



50 F Street, N.W., 4th Floor
Washington, D.C. 20001
Telephone: (202) 347-3375
Fax: (202) 347-3690

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Jule L. Sigall
Associate Register for Policy
& International Affairs
U.S. Copyright Office
Copyright GC/I&R
P.O. Box 70400
Southwest Station
Washington, D.C. 20024

Signed Copy via Messenger

RE: Notice of Inquiry Concerning “Orphan Works”

Pursuant to the Notice of Inquiry published by the Copyright Office in the Federal Register of January 26, 2005 (p. 3739-3743), the Association of American Publishers, the Association of American University Presses, and the Software & Information Industry Association (hereinafter collectively referred to as “the Joint Commenters”) jointly submit these Comments on behalf of themselves and their members regarding the Copyright Office’s examination of “orphan works” issues.

Joint Commenters’ Statements of Interest

Association of American Publishers (“AAP”) – As the principal national trade association of the U.S. book publishing industry, AAP represents some 300 member companies and organizations that include most of the major commercial book and journal publishers in the United States, as well as many small and non-profit publishers, university presses and scholarly societies. AAP members publish hardcover and paperback books and journals in every field of human interest. In addition to publishing print materials, many AAP members are active in the emerging market for e-books, while also producing computer programs, databases, Web sites and a variety of multimedia works for use in online and other digital formats. AAP has been on the public record as supporting the development of a solution to the problem of “orphan works” since it provided comments and testimony to that effect in the proceedings that resulted in the issuance of the Register of Copyright’s *Report on Copyright and Digital Distance Education* in May 1999.

Association of American University Presses (“AAUP”) – Each year, the 125 members of AAUP publish over 10,000 books and 750 journals. Just as scholars build on the achievements of their predecessors in order to develop new knowledge, the publication of

a scholar's new work often requires the incorporation of work done by others. As campus-based users and publishers of copyrighted works, AAUP's members would strongly benefit from a change in the copyright law that would facilitate the lawful use of such works in circumstances where permission for the use may be required but the copyright owner cannot be identified and located.

Software & Information Industry Association ("SIIA") – As the principal trade association for the software and information industry, SIIA represents over 600 companies that develop and market software and electronic content for business, education, consumers, the Internet, and entertainment. Among SIIA members, it is primarily the information companies that are affected by the "orphan works" issue. Like the other Joint Commenters, these companies are both copyright owners and users (and successors-in-interest to users) of the copyrighted works of others, and are extremely interested in ensuring that any legislative approach to the "orphan works" issue will effectively balance the interests of copyright owners and users.

Introduction

The Joint Commenters commend the Copyright Office for initiating this inquiry into the issues raised by so-called "orphan works," and welcome the opportunity to work with the Copyright Office in addressing those important issues.

As both copyright owners and users of the copyrighted works of others, the members of each of the Joint Commenters have an interest in supporting the wide dissemination and use of copyrighted works under established principles of copyright law. With their considerable experience in seeking permission for the use of discrete copyrighted works as parts of works of history and biography, textbooks and anthologies, and virtually all other genres of literary works that they publish, the members of each of the Joint Commenters understand the problems that can arise when a copyright owner cannot be identified and located for purposes of obtaining necessary permissions, and would welcome a change in the copyright law that helps to address those issues.

Having reflected on the "orphan works" issue from the perspective of both the user and the proprietor of copyrighted works, the Joint Commenters respectfully propose a solution that balances the interests of both parties, while constituting a modest "fine tuning" of current U.S. copyright law that is somewhat analogous to the current statutory treatment of "innocent infringement" in certain cases. Their proposal would not in any way affect the duration of copyright, the scope of copyright liability, or the applicability of "fair use" or other defenses against infringement. The "fair use" defense and other limitations or exceptions with respect to the rights of copyright owners would continue to apply to uses of copyrighted works, regardless of whether their owners can be identified and located. Moreover, the Joint Commenters' proposal would not require the creation of any new government bureaucracies or tribunals, or impose any new prerequisites for registration or enforcement of copyright, and so would be unlikely to conflict with U.S. obligations under any international treaties or agreements on copyright.

I. Summary of Joint Commenters' Proposal

The core issue presented by the Copyright Office's Notice of Inquiry is how should U.S. law permit a user of a work protected by copyright to lawfully engage in a proposed use of the work that implicates the exclusive rights of the copyright owner when such use would not be authorized by any of the statutory limitations or exceptions applicable to such rights, and the user cannot identify and locate the copyright owner for purposes of obtaining permission for such use.

