

KERNOCHAN CENTER

FOR LAW, MEDIA AND THE ARTS

COLUMBIA UNIVERSITY SCHOOL OF LAW

October 1, 2015

Submitted Online via <http://copyright.gov/policy/visualworks/comment-form/>

Maria A. Pallante
Register of Copyrights
U.S. Copyright Office
101 Independence Avenue, S.E.
Washington, DC 20559-6000

Re: Reply Comments regarding Notice of Inquiry re Copyright Protection for Certain Visual Works, 80 Fed. Reg. 142 (2015)

Dear Register Pallante,

We submit this Reply Comment in response to the Copyright Office Notice of Inquiry cited above, regarding copyright protection for certain visual works. We were impressed with the wide range of artists and artists' representatives who responded to the Notice of Inquiry and read with interest the various comments submitted.

We are well aware that visual artists, more than many other creators, are consistently at risk of losing licensing revenue in secondary, and even primary, licensing markets. In the digital age, it is all too easy to remove identifying data from an image found on the internet (notwithstanding the prohibition in 17 U.S.C. section 1202). The public shares photos and other visual works often without a thought to ownership or licensing. We have previously responded to various Notices of Inquiry that relate to visual artworks, and we support visual artists' desire both to protect their works from infringement and to be fairly compensated when their works are used.¹ It is apparent that the Copyright Office recognizes visual artists' concerns, as evidenced by this proceeding,

¹ See Kernochan Center for Law, Media and the Arts, Columbia Univ. School of Law ("Kernochan Center"), Additional Comments Submitted in Response to U.S. Copyright Office's Feb. 10, 2014 Notice of Inquiry on Orphan Works and Mass Digitization (May 21, 2014), *available at* http://copyright.gov/orphan/comments/Docket2012_12/Kernochan-Center-for-Law-Media-and-the-Arts.pdf; Kernochan Center, Reply Comments Submitted in Response to U.S. Copyright Office's Oct. 22, 2012 Notice of Inquiry on Orphan Works and Mass Digitization (Mar. 6, 2013), *available at* http://copyright.gov/orphan/comments/noi_11302012/Columbia-Law-School-Kernochan-Center.pdf; Kernochan Center, Comments Submitted in Response to U.S. Copyright Office's Aug. 23, 2012 Notice of Inquiry on Remedies for Small Copyright Claims (Oct. 19, 2012), *available at* http://www.copyright.gov/docs/smallclaims/comments/noi_10112012/kernochancenter.pdf; Kernochan Center, Comments Submitted in Response to U.S. Copyright Office's Oct. 27, 2011 Notice of Inquiry on Remedies for Small Copyright Claims (Jan. 17, 2012), *available at* http://www.copyright.gov/docs/smallclaims/comments/29_kernochan_center_for_law.pdf.

the ongoing proceeding on Mass Digitization,² and the Office's recent reports on Copyright Small Claims³ and Orphan Works and Mass Digitization.⁴

Many of the initial comments in this Notice of Inquiry made informed and thoughtful points regarding the state of copyright law and enforcement today and proposals for the future. But some other comments revealed several misconceptions that we believe it important to address. These concern orphan works and artists' resale royalties. In addition, we write to express our support for the Copyright Office's proposal to create small claims tribunals; we believe such tribunals would help address the concerns expressed in the comments by many artists who cannot afford to enforce their rights through the regular federal courts.

A. Orphan Works

A number of comments seem to regard this proceeding as a referendum on potential orphan works legislation. There is currently no proposed legislation regarding orphan works, so perhaps these comments are directed toward the version the Copyright Office proposed in its recent report on Orphan Works and Mass Digitization or one or both of the 2008 bills.⁵ Contrary to what some commentators assert, legislation regarding orphan works would not create a no-fault license to infringe.

Orphan works are copyrightable works whose copyright holder cannot be identified or, if identified, cannot be located, by those wishing to exploit the work. This does not mean that a copyright holder does not exist, but rather that it is unduly difficult to ascertain who that person is or where he/she can be found. In the case of visual artworks, difficulties in finding the copyright owner may be due not to the owner's indifference, but to a third party's deletion (intentional or not) of identifying information. Unfortunately, works circulated on the internet may often lack identifying information for this reason.

Misconceptions about orphan works regimes abound, both among visual artists, and among some academic commentators. In these communities, many oppose orphan works legislation, but for radically different reasons. Some visual artists resist any incursion on exclusive rights; some commentators assert that no legislation is needed because if a work is "orphaned" then its use must be "fair."

