital Performance of Sound Recordings and Ephemeral Recordings; Final rule · 67 FR 45239, July 8, 2002

- Fees: Final Rule · 67 FR 38003, May 31, 2002
- Filing of Claims for Cable and Satellite Royalties: Waiver of regulation · 67 FR 21176, April 30, 2002
- Notice and Recordkeeping for Use of Sound Recordings Under Statutory License: Announcement of public roundtable · 67 FR 18148, April 15, 2002
- Copyright Restoration of Works in Accordance with the Uruguay Round Agreements Act; Notification pertaining to Notices of Intent to Enforce Restored Copyrights: Notification of request to retract prior filings of notices of intent to enforce restored copyrights; correction · 67 FR 15417, April 1, 2002
- Noncommercial Educational Broadcasting Compulsory License: Announcement of voluntary negotiation period, precontroversy discovery schedule, and request for Notices of Intent to Participate · 67 FR 15414, April 1, 2002
- Notice and Recordkeeping for Use of Sound Recordings under Statutory License: Extension of comment period · 67 FR 10652, March 8, 2002
- Registration of Claims to Copyright: Group Registration of Contributions to Periodicals; Final Rule · 67 FR 10329, March 7, 2002
- Notice and Recordkeeping for Use of Sound Recordings Under Statutory License: Notice of proposed rulemaking · 67 FR 5761, February 7, 2002; correction: 67 FR 9045, February 27, 2002
- Filing of Claims for DART Royalty Funds: Waiver of regulation · 67 FR 5213, February 5, 2002
- Copyright Arbitration Royalty Panels: List of Arbitrators · 67 FR 5000, February 1, 2002
- Mechanical and Digital Phonorecord Delivery Compulsory License: Extension of comment period · 67 FR 4694, January 31, 2002
- Digital Performance Right in Sound Recordings and Ephemeral Recordings: Initiation of voluntary negotiation period · 67 FR 4472, January 30, 2002
- Ascertainment of Controversy for the 2000 Satellite Royalty Funds: Request for notices of intention to participate · 67 FR 2912, January 22, 2002
- Distribution of 1993, 1994, 1995, 1996, and 1997 Cable Royalty Funds · 66 FR 66433, December 26, 2001
- Mechanical and Digital Phonorecord Delivery Compulsory License: Request for comment · 66 FR 64783, December 14, 2001

- Disruption or Suspension of Postal or Other Transportation or Communications Services: Determination of general disruption of postal services · 66 FR 63267, December 5, 2001
- Disruption or Suspension of Postal or Other Transportation or Communications Services: Interim regulations; Request for comments · 66 FR 62942, December 4, 2001; correction: 66 FR 63920, December 11, 2001
- Copyright Restoration of Works in Accordance with the Uruguay Round Agreements Act; Notification Pertaining to Notices of Intent to Enforce Restored Copyrights: Notification of request to retract prior filings of notices of intent to enforce restored copyrights · 66 FR 60223, December 3, 2001
- Cost of Living Adjustment for Performance of Musical Compositions by Colleges and Universities: Final Rule · 66 FR 59698, November 30, 2001
- Ascertainment of Controversy for the 2000 and 2001 Satellite Royalty Funds: Suspension of filing deadline and request for comments · 66 FR 58761, November 23, 2001
- Digital Performance Right in Sound Recordings Rate Adjustment Proceedings; Notice of inquiry and request for notices of intention to participate · 66 FR 58180, November 20, 2001
- Distribution of 1998 and 1999 Cable Royalty Funds; Request for comments and schedule · 66 FR 58179, November 20, 2001
- Ascertainment of Controversy for the 2000 and 2001 Satellite Royalty Funds: Notice with request for comments and notices of intention to participate · 66 FR 55789, October 30, 2001
- Determination of Reasonable Rates and Terms for the Digital Performance of Sound Recordings: Proposed rule; extension of comment period · 66 FR 51617, October 10, 2001
- Ascertainment of Controversy for the 1999 Satellite Royalty Funds: Notice with request for comments and notices of intention to participate · 66 FR 50220, October 2, 2001
- Ascertainment of Controversy for the 1999 Cable Royalty Funds: Notice with request for comments and notices of intention to participate · 66 FR 50219, October 2, 2001

