



Originally started in 1978 as a not-for-profit organization by those who produce and use written material, Copyright Clearance Center (CCC) today is a global rights broker for in- and out-of-print books, journals, newspapers, ebooks, websites, images, blogs and more.

staying ahead in challenging times

In a year of groundbreaking challenges and new perspectives on the concept of rights ownership, Copyright Clearance Center, Inc. (CCC) remained ahead of the curve in Fiscal Year 2009, focused on **our mission—to create innovative licensing solutions for the seamless sharing of knowledge.**

CCC **increased revenues by 5%** over Fiscal Year 2008, and distributed \$144 million to rightsholders, representing an **8% increase in royalty payments** over the previous year. Other notable achievements in 2009 include **continued enhancements** of the award-winning Rightsphere® and Rightslink® tools, **adding millions of rights** for works that are critical to the academic community, and **expanding our educational services** to ensure that users understand how to share content responsibly.

promoting respect for intellectual property

Issues surrounding copyright have never been more complex or controversial. Understanding these copyright issues is critical to copyright holders and content users.

Thousands of educators, researchers, lawyers, authors and publishers attended CCC's **online and on-location training sessions**, which covered a broad range of topics, from copyright fundamentals to the proposed Google Books settlement. To help people stay informed about developments in the Google case and explore what it could mean to the future of copyright, CCC hosted a series of interviews with leading experts and released podcasts of those discussions through copyright.com and iTunes.

To meet the need for more copyright information,
ccc doubled our educational programs
in Fiscal Year 2009.



CCC also produced a first-of-its-kind ***Copyright Basics*** video in 2009 to help companies educate employees about the ins and outs of copyright law. The video has already **attracted thousands of viewers.**

download this video at

www.copyright.com/copyrightbasicsvideo

In 2010, we will release a new video that provides quick, easy-to-understand information about CCC's licensing solutions for business.

“The top benefit is the peace of mind that we’re in compliance with copyright laws. Having the CCC Annual License also gets back to integrity truly being a core value of our company.”

Chris Gannon, VP & General Counsel,
Blue Cross and Blue Shield of Vermont



supporting the way businesses work

Now more than ever, companies require faster, more convenient, intuitive and accessible licensing solutions that allow them to share the content they value most.

The **Annual Copyright License** and companion **Multinational Copyright License** allow more than **20 million** corporate workers to share content across their companies around the world.

CCC is meeting business needs head-on with licensing and information designed to help businesses drive growth and innovation. Introduced in 2008, CCC's collaboration license enables Annual Copyright License holders to share information related to specific projects with other licensees. And when Sales and Marketing needs to distribute copyrighted material to customers or post it to a website, CCC is there with everything from pay-as-you-go permissions available through copyright.com and Rightsphere to permissions and reprint services integrated with leading service providers.

In 2009, CCC enhanced our Copyright Resource Center—an online portal available exclusively to businesses with CCC's Annual Copyright License. The new and improved site allows customers to get information on copyright law, download a customizable copyright policy and access sample emails and posters to help educate their companies about using content responsibly.

“Rightsphere will make day-to-day operations simpler and more streamlined for the library group. For our colleagues, Rightsphere will provide the means for them to quickly and easily determine their reuse rights.” Amyas Huston,
Senior Manager, Medical Communications,
Cubist Pharmaceuticals, Inc.



creating new partnerships, new alliances & new horizons

Rightsphere®, the powerful rights management service that facilitates collaboration among knowledge workers on a global level, continued to build value by integrating with key knowledge management applications.

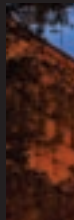
Rightsphere has been adopted by **global leaders** in the pharmaceutical, aerospace and consumer goods industries.

Now content users can verify their usage rights while using tools from providers such as Reprints Desk, QUOSA and TDNet. Due in large part to Rightsphere, CCC has been named to the eContent 100 list of companies that “matter most in the digital content industry” for the past three years.

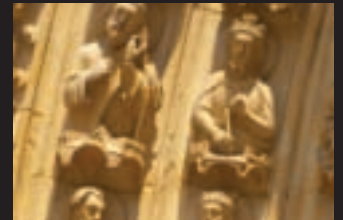
“ReadyImages takes the guesswork out of permissions and rights questions so employees can search a database of high-quality images and use what they need. Employees don’t have to scour the Internet for freebie images or sacrifice quality anymore.”

