

UNITED STATES COPYRIGHT OFFICE
FISCAL 2015 ANNUAL REPORT

2015

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UNITED STATES COPYRIGHT OFFICE HIGHLIGHTS

“[I]t is clear that what was expected of the Office in the 20th century is not what is expected of it in the 21st century.”

— REP. BOB GOODLATTE
HOUSE JUDICIARY COMMITTEE HEARING
FEBRUARY 26, 2015

\$27.6million
Receipts from
copyright
registrations

\$2.2million
Receipts from
documents
recordations

The United States Copyright Office administers the nation’s copyright laws as set forth in the Copyright Act and provides impartial assistance to Congress, the courts, and executive branch agencies on questions of national and international copyright law and policy.

Congress established the Copyright Office as a separate department within the Library of Congress in 1897 and created the position of Register of Copyrights to lead it. The Librarian of Congress, who is appointed by the president and confirmed by the Senate, appoints the Register. [Maria A. Pallante](#) is the 12th Register of Copyrights. In accord with the vision of Congress, she and her staff seek to implement a copyright regime that balances the exclusive rights of authors under the law with the benefit

of public access to copyrighted works.

The Copyright Office continued in fiscal 2015 to support the ongoing [review](#) by Congress of U.S. copyright law. The House Judiciary Committee held two law review hearings. One addressed copyright issues in education and for the visually impaired. The other, “The Register’s Perspective on Copyright Review,” featured Register of Copyrights Maria A. Pallante as the sole witness.

The House Judiciary Committee also held a hearing about Copyright Office operations and funding in which it considered limits on the Office’s ability to meet the needs of digital-age stakeholders.

The Office published two major policy reports in support of Congress’ work that relate directly to the

copyright law review. The first analyzes the current state of music licensing and recommends changes. The second examines the legal and business challenges faced by those who seek to use orphan works or to engage in mass digitization projects. Orphan works are original works of authorship for which prospective users cannot identify or locate copyright owners to request permission.

A third report by a Copyright Office special projects team addresses the Office’s operations; it analyzes technical upgrades needed to modernize the Office’s information technology environment for the 21st century.

The Office published the finalized third edition of the [Compendium of U.S. Copyright Office Practices](#) in fiscal 2015. A draft version was published for public comment

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in fiscal 2014. The *Compendium* is the administrative manual of the Office regarding its statutory duties under the Copyright Act. The new edition is the first revision in more than three decades.

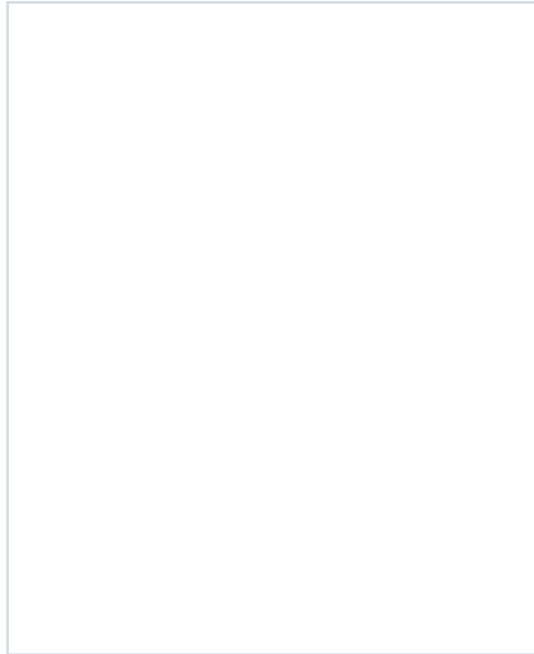
Copyright Office lawyers continued in fiscal 2015 to provide critical law and policy services, among them domestic and international policy analysis, litigation support, assistance to courts and executive branch agencies, and participation in U.S. delegations to international meetings.

The Office processed more than 518,000 claims for registration in fiscal 2015 and recorded more than 8,400 copyright transfer documents containing nearly 280,000 titles of works. Together, the Office's registration and recordation systems constitute the world's largest compilation of copyrighted works and copyright ownership information, encompassing an unparalleled record of American cultural heritage.

The Copyright Office also continued during the fiscal year to administer statutory licenses in the copyright law, collecting, managing, and dispersing royalty fees paid by cable and satellite systems and providers of digital audio recording technology. The Office collected \$314 million in royalty fees and distributed more than \$378 million from prior years to copyright owners whose works were used under these licenses.

The Office also processed more than 350 notices terminating transfers of copyrights made in the 1970s, most of which pertained to musical works. In addition, Office staff answered more than 175,000 inquiries by phone, email, and regular mail; retrieved and copied thousands of copyright deposit records for parties involved in litigation; and assisted nearly 5,000 in-person visitors.

In all its work, the Office promoted and sustained the copyright system as set forth in the law and the directives of the federal government. It did so in fiscal 2015 despite continuing staffing shortfalls and budgetary constraints that, among other effects, undermine the



Maria A. Pallante testifies as the sole witness at the House Judiciary Committee hearing, "The Register's Perspective on Copyright Review," held April 29, 2015. Pictured above the Register is Rep. Judy Chu of California.

Office's ability to modernize its information technology systems and serve the public.

A nine-day shutdown of the Office's electronic registration system in August and September further impeded the Office's ability to provide effective public service. The shutdown occurred when the Library of Congress implemented a scheduled power outage to allow for routine maintenance. The Library was unable to bring copyright systems and other agency functions back online as planned. During the outage, the public could not file new applications online, and Office staff could not use most online registration systems.

Despite these hindrances, the perseverance and dedication of Office staff and the support of the copyright community made fiscal 2015 a successful year.

Copyright Law Review

The Copyright Office continued to assist the comprehensive [review](#) of the nation's copyright laws by the House Judiciary Committee. On April 24, 2013, Rep. Bob Goodlatte, the committee chair, announced in a speech in honor of World Intellectual Property Day that the committee planned to review the copyright laws over the next few years. His announcement followed the Register of Copyright's delivery of a major [lecture](#), "The Next Great Copyright Act," at Columbia University Law School and [testimony](#) by the Register before the Subcommittee on Courts, Intellectual Property, and the Internet at a hearing titled "The Register's Call for Updates to U.S. Copyright Law."

Since then, the committee has conducted a total of 20 hearings. In fiscal 2015, the committee held two law review hearings. [One](#) addressed copyright issues in education and for the visually impaired. The [other](#), "The Register's Perspective on Copyright Review," featured the Register of Copyrights as the sole witness. She was the 100th witness to testify before the committee during the copyright law review, and her remarks took into account all the witness testimony to date.

In fiscal 2015, the House Judiciary Committee also held a hearing about Copyright Office operations and funding, described below.

For each of the hearings, Copyright Office lawyers helped congressional members and staff to prepare by drafting substantive legal memoranda, answering questions and providing materials, and meeting individually with members and staff.

As part of the copyright law review, Rep. Goodlatte and Rep. John Conyers, the House Judiciary Committee's ranking member, announced a plan in fiscal 2015 to conduct a listening tour. Committee members visited locations throughout the country to hear directly from creators and innovators about changes they believe

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are needed to ensure that U.S. copyright law reflects realities of the digital age. The committee launched the tour in September 2015 with a roundtable discussion in Nashville.

Copyright Office Operations

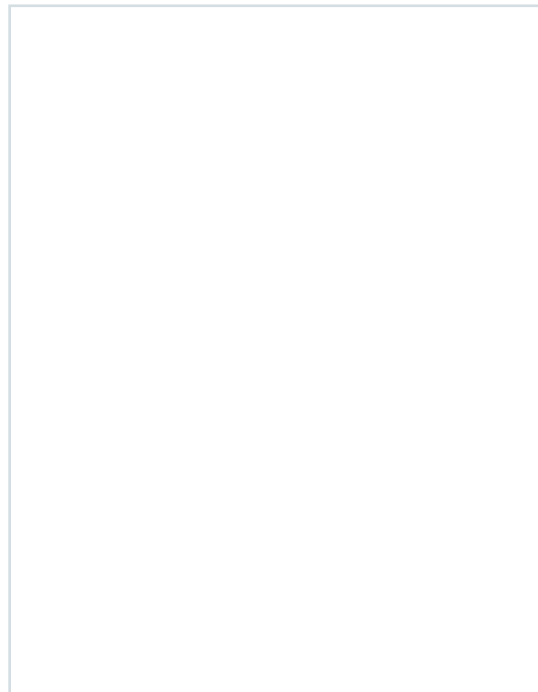
The House Judiciary Committee held a [hearing](#) on February 26, 2015, about the operations and funding of the Copyright Office and its ability to provide services to stakeholders in the digital era. At the request of the House Judiciary Committee's ranking member, the Register of Copyrights submitted a written statement for the hearing record in which she addressed relevant issues, including the possibility of establishing the Copyright Office as an independent agency within the legislative branch. Earlier in the fiscal year, members of the House Judiciary Committee had proposed doing so in a draft discussion bill, "The Copyright Office for the Digital Economy (CODE) Act." The draft bill provided that the president would appoint a Copyright Office director for one 10-year term upon the advice and consent of the Senate. In addition, it transferred administrative functions and legal duties from the Library of Congress to the Copyright Office; allowed the Copyright Office to deliver communications directly to the legislative branch free of executive review; and allowed the Copyright Office to physically move out of the Library and into a new federal building.