Registrations, 1870–2002

Year(s)	Total	Year	Total	Year	Total	Year	Total
1790–1869 ¹	150,000	1903	99,122	1937	156,930	1971	329,696
1870	5,600	1904	104,431	1938	168,663	1972	344,574
1871	12,688	1905	114,747	1939	175,450	1973	353,648
1872	14,164	1906	118,799	1940	179,467	1974	372,832
1873	15,352	1907	124,814	1941	180,647	1975	401,274
1874	16,283	1908	120,657	1942	182,232	1976	410,969
1875	16,194	1909	121,141	1943	160,789	1976	108,762 ²
1876	15,392	1910	109,309	1944	169,269	1977	452,702
1877	16,082	1911	115,955	1945	178,848	1978	331,942
1878	16,290	1912	121,824	1946	202,144	1979	429,004
1879	18,528	1913	120,413	1947	230,215	1980	464,743
1880	20,993	1914	124,213	1948	238,121	1981	471,178
1881	21,256	1915	116,276	1949	201,190	1982	468,149
1882	23,141	1916	117,202	1950	210,564	1983	488,256
1883	25,892	1917	112,561	1951	200,354	1984	502,628
1884	27,727	1918	107,436	1952	203,705	1985	539,165
1885	28,748	1919	113,771	1953	218,506	1986	560,212
1886	31,638	1920	127,342	1954	222,665	1987	581,276
1887	35,467	1921	136,765	1955	224,732	1988	565,801
1888	38,907	1922	140,734	1956	224,908	1989	611,328
1889	41,297	1923	151,087	1957	225,807	1990	643,602
1890	43,098	1924	164,710	1958	238,935	1991	663,684
1891	49,197	1925	167,863	1959	241,735	1992	606,253
1892	54,741	1926	180,179	1960	243,926	1993	604,894
1893	58,957	1927	186,856	1961	247,014	1994	530,332
1894	62,764	1928	196,715	1962	254,776	1995	609,195
1895	67,578	1929	164,666	1963	264,845	1996	550,422
1896	72,482	1930	175,125	1964	278,987	1997	569,226
1897	75,035	1931	167,107	1965	293,617	1998	558,645
1898	75,634	1932	153,710	1966	286,866	1999	594,501
1899	81,416	1933	139,361	1967	294,406	2000	515,612
1900	95,573	1934	141,217	1968	303,451	2001	601,659
1901	93,299	1935	144,439	1969	301,258	2002	521,041
1902	93,891	1936	159,268	1970	316,466	Total	30,253,812

1. Estimated registrations made in the offices of the Clerks of the District Courts (source: pamphlet entitled *Records in the Copyright Office Deposited by the United States District Courts Covering the Period 1790–1870*, by Martin A. Roberts, Chief Assistant Librarian, Library of Congress, 1939).

2. Registrations made July 1, 1976, through September 30, 1976, reported separately owing to the statutory change making the fiscal years run from October 1 through September 30 instead of July 1 through June 30.

Registrations by Subject Matter, Fiscal 2002

Category of Material	Published	Unpublished	Total
Non-dramatic literary works:			
<i>Monographs and computer-related works</i>	146,449	52,776	199,225
<i>Serials:</i>			
Serials (non-group)	49,055	-	49,055
Group Daily Newspapers	1,901	-	1,901
Group Serials	9,886	-	9,886
Total literary works	207,291	52,776	260,067
Works of the performing arts, including musical works, dramatic works, choreography and pantomimes, and motion pictures and filmstrips	46,444	77,649	124,093
Works of the visual arts, including two-dimensional works of fine and graphic art, sculptural works, technical drawings and models, photographs, cartographic works, commercial prints and labels, and works of applied arts	51,003	28,988	79,991
Sound recordings	14,053	23,126	37,179
Total basic registrations	318,791	182,539	501,330
Renewals		19,169	
Mask work registrations		508	
Vessel hull design registrations		34	
Grand total all registrations			521,041
Documents recorded			10,506