To enable the user in such circumstances to proceed with the proposed use of the so-called "orphan work" despite the risk that the copyright owner¹ could subsequently appear and object to the use as infringing, the Joint Commenters propose that the Copyright Act should be amended to limit the legal remedies that would be available to the copyright owner for such infringing use. The limitation would apply to any infringing use of a work protected by copyright where the user could not, after a "reasonably diligent" search, identify and locate the copyright owner before commencing the use of the work. If the copyright owner should come forward after such a use has commenced, the copyright owner would be entitled to a reasonable licensing fee or royalty (as determined by reference to market practices) but would not be entitled to recover statutory damages, the user's profits, or attorneys' fees (except as provided below), and would not be entitled to an injunction against such use. Criminal penalties for infringement also would be inapplicable to such use.

Due to the difficulty of prescribing what constitutes a "reasonably diligent" search under an infinite variety of circumstances (especially without knowing what kind of databases and search capabilities will be available in the future), the Joint Commenters recommend that legislators should not try to flesh out the standard with a lot of detail in the statutory language, either in terms of establishing "safe harbors" or minimum requirements. Instead, the Joint Commenters recommend leaving the evolution of the search standard to future judicial interpretation.

To provide meaningful guidance to would-be users and to the courts, however, the statute (or its accompanying legislative history) should prescribe, as a minimum, that a "reasonably diligent" search includes (1) a search of publicly available databases and records that reasonably could be expected to contain information that is helpful toward identifying or locating the copyright owner, and (2) attempts to identify and locate the copyright owner through any known home or business addresses, phone numbers,

¹ The term "copyright owner" here has the same meaning as in the Copyright Act, and thus includes the holder of an exclusive license to exercise any of the rights comprised in the copyright but does not include the holder of a non-exclusive license with respect to such rights.

facsimile numbers or email addresses of the copyright owner or known authors, publishers and distributors of the work.

Whether particular sources reasonably could be expected to contain such information would depend, in any specific case, on the nature of the copyright work and the proposed use at issue. Other facts and circumstances, including information known or reasonably believed regarding the nature of the author or distributor of the work, will determine what sources of information and what kinds of searches reasonably can be expected to yield information relevant to identifying and locating the copyright owner. These may include, for example but without limitation, a wide range of source materials and search mechanisms, such as the records of the Copyright Office and online search engines like those provided by Google and Yahoo.

Apart from taking a spare approach to defining what constitutes a “reasonably diligent” search, the Joint Commenters urge that the statutory language regarding “orphan works” should make it clear that, in the event the copyright owner comes forward after a use of the work has commenced, the burden of demonstrating that a “reasonably diligent” search was in fact conducted would remain with the user. This burden should not be difficult to sustain, since it could be met by documentation of the user’s search efforts.

To facilitate a “reasonably diligent” search, the Copyright Office or some other capable entity could establish (possibly but not necessarily as an adjunct to the copyright registration records system) an easily-searchable database that would be specifically designed to facilitate the tracking of information that identifies successors-in-interest whenever changes in copyright ownership occur with respect to particular works, due (for example) to corporate mergers, acquisitions or dissolutions; inheritance, bankruptcy or divorce; or any other litigation, transaction or event that results in the transfer of copyright ownership. The system could also include records that simply document changes in information regarding the identity or location of the copyright owner, including (for example) name changes due to marriage or divorce; newly-revealed attributions of authorship for originally anonymous, pseudonymous or misattributed works; and information regarding a significant change of residence by the copyright owner (e.g., to another country).

The virtues of creating such a database would include avoidance of undue burdens on copyright owners and the registration system, while providing users with a centralized source of information that would be directly relevant to identifying and locating the copyright owner, even when no copyright registration has occurred in connection with the work at issue. At the same time, such a database could be relatively streamlined, since it would be very helpful to users without any need to require the formal recording of any actual “transfer of ownership” documents.

While helping would-be users to pursue necessary permissions for use of the relevant copyright work, the copyright owner’s filing of such information in this database would also weigh against any would-be user’s subsequent claim that the copyright owner could not be identified and located. To deter filings made to support false claims of ownership,

it should be made unlawful to knowingly file any materially false information in the database.

The Joint Commenters support the creation of such a database, *provided* that the submission of information for the database would be strictly voluntary for copyright owners, and the absence of a submission that would help to substantiate the copyright owner's claim of ownership would not relieve the would-be user from the obligation to complete a "reasonably diligent" search to identify and locate the copyright owner. As noted, the creation of such a database with appropriate search tools could be undertaken by the Copyright Office or by competent persons in the private sector.