Studies and Analyses

The Copyright Office regularly issues studies and reports on matters of domestic and international copyright policy, often at the request of Congress. In fiscal 2015, the Office released reports on the following topics.

Document Recordation

The Office published *Transforming Document Recordation at the United States Copyright Office* in December 2014. Robert Brauneis, a law professor at George Washington University, prepared the [report](#) during his residency at the Copyright Office as the Office's first Abraham L. Kaminstein Scholar. Each year, authors, heirs, copyright owners, and others submit thousands of documents to the Copyright Office for public recordation. The documents contain information about copyright assignments, licenses, and other transactions affecting chain of title. The Office has been taking steps over the past several years to reengineer its document recordation



Recent reports published by the Copyright Office.

system; unlike copyright registration, recordation remains a paper-driven process. Brauneis oversaw a public inquiry into document reengineering in which technology experts, librarians, copyright practitioners, educators, consumer groups, authors, and others weighed in. Among its recommendations, the report advises the Office to build an electronic recordation system to parallel its registration system, a process that has already begun. In addition, the report analyzes issues such as how best to store electronic documents and make them available and how to accept and authenticate electronic signatures. Beyond recommendations, the report describes historical trends in document recordation, including increased use of copyright transfers in financial transactions, at times involving transfer of entire catalogs of works.

Music Licensing

The Office released *Copyright and the Music Marketplace* in February 2015. The [report](#) describes the aging U.S. music licensing system in the context of the needs of those who create, invest in, and license music in the 21st century. It offers preliminary recommendations for change to bring clarity and relief to songwriters, artists, publishers, record labels, and digital delivery services. The report identifies broad consensus across the music industry on key principles: creators should be fairly compensated; the licensing process should be more efficient; market participants should have access to authoritative data to identify and license sound recordings and musical works; and payment and usage information should be transparently available to rights holders. The report's recommendations address existing statutory licenses, the role of performing rights organizations, terrestrial performance rights for sound recordings, federal protection of pre-1972 sound recordings, access to music ownership data, and the concerns of songwriters and recording artists.

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Technical Upgrades

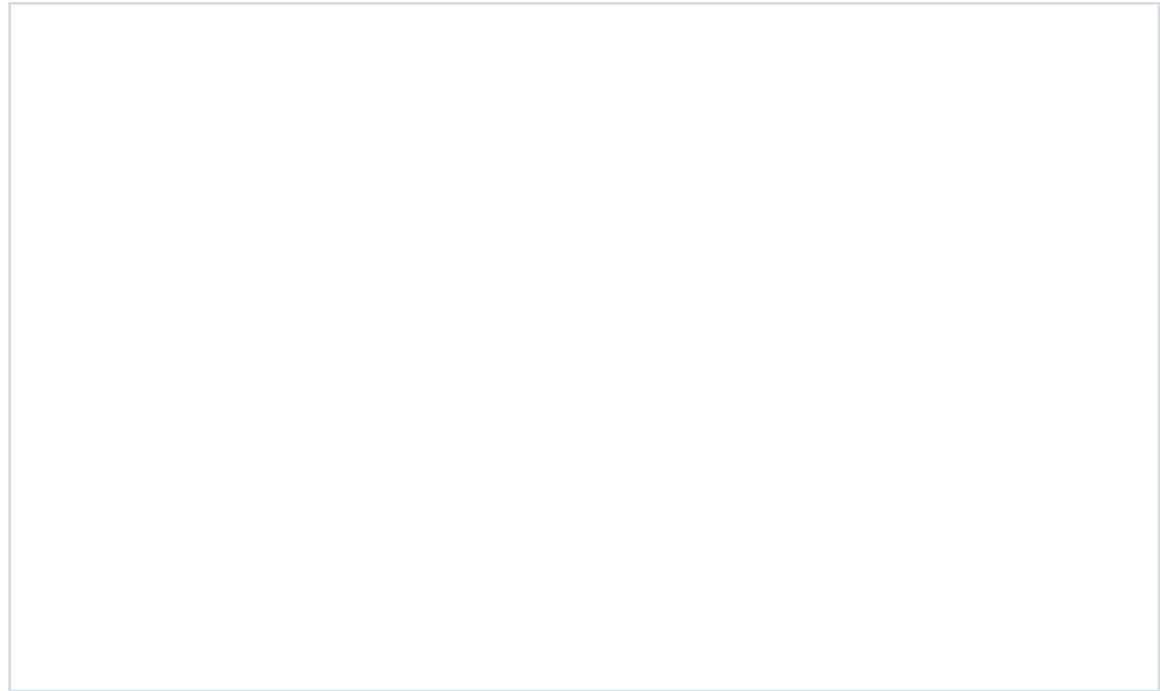
Also in February 2015, the Register of Copyrights released the *Report and Recommendations of the Technical Upgrades Special Project Team*. Announced in *Priorities and Special Projects of the United States Copyright Office, 2011–13*, the [project](#) analyzed technologies and business strategies to improve copyright registration, copyright recordation, searching of copyright records, and other key services the Office provides. The Office's chief information officer oversaw the study and the special project team that carried it out. In making its recommendations, the team drew on extensive public comments, input from business and technology experts, and its own research.

Fair Use Index

In April 2015, the Office published its *Fair Use Index* on its website. The [index](#) summarizes major fair use decisions by federal courts and is searchable by court and subject matter. It is intended to help the public understand how courts have applied the fair use doctrine to particular categories of works or types of uses. The index supports the 2013 *Joint Strategic Plan on Intellectual Property Enforcement* prepared by the U.S. Intellectual Property Enforcement Coordinator.

Orphan Works and Mass Digitization

On June 4, the Office published *Orphan Works and Mass Digitization*. Orphan works, or works whose owners cannot be identified or located for the purpose of requesting permission, have been a focus of the Copyright Office for years. The [report](#) documents the legal and business challenges faced by good-faith users who seek to use orphan works or engage in mass digitization projects, and it offers legislative recommendations suggesting a way forward while taking into account the legitimate concerns and exclusive rights of authors and other copyright owners.



Joe Keeley (left), chief counsel of the House Judiciary Committee's Subcommittee on Courts, Intellectual Property, and the Internet, and Rep. Bob Goodlatte of Virginia, chair of the House Judiciary Committee, listen to testimony at a February 26, 2015, hearing titled "The U.S. Copyright Office: Its Functions and Resources."

For orphan works, the report proposes legislation that draws on a bill the Senate passed seven years ago, albeit with updates to reflect developments since then. Regarding mass digitization, the report proposes a limited pilot program to allow the United States to gain experience with extended collective licensing, a practice in use elsewhere in the world. In June 2015, the Office invited public comments to inform its drafting of legislation proposing such a pilot program.

Making Available

The Copyright Office is [analyzing](#) how U.S. law recognizes and protects the "making available" and "communication to the public" rights for copyright holders in the digital age. Two World Intellectual Property Organization (WIPO) treaties to which the United States is a party, the

WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, require WIPO member states, including the United States, to recognize the rights of making available and communication to the public in their national laws. Specifically, the treaties obligate member states to give authors of works, producers of sound recordings, and performers whose performances are fixed in sound recordings the exclusive right to authorize the transmission of their works and sound recordings, including through interactive platforms. When the United States implemented the treaties in 1998, Congress concluded that U.S. law already provided the rights of making available and communication to the public even though the law does not explicitly reference the terms. Recently, however, some courts and commentators have expressed uncertainty about how

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existing rights apply to methods of making copyrighted works available in the digital environment. In response, Congress asked the Copyright Office to conduct a [study](#) on the rights of making available and communication to the public to determine whether U.S. law may need to be amended to strengthen or clarify these rights. In fiscal 2015, the Office considered public comments, researched how the rights have been implemented in other countries, and finalized findings in anticipation of publishing a report.

