

January 17, 2011

To the esteemed members of Parliament:

I write to you regarding Bill C-32, which would amend the existing Copyright Act in a manner that is crippling to entrepreneurial growth in Canada. As the president and founder of localshow.tv, and as a technology researcher and enthusiast, I am extremely concerned by language which would extend copyright infringement liability to parties that are not involved with said infringement. Entrepreneurialism is already extremely risky, and legislation like Bill C-32 makes innovation within the information sector even riskier.

The irony of this legislation is that existing copyright holders were themselves the beneficiaries of a more liberal era in copyright that enabled their rise to prominence in the first place. Many "classic" cultural works have themselves been revisitations upon "folk stories" which were not protected by copyright. Existing media companies view such "loopholes" as a threat, but it is those same "loopholes" which created the opportunity required to enter the field in the first place. It is foolish to begin a battle against the next wave of innovators in an effort to appease those monied interests which would take full advantage of new legal affordances to stifle competition and intimidate new entrants to the field. It is in Canada's interest to foster innovation by *rejecting* international standards, thereby transforming Canada into a unique incubator of Internet entrepreneurialism.

Because localshow.tv is strongly tied to YouTube's content database, I encourage Parliament to examine YouTube's rise to eminence. In this case, it was only after several years of outright violation of the US DMCA that YouTube acquired the critical mass which positions it at the top of the online video pyramid. In the process, YouTube created immense value for copyright holders by forging new channels for distribution, thereby enabling old content to be reused anew, opening new revenue streams, and functioning as a "free sample" that directly precedes the purchase of traditional media. Had YouTube been encumbered by lawsuits from the beginning, then without the deep pockets required to do battle in the courtroom, the YouTube experiment would have ended in disaster. Instead, YouTube was sold to Google for more than \$1,000,000,000.00 US, and it continues to grow as a valuable resource for commercial, cultural, and political purposes.

Does Canada care to foster such innovation within its borders? Would it not be a source of pride, and an inspiration to aspiring upstarts, if stories like this more often originated in Toronto, Waterloo, and Vancouver? Instead, Parliament discusses a dark and dystopic vision of the future which would serve as one more reason for innovators to travel south to found their companies. Existing tax laws are already less favourable in Canada than in the United States, and without any competitive advantage in the structure of Canadian law, the inevitable results will be obvious and numerically demonstrable.

Bill C-32 as it exists is deeply flawed in its fundamental premise of seeking to be in line with international standards, because the nature of international standards are themselves deleterious, and it is only through the violation of those standards that innovation is accomplished in countries like the United States. Therefore, I strongly encourage Parliament to reexamine this premise, and to entertain a vision of the future where Canada attracts innovators because of its copyright policy, not in spite of it.

Respectfully,



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