Fees Recorded, Fiscal 2002

Applications for registration	\$15,534,672
Fees for Mask Works	\$32,625
Fees for Vessel Hull Design	\$7,180
Renewals	\$1,001,685
Total	\$16,576,162
Fees for recordation of documents	\$1,291,827
Fees for certifications	\$226,980
Fees for searches	\$200,917
Fees for expedited services	\$1,311,005
Fees for other services	\$196,210
Total	\$3,226,939
Grand Total	\$19,803,101
Fees Applied to the Appropriation, Fiscal 2002	\$19,683,801

Estimated Value of Materials Transferred, Fiscal 2002

	Registered works transferred to other departments of the Library	Non-registration works transferred to other departments of the Library	Total works transferred to other departments of the Library	Average unit price	Total value of works transferred to other departments of the Library
Books¹	198,745	68,945	267,690		\$12,670,052
<i>Ink print</i>	172,864	32,771	205,635	\$58.41	\$12,011,140
<i>Electronic works (ProQuest)</i>	22,900	33,430	56,330	\$3.71	\$208,984
<i>Microfilm</i>	2,981	2,744	5,725	\$78.59	\$449,928
Serials²	197,565	313,363	510,928		\$8,052,167
<i>Periodicals</i>	176,985	274,500	451,485	\$28.23	\$7,647,253
<i>Ink print newspapers</i>	18,679	36,000	54,679	\$0.93	\$30,511
<i>Microfilm newspapers</i>	1,901	2,863	4,764	\$78.59	\$374,403
Computer-related works	7,143	2,858	10,001		\$2,774,961
<i>Software</i>	2,500	143	2,643	\$26.08	\$68,929
<i>CD-ROMs</i>	1,429	2,715	4,144	\$653.00	\$2,706,032
<i>Printouts</i>	3,214	—	3,214	indeterminate value	
Motion pictures³	8,932	448	9,380		\$5,434,520
<i>Videotapes</i>	8,448	417	8,865	\$82.52	\$731,540
<i>Feature films</i>	484	31	515	\$9,132.00	\$4,702,980
Music	45,134	1,262	46,396	\$33.03	\$1,532,460
Dramatic works, choreography, and pantomimes	978	—	978	\$58.41	\$57,125
Other works of the performing arts	199	—	199	\$33.03	\$6,573
Sound recordings	42,344	3,166	45,510	\$13.41	\$610,289
Maps	2,320	11	2,331	\$33.94	\$79,114
Prints, pictures, and works of art	2,994	97	3,091	\$27.43	\$84,786
Total	506,354	390,150	896,504		\$31,302,048

1. 60% of "Books" are selected for the collections; 40% are used for the Library's exchange program.

2. 60% of "Serials" are selected for the collections, except in the case of microfilm newspapers (100% of which are selected).

3. Includes 37 copies selected by the Library under motion picture agreements.

Non-Fee Information Services to Public, Fiscal 2002

Information and Reference Division direct reference services

<i>In person</i>	25,145
<i>By correspondence</i>	46,505
<i>By email</i>	57,263
<i>By telephone</i>	197,949
Total	326,862

Office of the General Counsel direct reference services

<i>By correspondence</i>	251
<i>By telephone</i>	1,500
Total	1,751

Receiving and Processing Division services

<i>By correspondence</i>	10,416
<i>By telephone</i>	7,624
Total	18,040

Licensing Division direct reference services

<i>In person</i>	427
<i>By correspondence</i>	2,500
<i>By telephone</i>	9,024
Total	11,951

Grand total direct reference services

358,604

Financial Statement of Royalty Fees for Compulsory Licenses for Secondary Transmission by Cable Systems for Calendar Year 2001