Visual Works

The Office initiated a [study](#) in fiscal 2015 to review how photographs, graphic artworks, illustrations, and certain other visual works are sold, purchased, and licensed under the Copyright Act and how copyrights to these works are registered and enforced. The Office is especially interested in the current marketplace for such works and obstacles facing authors, licensees, and owner representatives in the digital era. Building on the Office's longstanding policy interest in these types of visual works, the inquiry seeks the views of both copyright owners and users.

Trade and Foreign Relations

Lawyers in the Copyright Office's policy and international affairs group are experts in foreign copyright law and the copyright treaty obligations of the United States. They regularly participate in conferences sponsored by the World Intellectual Property Organization (WIPO), and they serve on U.S. government delegations for bilateral and regional trade and copyright treaty negotiations between the United States and other countries.

The Office continued to assist the Office of the United States Trade Representative (USTR) and other executive branch agencies in fiscal 2015 by serving

on official delegations and negotiating teams for the proposed Trans-Pacific Partnership Agreement and the Transatlantic Trade and Investment Partnership.

Under the auspices of the USTR, Office lawyers also contributed to an annual U.S. interagency review of the adequacy and effectiveness of intellectual property protection and enforcement in other countries. In addition, Office lawyers, working with interagency teams, participated in bilateral negotiations and consultations with more than 70 countries.

The Office also assisted with World Trade Organization trade policy reviews and participated in interagency meetings to advise on U.S. ratification of two WIPO treaties: the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled, adopted by WIPO member states in 2013, and the Beijing Treaty on Audiovisual Performances, adopted in 2012. Office lawyers also briefed congressional staff on implementation of the treaties.

Litigation Activities

Throughout fiscal 2015, the Copyright Office assisted the U.S. Department of Justice on important court cases. Office lawyers helped the department respond to the request of the U.S. Supreme Court for the views of the government on whether it should hear Google's appeal in *Google, Inc. v. Oracle America, Inc.* The litigation arose after Google copied portions of original software code written in the Java programming language owned by Oracle, contending that the copied code was not protected under the Copyright Act. Oracle sued Google. The district court ruled in Google's favor, but the appeals court reversed, finding in favor of Oracle. The government's amicus brief recommended that the Court decline to review the case and addressed copyright

protection for original software code that defines and organizes sets of functions useful in writing computer programs. In June 2015, the Supreme Court declined to hear Google's appeal.

Administrative Law

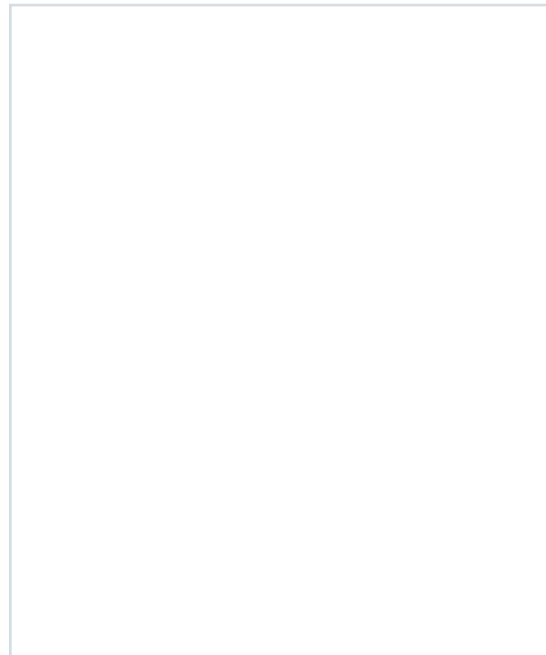
The Copyright Office carries out an administrative law practice pursuant to its technical and substantive authority under the Copyright Act and other provisions of Title 17. Among other duties, the Register of Copyrights conducts rulemakings, implements regulations, and publishes practices related to copyright registration, documents recordation, and administration of statutory licenses.

In fiscal 2015, the Office continued the [sixth triennial rulemaking](#) proceeding under section 1201 of the copyright law. Section 1201 provides that, upon the recommendation of the Register of Copyrights, the Librarian of Congress may designate certain classes of works as exempt from the prohibition against circumventing technological measures that control access to copyrighted works. The Office received 44 petitions proposing exemptions in fiscal 2015. It grouped the proposals into classes and published them, inviting written comments. Nearly 40,000 were received. In May 2015, the Office held public hearings in Los Angeles and Washington, D.C., at which 63 witnesses testified.

The Office adopted a [new rule](#) in fiscal 2015 to encourage those who submit copyright-related documents for recordation to include a cover sheet with their submissions. The rule also allows remitters to submit long title lists in electronic format; to submit corrections to title lists using a new procedure; and to request return receipts acknowledging that the Office has received their submissions. The Office also established a fee of \$7 for each corrected title.

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In fiscal 2015, the Register of Copyrights issued two legal opinions on questions referred to her by the Copyright Royalty Judges. They administer proceedings to adjust royalty rates and distribute royalty payments for various copyright statutory licenses. When they encounter a novel material question of substantive law during a proceeding, they must refer the question to the Register of Copyrights for a resolution. The Register resolved a question related to the authority of the judges to issue a clarifying interpretation of regulations adopted under a rate-making determination. In addition, she issued an opinion on the manner and extent to which the Copyright Act bars the judges from admitting into



Guy Messier (center) of the Visual Arts Division explains visual arts registration to participants in a Copyright Office tour.

evidence or otherwise considering provisions contained in settlement agreements reached pursuant to the Webcaster Settlement Act of 2009.

Acquisition of Copyrighted Works

Through the registration and mandatory deposit provisions of the copyright law, the Copyright Office acquires published copyrighted works that the Library of Congress can select for its collections. Mandatory deposit requires owners of copyrightable works published in the United States to submit copies of their works within three months of publication. The Copyright Office forwarded more than 660,000 copies of works with a net value of \$35.7 million to the Library's collections in fiscal 2015; more than 390,000 of these copies were received from publishers through mandatory deposit.

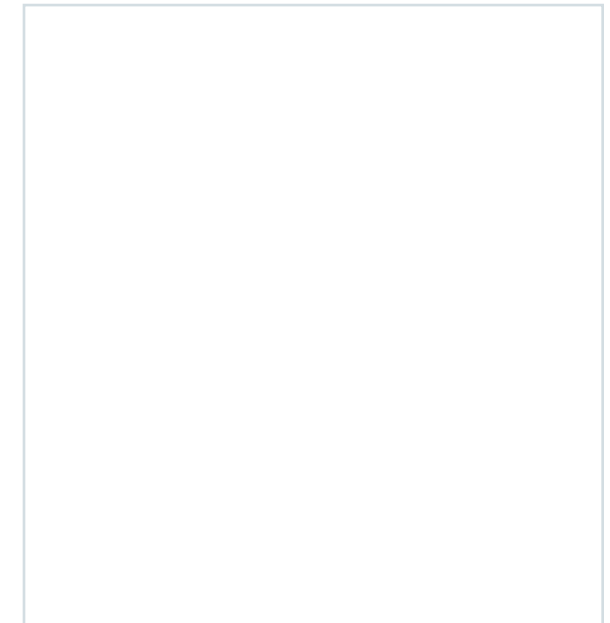
Special Projects

The Copyright Office completed key projects that the Register of Copyrights announced in *Priorities and Special Projects of the United States Copyright Office* and made important progress on others. Findings from the projects will inform a new multiyear strategic plan the Office is preparing.

Compendium of Copyright Office Practices

The third edition of the [Compendium](#) of U.S. Copyright Office Practices took effect on December 22, 2014, the date the Office published it on its website. The Office released a public draft for comment four months prior and took into account the comments received. The *Compendium* is the administrative manual of the Copyright Office regarding its statutory duties under the Copyright Act. It also serves as a guidebook for authors, copyright owners,

practitioners, the courts, and others. The new edition is the first comprehensive revision of the *Compendium* in three decades. Like its predecessors, it addresses fundamental principles of copyright law, such as standards of copyrightability, joint authorship, and terminations of transfers. In addition, it deals with matters related to fees, records retrieval, litigation documents, and other procedural issues. The Office anticipates that the new edition will provide a basis for further discussions about registration and recordation policy, especially in relation to the digital environment.