Information Today, January 2009

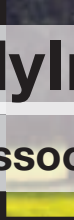
delivering a solution that puts images to work



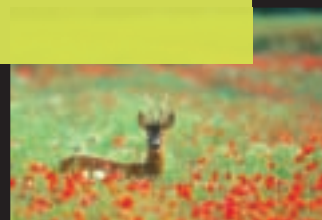
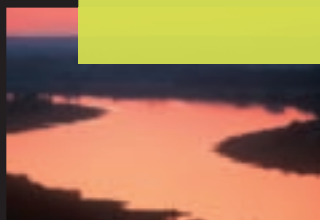
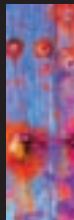
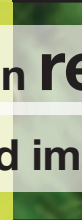
Launched in November 2008, CCC's ReadyImages® subscription service provides companies with access to more than two million professional images, for use in a range of business communications such as presentations and training materials.



With ReadyImages, businesses can reduce the risks associated with using unlicensed images off the Web.



In Fiscal Year 2009, CCC hosted a series of online seminars to help organizations understand the impact of copyright law on the use of images, and to demonstrate how to use photos from ReadyImages to create more effective presentations.



“With the Annual Copyright License, faculty and staff can focus on the business of teaching, while demonstrating the importance of respecting the intellectual and creative property of others.”

Georgia Harper, Scholarly Communications Advisor, University of Texas at Austin Libraries



providing academia with greater access to knowledge

More than **70** academic institutions have adopted the **Annual Copyright License** since its debut in 2007.

The Annual Copyright License for Academic Institutions generated tremendous interest in Fiscal Year 2009 from colleges and universities as well as the rightsholders that serve academia. Introduced in 2007, the license allows faculty, researchers and staff to use and distribute published content across campus in coursepacks, course management systems, electronic reserves, research collaboration and more.

With participating rightsholders such as Taylor & Francis Journals and the University of Chicago Press, it is easy to see why institutions as diverse as the University of Massachusetts Medical School, Marquette University Law School and Delaware County Community College chose to adopt the Annual Copyright License in 2009.



Today, the **Annual Copyright License** for **Academic Institutions** covers content from more than **800** rightsholders.

For a single annual fee, CCC's Annual Copyright License provides the rights to share material from **millions** of in- and out-of-print books, scholarly journals, newspapers, magazines, blogs and ebooks.





expanding marketing opportunities for rightsholders



CCC's Rightslink®, the most widely used online content licensing service, had an exceptional year, generating a

32% increase in royalties

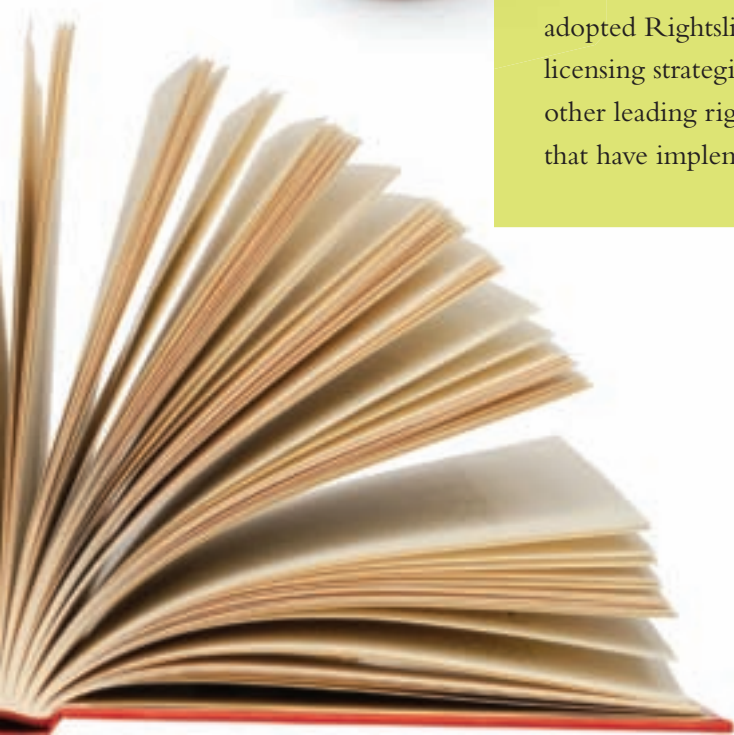
to rightsholders compared to Fiscal Year 2008. Rightslink helps rightsholders generate incremental revenue, exceed customer expectations, operate more efficiently and understand customer buying habits.