Royalty fees deposited	\$121,631,189.11
Interest income	\$6,671,138.94
Gain on matured securities	\$68,734.85
Transfers in	\$633.42
Total	\$128,371,696.32
Less: Licensing operating costs	\$2,596,859.03
Refunds issued	\$45,484.34
Cost of investments	\$120,658,934.24
Cost of initial investments	\$4,353,731.68
CARP Operating costs	\$399,776.36
Transfers out	\$303,961.67
Total	\$128,358,747.32
Balance as of September 30, 2002	\$12,949.00
Plus: Face amount of securities due	\$120,814,919.71
Less: Pending refunds	\$295.76
Cable royalty fees for calendar year 2001 available for distribution by the Library of Congress	\$120,827,572.95

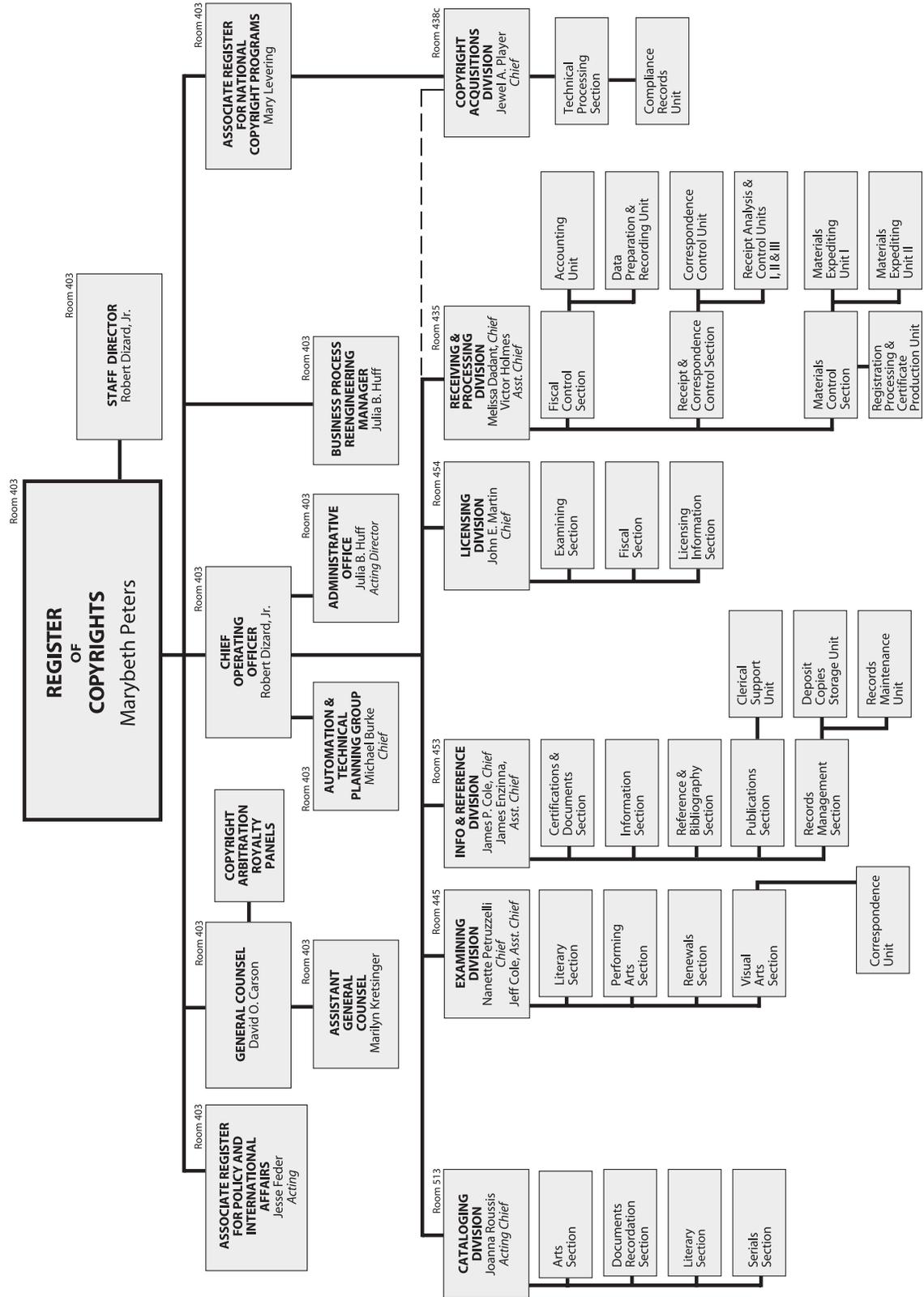
Financial Statement for Compulsory Licenses for Distribution of Digital Audio Recording Equipment and Media for Calendar Year 2001