² See Extension of Comment Period, Mass Digitization Pilot Program, Request for Comments, 80 Fed. Reg. 45,248 (July 29, 2015); Mass Digitization Pilot Program, Request for Comments, 80 Fed. Reg. 32,614 (June 9, 2015).

³ U.S. COPYRIGHT OFFICE, COPYRIGHT SMALL CLAIMS: A REPORT OF THE REGISTER OF COPYRIGHTS (2013), available at <http://copyright.gov/docs/smallclaims/usco-smallcopyrightclaims.pdf> [hereinafter SMALL CLAIMS REPORT].

⁴ U.S. COPYRIGHT OFFICE, ORPHAN WORKS AND MASS DIGITIZATION: A REPORT OF THE REGISTER OF COPYRIGHTS (2015) available at <http://copyright.gov/orphan/reports/orphan-works2015.pdf> [hereinafter ORPHAN WORKS REPORT].

⁵ ORPHAN WORKS REPORT, *supra* note 4; Orphan Works Act of 2008, H.R. 5889, 110th Cong. (2008); Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. (2008).

A number of visual artists oppose any change to the copyright law to facilitate use of orphan works. We recognize change is often daunting, but in the digital environment, we believe it is inevitable. Visual artists are rightfully concerned that their ability to profit from licensing their images is being eroded as the digital revolution allows easier and more frequent infringement. This trend, however, is not going to diminish in the future; it will only increase. Lamenting the shortcomings of copyright law in the face of the digital environment and then advocating for the status quo is contradictory and counterproductive.

Copyright law will change in response to the challenges and opportunities of the digital environment. The question is *how* it will do so. Without orphan works legislation, users will undoubtedly increase their reliance on fair use, and recent cases suggest that the courts might expand fair use to permit use of works that users believed, in good faith, were “orphaned.”⁶ Under proposed orphan works legislation, the Copyright Office would provide guidance as to what constitutes a reasonable search; if users simply rely on fair use, there will be no such guide. Proposed orphan works legislation allows for compensation of a right holder who comes forward; fair use does not. The current proposal and the 2008 House bill mandate the creation of a registry of works sought to be exploited under orphan works legislation,⁷ which would make it easier for authors to track users and ultimately provide them with licensing opportunities; fair use does not. The ultimate goal of orphan works legislation is to minimize the number of orphan works, to assist authors and users in the licensing of creative works. Without orphan works legislation, it is likely that authors – including visual artists – will lose the most.

The legislation proposed by the Copyright Office in its July 2015 Report on Orphan Works and Mass Digitization has focused on ways to allow users, who have completed a diligent search without success, to use orphan works with limited liability. If the user satisfies the requirements of the Copyright Office’s proposed Orphan Works Legislation, which include, for example, the completion of a qualified search and reporting of the use to a centralized registry,⁸ damages are limited to reasonable compensation for the use of the infringed work.⁹ If the infringer was a nonprofit educational institution, museum, library, archives, or a public broadcasting entity, or employees of such acting in the scope of their employment, and the infringer proves that

⁶ See, e.g., Pamela Samuelson, Jennifer M. Urban, David R. Hansen, Kathryn Hashimoto & Gwen Hinze, *Solving the Orphan Works Problem*, 37 COLUM. J. LAW & ARTS 1 (2013); Jennifer M. Urban, *How Fair Use Can Solve the Orphan Works Problem*, 27 BERKELEY TECH. L. J. 1379 (2012); Lydia Pallas Loren, *Abandoning the Orphans: An Open Access Approach to Hostage Works*, 27 BERKELEY TECH. L. J. 1431 (2012).

⁷ In addition, the 2012 EU Directive, (Council Directive 2012/28, Certain Permitted Uses of Orphan Works, 2012 O.J. (L299/5) Article 3(6)) mandated the creation and maintenance of such a registry.

⁸ ORPHAN WORKS REPORT, *supra* note 4 at APPENDIX A, Proposed §514(b)(1)(A). The full requirements include (1) a qualified diligent search that yielded no location or identity of the copyright owner; (2) the filing of a Notice of Use with a registry created and maintained by the Register of Copyrights; (3) providing attribution to the legal owner of the copyright in the work, if known; (4) including a symbol, as determined by the Register of Copyrights indicating that an orphaned work was used in the production of the infringing work; (5) asserting eligibility for this exception when an action is brought; and (6) stating in the initial discovery disclosures specific reasons for eligibility for this limitation on remedies.