Songwriter Marv Green (standing) performed for the Copyright Office staff on May 21, 2015, during an event sponsored by the Nashville Songwriters Association International.

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Technical Upgrades

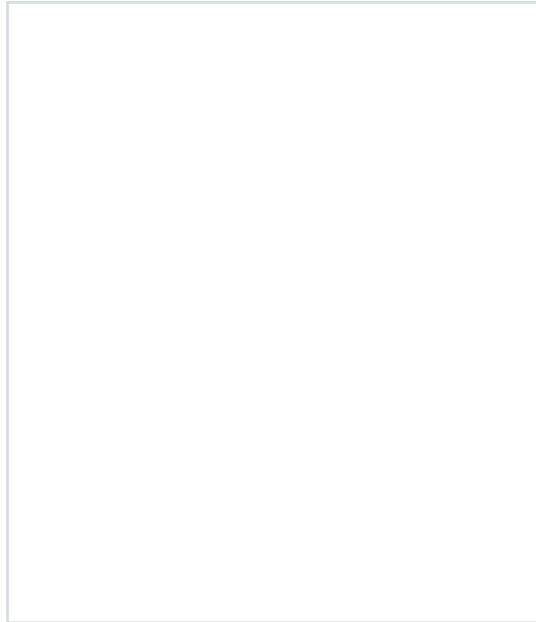
As stated above, the Register of Copyrights released the *Report and Recommendations of the Technical Upgrades Special Project Team* in February 2015. During the fiscal year, the Office's information technology staff also retired legacy systems and improved the functionality of the Office's online work processing systems, among other achievements. In May, the Office implemented a technology to permit staff who interact with the public on the telephone to answer and transfer calls, access voice mail, and conduct phone conferences while teleworking. This capability enables the Office to continue to serve the public during conditions that close physical offices.

Reengineering of Document Recordation

The Office continued in fiscal 2015 to reengineer its document recordation system. It completed migration of recordation-related records from legacy computer systems to its existing online system for providing copyright services, and it began to accept lists of a hundred titles or more on flash drives following adoption of a new rule allowing remitters to submit long title lists in electronic format. In addition, the Office awarded contracts to support recordation reengineering, including multiyear planning.

Public Access to Historical Records

In December 2014, the Office completed digitization of 35.8 million pre-1978 records from its card catalog as part of a multiyear project to make historical copyright records created between 1870 and 1977 accessible online. Post-1978 records are already searchable on the Office's website. In fiscal 2015, the Office tested application of optical character recognition to the digitized cards from 1971 to 1977. Taking into account the findings, the Office awarded a contract at the end of the fiscal year to expand the optical character recognition process.



Kevin Amer of the Office of Policy and International Affairs speaks with publishing professionals from the Kyrgyz Republic on May 5, 2015.

Skills Training

Through the Copyright Academy, a staff training program, the Office offered a 14-week copyright law class for staff in the Registration Program and the Public Information Office. Topics covered included works made for hire, collective works, the Digital Millennium Copyright Act, and fair use.

The Office continued its series of afternoon programs to expand the knowledge of staff about copyright and the Office's initiatives. Topics featured included intellectual property protection for fashion designs and the activities of the Office of Policy and International Affairs.

In addition, the Register of Copyrights continued the "Copyright Matters" lecture series to acquaint staff and others with the practical implications of copyright law. In fiscal 2015, the Office offered a major program recognizing World Intellectual Property Day in which presenters explored the theme of music and copyright, including ways that musicians and composers create in the modern age.

Staffing

The Register continued in fiscal 2015 to build a leadership team, appointing five senior staff members. In January, Sarang Damle was named deputy general counsel. Previously, he was special advisor to the general counsel. Also in January, Maria Strong was appointed deputy director of policy and international affairs; since 2010, she had been senior counsel for policy and international affairs. Catherine R. Rowland became senior advisor to the Register of Copyrights in February; previously, she was senior counsel for policy and international affairs and attorney-advisor. Ricardo Farraj-Feijoo was named director of the Copyright Technology Office in February. Previously, he was director of information technology services at the U.S. Department of Commerce. In April, Erik Bertin was named deputy director for registration policy and practice; he had been assistant general counsel and attorney-advisor for policy and international affairs.

In May 2014, the Copyright Office announced the appointments of Rachel Fertig and Andrew Moore as fellows in the Barbara A. Ringer Copyright Honors Program, which invites applications from recent law school graduates and other lawyers in the early stages of their careers. Fertig will work in the Office of the General Counsel; Moore will support the Office of Policy and International Affairs.

Zvi Rosen of Hofstra University was named the 2015–16 Abraham L. Kaminstein Scholar in Residence. The Kaminstein Program allows the Register to bring leading academics to the Copyright Office to work on mutually beneficial projects. Rosen is focusing on newly digitized pre-1978 copyright records, investigating ways to apply metadata to the records to make them searchable and researching standards for access.

The Office's Registration Program added to its staff 13 new examiners and appointed two attorney-advisors, two supervisors, and two problem resolution specialists.

REGISTRATION AND RECORDATION

123,112

Performing
arts works and
sound recordings
registered

181,455

Literary works
registered

89,229

Visual arts works
registered

The Copyright Office registers creative works and records copyright-related documents for the benefit of owners and users of copyrighted works. It does so under provisions of U.S. copyright law and according to Office regulations.

Registration

The Copyright Office's Registration Program is made up of the Literary, Performing Arts, and Visual Arts Divisions. Staff in these divisions examine creative works of authorship to determine whether they are copyrightable and whether claimants have complied with copyright law and regulations.¹

The Registration Program closed 518,229 claims in fiscal 2015. The year started with 209,504 open claims on hand in the online registration system; 49,355 of those awaited additional information from applicants before staff could finish examining them. The year ended with 249,347 claims on hand in the system, 33,405 of which required more information from applicants.

The increase in claims on hand arose mainly because of staff retirements, temporary staff reassignments to other positions in the Office, and a nine-day shutdown of the electronic registration system that occurred when the Library of Congress was unable to bring back online a data center hosting Copyright Office systems after routine maintenance. During the outage, applicants

could not file new applications using the online registration system, and Office staff could not access most of the internal registration functions.

Some registrations had to be processed outside the online system, because it does not yet accommodate all registration options. Fiscal 2015 began with 2,402 such claims awaiting examining and 14,533 requiring cataloging. At year's end, 747 claims awaited examining and 69 required cataloging.

¹ Under the law, the Office also registers claims in mask works and vessel designs. In fiscal 2015, the Office registered 58 mask works and 11 vessel designs.

Refusals to Register

The Copyright Office is required to refuse to register a claim to copyright when it determines that the material submitted does not constitute copyrightable subject matter or for other legal or procedural reasons. In fiscal 2015, it rejected 11,940 claims.

Applicants whose claims for registration are rejected can seek two levels of appeal. Senior staff in the Registration Program consider first appeals. If a refusal is upheld, the applicant can bring a request for a second consideration to the Copyright Office Review Board, made up of the Register of Copyrights, the general

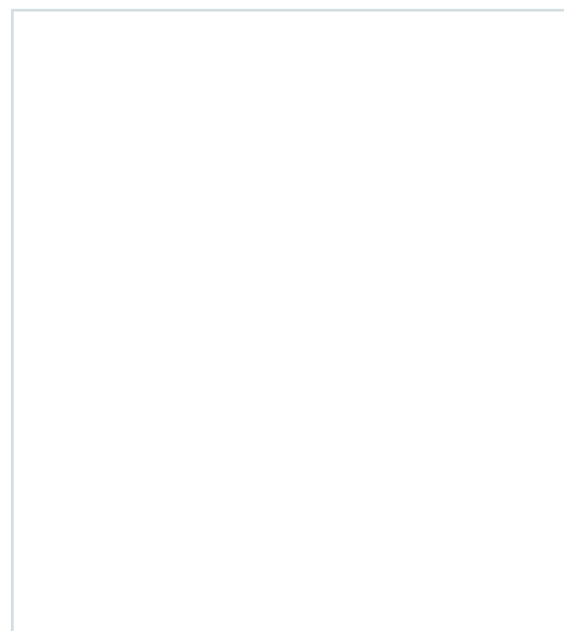
counsel, and the director of registration policy and practice, or their designees.