Royalty fees deposited	\$3,703,469.97
Interest income	\$156,173.86
Gain on matured securities	\$21,526.28
Transfers in	\$242,868.96
Total	\$4,124,039.07
Less: Licensing operating costs	\$26,197.95
Refunds	\$67,283.75
Cost of investments	\$1,295,192.50
Cost of initial investments	\$106,500.41
CARP operating costs	\$49,464.17
Distribution of fees	\$2,579,377.25
Transfers out	
Total	\$4,124,016.03
Balance as of September 30, 2002	\$23.04
Plus: Face amount of securities due	\$1,296,846.70
Audio Home Recording Act royalty fees for calendar year 2001 available for distribution by the Library of Congress	\$1,296,869.74

Financial Statement of Royalty Fees for Statutory Licenses for Secondary Transmissions by Satellite Carriers for Calendar Year 2001

Royalty fees deposited	\$74,028,320.30
Interest income	\$3,352,220.17
Gain on matured securities	\$149,166.19
Transferred in	—
Total	\$77,529,706.66
Less: Licensing operating costs	\$7,259.67
Cost of investments	\$75,689,459.84
Cost of initial investments	\$1,761,136.17
CARP operating costs	\$70,858.13
Transfers out	\$129.15
Total	\$77,528,842.96
Balance as of September 30, 2002	\$863.70
Plus: Face amount of securities due	\$75,786,910.92
Satellite carrier royalty fees for calendar year 2001 available for distribution by the Library of Congress	\$75,787,774.62

Copyright Office



COPYRIGHT OFFICE CONTACT INFORMATION

U.S. Copyright Office
The Library of Congress
101 Independence Avenue, SE
Washington, D.C. 20559-6000

World Wide Web Address · www.copyright.gov

Public Information Office · (202) 707-3000

Information specialists are on duty to answer questions by phone from 8:30 A.M. to 5:00 P.M., eastern time, Monday–Friday, except federal holidays. Recorded information is also available at this number.

