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Deferred Registration Examination Study: Notice and Request for Public Comment

COMMENTS OF THE ASSOCIATION OF MEDICAL ILLUSTRATORS (AMI)

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INTRODUCTION AND STATEMENT OF INTEREST

The Association of Medical Illustrators (AMI) is the sole professional organization for medical and biomedical illustrators and animators. The works of our members serve a critical role in the advancement of science and medicine in the U.S. and throughout the world. All medical illustrators rely on the protections of copyright and on the divisibility of exclusive rights, granted through licensing to earn their living.

Most AMI members are sole proprietors or members of small partnerships who seek to fully comply with copyright laws and registration formalities, but have no legal training, and for whom retaining an attorney or other expert to manage registrations is beyond their means. They are on their own as they navigate what is for them a complicated, sometimes confusing, and expensive registration process to protect themselves from unauthorized use of their works which threatens their livelihood. In recent submissions to the Copyright Office and in direct discussions with the Register and Copyright Office staff,

AMI representatives have explained the difficulties they face in attempting to comply with copyright registration formalities. These include such matters as the publication status of works submitted for registration, inability to group multiple related visual works into a single application, and later invalidation of their registrations by the courts over good faith errors. It has been their experience that Copyright Office examiners are not always consistent as to how to treat such matters, especially the publication status of a work as it goes through a process of revision in consultation with a client.

Medical illustrators' access to statutory damages are essential to justify the cost of enforcement actions. Infringers tend to be large companies, such as medical publishers and advertisers. When illustrators seek relief in an infringement action, deep-pocket well-represented infringers typically scour registration records for any good-faith errors they can use to invalidate a registration and deny the illustrator statutory damages. This is unjust and encourages copyright scofflaws, promoting a climate of disrespect for copyright which threatens all authors.

Senator Tillis's Letter

The NOI quotes a letter requesting guidance on possible legislative reform sent to the Register of Copyrights by Senator Tillis last year. Senator Tillis' inquiry reflects the following comment on proposed legislative revisions the AMI submitted at his invitation on March 3, 2021:

“AMI welcomes this study as it may address the unique dilemma of illustration wherein a work goes through multiple rounds of revisions and derivatives before final publication through distribution to the client. However, if filing under a deferred examination system would retain the dead zone...created by the *Fourth Estate v. Wall Street.Com* case, such deferred examination would be of little practical value to a rights holder.”

On the next day, March 4, 2021, the Supreme Court issued its decision in *Fourth Estate Pub. Ben. Corp. v. Wall Street.com, LLC*. The AMI is concerned that our works have become unprotected 1) during the lag time between registration and the issue of the Certificate that an author must have in hand to take civil action to exact any meaningful legal protection if infringement is under way; 2) during the creation process—as the Office considers any iteration delivered to a client as published and offers no group registration option; and 3) the inability to register singular serial draft versions without having been issued a visual art Certificate on each previous draft within the 3-month publication timely registration window, again due to Copyright Office lag time. Accordingly, we welcome a feasible, rational and fair design of deferred registration that we believe could help solve our problems. It would close the gap between creation and the effective date of registration where infringement could and does occur. We see the utility of our proposed deferred registration design as a way to protect a work/works while under development but considered by the Office rules to be published, and to rightfully secure statutory relief for each sketch and version and fulfill the promise of statutory relief granted through registration.

RESPONSES TO “SUBJECTS FOR INQUIRY”

A. Purpose of Deferred Examination Option

- 1. What specific perceived deficiencies in the current registration regime could a deferred examination option address?***

2. What are the potential benefits and drawbacks to offering a deferred examination option?

In answer to both these questions AMI refers the Office to the above quoted submission the association made to Senator Tillis last year. The Supreme Court suggested in *Fourth Estate* that Congress could address the “dead zone” issue by providing the Office with more money and staff to lower the pendency time for examining applications for registration. However, given Congress’s history of shifting the costs of funding the Office to applicants rather than taxpayers, this would increase an already onerous fee burden on illustrator applicants whose creative output requires large numbers of registrations but who cannot afford the cumulative filing fees. A deferred examination option with a reduced filing fee, similar to the provisional application system for patents at the USPTO, would reduce the financial burden of filing multiple applications by permitting applicants to delay the fees necessary to support more timely examination until necessitated by the prospect of litigation. The lower fee, coupled with a group registration option for visual artists, would encourage registration of every work, instead of waiting to determine which of their works is commercially valuable or infringed.