Recordation

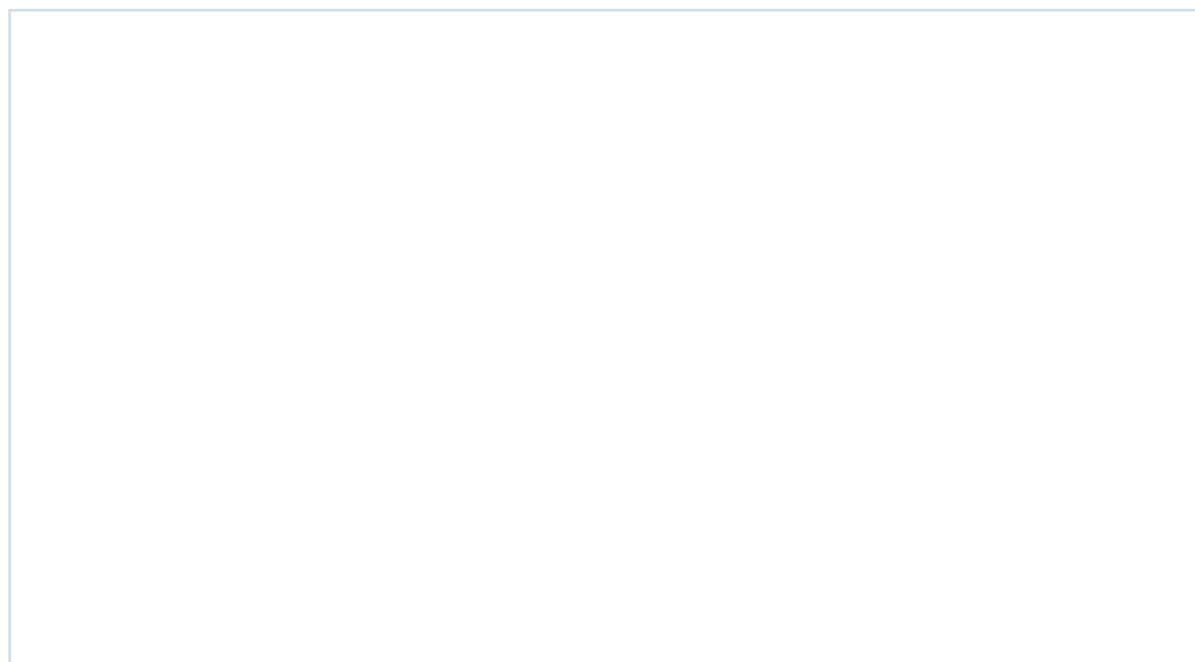
Each year, authors, heirs, copyright owners, and others submit thousands of documents to the Copyright Office for public recordation. The documents contain information about copyright assignments, licenses, and other transactions related to chain of title. In fiscal 2015, the Office recorded 8,484 documents containing titles of nearly 280,000 works.

Online Service Provider Designations of Agent

Congress amended the copyright law in 1998 to limit potential liability of service providers for copyright infringement for certain activities carried out on their systems or networks. A service provider must file a statement identifying an agent to receive notification of claims of infringement and also post the information on its publicly accessible website. The Office processes these online service provider designations of agents and makes them available on its website. In fiscal 2015, the Office posted 734 agent designations on the directory.



Aaron Watson of the Office of Policy and International Affairs speaks with Algerian cultural advocates sponsored by the State Department on March 18, 2015.



From left, Sandra Aistars of the Copyright Alliance and Erik Bertin, Catherine Rowland, and Sy Damle of the Copyright Office discuss music and copyright on April 28, 2015, during a “Copyright Matters” event marking World Intellectual Property Day.

STATUTORY LICENSING

The Copyright Office administers copyright statutory licenses, several of which require it to manage and disperse private monies. The Office's Licensing Division collects royalty fees from cable operators, satellite carriers, and importers and manufacturers of digital audio recording devices, investing the fees in interest-bearing securities with the U.S. Treasury. The fees, less reasonable operating costs, are distributed to copyright owners. The division also handles other matters related to administration of the statutory licenses.

Since 2005, the Copyright Royalty Board, an independent and separate unit of the Library of Congress, has set royalty rates and determined terms and conditions for use of the licenses. The board also rules on royalty allocations among copyright owners.

Royalty Collections and Distribution

In fiscal 2015, the Licensing Division collected nearly \$314 million in royalties from users of copyright statutory licenses. More than 70 percent of the fees collected came from cable television companies, which rely on one of the statutory licenses to clear rights to content they retransmit to viewers. Satellite carriers and importers and manufacturers of digital recording devices submitted the remainder.

In accordance with rulings of the Copyright Royalty Board, the Office made seven separate distributions in fiscal 2015 totaling more than \$378 million collected in previous years.

The law requires the Copyright Office to compile and audit financial statements for royalty fees on a calendar-year basis. The total royalty receipts and distributions shown in calendar-year statements vary from fiscal-year totals. The appendices to this report include calendar-year 2014 financial statements; calendar-year 2015 statements will appear in the fiscal 2016 report.

"If our nation is to have a strong copyright system, we, in Congress, must restructure the Copyright Office."

— REP. JOHN CONYERS
HOUSE JUDICIARY COMMITTEE HEARING
APRIL 29, 2015

\$314 million
Royalty fees
collected

Licensing Reengineering

The Copyright Office is reengineering the Licensing Division to improve efficiency and public access to licensing records. The project involves building a new electronic system for filing, processing, searching, and archiving statements of account.

In fiscal 2015, the Office made progress toward building the infrastructure for a new electronic filing system to be fully hosted in the public cloud. Staff and contractors completed and updated analyses, plans, and documents related to functional requirements, business processes, information technology security, and software installation. In addition, the Office completed

a second pilot test of the new system; the first occurred in 2014. Taking into account findings from the first pilot, the Office tested aspects of the system, including user account creation and batch filing of multiple licensing statements of account.

The STELA Reauthorization Act of 2014 called for a study by the Government Accountability Office that includes considering whether to phase out the cable and satellite statutory licenses in the copyright law. The Copyright Office answered questions and provided data about the operation of the licenses in relation to this inquiry.

INFORMATION AND EDUCATION

4,900

Number of
visitors to the
Public Information
Office

“[I]t has become clear to me that the intelligent and connected world we live in depends heavily upon the creativity and discipline of authors.”

—REGISTER OF COPYRIGHTS
HOUSE JUDICIARY COMMITTEE HEARING
APRIL 29, 2015

112,097

Number
of telephone
inquiries

The Copyright Office disseminates information about the copyright law and copyright services, educates the public, and responds to requests for information.

Copyright Office Website

Through the website, the public can learn about the copyright law and the Office's services and search copyright records. The website is also the portal to the electronic system through which users can register claims and upload copies of their works. In fiscal 2015, Copyright Office information technology staff

upgraded the architecture of the website and introduced improvements allowing users to locate material more quickly and easily. Compared with fiscal 2014, use of the website increased by 5.6 percent in fiscal 2015, with 55 million page views.

Public Information

The Office accommodated 174,306 requests from the public for copyright information in fiscal 2015. Requests came by email, regular mail, and telephone, and 4,900 individuals visited the Office. In addition, the Office

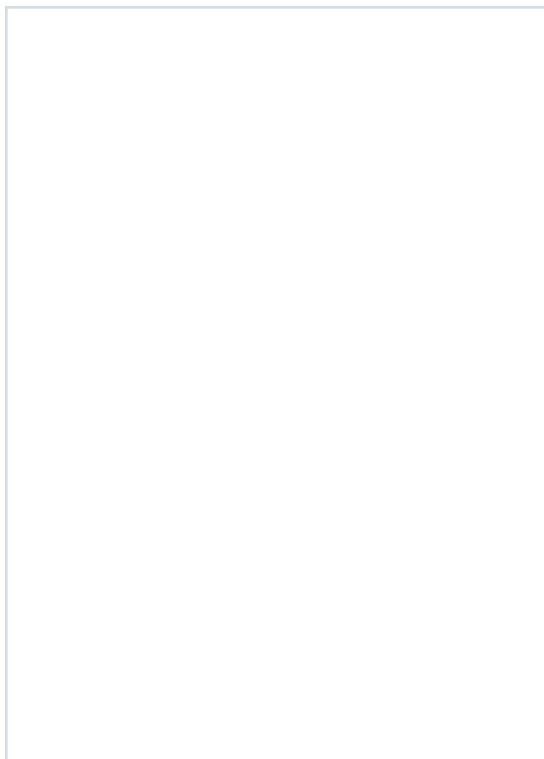
responded to more than 8,750 requests for printed materials.