Forms and Publications Hotline · (202) 707-9100

Fax-on-Demand · (202) 707-2600

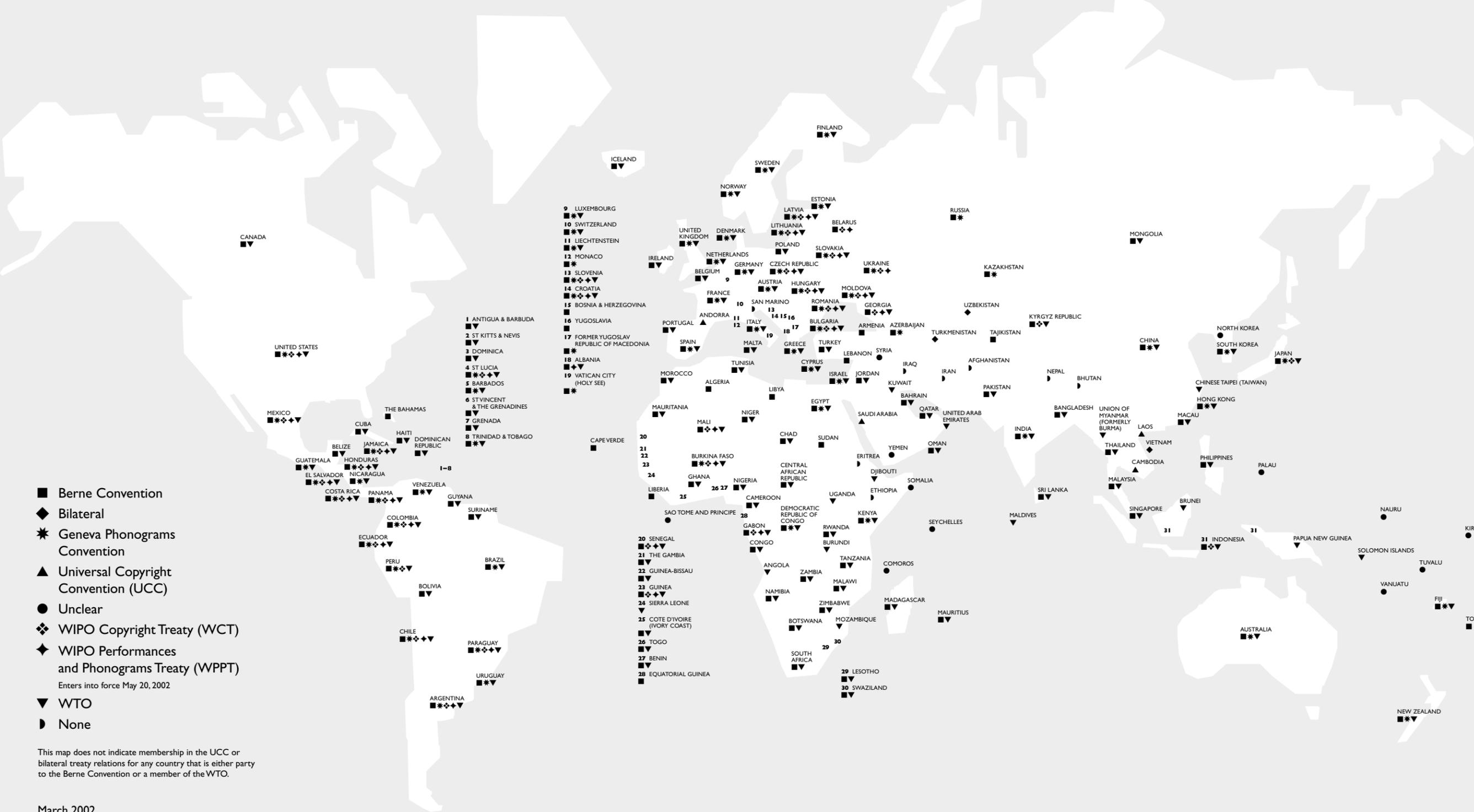
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International Copyright Treaties and Conventions



- Berne Convention
- ◆ Bilateral
- ★ Geneva Phonograms Convention
- ▲ Universal Copyright Convention (UCC)
- Unclear
- ❖ WIPO Copyright Treaty (WCT)
- ❖ WIPO Performances and Phonograms Treaty (WPPT)
Enters into force May 20, 2002
- ▼ WTO
- ▶ None

This map does not indicate membership in the UCC or bilateral treaty relations for any country that is either party to the Berne Convention or a member of the WTO.

INTERNATIONAL COPYRIGHT TREATIES AND CONVENTIONS

PROTECTION AGAINST UNAUTHORIZED USE of a copyrighted work in a country depends primarily on the national laws of that country. Most countries offer protection to foreign works under the aegis of international copyright treaties and conventions.

Treaties and Conventions

- **Berne Convention**—the leading international agreement that sets standards for protecting literary and artistic works
- **Bilateral**—a unique agreement on copyright protection between the United States and another country
- **Geneva Phonograms Convention**—known as the Geneva Convention, sets standards for protection of sound recordings against piracy
- **Universal Copyright Convention (UCC)**—an international agreement that sets standards for protecting literary and artistic works, largely superseded by Berne
- **WIPO Copyright Treaty (WCT)**—an international treaty setting standards for protection of works in digital format
- **WIPO Performances and Phonograms Treaty (WPPT)**—an international agreement setting standards for protection of sound recordings
- **World Trade Organization (WTO)**—the World Trade Organization’s obligations regarding Trade-Related Aspects of Intellectual Property Rights, incorporating and expanding on Berne and adding enforcement obligations