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**To:** [FN-OMB-IntellectualProperty](#)  
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The theft of IP is a problem for sure. Largely, however, these are not measures that can really be stopped by simply enacting more legislation or throwing away more taxpayer money. These are issues of the markets for IP failing to react to the commodification of popular media. When music playback devices were new, the idea of having an entire album that you can play any time you want was novel. In today's culture, not having the ability to play a song at any time you want sounds quite odd.

Songs are individually worth less, but the producers of music (if not the artists) want to pretend that a single song is still a rare and precious thing. We have more people recording music today than ever, and people are buying more music than ever. The music industry's profits are increasing rapidly, despite the lies they tell about losses (which are based on hypothetical figures). Reducing piracy domestically is only going to happen when the industry reacts to the realities of the market and ceases to charge \$20+ for an album when consumers are barely interested in paying \$0.99 for a song.

The same goes for movies, software, and other forms of intellectual property. These are all produced in such massive amounts at (relatively) little cost to the volumes sold. A modern movie costs hundreds of millions of dollars to produce but DVD sales vastly outstrip the VHS sales of decades past, to the point where the profit ratio is only going UP, not down. Despite this, movies still sell for \$25 a piece despite many of them barely being enjoyable the first time you watch them; which would only have been \$8 in a theatre!

Software is produced in simple huge quantities and often by extremely cheap and unskilled foreign labor. The profits on software sales are extraordinarily large, yet some producers of software still think that an Operating System should retail for \$400, or that a video game should retail for \$60, despite the intense increase in profit/unit over the last 10 years.

By and far the largest problem with IP is not the loss of theoretical sales that the lobbyists are lying to you about. The biggest problem is the way that you -- the government -- is screwing over your constituents and citizens in the interest of a small handful of wealthy producers.

I take as an example the extension of copyright terms, often referred to as the "Disney Act." Do you understand WHY copyright is required to expire in a reasonable time? The simple fact is that the culture of today is built on the culture of our youth, which itself is built on the culture of our parents. Disney itself made its name originally not with its original stories but with its renditions of classic fairy tales such as Sleeping Beauty or Snow White. Were copyright to be extended to eternity as the Disney lobbyists are slowly pushing you to do, Disney would not exist as the company we know it today because those original blockbuster successes would never have been legally allowed to come to pass.

Today, these movies are a part of my parents' childhood. That's how old they are, and how they have passed into the very foundation of my childhood and will pass into my children's lives just the same. Disney has made many millions (if not billions) over these works in the last 40

years, and yet -- because of dishonest and self-serving politicians who subverted copyright terms to make sure Disney can keep raking in cash without having to contribute anything new to society -- these works have not passed into the public domain the way they should have.

THAT is what is hurting the economy in a truly profound way. Budding artists -- like Walt Disney once was -- cannot build off of the experiences and stories of their childhood. Masterpieces like *Rosencrantz and Guildenstern* show what happens when people can build off of the works that came before. That is, in fact, how ALL HUMAN PROGRESS has occurred. Imagine if the wheel had been patented for eternity; we'd never have invented the cart, the train, the automobile, etc. With copyright terms extended to life+70 years, by the time a work can possibly enter back into the actual culture of America -- and hence serve as a foundation for new art and new works and new IP -- the people whose lives included those original works will themselves have long passed on. Artistic innovation is only stifled by such terms.

Patents suffer a similar problem, particular in certain fast moving fields. A 28 year patent term is ridiculous for something like software where a mere 3 years is practically an entire age of technology evolution. Even the simplest of computer technologies are held up by patents; this is something that regretfully too few politicians understand because not a single politician in office today has even the slightest bit of background in computer science, what it is, how it works, and how it's used. All you hear is what the lobbyists tell you and have no experience with fact to filter out their self-serving propaganda.

To be honest, I think the best two things the government can do is to first simply let the media companies fend for themselves. DO NOT try to sink government cash into protecting a failing business model; I would have hoped you would have learned your lesson after trying to bail out the airlines, the banks, and the auto-industry. The only thing you can do that way is sink the US further into recession with no actual results for the industries you're trying to save. Second, if you truly wish to open innovation and allow the US to be a leader in software instead of letting more and more of the top software developers be Europeans and Russians, you must eliminate software patents and allow technology and information to flow and allow for new, innovative, and valuable software to be built; right now, it's borderline impossible for any but a small handful of large, rich companies to truly innovate, and that does NOTHING for the American economy, it just helps the already-rich (and your job is to support the American people a whole, all 308 million of them, not a few hundred rich men). Software is protected by copyright (and the original 14 year term would have been MORE than enough for any software product, given the lifetime of software!). Software does not need patents to protect ideas as all those patents are used for is to ensure that no new innovative software can be developed by anybody.

You would likely be surprised if you found out what kinds of ideas in software are patented. Some of them are truly ridiculous, but yet they are there. Even if they are invalid, a pair of kids in their garage working on the Next Big Thing simply cannot afford to open shop at all anymore for fear of being hammered for multi-million-dollar lawsuits brought by companies that produce nothing of value ("patent trolls") for which an adequate defence attorney simply costs too much.

Put your loyalty with your constituents and your citizens, not with the lobbyists. Copyright and patents were created to protect the little

people; to protect the individual author or individual inventor from having his work stolen by others. They were not created to allow multi-national companies to endlessly milk the cash out of people without producing and contributing new works to society. The existing laws do not need strengthening, and they don't need stricter enforcement; the producers simply have to learn that 2010 is nothing at all like 1950 and that they need to change their business or go the way of Chrysler.