The Office distributed 34 issues of *NewsNet*, an electronic news service covering legislative and regulatory developments and general Copyright office news, to more than 23,000 subscribers in fiscal 2015.

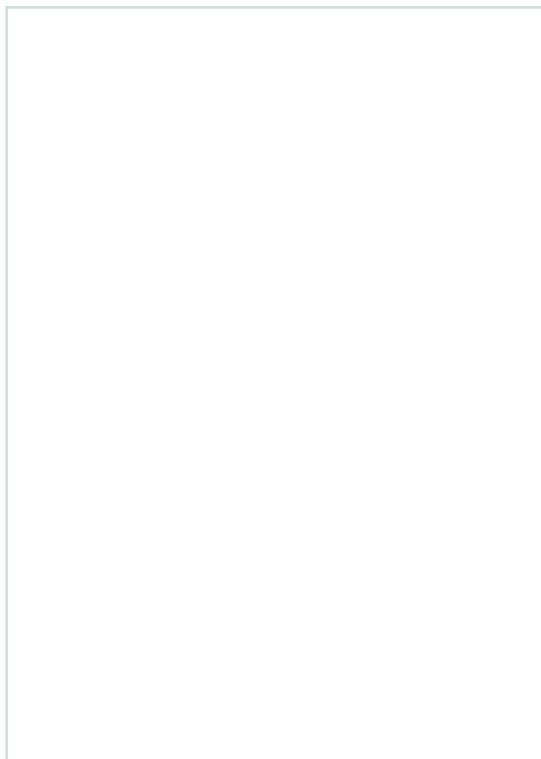
Outreach

The Register of Copyrights made presentations and served as the keynote speaker at multiple domestic and international events and symposia. She and other

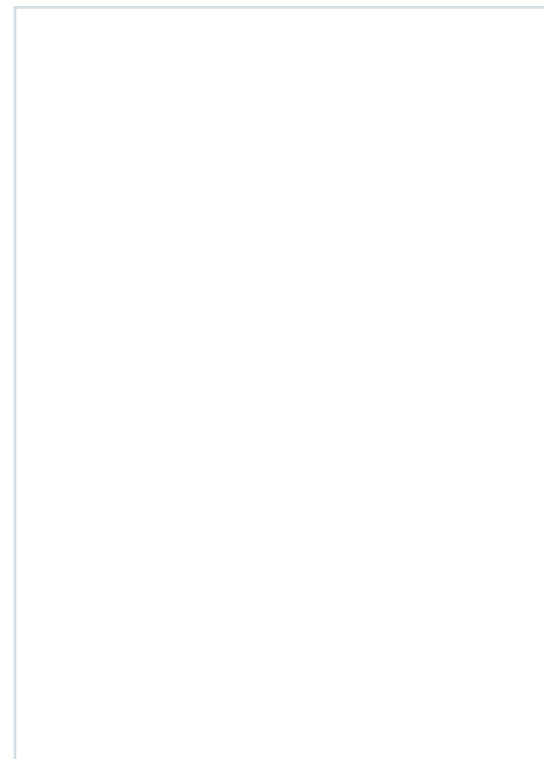
INFORMATION AND EDUCATION



Sandra Ware of the Visual Arts Division shows copyright deposits to a Ukrainian visitor to the Copyright Office on February 9, 2015.



Heather Wiggins of the Literary Division speaks to visiting students from George Mason University Law School on November 14, 2014.



Kim Brown (standing) and Daniel Schwarz (sitting) of the In-Processing Section discuss the section's work with visitors from the American Society of Media Photographers on November 10, 2014.

Copyright Office lawyers also spoke at law schools and annual law and trade association meetings.

Among her presentations, the Register delivered the keynote address at the annual breakfast of the GRAMMY Foundation's Entertainment Law Initiative, held in New York City in October. In June, she presented "A View from the Copyright Office" at the annual meeting of the Copyright Society of the U.S.A. in Newport, Rhode Island. Senior policy and legal

staff participated in "The Copyright Office Comes to California" seminars in Los Angeles and San Francisco. In addition, they spoke at conferences nationwide on topics including congressional copyright law review, music and copyright, resale royalty rights for visual arts, international copyright treaties, and copyright in library and educational settings.

Office staff welcomed visitors from Algeria, Bangladesh, Botswana, China, Colombia, Egypt, Germany,

India, Indonesia, Jamaica, Kosovo, Kyrgyz Republic, Mexico, Netherlands, Nigeria, Pakistan, Paraguay, Peru, Switzerland, Taiwan, and Turkey.

Copyright Office lawyers also traveled to meet with copyright officials in Canada, China, Colombia, the European Union, Korea, and the United Kingdom.

APPENDICES

“The House Judiciary Committee’s copyright review is focused on determining whether our copyright laws are still working in the digital age to reward creativity and innovation in order to ensure these crucial [copyright] industries can thrive.”

— JOINT STATEMENT OF REP. BOB GOODLATTE
AND REP. JOHN CONYERS
SEPTEMBER 10, 2015

\$27.6 million
Receipts from
copyright
registrations

Funding

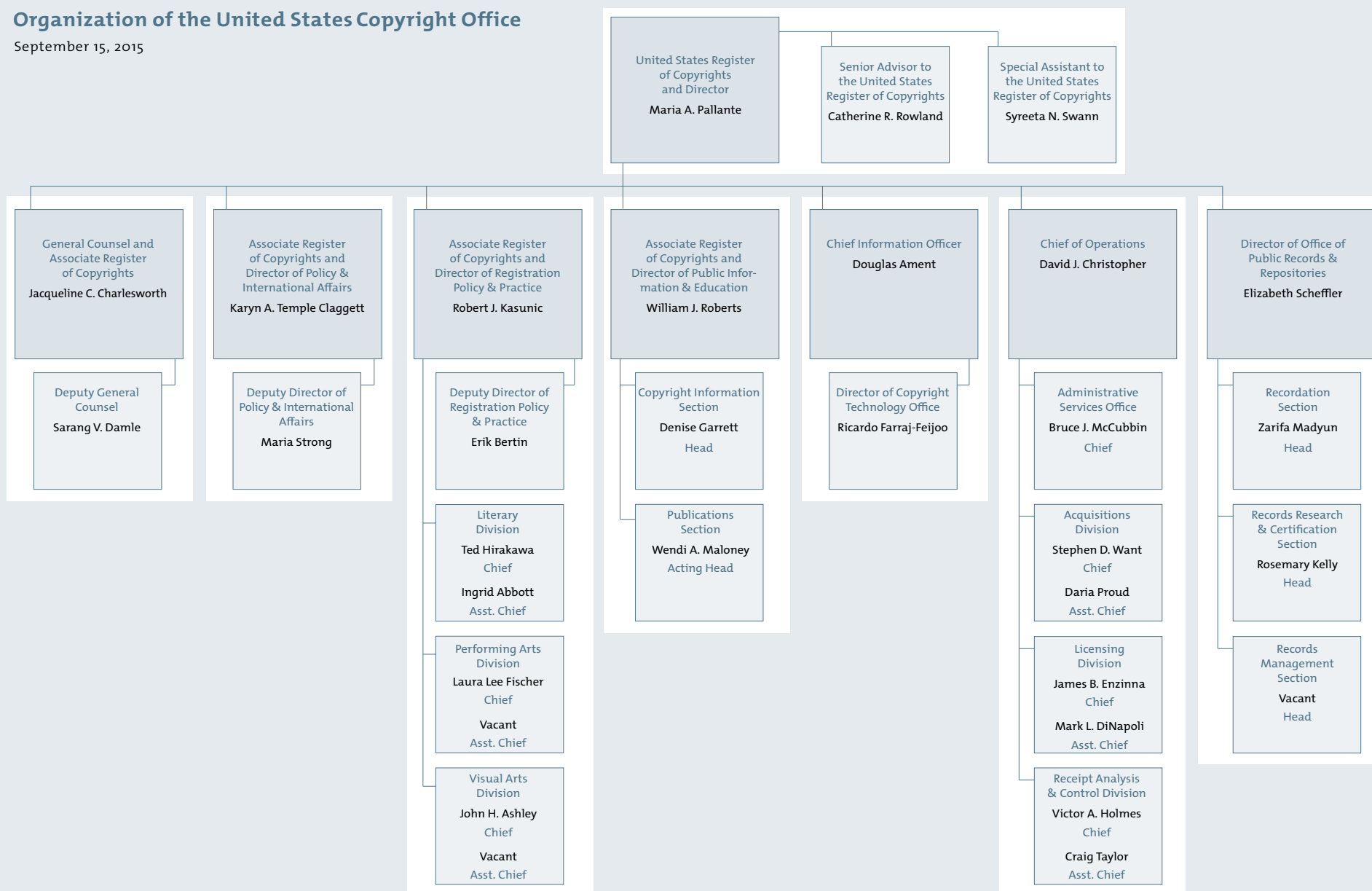
About 60 percent of the Copyright Office’s annual budget comes from fees for services, collected by the Office on a partial cost recovery basis. Each year, Congress determines what portion of the Office’s income it can spend. The Office receives the remainder of its funding from federal appropriations.

