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HRRC PRAISES FAIR USE ACT

HR 1201 Would Restore Incentives to Innovate, Protect Consumers, Educators and Libraries

Washington, D.C., February 27, 2007 – The Home Recording Rights Coalition today urged widespread support for H.R. 1201, the bipartisan Freedom and Innovation Revitalizing U.S. Entrepreneurship Act of 2007 (“Fair Use Act”), introduced today by Representatives Rick Boucher (D-VA), John Doolittle (R-CA) and Zoe Lofgren (D-CA). HRRC Chairman Gary Shapiro issued the following statement in response to the proposed legislation:

“We congratulate Reps. Boucher, Doolittle and Lofgren for stepping forward to protect legitimate businesses from intimidation, and to confirm and restore the rights of consumers, educators, libraries and other constructive users of content. This bill deserves the support of all Members of Congress and all businesses that care about innovation and about consumers, educators, students and libraries.

“Fair use protection is a part of the Copyright Act, it is meant to be developed on a case by case basis, as new technologies are introduced. Yet the overhang of absurd-sounding but real statutory damage calculations, as applied to nationwide distribution of products like the VCR, requires that even the largest businesses must potentially ‘bet the company’ on winning an expensive and intrusive lawsuit. H.R. 1201 addresses this and other imbalances in U.S. law:

- In suits for “indirect” infringement, aimed at legitimate products like the VCR, it limits copyright owners to *actual* damages rather than out of scale “statutory” rewards, unless the conduct is clearly and obviously illegal.

HRRC Praises Fair Use Act

- It codifies the Supreme Court's "Betamax" holding that findings of indirect infringement should not be based on the design of consumer electronics or computer devices, or on their design or selection of components, if the device has a substantial non-infringing use.
- It codifies consumer protections as recently formulated by the U.S. Register of Copyrights: That activities of consumers, librarians, and educators in using content at home or for other constructive purposes that are legitimate under the copyright law should not be held to be violations of the Digital Millennium Copyright Act (DMCA)."

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HRRC believes that all legitimate businesses and associations interested in the sound and balanced development of copyright law should look favorably on H.R. 1201 and should join HRRC in congratulating its sponsors.

For updates on Congressional, regulatory and judicial proceedings, please visit the HRRC website at www.HRRC.org.

About HRRC

The Home Recording Rights Coalition, founded in 1981, is a leading advocacy group for consumers' rights to use home electronics products for private, non-commercial purposes. The members of HRRC include consumers, retailers, manufacturers and professional servicers of consumer electronics products. Further information on this and related issues can be found on the HRRC website, www.hrrc.org.

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