A benefit to requesting examination just prior to litigation would be an opportunity for creators to address any potential good-faith errors discovered after initial consultation with their lawyers, during the examination process, prior to final registration. Working with the applicant, the Office could efficiently focus its resources on resolving formalities deficiencies in a timely manner before consideration of a case by a court, screening out the kind of formalities mistakes that scofflaw defendants now use as a shield against liability for their infringing actions. Because attorneys would likely review the registration deposits prior to the creator’s request of examination, the Office should see a decrease of work in their oft stated view that the basic purpose of examination is to weed out cases not eligible for litigation due to absence of copyrightable subject matter.

In its *Fourth Estate* decision the Court noted that “the statutory scheme has not worked as Congress likely envisioned,” observing that “registration processing times have increased from one or two weeks in 1956 to many months today.” AMI assumes that after there is a request for examination of a deferred application, the freeing up of staff resources that would result from the changed system would make it easier to work with the applicant to resolve deficiencies – particularly those that might affect litigation – in a far timelier manner that is presently the case.

B. PROCEDURAL ISSUES

3. Describe the specific legal or regulatory framework you envision and any necessary statutory amendments.

AMI is in favor of a deferred examination option under the following conditions:

- The EDR is the day on which an application for deferred examination, deposit, and fee have all been received in the Copyright Office.
- Similar to the limited materials required for preregistration, the deferred examination option should allow the deposit of preliminary or draft versions of a work that are unpublished, derivative works, and ultimately published final versions of the final work. This would enable authors to secure an earlier EDR. This procedure would more closely reflect the spirit of Title 17 wherein protection attaches automatically to an original work of authorship as soon as it is created and fixed in a tangible form.

- At the time of examination, if the examiner requires separation of published and unpublished work, change of publication status, or other designations which would require additional registrations, or a change of application form, the EDR would transfer to any registrations ultimately stemming from the initial deposit. This may require a statutory change.
- A regulatory change by the Office, as allowed by statute 408(c)(1), to change the number of deposits needed for published vs unpublished works, as this archaic requirement is currently used as an excuse for not being able to change publication status at time of examination.
- The fee for deferred registration should be nominal so as to complete the statutory requirement for the payment of a fee while incentivizing more universal author participation in the registration process. The fee for examination should also be low, so that the combined fee for deferred registration and later examination do not cost more than current registration fees.
- The AMI is in favor of making a request to examine the deferred examination application materials sufficient for taking civil action for copyright infringement; but in light of the *Fourth Estate* ruling, a statutory change would be required. However, if the deferred examination option is considered an expansion of the preregistration process, a statutory change may not be necessary to grant authors this ability.
- Deposits would be uploaded to a *private* database within the USCO Examiner's department, to be pulled for examination. The deposits would be protected from outside public examination—protecting the work from exploitation. As the AMI has previously written in our official comments on Modernization¹, the Copyright Office has an obligation to protect creator's copyrights, which include the right of display and publication. The act of uploading deposits should not violate the creator's copyright.

4. *Should a deferred examination option have any work-based, applicant-based, or other eligibility restrictions?*

If the purpose of the deferred examination option is to reduce the workload on the Copyright Office so that examination resources can be more efficiently focused on cases likely to be litigated, it would not make sense to limit the option to any particular class or classes of works, since that would reduce the positive impact on workload.

The option for a deferred examination should be limited to authors of copyrightable works who file the registration. Subsequent requests for examination of the deferred registration deposit should be limited to the original author who filed the deposit. No deferred examination deposits should be made available to third parties for declaration of non-infringement suits.

5. *How should deferred examination operate in connection with an application to register multiple works?*

¹ See AMI Registration Modernization 2018 NOI Comments at 11 and 16. Also See AMI Registration Modernization 2019 NOI Comments pg 3 (“The AMI considers image search of deposit copies of visual works as predatory of intellectual property inherent in such works.”)

The AMI has raised the need for a group registration option for illustrations (similar to the Group Registration for Unpublished/Published Photographs (GRUPH/GRPPH)) on several occasions in filings with the Copyright Office. This request is based on the need to make applications for registration affordable and procedurally less burdensome for sole proprietor illustrators. Establishment of a deferred examination option alone does not address those needs. Therefore, deferred examination must work in tandem with group registrations.

