



AMERICAN CONTINENTAL GROUP

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CONTENT & TECHNOLOGY POLICY REPORT SEPTEMBER 8, 2017



I. Congressional Updates:

- On Tuesday, Sens. Hatch (R-UT) and Wyden (D-OR) and Reps. Brady (R-TX) and Neal (D-MA), the Chairmen and Ranking Members of the Senate Finance and House Ways and Means Committees, respectively, released a joint statement expressing support for the U.S.-South Korea (KORUS) free trade agreement. Additionally, they urged President Trump to not withdraw from the agreement, calling South Korea a “significant economic partner...and a vital customer for U.S. manufacturers, services providers, farmers and ranchers.” Read more [here](#).
- On Tuesday, September 12th, at 10:15 a.m. the House Energy and Commerce Subcommittee on Digital Commerce and Consumer Protection will hold a hearing entitled “21st Century Trade Barriers: Protectionist Cross Border Data Flow Policies Impact on U.S. Jobs.” Read more [here](#).
- Rep. Dave Reichert (R-WA), Chairman of the House Ways and Means Subcommittee on Trade, [announced](#) on Wednesday that he will retire from Congress at the end of his current term. Read more [here](#).
- According to a report by *Reuters*, Sen. Elizabeth Warren (D-MA) met with Makan Delrahim, President Trump’s nominee to run the Justice Department’s Antitrust Division, on Wednesday. Warren, who has reportedly put a “hold” on Delrahim’s confirmation, pressed him on political interference in antitrust and lobbying. Read more [here](#).
- The Senate Finance Committee had been scheduled to vote on the nomination of Gilbert Kaplan to be Under

Headlines and Highlights:

- Congressional trade leaders issue joint statement of support for KORUS agreement.
- Trump formally nominates Andrei Iancu to serve as next Director of USPTO.
- NY Times reports that Google executive Eric Schmidt pressured New America foundation to oust Google critic.
- Sen. Warren meets with DOJ Antitrust nominee Makan Delrahim.

In the Blogs:

[Levine: How Google Money Really Influences Research](#)

The Illusion of More

September 6 by David Newhoff

[The Year of the RAT—Beware](#)

Hugh Stephens Blog

September 5 by Hugh Stephens

[NAFTA Second Rounds Ends With Unspecified “Important” Progress, Single Consolidated Text](#)

IP Watch

September 6 by William New

Secretary of Commerce for International Trade on Wednesday, but the markup was delayed because there were not enough senators present to reach a quorum. The Committee did, however, finish the mark up and reported Kaplan's nomination out favorably yesterday. Kaplan's nomination hearing was held on August 3.

II. Judicial Updates:

- On Tuesday, a federal judge in California ordered German stream-ripping website YouTube MP3 to cease helping users to illegally download audio from YouTube videos. The site will reportedly shut down. The court order came in a copyright infringement lawsuit that record labels Universal Music Group, Warner Bros. Records, and Sony Music Entertainment brought against YouTube MP3 in late-2016. However, Billboard [reports](#) that the practice of stream-ripping “carries on,” given that YouTube MP3 was only the second most popular stream-ripping site, and many other such sites continue to operate. Read more [here](#)

III. Administration Updates:

- On Tuesday, President Trump formally nominated Andrei Iancu to serve as the next Director of the United States Patent and Trademark Office (USPTO). Iancu is currently the Managing Partner of [Irell & Manella LLP](#), where his practice focuses on intellectual property law. Read more [here](#).
- On Tuesday, President Trump nominated Rep. Tom Marino (R-PA), Chairman of the House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law, as the next Director of the Office of National Drug Control Policy. Marino had previously withdrawn from the director position in May, citing a “critical illness” in his family. Read more [here](#).

IV. International Updates:

- On Monday, *POLITICO Europe* published an article on “6 things to watch on this autumn's tech agenda.” The story lists the Google antitrust case, in which the EU fined the internet giant \$2.6 billion dollars for favoring its own shopping service in search results. The two sides will “spend autumn haggling over remedies and likely responding to court submissions,” the author writes. Read more [here](#).

V. Industry Updates:

- On August 30th *The New York Times* [reported](#) that Google's executive chairman Eric Schmidt pressured the CEO of the Washington D.C.-based think tank the New America Foundation to fire a researcher after he posted a statement on the foundation website supporting the European Union's \$2.7 billion fine of Google. The researcher, Barry Lynn, ran a New America initiative called Open Markets that has often complained of market dominance by companies such as Google. Schmidt, his family's foundation, and Google have donated more than \$21 million to the think tank since its founding in 1999. New America's CEO, Anne-Marie Slaughter, [released a statement](#) rejecting the NY Times' story, calling it “absolutely false.” Slaughter said she fired Lynn due to his “refusal to adhere to New America's standards of openness and institutional collegiality...”

- On Tuesday, the U.S. Copyright Office released—at the direction of the House Committee on Appropriations—its “Modified U.S. Copyright Office Provisional IT Modernization Plan.” The Committee had directed the Register to modify the Provisional IT Plan published in October 2016 to “include potential opportunities for shared efficiencies and cost-savings as well as ways the Library’s CIO Office can support the Copyright Office in its overall modernization efforts.” Read the plan [here](#).
- Following reports that the Trump Administration was considering withdrawing from the U.S.-South Korea (KORUS) free trade agreement, the U.S. Chamber of Commerce issued a press release on Tuesday opposing withdrawal from KORUS “in the strongest possible terms,” adding that it would not “create a single American job—but it would cost many.” “It’s difficult to imagine a move that would bring more self-harm to our economy and national security, with no benefit in return, than withdrawing from KORUS,” the statement continues. “We urge the administration not to make this rash and irresponsible move.” Read the entire statement [here](#).
- Facebook is reportedly negotiating with record labels and music publishers, with hopes of striking a deal that would allow Facebook users to include music in the videos they upload on the platform. *Bloomberg* reports that “Facebook is eager to made a deal now so that it no longer frustrates users, by taking down their videos; partners, by hosting infringing material; or advertisers, with the prospect of legal headaches.” Facebook recently rolled out a new section of its platform devoted to videos called ‘Watch.’ Read more [here](#).
- *New York Times* columnist Nicholas Kristof published an op-ed on Thursday about Google’s opposition to the recently-introduced Stop Enabling Sex Traffickers Act, which would hold online platforms like Google and Facebook liable for advertisements that facilitate sex-trafficking. The bill has triggered [intense opposition](#) from large technology companies, with the Internet Association arguing that the bill “jeopardizes bedrock principles of a free and open internet.” Kristof argues that organizations Google “funds have for years been quietly helping Backpage.com, the odious website where most American victims of human trafficking are sold, to battle lawsuits from children sold there for sex.” Kristof argues that Google’s fear that the bill would “open the way to frivolous lawsuits and investigations” is a “vague, poorly grounded fear,” given that the bill “was crafted exceedingly narrowly to target only those intentionally engaged in trafficking children.” Read more [here](#).
- *Bloomberg* reports that Apple has reached a deal with Warner Music Group, which will provide musical works for the iTunes store and the Apple Music streaming service. The deal is Apple’s “first agreement with a major label since introducing its on-demand music service two years ago.” Read more [here](#).