⁹ *Id.* at §514(c)(1)(A).

(a) the infringement was performed without commercial advantage; (b) the infringement was primarily educational, religious, or charitable in nature; and (c) the infringer ceased infringing actions as soon as he/she received a notice of claim of infringement, no compensation would be required.¹⁰ This Copyright Office proposal and the 2008 House bill¹¹ include a requirement that potential users post a notice in a searchable, national database that they wish to use the work.¹² These mechanisms would alert copyright holders that there was a desire to license their work,¹³ and, should they later come forward, assist them in determining who is using their work.

As this review of the Copyright Office proposals and prior bills demonstrate, legislation regarding orphan works would not create what some of the comments call a no-fault license to infringe. In fact, the result of orphan works legislation might be the exact opposite. As mentioned above, there is pressure to expand fair use in order to enable users to exploit works for which they cannot locate a copyright holder. But a successful fair use defense means that users need not pay the copyright holder any licensing fees. Under an orphan works regime, by contrast, many of these uses would yield compensation to a subsequently-appearing copyright holder.

Many of the comments also asserted that creation of a national registry was an impossibility. Understaffing and budgetary concerns may constrain the Copyright Office's ability to host a nationwide registry, but there are or could be other entities to fill this void. The British Copyright Hub is an example of the potential of such a registry.¹⁴ While still in the pilot phase, it appears promising. In addition, PLUS, the Picture Licensing Universal System, has established a registry here in the United States.¹⁵ A viable registry system, perhaps composed of interlinked registries, in fact seems entirely feasible. The potential for multiple interconnected registries should also allay the fears, expressed in some comments, that image banks would control the registries, charge exorbitant rates for artists to register, or limit usage of the registry to large companies. Nor, were registries interlinked, would it be necessary for authors to join multiple registries in order to be protected. We also believe the Copyright Office could considerably facilitate the development of its own or other registries were it to include in its registration records digital identifiers (akin to ISBN numbers) that would enable the work to be tracked and licensed.

One of the primary concerns of those who participated in the initial comment phase of this Notice of Inquiry was the current registration system. It is clear that the current system works better for small volume, large profit producers than for those who create dozens if not hundreds of works over a short period. The Copyright Office has tried to make accommodations for visual artists, such as its policy of allowing group

¹⁰ *Id.* at §514 (c)(1)(B).

¹¹ *Supra* note 5.

¹² ORPHAN WORKS REPORT, *supra* note 4 at §514(b)(1)(A)(ii) and H.R. 5889 at §514(b)(1)(A)(ii).

¹³ *Id.*

¹⁴ Copyright Hub, <http://www.copyrighthub.co.uk/get-permission/images> (last visited Sept. 30, 2015).

¹⁵ PLUS, <https://www.useplus.com/aboutplus/system.asp> (last visited Sept. 30, 2015).

registration for photographs¹⁶ The American Society of Media Photographers, among other organizations, has made concrete suggestions to improve registration¹⁷ and Register Pallante has acknowledged the current problems and vowed to ameliorate the situation to the extent possible.¹⁸ In the meantime, creators of large volumes of work who feel they do not have the time or monetary resources to register all their works will have to prioritize among works, perhaps registering those they deem most likely to be infringed. This is clearly not ideal, but given the current environment, it is preferable to not registering any works at all. Furthermore, if a small claims tribunal is created, registration will have an even more important role to play in authors' appropriate compensation. If registration can eventually be integrated into artists' workflow, the problem will be reduced, at least in some cases. Similarly, if the Copyright Office registration database could be linked to one or more industry-created visual arts registries that can search by image, that could reduce the orphan works problem. A number of commentators maintained that locating a copyright holder was not a problem, but we believe this contention is contradicted by the submissions in the orphan works proceedings in the Copyright Office.¹⁹

B. American Royalties Too Act

Many commentators encouraged Congress to pass the American Royalties Too Act proposed by Representative Jerrold Nadler in April of 2015.²⁰ There seemed to be some confusion, however, about who would benefit from this legislation. This bill would cover only the sale, at auction, of visual artworks valued over \$5,000.²¹ It would not

¹⁶ See, e.g., <http://copyright.gov/circs/circ40.pdf> summarizing ways to register works of visual arts.

