

Opening Remarks of  
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- As Prepared for Delivery -

Internet Policy Task Force Symposium on  
Copyright Policy, Creativity, and Innovation in the Internet Economy  
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Thank you for joining us this morning. I am looking forward to a very stimulating and interactive discussion on how to protect copyrighted works on the Internet consistent with our policy of preserving a free and open Internet. I want to thank our panelists for joining us today to share their insights and expertise. Your participation will enrich today's discussion and expand our understanding of the opportunities and challenges facing rights holders, Internet service providers, and Internet users.

This is the second symposium to be held under the auspices of the Internet Policy Task Force of the Department of Commerce. Created by Secretary Locke earlier this year, the Task Force is leveraging expertise from five Commerce agencies, the National Telecommunications and Information Administration, the U.S. Patent and Trademark Office, the National Institute of Standards and Technology, the International Trade Administration, and the Bureau of Industry and Security, as well as the Office of the Secretary, to take a fresh look at the policy framework that underpins the Internet economy. The Internet is not only a source of tremendous past and future job growth; it is also a driver of global commerce. But, as Secretary Locke said at our first Task Force Symposium, "[i]f we are going to harness the full power of the Internet, we need to establish norms and ground rules that promote innovative uses of information."

In addition to the protection of online copyrighted works, the Task Force is engaged in exploring and reviewing policies related to cyber security; the free flow of information worldwide; and online privacy, which was the subject of our a symposium we held at the end of May and a Notice of Inquiry that generated numerous, constructive public comments that we are reviewing closely.

The facts clearly demonstrate that the Internet economy is a positive force within the U.S. economy. The Census Bureau estimates that in the first quarter of 2010, e-commerce sales totaling \$37 billion were 14 percent higher than comparable sales in the first quarter of 2009, while overall retail sales were only 7 percent higher. This trend is expected to continue, with some projecting that total sales on-line will surpass traditional retail sales within the next ten years.

This incredible economic growth would not exist without equally strong creative content produced by America's authors, artists, and other creative workers. As Vice President Biden

said just two weeks ago, “Perhaps our greatest export is America’s creative impulse.” Creators and the creative industries are using online channels to distribute their work like never before. Not only are retail and advertising revenues associated with online media rising, but so too is consumer appetite for online content of all shapes and sizes.

Real-time entertainment traffic on the Internet—that is, audio and video streaming, peer-casting, place shifting, and Flash video—has virtually exploded, accounting for more than 25 percent of all Internet traffic in 2009, double the amount from the previous year. In fact, more users are accessing online video, audio, gaming and other forms of creative content than are using sites that offer search, social networking, or communications capabilities.

At the same time, evidence suggests that technological advances in networking, devices, and applications have also enabled an increase in the unauthorized distribution of copyrighted works. As Victoria Espinel, the Intellectual Property Enforcement Coordinator in the White House, has pointed out, “Today, the Internet allows a person who illegally ‘camcords’ a film at a movie theater in Moscow to distribute a bootleg copy across the globe with the push of a button.”

I think we can all agree that this type of piracy is theft, pure and simple. To those who infringe on U.S. intellectual property rights, the Administration is committed to putting you out of business. To U.S. businesses losing money to piracy, rest assured that help is on the way.

But we must find a balance: We must do all we can to ensure that online creative works generate benefits to rights holders and the broader economy, and not to those who infringe on those rights. At the same time, the Internet must continue to be a platform for innovation and the introduction of new and dynamic services that will continue to drive e-commerce. In doing so, we must preserve the free and open Internet that permitted, and indeed nurtured, the blossoming of creativity we enjoy today. These goals do not have to conflict with each other—they can all be achieved.

As noted in the Joint Strategic Plan, the Administration is firmly committed to promoting American innovation and protecting the production of creative and innovative services and products, including digital content, many of which are dependent on the effective enforcement of intellectual property rights.

Along with a strong enforcement effort, which Victoria Espinel is leading, success requires that folks have confidence in the underlying policies and laws that establish and protect those rights online, and that those policies be flexible enough to adapt to the rapid evolution in Internet technologies, applications, and content forms. Very early in the life of the Internet, when less than one percent of the world’s citizens were online, the U.S. established carefully constructed policies balancing roles and responsibilities among stakeholders. Internet service providers, information hosting platforms, and other so-called “Internet intermediaries,” received broad immunity from liability related to most content created by third-parties, while specific criteria was established to shield Internet service providers from liability for online copyright infringement. Without these protections, it is hard to imagine that online services such as

iTunes, Facebook, YouTube and Hulu, could have been as transformative of our society as they are today.

But digital piracy of copyrighted works remains a serious problem, requiring a reassessment of whether the balance of rights and responsibilities so carefully crafted several Internet generations ago is still working for rights holders, service providers, and Internet users.

The path forward, as expressed in Victoria Espinel's Joint Strategic Plan, is through collaborative efforts among stakeholders to seek practical, efficient, and balanced solutions to online infringement. Like those original policies, our proposals must be steered by the principles of due process and transparency.

This symposium is one venue of exploration for the Task Force on the issues surrounding online copyright protection. In addition, we have held an extensive series of listening sessions with stakeholders and will soon issue a Notice of Inquiry to provide further opportunity for comments. I encourage all of you and all interested parties to share your views through this process.

NTIA is pleased to be collaborating with USPTO and the Office of the Secretary on this policy review. NTIA, as principal advisor to the President on telecommunications and information policy, and USPTO, as the President's principal advisor on intellectual property policy issues, bring very talented and expert staff to this effort, along with our colleagues in the Office of Secretary who are always keenly focused on advancing economic growth, job creation and economic opportunity for the American people.

With that, I wish for all of you a productive and thought-provoking day of discussion and I would like now to turn these proceedings over to one of those very talented experts, Arti Rai, Administrator for USPTO's Office of External Affairs, who will moderate the first panel discussion on the levels and impact of domestic online copyright infringement.

Thank you.