



ANNOUNCEMENT

from the Copyright Office, Library of Congress, Washington, D.C. 20559

MANUFACTURING CLAUSE STUDY

ANNOUNCEMENT OF THE UNDERTAKING OF A STUDY AND A REQUEST FOR COMMENTS

The following excerpt is taken from Volume 45, Number 209 of the Federal Register for Monday, October 27, 1980 (pp. 71020-71021).

LIBRARY OF CONGRESS

Copyright Office

[Docket LPR-10]

Manufacturing Clause Study

AGENCY: Library of Congress, Copyright Office.

ACTION: Announcement of the undertaking of a study and a request for comments.

SUMMARY: At the request of Congress, the Copyright Office is undertaking a study of the possible economic impact of the elimination of the so-called "manufacturing clause" from the United States Copyright law as provided by section 601 of Title 17 of the United States Code. The "manufacturing clause" is scheduled to be eliminated from the law on July 1, 1982. The Copyright Office must prepare its final findings and recommendations for the Congress to be filed on or about July 1, 1981.

Under the copyright law now in effect, certain nondramatic literary materials in the English language must be manufactured either in the United States or in Canada in order for the work to enjoy the full remedies provided by the copyright law in an action for infringement of the rights of reproduction or distribution. The "manufacturing clause" now applies only to works by American citizens or domiciliaries, and, under special circumstances, even such works may be exempt from the manufacturing clause.

In 1976, the House Committee on the

Judiciary, after evaluating the arguments in favor of and against retention of any manufacturing clause in the copyright law, concluded that "there is no justification on principle for a manufacturing requirement in the copyright statute . . ." H. REP. NO. 1476, 94th Cong., 2d Sess. (1976) at 166. The Committee amended section 601 of the then pending copyright revision bill to repeal the manufacturing requirement on July 1, 1981. Following a conference with the Senate, the House amendment was accepted, but the date for termination of the manufacturing requirement was extended to July 1, 1982.

Senator Hugh Scott, in the course of Senate debate on the copyright revision bill in 1976, stated that the extension of the phaseout date for the manufacturing requirement from July 1, 1981 to July 1, 1982.

"will enable Congress to take a close look at the dangers faced by the printing industry in this country.

To insure that Congress has adequate and accurate information on which to base its reassessment before the phaseout takes place, Senator McClellan and I have written to the Register of Copyrights requesting that such a study be timely undertaken. We have received assurances that the Register would direct that such a study be undertaken." 122 Cong. Rec. S17252, 94th Cong., 2d Sess. (1976).

The subject matter of the study will consist of addressing the issues relating to the "economic impact on United States book manufacturing industry; United States labor rates compared with those abroad; industry health; impact on jobs in U.S. and U.S. industry; advances in printing technology that are relevant; progress on implementation of the

Toronto Agreement of 1968;¹ ramifications of granting copyright monopoly on book manufacturing industry; and other relevant factors that . . . [the Copyright Office] should deem appropriate." 122 Cong. Rec. S17253, 94th Cong., 2d Sess. (1976).

The Copyright Office will conduct a hearing (or hearings as needed) in order to give all interested parties an opportunity to express their current views on the scheduled phase-out of the "manufacturing clause" of the 1976 law.

The Copyright Office has requested that the Congressional Research Service (CRS) of the Library of Congress assist in the project by preparing for Congress a statistical evaluation of the economic impact of the elimination of the "manufacturing clause." The CRS has agreed to conduct such a statistical evaluation with the acquiescence of Congress. The Economics Division of the CRS is planning its evaluation based on

¹ Congress exempted copies manufactured in Canada from the manufacturing clause of the Copyright Act because it found that "wage standards in Canada are substantially comparable to those in the United States . . ." H. REP. NO. 1476, 94th Cong., 2d Sess. (1976). The Canadian exemption was made possible in part also by a memorandum agreement known as the "Agreement of Toronto," signed by representatives of some, but not all, American and Canadian business and labor printing organizations in February 1968. American representatives agreed that they would seek an exemption for Canadian-manufactured copies from the manufacturing clause of the United States copyright law. The Canadian representatives agreed that they would "urge the Canadian Government to accept the Florence Agreement as soon as exemption for Canada has been adopted by the U.S. Congress." ["Agreement of Toronto" as contained in Chapter XIV of the "Second Supplementary Report of the Register of Copyrights" (1975) at page 24].

available relevant statistics and is also considering the feasibility of conducting a survey of a representative sample of industries affected. Although the CRS will conduct its survey and reach its findings independently, there will be careful coordination (and cooperation) with the Copyright Office to insure thorough consideration of all issues and to avoid duplication of effort.

In addition, Mr. William Lofquist of the Bureau of Industrial Economics, U.S. Department of Commerce will act as a consultant on this project.

The Copyright Office actively seeks the comments as to issues and/or questions to be raised not only from

organization representatives, but also from any individual whose informed opinion may aid the Copyright Office in preparation for the hearing(s) and the Congressional Research Service in designing its survey.

FOR FURTHER INFORMATION CONTACT: Anthony P. Harrison, Assistant Register of Copyrights, Copyright Office, Library of Congress, Washington, D.C. 20559, (202) 287-8350.

DATES: All comments should be received on or before November 14, 1980. ¹

ADDRESSES: Interested parties should submit ten copies of the written comments, if by mail to: Office of the

Register, Copyright Office Library of Congress, Washington, D.C. 20559, or if ² by hand to the Office of the Register, Copyright Office, Library of Congress, James Madison Memorial Building, Room LM-405.

(917 U.S.C. 601). ³

Dated: October 15, 1980.

David Ladd,

Register of Copyrights.

Approved:

Daniel J. Boorstin,

The Librarian of Congress.

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¹Comments will be accepted for an additional 30 days.

²Error; line should read: "Congress, Dept DS, Washington, D.C. 20540, or if"

³Error; line should read: "(17 U.S.C. 601)."