The Office’s total basic appropriation for fiscal 2015 was \$47.54 million; it derived from two revenue sources: net appropriations from the U.S. Treasury in the amount of \$19.57 million and authority to spend user fees and prior-year reserves in the amount of \$27.97 million. The Office’s Licensing Division was fully funded from user

fees and withdrawals from royalty pools in the amount of \$5.23 million.

Organization of the United States Copyright Office

September 15, 2015



Registrations, 1790–2015

<i>Date</i>	<i>Total</i>	<i>Date</i>	<i>Total</i>	<i>Date</i>	<i>Total</i>	<i>Date</i>	<i>Total</i>	<i>Date</i>	<i>Total</i>
1790–1869	150,000 ¹	1901	93,299	1933	139,361	1965	293,617	1996	550,422
1870	5,600	1902	93,891	1934	141,217	1966	286,866	1997	569,226
1871	12,688	1903	99,122	1935	144,439	1967	294,406	1998	558,645
1872	14,164	1904	104,431	1936	159,268	1968	303,451	1999	594,501
1873	15,352	1905	114,747	1937	156,930	1969	301,258	2000	515,612
1874	16,283	1906	118,799	1938	168,663	1970	316,466	2001	601,659
1875	16,194	1907	124,814	1939	175,450	1971	329,696	2002	521,041
1876	15,392	1908	120,657	1940	179,467	1972	344,574	2003	534,122
1877	16,082	1909	121,141	1941	180,647	1973	353,648	2004	661,469
1878	16,290	1910	109,309	1942	182,232	1974	372,832	2005	531,720
1879	18,528	1911	115,955	1943	160,789	1975	401,274	2006	520,906
1880	20,993	1912	121,824	1944	169,269	1976	410,969 ²	2007	526,378
1881	21,256	1913	120,413	1945	178,848	1976	108,762 ²	2008	232,907 ⁵
1882	23,141	1914	124,213	1946	202,144	1977	452,702	2009	382,086
1883	25,892	1915	116,276	1947	230,215	1978	331,942	2010	636,527
1884	27,727	1916	117,202	1948	238,121	1979	429,004	2011	670,044
1885	28,748	1917	112,561	1949	201,190	1980	464,743	2012	509,112
1886	31,638	1918	107,436	1950	210,564	1981	471,178	2013	496,599
1887	35,467	1919	113,771	1951	200,354	1982	468,149	2014	476,298
1888	38,907	1920	127,342	1952	203,705	1983	488,256	2015	443,823
1889	41,297	1921	136,765	1953	218,506	1984	502,628	Total	36,886,893
1890	43,098	1922	140,734	1954	222,665	1985	540,081 ³		
1891	49,197	1923	151,087	1955	224,732	1986	561,208 ³		
1892	54,741	1924	164,710	1956	224,908	1987	582,239 ³		
1893	58,957	1925	167,863	1957	225,807	1988	565,801		
1894	62,764	1926	180,179	1958	238,935	1989	619,543 ⁴		
1895	67,578	1927	186,856	1959	241,735	1990	643,602		
1896	72,482	1928	196,715	1960	243,926	1991	663,684		
1897	75,035	1929	164,666	1961	247,014	1992	606,253		
1898	75,634	1930	175,125	1962	254,776	1993	604,894		
1899	81,416	1931	167,107	1963	264,845	1994	530,332		
1900	95,573	1932	153,710	1964	278,987	1995	609,195		

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.

³ The totals for 1985–87 were corrected as of the fiscal 2004 annual report to include mask works registrations.

⁴ The total for 1989 was corrected as of the fiscal 2004 annual report to be consistent with the fiscal 1989 table of “Number of Registrations by Subject Matter.”

⁵ Implementation of reengineering resulted in a larger than normal number of claims in process, temporarily reducing the total claims completed and registered.

APPENDICES

Number of Registrations by Subject Matter, Fiscal 2015

<i>Category of Material</i>	<i>Published</i>	<i>Unpublished</i>	<i>Total</i>
Nondramatic literary works:			
<i>Monographs and computer-related works</i>	126,333	49,160	175,493
Serials:			
<i>Serials (nongroup)</i>	7,515	-	7,515
<i>Group daily newspapers</i>	3,109	-	3,109
<i>Group serials</i>	44,498	-	44,498
Total Literary Works	181,455	49,160	230,615
Works of the performing arts, including musical works, dramatic works, choreography and pantomimes, and motion pictures and filmstrips	43,570	36,565	80,135
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	50,420	38,809	89,229
Sound recordings	13,414	29,563	42,977
Total Basic Registrations	288,859	154,097	442,956
Renewals	798		798
Mask work registrations	58		58
Vessel design registrations	11		11
Grand Total All Registrations			443,823
Preregistrations			771
Documents Recorded			8,484

Dineda Nyepan (top) of the Office of Public Information and Education explains improvements to the Copyright Office website during an afternoon staff development program. KanKan Yu (bottom) of the Copyright Technology Office briefs staff about an update to the Office's electronic registration processing system.

APPENDICES

Financial information published in this table is unaudited.

Fee Receipts and Interest, Fiscal 2015

<i>Fees</i>	<i>Receipts Recorded¹</i>
Copyright registrations	\$27,574,008
Mask works registrations	\$9,840
Vessel design registrations	\$6,320
Renewal registrations	\$21,042
Subtotal	\$27,611,210
<hr/>	
Recordation of documents	\$2,227,254
Certifications	\$576,301
Searches	\$41,607
Special handling/expedited services	\$2,115,290
Preregistrations	\$122,710
Other services	\$425,675
Subtotal	\$5,508,836
<hr/>	
Total Receipts Recorded	\$33,120,046
<hr/>	
Fee Receipts Applied to the Appropriation	\$33,206,666
Interest Earned on Deposit Accounts	\$624
Fee Receipts and Interest Applied to the Appropriation²	\$33,207,290

Audrey Miller of the Copyright Technology Office supervises staff who help callers seeking technical assistance to register copyright claims.

¹ "Receipts Recorded" are fee receipts entered into the Copyright Office's systems.

² "Fee Receipts and Interest Applied to the Appropriation" are income from fees and deposit account interest that were fully cleared for deposit to the Copyright Office appropriation account within the fiscal year. The amount of "Fee Receipts Applied to the Appropriation" during the fiscal year does not equal the "Total Receipts Recorded," because some receipts recorded at the end of a year are applied in the next fiscal year.

Estimated Value of Materials Transferred to the Library of Congress, Fiscal 2015

	<i>Registered works transferred</i>	<i>Nonregistered works transferred</i>	<i>Total works transferred</i>	<i>Average unit price</i>	<i>Total value of works used by Library</i>
Books^{1,2}	156,176	104,965	261,141		\$17,987,920
Hardbound	48,440	19,792	68,232	\$92.32	\$6,299,178
Softbound	83,173	14,065	97,238	\$46.26	\$4,498,230
eBooks (ProQuest)	24,563	22,354	46,917	\$5.16	\$242,092
eBooks (special relief)	0	48,754	48,754	\$142.52	\$6,948,420
Serials¹	81,182	280,370	361,552		\$14,011,796³
Periodicals ⁴	81,151	224,346	305,497	\$52.76	\$11,282,615
Newspapers ¹	31	36,720	36,751	\$1.50	\$38,589
eSerials	0	19,304	19,304	\$139.38	\$2,690,592
Microforms	1,921	4,395	6,316		\$941,291
Microfilm	1,901	4,372	6,273	\$150.00	\$940,950
Microfiche	20	23	43	\$7.93	\$341
Motion pictures	5,904	0	5,904		\$2,071,019
Film—35mm/70mm/IMAX® B	108	0	108	\$13,020.00	\$1,406,160
Film—16mm	0	0	0	\$1,500.00	\$0
Videotape	5,796	0	5,796	\$114.71	\$664,859
CD/DVDs	21,065	1,256	22,321	\$25.00	\$558,025
Printed music	1,048	1,068	2,116	\$61.54	\$130,219
Maps	312	58	370	\$48.08	\$17,790
Prints, posters, photographs, and works of art	500	148	648	\$39.09	\$25,330
Total	268,108	392,260	660,368		\$35,743,390

Historical copyright bills and documents.