The AMI welcomes the opportunity to discuss real-world examples of how deferred examination of visual works could be applied to preserve timely registration of multiple iterations of a work during the production process. The AMI provides here just two common medical illustration workflows, as examples: 1) ~200 illustrations created over a period of ~18 months for final distribution in a book; and 2) a single work, or a small group of related works, created over a ~6 month period that includes 7-11 iterations/derivations for use in an advertising campaign, which have been circulated to the creator's commissioning client during the conceptual development and artistic execution review process.

Currently, when opening an application at the eCO, a case number is assigned to the application and that application can be saved to be completed and submitted at a later time. In a similar manner, we would envision that under the Deferred Registration option, an author would open an application, fill out the form and upload deposit(s), pay a deferred registration fee, **but not submit for examination**. The deposit(s) would, of course, be time-stamped. Periodically, the author would log in, open the saved deferred registration application, and upload additional deposit(s) of sketches or revised drafts. This process would continue for the life of the project. Once the project has been completed the author would make final deposit submissions to the Copyright Office, complete the form, pay the examination fee, and when ready, submit the final form for examination. The author would receive a certificate with one VA number and one EDR for the concept development and artist execution of the subject matter for which the registration protection is sought.

Since a major reason for deferred examination is to focus the Office's resources on works likely to be litigated, deferred examination for individual works (which were deposited as part of a deferred group) should not require examination of all works in the group. Similarly, each work within the group should qualify for independent statutory damages upon completion of an examination.

6. How should filing fees be determined for a deferred examination option, including for both the initial submission and later examination, and how should they compare with fees where examination is not deferred?

The fee for deferred examination should be nominal so as to complete the statutory requirement for the payment of a fee while incentivizing more universal author participation in the registration process. The total fee, including the fee for examination should be equal to or less than current fees where examination is not deferred.

If the deferred examination system is effective in reducing the Copyright Office workload and enabling it to focus staff resources more efficiently, application fees should be able to be reduced. If deferred registration application fees are set at a much lower level than at present, the volume of applications would undoubtedly increase while the volume of priority examinations would decrease, resulting in little change to the overall workload effectively maintaining fee revenue for the Office. This fee

reduction could take the form of either a reduced application fee across the board or, as recommended above, by increasing group application options for large-volume classes of works such as illustration. Also, as the AMI has recommended in response to earlier NOIs, the Office fee structure should be changed to account for ability to pay as is the case at the USPTO where individual inventors, small businesses and nonprofits pay much reduced fees with the costs of running the examination function shifted to large entities with deep pockets.

7. Should applications for deferred examination undergo any kind of initial review?

Applications for deferred examination should be fully automated and not burden the Copyright Office with initial review. It should not be necessary to have any initial review given the fact that applications for works subject to infringement litigation would be fully examined. As a practical matter this is already the case as the vast majority of copyrighted works are never the subject of a registration and receive no review by the Office even though they have valid copyrights. Authors should be given the opportunity to correct errors or amend deficiencies in the deferred examination application upon a request for examination, through question-and-reply period with the examiner, as currently exists, without any change to the EDR.

8. Who should be able to request deferred examination?

Only those currently eligible to file registration applications – authors and copyright owners – should be able to request examination. To do otherwise would turn the examination process into an *inter partes* administrative litigation mechanism, greatly increasing the burden on the Office and defeating entirely the objective of enabling the Office to focus resources efficiently.

9. Should there be a time limit for requesting examination?

No. Copyright subsists for the life of the author plus 70 years. Currently, there is no requirement to register at any time during that period. Registration is at the discretion of the author. Nothing about a deferred examination system changes that. This question also asks for responses as to how deferred examination would relate to the deposit requirement. In past submissions to the Office, AMI has objected to the current deposit requirement, especially because deposits are not retained for the life of the copyright. To the extent that the deposit requirement is retained, under a system of a deferred examination, it is possible that requests for examination might be made after five years from the date of publication. Therefore, Section 410 (c) should be amended to remove the five-year requirement to establish prima facie evidence of the validity of the copyright.

10. How, if at all, should a deferred examination option account for any changes in the required application information that occur between submission and examination? (e.g., a change in ownership or publication status?)

As stated previously, implementation of deferred examination offers the opportunity to simplify the administrative formalities required in copyright registration. The arbitrary difference between published and unpublished works is both confusing and, often, a justification for challenging copyright registrations with no real public policy benefit. Therefore, the AMI does not believe that publication status needs to be addressed *prior* to examination. The same is true of copyright ownership. If relevant, that can be addressed at the time of request for examination with a simple supplementary section on the request form.

11. How, if at all, should any deficiencies in the application materials discovered during examination be addressed with respect to the EDR and the current requirements of section 410?

