



Statement of

**Keith Kupferschmid
Chief Executive Officer
Copyright Alliance**

before the

HOUSE COMMITTEE ON SMALL BUSINESS

hearing on

**Intellectual Property 101: How Small Business Owners Can Utilize Intellectual Property
Protections in Their Businesses**

The Copyright Alliance submits this statement for the record concerning the Committee’s May 16, 2018 hearing titled, *Intellectual Property 101: How Small Business Owners Can Utilize Intellectual Property Protections in Their Businesses*.

The Copyright Alliance is a non-profit, non-partisan public interest and educational organization representing the copyright interests of over 1.8 million individual creators and over 13,000 organizations in the United States, across the spectrum of copyright disciplines. The Copyright Alliance is dedicated to advocating policies that promote and preserve the value of copyright, and to protecting the rights of creators and innovators. The individual creators and organizations that we represent rely on copyright law to protect their creativity, efforts, and investments in the creation and distribution of new copyrighted works for the public to enjoy.

There are few factors as integral to the success of the American economy as small businesses and intellectual property. While small businesses consistently create more jobs in the aggregate than larger firms across the United States and employ nearly half of the private sector workforce,¹ IP-intensive industries account for 38.2%—or \$6.6 trillion—of the national GDP, and create millions of new jobs every year, copyright industries alone contributing 5.6 million jobs in 2014.²

As the Committee is well aware, small businesses are prevalent throughout every industry in America, and the copyright-reliant industries that the Copyright Alliance represents are no exception. In fact, it

¹ See OFFICE OF ADVOCACY, U.S. SMALL BUS. ADMIN., UNITED STATES SMALL BUSINESS PROFILE 1 (2016), https://www.sba.gov/sites/default/files/advocacy/United_States.pdf; see also OFFICE OF ADVOCACY, U.S. SMALL BUS. ADMIN., SMALL BUSINESS BULLETIN (June 2015), https://www.sba.gov/sites/default/files/Small_business_bulletin_June_2015.pdf.

² U.S. PATENT & TRADEMARK OFFICE, INTELLECTUAL PROPERTY AND THE U.S. ECONOMY: 2016 UPDATE ii (Sept. 2016), <https://www.uspto.gov/sites/default/files/documents/IPandtheUSEconomySept2016.pdf>.

is not uncommon for creators like photographers, graphic designers, software developers, musicians, record companies, movies studios, etc. to operate as sole proprietors or small employers. In that respect, the interests of many of our members—including our individual creator members, and the small organizational members whose copyright interests we represent—reflect not just their roles as creators within the copyright space, but also their roles as proprietors of small businesses. The Copyright Alliance caters to those needs through our various advocacy efforts as well as educational initiatives aimed at helping professional creators and small businesses understand the value of copyright and learn how to protect and make the most of their rights.

One way that our advocacy efforts reflect that intersection is through our continued support of H.R. 3945, the Copyright Alternative in Small-Claims Enforcement (CASE) Act, which would create a voluntary alternative to federal court for resolving certain copyright disputes. Since copyright is under the exclusive jurisdiction of federal courts and federal copyright litigation can cost upwards of \$300,000 to litigate, it is often too costly for professional creators and small businesses to afford to enforce their rights under the law. In essence, these creators have a right without a remedy. The CASE Act aims to address that fault by creating an inexpensive, streamlined, and voluntary process where copyright owners and users alike can resolve copyright disputes. In addition, damages would be capped at \$15,000—a 90% reduction as compared to damages available in federal court—the process is simply enough that parties can proceed without the assistance of an attorney, and parties can simply opt out if they do not wish to use the small claims process.

We believe that the CASE Act would be of interest to the Committee because it stands to benefit *all* small businesses, not just those with proprietary copyright interests. For small businesses with copyright interests, the CASE Act would provide them access to remedies that are cost prohibitive under the status quo—remedies that without which, many businesses are stifled from the start. For small businesses that use copyrighted content and that may find themselves on the other end of copyright litigation, the CASE Act provides them an alternative forum with a significant reduction in potential liability.

Copyright law education is another one of our primary efforts, and our website—copyrightalliance.org—is a valuable educational resource for helping professional creators and small business understand the complexities of copyright law. Our [Copyright Law Explained](#) and educational [videos](#) provide easy to understand explanations of matters like copyright registration, licensing, copyright infringement and fair use. In addition, we feature answers to common questions in our [FAQ](#) section—including questions answered directly by Rob Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice at the Copyright Office—and our blog-style [Ask the Alliance](#) series.

We are also partner with other organizations across the country to help educate professional creators and small businesses on copyright. For example, last month, in celebration of World Intellectual Property Day, we partnered with Volunteer Lawyers for the Arts organizations that provide legal, business, and accounting advice and education to creators to host educational events focused on copyright in cities like Nashville, New Orleans, Washington, D.C., St. Louis, Sacramento, Los Angeles, San Francisco, Chicago, New York, St. Paul, and Austin. In the coming months and years, we hope to continue growing our network by partnering with other government and non-governmental organizations to bring copyright education to more cities, professional creators, and small businesses across the country.

In addition to advocacy and education, we also help promote professional creators and small businesses by featuring them on our [homepage](#) as well as in our Q&A-style blog series, [Creator Spotlight](#), which gives them the opportunity to share their experiences as creators firsthand, including experiences navigating the business side of their respective industries, dealing with infringement, and learning about how copyright supports and protects their work.

We thank the Committee for holding this hearing and recognizing the important role that intellectual property plays in supporting the small businesses that fuel our economy. We look forward to the opportunity to work more closely with the committee to advance the needs professional creators and small businesses. Please let us know if we can provide additional information.

A handwritten signature in black ink, appearing to read 'K. Kupferschmid', with a long horizontal flourish extending to the right.

Keith Kupferschmid
Chief Executive Officer
Copyright Alliance