Rightslink makes it quick and easy for content users to **“do the right thing.”**

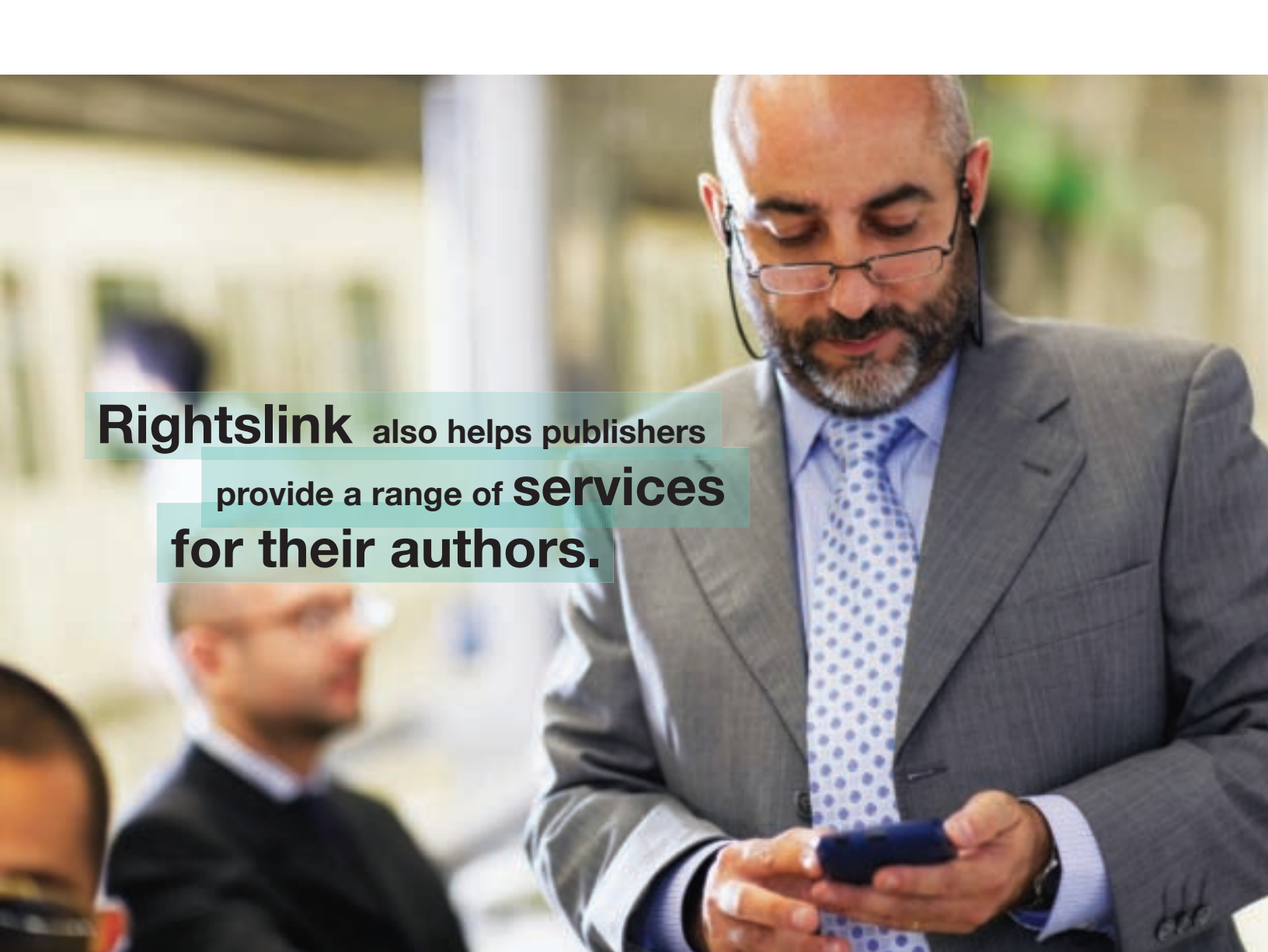
“Rightslink gives our clients the ability to purchase the reuse rights for our products any time, any place from an e-platform, plus CCC is a known and trusted brand so they know it’s a safe transaction.” Luis Portero, Vice President of Commercial Sales for U.S. Journals, Elsevier



Rightslink[®] automates the permissions and reprint process on more than 23,000 online journals, magazines, newspapers, and books. In just the past few years, customers have used Rightslink to place tens of millions of dollars in permissions and reprint orders. With Rightslink, content users can get permission to translate, use and share text, image and video content wherever the content resides.



