



AMERICAN CONTINENTAL GROUP

1800 M Street NW | 5th Floor | Washington D.C. 20036
Tel: (202) 327-8100 | Fax: (202) 327-8101

CONTENT & TECHNOLOGY POLICY REPORT APRIL 30, 2021



I. Congressional Updates:

- On Tuesday, the Senate Judiciary Privacy and Tech Subcommittee held a hearing on “Algorithms and Amplification: How Social Media Platforms’ Design Choices Shape Our Discourse and Our Minds.” The hearing featured testimony from the following witnesses: [Ms. Monika Bickert](#) (Vice President For Content Policy, Facebook), [Ms. Lauren Culbertson](#) (Head Of U.S. Public Policy, Twitter), [Ms. Alexandra Veitch](#) (Director Of Government Affairs And Public Policy For The Americas And Emerging Markets, YouTube), [Mr. Tristan Harris](#) (Co-Founder And President, Center for Humane Technology), and [Dr. Joan Donovan](#) (Research Director, Shorenstein Center on Media, Politics, and Public Policy and Lecturer in Public Policy at John F. Kennedy School of Government at Harvard University). The hearing was a good-faith investigation into the mechanics and intentions behind the use of algorithms and potential voluntary, legislative, or regulatory solutions lawmakers can use to curb the negative consequences of the technology. Neither Subcommittee Chairman Coons (D-DE) nor Ranking Member Sasse (R-NE) introduced legislation, instead, both used their opening remarks and question and answer sessions to begin a sincere dialogue that fosters bipartisan collaboration. In his opening statement, Coons cautioned that an investigation of algorithms should take a balanced approach, as Coons recognized that advancements in machine learning and algorithms have benefitted society. However, Coons then recognized the need for heightened scrutiny, attributing the spread of misinformation to algorithms’ ever-improving ability to amplify attention-grabbing content. Watch the full hearing [here](#).

Headlines and Highlights:

- Senate Judiciary Privacy and Tech Subcommittee holds hearing on AI and social media platforms.
- USTR publishes annual Special 301 Report.”
- USTR Tai still considering WTO TRIPS waiver.
- President Biden taps Celeste Drake to lead “Buy American” initiative.
- European Commission make preliminary conclusion that Apple’s App Store breaks competition rules after Spotify compliant.
- Facebook commits \$5 million towards paying local journalists for coverage in their communities.

In the Blogs:

[SMEs and IP: The Biggest Challenge For Many Small Businesses—Protecting their Intellectual Property](#)
Hugh Stephens Blog
April 28 by Hugh Stephens

- Last week, Senator Lindsey Graham (R-SC) introduced *The Combating Chinese Purloining (CCP) of Trade Secrets Act*. The bill seeks to protect American businesses and government institutions from attacks designed to steal sensitive information by increasing the maximum statutory penalty from 5 to 20 years of imprisonment for those individuals attempting to benefit a foreign government by manufacturing, distributing, possessing, or advertising any wire, oral, or electronic communication intercepting devices. The bill also expands available penalties for foreign persons who misappropriate a trade secret and creates grounds of inadmissibility and deportability for those who seek to enter the U.S. to engage in espionage, theft of intellectual property, including trade secrets, involvement in commercial fraud schemes, and improper interference in U.S. elections. Read more [here](#).
- In a *Wall Street Journal* editorial published on Monday, Senator Bill Hagerty (R-TN) announced the introduction of the *21st Century FREE Speech Act*, legislation to abolish Section 230 of the Communications Decency Act (CDA). According to his editorial, liability protection would remain in place for third-party speech and family-friendly moderation of specifically defined obscene or lewd content. The bill would also require platforms to disclose their content management and moderation practices to users. Read more [here](#).
- Last month, Senators Chris Coons and Dick Durbin (D-IL) re-introduced the *Innovation Centers Acceleration Act*. The bill intends to help the U.S. compete with China by placing renewed emphasis on sectors key to economic resiliency and productivity, including biomedical technology, advanced manufacturing, and more. “The Innovation Centers Acceleration Act will not only fund new R&D so that we stay ahead of China and strategic competitors, but it will also ensure that growth does not concentrate in a handful of large cities,” Senator Coons said in a statement announcing the bill’s re-introduction. Reps. Joseph Morelle (D-NY) and Terri Sewell (D-AL) sponsored the bill in the House of Representatives. Read more [here](#).

