

Introduction

- Software industry is a copyright industry
 - We depend on copyright protection to drive innovation, grow and create jobs
 - We are damaged by copyright theft – more than \$50 billion worth last year
- Software industry is also a technology industry
 - Vitally dependent on freedom to innovate
 - That includes freedom from preferences and mandates – a concept we refer to as technology neutrality
- Consequently, the software industry is well-positioned to talk about the relationship between copyright and technological innovation
- From our vantage point the two are working well together
- That's not to say that copyright law should never change, or that we shouldn't perform a periodic stocktaking

New Enforcement Tools

- For example, it makes sense to consider new enforcement tools when technology renders existing tools less effective
- We support creative ways to attack piracy, including on the Internet (though our principal piracy problem is end user piracy, not piracy on the Internet)
- But, whatever is done should be done in a way that does not interfere with the evolution of technology
- Any solution should also be balanced, and should adhere to basic concepts of fundamental fairness and due process of law

Standards and IP

- Another issue that arises at the interface between IP protection and technology is standards policy
- Unlike other copyright industries, our products are often implicated by standards and we sometimes face demands to give up our IP rights to participate in the standards-making process
- These demands are counterproductive. They do not promote innovation, and we oppose them

Licensing and History of Copyright

- Generally we find that many of the issues of copyright law and technological change are readily resolved – and resolvable – within the existing copyright framework
- Part of the genius of copyright law is that, at its core, it is about creating a property right then stepping back and allowing private parties to order their relationship voluntarily through licenses and contract terms
- This has allowed a multiplicity of business models to emerge and adapt to disruptive technological changes
- There is a lot that the history of copyright law, and its adaptation to disruptive technological change, can teach us
- It's almost trite to say it, but copyright began as a response to technological change, and has been faced with technological change throughout its history
- This is one subject area that is not mentioned in your prospectus that we would strongly encourage you to explore

- Another, which I alluded to, is the role of private ordering through license agreements in the actual functioning of the copyright marketplace
- To gain an accurate picture of how copyright functions on a day-to-day basis, it is essential to look at the role of licenses