In Fiscal Year 2009, the American Institute of Physics, Wolters Kluwer and John Wiley & Sons, along with 17 other rightsholders, adopted Rightslink to support their online licensing strategies. These organizations join other leading rightsholders around the globe that have implemented Rightslink.

A man with a beard and glasses, wearing a grey suit and a blue patterned tie, is looking down at a smartphone in his hands. He is in a professional setting, possibly a conference or office, with other people blurred in the background.

Rightslink also helps publishers
provide a range of **services**
for their authors.

Using Rightslink, authors can quickly and efficiently order reprints, submit open access fees and view page charges—online any time of the day or night.

Rightslink accommodates Scientific, Technical and Medical (STM) guidelines, Open Access licenses and customized services—a simple, yet innovative, solution for authors and publishers.

“Since its introduction, Rights Central has proved an excellent tool for us not only to keep track of current CCC sales activity, but also to manage our titles and identify trends of use.”

Chris Payne, Head of Copyright and Permissions, Rights Department, Academic Books and Journals Division, Oxford University Press

providing tools to rightsholders

Rights Central, CCC's reporting and communications hub for rightsholders, continues to thrive. Since its introduction in July 2008, Rights Central **usage has quadrupled.**



Rights Central is a Web-based portal that demonstrates CCC's commitment to rightsholders and helps them **manage their business** with CCC.

Using Rights Central, rightsholders can download royalty and content usage reports in order to analyze top sellers and royalties by market; confirm that CCC has their most current title lists and that those titles are enrolled in as many services as possible; update their rights and fees to effectively monetize their content; and download year-over-year royalty comparison reports.

“What instantly struck me is that Rightsconnect really gets to HighWire’s philosophy of putting the appropriate information in the users’ hands, at precisely the right time, in their natural workflow.” Kristen Ratan, Assistant Director, Business Strategy, HighWire Press

A photograph of a person with dark, curly hair looking over the top of a laptop screen. The person is in a library or office setting, with bookshelves filled with books visible in the background. The lighting is bright and natural, suggesting a window nearby. The overall tone is professional and focused.

integrating permissions into the everyday workflow

Rightsconnect, a family of services supported by a comprehensive partner program, integrates CCC's permissions services with Web services and application vendors. As a result of these integrations, content users can obtain copyright permissions within the applications they use every day.

In Fiscal Year 2009, Rightsconnect expanded its reach by adding Scitation, Publishing Technology and HeinOnline to the partner program. They join other key partners, including ALTO Imaging, Docutek, OCLC, Project MUSE and HighWire Press.

“We aren’t about best practices.
We are about *next* practices.”
Tracey Armstrong, President
and CEO of Copyright
Clearance Center

How has CCC evolved in the past 12 to 24 months?

TA I frequently find myself saying “this is not the CCC you always knew.” CCC has been working with user and rightsholder clients to evolve our services in recent months. We continue to increase transparency to rightsholders, and Rights Central is a great example of that. This portal allows rightsholders to see exactly what royalties they receive from CCC and to run and download detailed reports associated with those royalty payments. We’ve also expanded our licensing services to include moving and still images based on user and rightsholder demand. We license medical photographs and videos, stock photography, news – an increasingly wide variety of content and media. Another terrific example is the work we’re doing in the academic market, where we now offer an annual institutional license covering digital and analog uses on campus. We’re collaborating with thought leaders from NYU and six other prominent colleges and universities to investigate the usefulness of a video license for educational use. These are just a few examples of how we are evolving.

Q&A with CEO Tracey Armstrong

How big a role will education play for CCC in 2010?