II. Judicial Updates:

- On Friday, an Australian court ordered mining magnate Clive Palmer to pay \$1.6 million in damages for infringing the copyright covering Twisted Sister’s hit song, “We’re Not Gonna Take It.” Justice Anna Katzmann stated that Palmer’s use of the song “was opportunistic” in her judgement. Palmer’s United Australia Party had rolled out a national campaign featuring “a re-written” version of the 1984 hit. The TV campaign used the lyrics, “Australia ain’t gonna cop it, no Australia’s not gonna cop it. Aussies not gonna cop it.” Palmer has defended the campaign, telling ABC that he “wrote the words.” Read more [here](#).

III. Administration Updates:

- On Friday, the Office United States Trade Representative (USTR) published its Special 301 Report on the adequacy and effectiveness of U.S. trading partners’ protection and enforcement of IP rights. The annual report details USTR’s findings of more than 100 trading partners after significant research and enhanced engagement with stakeholders. Among other findings, the report notes that Ukraine continued to take positive steps in 2020 toward a transparent, fair, and predictable system for the collective management of copyright royalties. It also notes that China recently amended its Patent Law, Copyright Law, and Criminal Law, but USTR found that “these steps toward reform require effective implementation and fall short of the full range of fundamental changes needed to improve the IP landscape in China.”

Read more [here](#).

- On Thursday, White House Press Secretary Jen Psaki said that the USTR Katherine Tai has yet to make a recommendation to the White House on the proposal at the World Trade Organization (WTO) to waive the agreement on Trade-Related Aspects of Intellectual Property (TRIPS). Psaki said that after USTR Tai offers her recommendation, President Joe Biden and his COVID-19 team will make the ultimate decision on the U.S. waiver position. “What we’re looking at now is how to ensure we can make more supply to provide to the global community, and do it in the most cost-effective way,” Psaki said. “There are lots of ways to do that; I know there’s been a lot of focus on the patent, but there’s a way to increase manufacturing in the United States at our manufacturing facilities that are already equipped to do more manufacturing, so we’re looking at a range of options.” Read more [here](#).
- On Tuesday, President Biden announced Celeste Drake — a longtime trade expert from AFL-CIO and former head of government relations for the Directors Guild of America — to be the first director of his initiative to steer more federal dollars to U.S. manufacturers and producers. Biden created the post in late January, when he signed an executive order aimed at adding requirements for federal agencies to “Buy American.” Drake will be responsible for ensuring that the federal procurement process rewards U.S.-based businesses, including small companies and minority entrepreneurs. Read more [here](#).

IV. International Updates:

- On Friday, news surfaced that the European Commission has made a preliminary conclusion that “Apple exercises considerable market power in the distribution of music streaming apps to owners of Apple devices.” The Commission opened an antitrust investigation into the App Store last year after Spotify brought a complaint about the Big Tech company’s license agreements in 2019. Apple responded that the EU’s case was the “opposite of fair competition.” Read more [here](#).
- On Wednesday, the Australian Competition and Consumer Commission (ACCC) made news when it said app developers should be allowed to provide customers with alternative payment options and data collected by Google and Apple should be kept separate from the Big Tech companies’ other operations. The competition watchdog also asserted that consumers should be allowed to change or remove pre-installed or default apps. The ACCC suggested that regulation might be required if the companies do not take such steps voluntarily. Read more [here](#).

V. Industry Updates:

- On Thursday, as part of its new newsletter platform, Facebook announced that it is committing \$5 million towards paying local journalists for coverage in their communities. Independent journalists selected to participate by the platform will enter into a deal with Facebook that includes a multiyear licensing fee to give the participants “time to build a relationship” with their audience. The application for interested journalists closes on May 20th. Read more [here](#).