- ¹ As of 2010, categories were changed to match format codes in the Copyright Office's eCO system. "Newspapers" and "Film-35mm/70mm/MAX" that year showed substantially fewer works than in previous years where an arithmetical calculation was used. Books and serials showed an increase, partly due to counting published "Dramas" under "Books," as well as increased productivity.
- ² 60 percent of "Books" are selected for the collections; 40 percent are used for the Library's exchange program.
- ³ In the "Serials" category, 70 percent of periodicals and newspapers are selected for the collections; 100 percent of electronic serials are selected. The total value has been adjusted accordingly.
- ⁴ The figure for nonregistered "Periodicals" includes: (1) an estimate based on average loads in hampers delivered to Library processing and custodial divisions and (2) a count of serials issues checked in through the Copyright Acquisitions Division. For the estimated portion, there was an earlier change in physical method of delivery, which decreased the average amount per hamper. The figures above reflect a reasonable estimate of current receipts per hamper and will be regularly reviewed.

APPENDICES

Nonfee Information Services to Public, Fiscal 2015

Public Information and Education/Public Records and Repositories Direct Reference Services

In person	4,900
By correspondence	4,919
By email	23,912
By telephone	71,424
Total	105,155

Office of the General Counsel Direct Reference Services

By correspondence	152
By telephone	49
Total	201

Receipt Analysis and Control Division Services

By correspondence	3,450
By email	13,966
By telephone	8,187
Total	25,603

Licensing Division Direct Reference Services

By correspondence or email	1,047
By telephone	1,318
Total	2,365

Acquisition Division Direct Reference Services

By correspondence or email	0
By telephone	30
Total	30

eCO Service Help Desk

By email	14,763
By telephone	31,089
Total	45,852

Grand Total Direct Reference Services	179,206
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Top, Katherine Alvarez of the Office of Policy and International Affairs discussed her office's activities with representatives of the Nigerian Copyright Commission on January 20, 2015. Bottom, Rachel Fertig (left) and Michelle Choe, fellows in the Barbara A. Ringer Copyright Honors Program, confer about a project.

APPENDICES

Financial information published in this table is unaudited, and numbers are rounded.

Financial Statement of Royalty Fees for Compulsory Licenses for Secondary Transmission by Cable Systems for Calendar Year 2014

Royalty fees deposited	\$237,594,011
Interest income	\$1,044,179
Gain on matured securities	\$1,426
Transfer in	\$613
Copyright Royalty Judges' filing fees	\$3,150
Statements of Account filing fees	\$1,447,820
Total	\$240,091,199

Less:

Licensing operating costs	\$2,221,064
Estimated licensing operating costs	\$1,540,540
Statements of Account Filing Fees	\$1,447,820
Refunds issued	\$371,847
Cost of investments	\$233,132,941
Cost of initial investments	\$876,160
Copyright Royalty Judges' operating costs	\$12,332
Estimated Copyright Royalty Judges' operating costs	\$71,660
Copyright Royalty Judges' Filing Fees	\$3,150
Transfers out	\$132,162
Total	\$239,809,676

Balance as of September 30, 2015	\$281,523
Plus: Face amount of securities due	\$233,134,529

Cable Royalty Fees for Calendar Year 2014 Available for Distribution by the Library of Congress	\$233,416,052
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Top, John Saint Amour (center) of the Office of Public Information and Education speaks with members of the American Society of Media Photographers on March 30, 2015. Bottom, Beth Garner (left) and Larisa Pastuchiv of the Visual Arts Division explain copyright registration to George Washington University Law School students on October 28, 2014.

APPENDICES

Financial information published in this table is unaudited, and numbers are rounded.

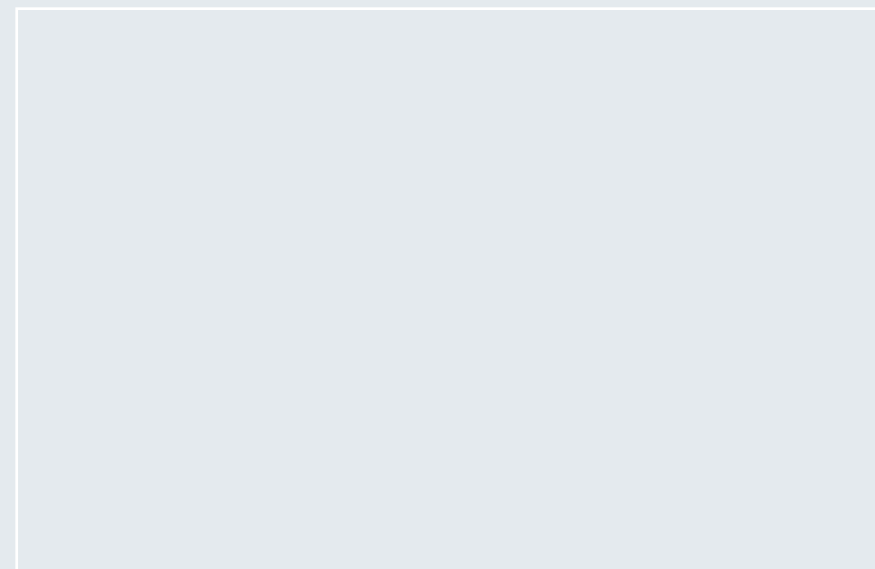
Financial Statement of Royalty Fees for Statutory Obligations for Distribution of Digital Audio Recording Equipment and Media for Calendar Year 2014

Royalty fees deposited	\$366,760
Interest income	\$0
Gain on matured securities	\$16
Total	\$366,776

Less:	
Licensing operating costs	\$80,224
Cost of investments	\$69,020
Cost of initial investments	\$186,368
Copyright Royalty Judge operating costs	\$20,901
Estimated Copyright Royalty Judges' operating costs	\$110
Distribution of fees	\$4,797
Total	\$361,420

Balance as of September 30, 2015	\$5,357
Plus: Face amount of securities due	\$186,369

Audio Home Recording Act Royalty Fees for Calendar Year 2014	
Available for Distribution by the Library of Congress	\$191,726



Tracie Coleman of the Licensing Division shares insights with participants in a career development program on September 10, 2015.

APPENDICES

Financial information published in this table is unaudited, and numbers are rounded.

Financial Statement of Royalty Fees for Statutory Licenses for Secondary Transmission by Satellite Carriers for Calendar Year 2014

Royalty fees deposited	\$81,011,632
Interest income	\$156,120
Gain on matured securities	\$4,276
Statements of Account Filing Fees	\$5,075
Total	\$81,177,103

Less:

Licensing operating costs	\$53,452
Estimated operating costs	\$90,440
Statements of Account Filing Fees	\$5,075
Cost of investments	\$80,817,599
Cost of initial investments	\$98,653
Copyright Royalty Judge Operating Costs	\$63,317
Estimated Copyright Royalty Judges' operating costs	\$28,230
Copyright Royalty Judge Filing Fees	\$0
Total	\$81,156,766

Balance as of September 30, 2015	\$20,337
Plus: Face amount of securities due	\$80,818,150

Satellite Carrier Royalty Fees for Calendar Year 2014

Available for Distribution by the Library of Congress	\$80,838,487
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Historical copyright records.

APPENDICES

Copyright Office Contact Information

UNITED STATES COPYRIGHT OFFICE

Library of Congress
101 Independence Avenue SE
Washington, DC 20559-6000

WEBSITE

www.copyright.gov

PUBLIC INFORMATION OFFICE

Staff members are on duty to answer questions from 8:30 am to 5:00 pm, eastern time, Monday through Friday, except federal holidays. Recorded information is available 24 hours a day. Phone: (202) 707-3000 or 1-877-476-0778 (toll free).

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