TA Education is in demand. We hear regularly from clients that more is needed. To meet this demand, CCC will release additional videos, to complement our *Copyright Basics* video, which is already available. We continue to offer onsite fee-based training and remote education opportunities such as podcasts and webinars. And we will also continue to partner with other organizations such as the Association of American Publishers and the Special Libraries Association on educational programming. Next year we will host OnCopyright 2010: At the Crossroads. This conference will explore copyright and its impact on art, society, technology and law and will give industry leaders an opportunity to discuss the evolving world of copyright. To learn more about this truly unique conference, go to www.oncopyright2010.com.

What's next for CCC?

TA CCC is about solutions, and our focus in the next year will be to assist our clients with the problems they face today and tomorrow. The corporations and academic institutions we license require rights over a broader and more diverse set of content, and we will continue to add rights to meet that need. The rightsholders we represent require licensing capabilities on their digital content, and to meet that demand we will continue to enhance Rightslink's powerful feature set. For all our clients, licensing must be embedded into their daily workflow and we will continue to evolve our robust set of tools to make licensing seamless.



A smiling woman with long dark hair, wearing an orange top, is talking on a mobile phone. She is looking towards the right of the frame. In the background, there is a computer monitor and a blurred office environment.

innovators for a global economy

In the business world and the content industry, there are no geographic boundaries. Information is produced and used everywhere, which is why CCC continues to build relationships with organizations around the world to reinforce the importance of respect for intellectual property rights and to make it easy for people to share content responsibly, no matter where they are located.

In corporate markets,
CCC now licenses the use of published content
by workers in **more than 180 countries.**

In Fiscal Year 2009, CCC played a leadership role within the International Federation of Reproduction Rights Organizations (IFRRO), signed bilateral agreements with numerous Reproduction Rights Organizations (RROs) from Greece to Hong Kong, and expanded opportunities for rightsholders to license the use of their digital content by colleges and universities in more countries than ever before.

Tomorrow's innovations are fueled by today's information. In 2010, CCC will build on the successes of the past year by creating and shaping solutions that meet the needs of rightsholders and content consumers today and into the future.

By adapting to meet the changing needs of rightsholders and content users, *by expanding* our services to provide rights to share more content in more ways, *by building* relationships to ensure that rightsholders are compensated for the use of their work around the world, and *by advocating* respect for the principles of copyright, CCC will continue **to deliver innovative solutions for the seamless sharing of knowledge.**

summary statement of revenue & expenses

Years Ended
June 30, 2009
and 2008

\$ in thousands

	2009	2008
Revenues:		
Repertory Licensing	123,684	115,773
Transactional Licensing	29,400	28,355
International	39,493	39,348
Rightslink Services	11,142	9,227
Rightsphere Services	1,100	560
Other	1,709	2,756
Total Revenue	<u>206,528</u>	<u>196,019</u>
 Expenses:		
Sales and Marketing	20,504	21,070
Systems Support and Development	18,266	16,243
General and Administrative	13,922	13,050
Depreciation	3,537	3,035
Total Operating Expenses	<u>56,229</u>	<u>53,398</u>
Income Before Provision for Distributions	150,299	142,621
Provision for Distribution to Rightsholders	148,490	142,537
Income Before Taxes	1,809	84
Provision for Income Taxes	758	265
Net Income	<u><u>1,051</u></u>	<u><u>(181)</u></u>