¹⁷ See Thomas Kennedy, American Society of Media Photographers, Comments Submitted in Response to U.S. Copyright Office's April 24, 2015 Notice of Inquiry on Copyright Protection for Certain Visual Works at 13-15 (July 23, 2015), available at http://asmp.org/pdfs/ASMP_NOI_Submission_20150724.pdf.

¹⁸ See *Register's Perspective on Copyright Review: Hearing Before the H. Comm. On the Judiciary*, 114th Cong. (2015)(statement of Maria A. Pallante, Register of Copyrights and Director, U.S. Copyright Office), available at http://judiciary.house.gov/_cache/files/1c82a3a6-3b1b-4a51-b212-281454d1e56e/written-testimony-of-register-maria-a-pallante.pdf

¹⁹ See, e.g., Museum of Fine Arts, Boston Initial Comment to Notice of Inquiry on Orphan Works and Mass Digitization 77 Fed. Reg. 204 (2012) at 2 ("To date the MFA is proud to have cleared rights for over 17,000 works in its collection. Despite the progress made through this initiative, there are thousands of works in our collection for which we are unable to locate and/or identify a rights holder for a variety of reasons..."); Picture Archive Council of America, Inc. Reply Comment to Notice of Inquiry on Orphan Works and Mass Digitization 77 Fed. Reg. 204 (2012) at 2 ("More realistically, the owner of the copyright is difficult to locate, not because the owner does not want to be found, but rather due to the fact that works of visual arts typically are published without attribution, or if published in digital format, any relevant metadata that would identify ownership is either missing or stripped as a result of software used in uploading and transmitting images.").

²⁰ American Royalties Too Act of 2015, H.R. 1881, 114th Cong. (2015) available at <https://www.congress.gov/bill/114th-congress/house-bill/1881/text>.

²¹ *Id.* at §2(4). H.R. 1881 would define a "work of visual art" as "a painting, drawing, print, sculpture, or photograph, existing either in the original embodiment or in a limited edition of 200 copies or fewer that bear the signature or other identifying mark of the author and are consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author." The

provide royalties for visual artists whose work is reproduced in print or any other medium (over the statutory limit of signed and numbered copies of a limited edition). The scope of the bill resembles artists resale royalty regimes in the E.U. and elsewhere.²² In other words, the bill concerns the fine arts. Graphic artists and most photographers are not likely to derive any additional income from the artists' resale royalty as currently designed. We encourage everyone to read the Act and make an informed decision whether to support it or not.

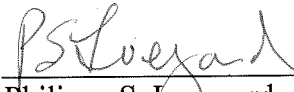
C. Small Claims Proceedings

One of the changes proposed by the Copyright Office is the creation of a small claims court that would handle small-scale copyright infringement issues. We support such a tribunal and believe it would be a benefit to visual artists. The idea of such a court was initiated in response to frequent complaints, especially from visual artists in the course of discussing possible orphan works legislation, that the cost of prosecuting infringers often exceeds the potential recovery. It is true that bringing a federal lawsuit against an entity that has used one's work without a license can cost tens of thousands of dollars with no guaranty of a satisfactory outcome. A small claims forum along the lines proposed by the Copyright Office would provide individual creators with an affordable means to recover licensing fees owed to them. The potential recovery of actual and statutory damages would be limited, but the limit suggested by the Copyright Office (\$30,000 total in a single proceeding, with a maximum of \$15,000 in statutory damages per work) would likely encompass many claims that visual artists would likely pursue.²³ Where damages are likely to exceed the small claims limit, an author can avail herself of federal court. Some fear that the small claims option, which would be entirely voluntary, would be defeated by defendants who would inevitably seek to have the case determined in federal court. In our view, while this may be the case in some situations, defendants as well as plaintiffs have an interest in keeping costs down (and, for defendants, in having damages capped). This type of adjudication method could accordingly enhance effective copyright enforcement.

We are grateful to the Copyright Office for the opportunity to contribute to this discussion.

Respectfully submitted,

Kernochan Center for Law, Media and the Arts
Columbia Law School

By: 

Philippa S. Loengard

bill would not change the types of works covered by the current definition in 17 U.S.C. §101, except that photographs would no longer have to be produced for exhibition purposes.

²² See e.g., DIRECTIVE 2001/84/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 SEPTEMBER 2001 ON THE RESELLER RIGHT FOR THE BENEFIT OF THE AUTHOR OF AN ORIGINAL WORK OF ART, 2001 O.J.(L272).

²³ SMALL CLAIMS REPORT, *supra* note 3 at 110-112 and Appendix §1403(d)(1).