Upon a request for examination, applicants should be given the opportunity to correct errors or amend deficiencies without any change to the EDR. The AMI assumes that after there is a request for examination of a deferred application, the freeing up of staff resources that would result from the changed system would make it easier to work with the applicant to resolve deficiencies—particularly those that might affect litigation—in a far timelier manner than is presently the case.

C. IMPACT

12. How, if at all, would a deferred examination option affect the public records maintained by the Office?

Currently, the vast majority of works are unregistered and therefore information about them is not found in the Office’s public records. For those that *are* registered, it cannot be over emphasized that results of text-only searchable visual art registrations, that are themselves text-only, are of extremely limited utility². Text information uploaded in an automated deferred-registration system would, again, have limited value to the public record. **Under no circumstances should deposit images in the class of visual works to a database be retrievable and downloadable as part of a public record**³. Commercial illustrations, like medical illustration, are often confidential and created under non-disclosure agreements that require them to be embargoed from public display until the client is ready to bring them forth for publication. That can sometimes be a lengthy time after creation. **If the Copyright Office**

² See AMI Registration Modernization 2018 NOI Comments at 12.

³ See AMI Registration Modernization 2018 NOI Comments at 16 (“Unauthorized access to images created by professional illustrators is particularly damaging to illustrators in comparison with other categories of works.”). *Also See* AMI Registration Modernization 2019 NOI Comments at page 3 (“The purpose of the Copyright Office and the registration system is to protect the exclusive rights guaranteed by law to the author, not the opposite — to place the work in the public domain.”); page 4 (“The right to display is one of the exclusive rights a creator has immediately upon creation of a work. The copyright holder can choose when, where, or to never display their work. Mandatory display of the deposit to the public should not be compulsory to registering a work, and undermines the purpose of the copyright registration.”); and (“AMI vehemently rejects any display, distribution, publication or reprography of deposit copies required as a matter of copyright registration compliance”).

were to make these works available it would be a direct infringement of the visual works, while simultaneously making the Office a contributor to infringement by the public⁴.

13. How, if at all, might a deferred examination option affect the ability of the Library of Congress to maintain and grow its collections.

There is no inherent relationship to being a copyright holder and the Library of Congress. Indeed, nearly all other countries of the world have a national library and manage to build their collections without use of the copyright system. Historically, the deposit system has provided a subsidy to the Library at the expense of authors who have had to deposit copies of their works in exchange for registration. Prior to 1978, this was required in exchange for statutory copyright protection itself. Therefore, the obligation to provide works without compensation for the Library of Congress has been a kind of tax imposed on authors for enjoying the benefit of copyright registration. The AMI objects to this tax. If other libraries hold visual works of art in their collections, they must either buy them from the artist or other seller or receive them as a donation. The injustices inherent in this tax are exacerbated by the fact that rarely does the artist have the ongoing benefit of the prestige afforded by being in the national library's collection because the Library rejects most deposits and throws out a sizable percentage of those they initially accept. This is a subject that should be examined by the Congress to determine if there is a method of adding works to the collections of the national library that is fairer and less onerous to authors.

D. ALTERNATIVE APPROACHES

17. Potential benefits and drawbacks of any alternatives

Expanding the opportunity for preregistration of works (in its current form) would have little value to commercial illustrators, like medical illustrators, as it involves discouragingly high fees with little practical benefit to them, unlike high-value, mass-marketed works such as motion pictures. Amending the law simply to enable statutory damages in 1) the absence of timely-registration, 2) works within the "dead zone" between creation of work (date of copyright) and date of the EDR, and 3) works with good-faith errors in registration applications, would be a simple legislative change of great benefit and welcomed by AMI members and other authors, regardless of what is done on deferred examination. Similarly, the AMI has long supported expanding group registration options for illustrations. Also, the AMI would enthusiastically support a reformed fee structure that would reduce application fees for visual artists and other authors who are sole proprietors or small businesses as is the case in the patent system. Such a reform would increase use of registration by AMI members. The AMI sees no drawbacks to these alternative reform options.

⁴ See AMI Registration Modernization 2018 NOI Comments at 11 ("The Copyright Office has the burden and the duty to safeguard any deposit that is made to them. 'Public display' is a right of the copyright owner, and as such the Office would be in violation by allowing the public to view the deposit images, much less access them in a way that enables a business model for third parties. If authors want to display their works with third parties, they are free to do so by express permission, but not through copyright registration compliance.").