summary statement of assets, liabilities & fund deficit

As of
June 30, 2009
and 2008

\$ in thousands

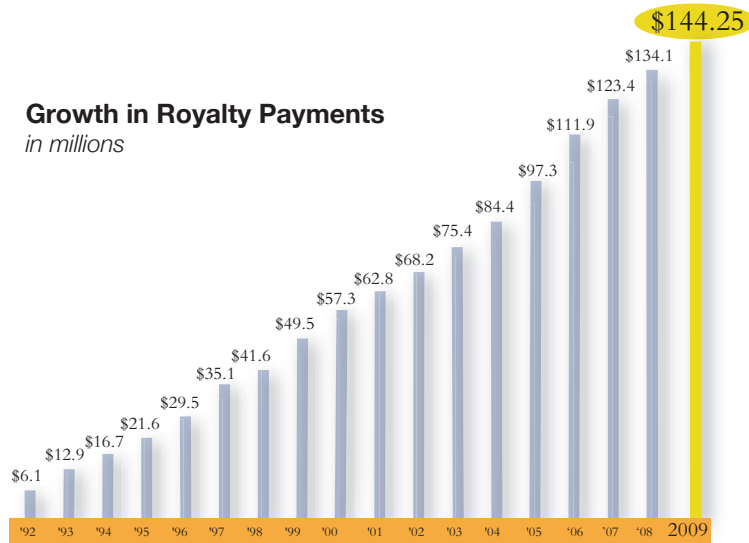
Assets:	2009	2008
Current Assets ¹	68,319	63,212
Property, Equipment and Other Assets	13,815	13,447
	<u>82,134</u>	<u>76,659</u>
Liabilities & Fund Deficit:		
Rightsholders' Royalty Payable ²	70,490	65,589
Other Liabilities	22,417	20,995
Fund Deficit ³	(10,773)	(9,925)
	<u>82,134</u>	<u>76,659</u>
Distributions to Rightsholders ⁴	144,251	134,092
Rightsholders' Distribution/Collection Ratio ⁵	75%	76%
Royalty Months Outstanding ⁶	5	5
Revenues per Employee	896	868

¹Current assets include cash, short-term investments, accounts receivable and prepaid expenses. ²Rightsholders' Royalties Payable is the liability that CCC has to all rightsholders as of June 30, 2009 and 2008. ³Fund Deficit is the not-for-profit equivalent of equity and represents cumulative gains and losses from operations, including infrastructure and product development investments since company inception/incorporation, as well as impact of pension accounting. ⁴Distributions to Rightsholders represent total royalty distributions disbursed during the fiscal year from revenues collected in that and/or prior fiscal years. ⁵Rightsholders' Distribution/Collection Ratio is the portion of license fees that is distributed by CCC as rightsholder royalties; expressed as a percentage, it is the portion of every license dollar distributed by CCC. ⁶Royalty Months Outstanding is the average number of months from collection to payment.

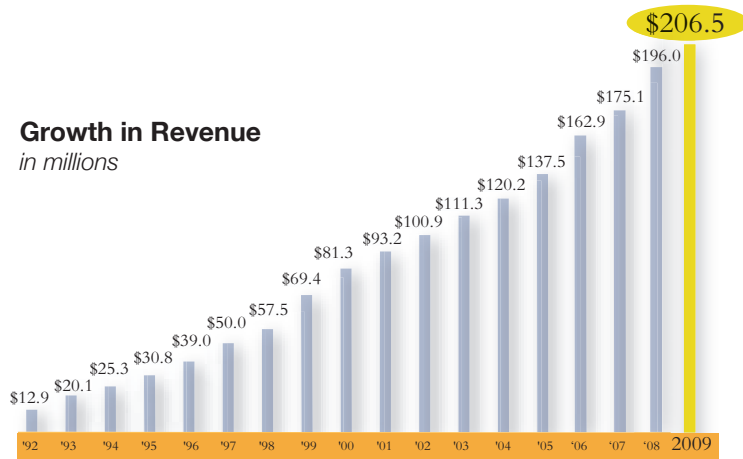
CCC's formal financial statements are audited by Baker Newman & Noyes, LLC.

2009 success

Growth in Royalty Payments
in millions



Growth in Revenue
in millions



Members of the Board

Jack Hoeft - *Chairman*

Richard S. Rudick - *Vice Chairman*

Tracey L. Armstrong

Ina A. Brown-Woodson

David L. Foster

Laura N. Gasaway

Karen Hunter

Stanley N. Katz

Roy S. Kaufman

Nancy Lee

Elizabeth St. J. Loker

James Monaco

Michael A. Petronella

Eugenie E. Prime

Ronald H. Schlosser

Sanford G. Thatcher

Management Team

Tracey L. Armstrong - *President and Chief Executive Officer*

Gwen Chasan - *Vice President, Operations*

Bruce Funkhouser - *Vice President, International and Distributions*

Gretchen Gasser-Ellis - *Chief Information Officer*

Frederic Haber - *Vice President, General Counsel and Secretary*

Thomas M. Hamilton - *Vice President and Chief Technology Officer*

A. Miles McNamee - *Vice President, Licensing and Business Development*

Michele Nivens - *Vice President, Human Resources*

Diane L. Pierson - *Vice President, Marketing*

Richard A. Ruf - *Vice President, Treasurer, and Chief Financial Officer*

