

Incorporation by Reference: Implications for SDOs

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ASTM v. PRO Inc. – Procedural Status

- Court's decision was issued Sept. 12, 2023
 - Judgment was issued the same day
- Deadline for a petition for rehearing was 14 days later
- Deadline for a petition for writ of certiorari (U.S. Supreme Court review) is 90 days from Sept. 12

*American Society for Testing and Materials v.
Public.Resource.Org, Inc., No. 22-7063 (D.C. Cir. Sept. 12,
2023)*

ASTM v. PRO Inc. – Exact Holding

- “We hold that the non-commercial dissemination of such standards, as incorporated by reference into law, constitutes fair use and thus cannot support liability for copyright infringement.”
 - Purpose/Character of use
 - PRO’s “use is for nonprofit, educational purposes”
 - PRO’s “use is transformative because it serves a different purpose than the plaintiffs’ works”
 - SDOs “seek to advance science and industry by producing standards reflecting industry or engineering best practices,” while PRO seeks “to provide the public with a free and comprehensive repository of the law”
 - Nature of work
 - “This factor strongly supports a finding of fair use... [I]f a standard ‘is incorporated into law without limitation, the result is ‘virtually indistinguishable from a situation in which the standard had been expressly copied into law’”
 - Extent of use
 - “This factor strongly supports fair use because the standards at issue have been incorporated and thus have the force of law. Public Resource posts standards that government agencies have incorporated into law—no more and no less.”

ASTM v. PRO Inc. – the Commercial Republisher

- In explaining its remand after an earlier appeal, the court acknowledged the distinction between commercial and non-commercial republishers
 - “although the distinction among the three categories turns out not to matter much here, it might be dispositive in other contexts—for example, in assessing the fair-use defense of a for-profit firm that charges customers for copies of incorporated standards”
- **But that distinction might not be dispositive:**
 - “There is no doubt that a finding that copying was not commercial in nature tips the scales in favor of fair use. But the inverse is not necessarily true, as many common fair uses are indisputably commercial.”
 - “For instance, the text of § 107 includes examples like “news reporting,” which is often done for commercial profit. So even though Google's use was a commercial endeavor—a fact no party disputed ... —that is not dispositive of the first factor, particularly in light of the inherently transformative role that the reimplementation played in the new Android system.”

Google LLC v. Oracle America, Inc., 141 S.Ct. 1183, (2021)

Pro Codes Act (proposed)

- “A standard to which copyright protection subsists under section 102(a) at the time of its fixation shall retain such protection, notwithstanding that the standard is incorporated by reference, if the applicable standards development organization, within a reasonable period of time after obtaining actual or constructive notice that the standard has been incorporated by reference, makes all portions of the standard so incorporated publicly accessible online at no monetary cost.”
- Issues
 - What is “constructive” notice? Why no duty on the IBR government to notify the SDO?
 - How will an SDO “constructively” know which portions have been incorporated?
 - How much, and what kind of, public access is sufficient?
 - Can SDO require user to create account and provide contact information? (Draft bills say yes)

Possible Alternative Financial Models for SDOs

- Financing through participation fees
 - Initiate or increase participation fees
- Content-shifting
 - Narrow the content in codes (which can be incorporated), and create a separate “best practices,” “guides,” or “recommendations” – and lobby for incorporation of only the narrow code
- License fees
 - Charge a license fee for right to incorporate by reference