One effect of any "limitation-of-remedies" approach to the "orphan work" problem, such as that proposed by the Joint Commenters, is that it can provide insufficient economic incentive for a copyright owner to pursue a claim of infringement in circumstances where the user refuses to agree to pay a reasonable licensing fee or royalty after the copyright owner comes forward. For that reason, the Joint Commenters urge that the legislation should give federal courts the discretion to award reasonable attorneys' fees and costs to a prevailing copyright owner, if and to the extent that the court finds such fees and costs are incurred as a result of bad faith or other unreasonable behavior on the part of the user of an "orphan work" (*i.e.*, an infringer who has met his burden of proving that a "reasonably diligent" search had been conducted) after the copyright owner has come forward and made a claim for payment. Thus, for example, while an award of attorneys' fees and costs incurred in contesting whether the defendant's search was "reasonably diligent" would not be covered by this standard, a court might be expected to apply the proposed standard to award attorneys' fees and costs incurred by the copyright owner in an effort to obtain a reasonable licensing fee or royalty from the user after the copyright ownership has been established.

The Joint Commenters believe that their proposed approach to the "orphan work" problem has several important advantages over other extant proposals:

- It offers a workable means to effectively accommodate the rights of copyright owners and the public interest in utilization of copyright works when the user has made a reasonably diligent and good faith, albeit unsuccessful, search to identify or locate the copyright owner;
- No formalities would be required to maintain copyrights;
- No new bureaucracy or burdensome administrative process would be created;
- Users would not be required to make payments in advance, and would never be required to make payments unless the copyright owner comes forward after use;
- Users could proceed with a particular use with confidence that the owner's subsequent appearance would not interfere with the continuation of the use, since injunctive relief would not be a remedy available to the copyright owner;
- It is consistent with U.S. obligations under with international agreements on copyright; and
- Copyright owners would not risk being unfairly divested of their copyrights.

II. Response to Specific Copyright Office Questions.

1. Nature of the Problems Faced by Subsequent Creators and Users.

With respect to the question of whether “difficulties” are “often encountered even after the copyright owner is identified,” the Joint Commenters strongly believe that such matters are outside the scope of the “orphan work” issue and, therefore, should be considered beyond the scope of this Notice of Inquiry. Specifically, they urge explicit recognition that, once the relevant copyright owner has been identified and can be located, the work cannot be considered an “orphan work” and the “limitation-of-remedies” protection intended to enable the use of “orphan works” would be inapplicable to any use of such works. Copyright owners have the right under copyright law to deny permission for certain uses of their works, and generally may set their own terms and conditions in granting permission for such uses; limiting the availability of statutory remedies to the copyright owner in such circumstances would unjustifiably narrow the scope of permissible contractual licensing arrangements that may be negotiated between the copyright owner and those desiring to use the work protected by copyright.

2. Nature of Orphan Works: Identification and Designation.

As discussed above, the Joint Commenters recommend a case-by-case approach to identifying “orphan works” and applying any proposed mechanism for addressing related permissions issues. They would not support a Canadian-style “compulsory license” system for a number of reasons, including the following:

- The Canadian Copyright Board web site indicates that, as of December 2004, it has granted only 143 licenses and denied 3 since 1990; whether it is the result of the complexity, costs or limitations of the system, or some other reason, these numbers are a strong indication that the Canadian system is not widely used;
- Payments to the Government are required under the Canadian system in order to use the “orphan work,” and the money is then held by the Government to be given to the copyright owner if and when the copyright owner comes forward; in fact, since copyright owners will be unlikely to come forward to claim the money in true “orphan work” situations, the payments function more like a user “tax” that discourages, rather than encourages, efforts to use these works;
- The Canadian system alters basic assumptions of copyright law, including the important principle that the copyright owner generally can control uses of the copyrighted work; and,
- The implementation of a similar system in the U.S. would require the creation of a new bureaucracy and could be expensive.

Similarly, the Joint Commenters believe that a *mandatory* copyright owners' database or other equally "formal approach" would be unfairly burdensome to copyright owners and would likely violate U.S. treaty commitments to the absence of formalities as a prerequisite for exercising copyright ownership; a voluntary database, however, would pose neither problem, and would serve only as a source of information that likely would assist, and thus should be checked by, a would-be user of a copyrighted work as part of a "reasonably diligent" search to find the copyright owner. In rare cases, such as one involving an untitled document by an unknown author, a particular avenue of search might well be considered fruitless (and, therefore, not part of a "reasonably diligent" search) unless the database were also indexed by subject or opening sentence, or on some other basis that would usefully permit a search in connection with such a document. Not checking the database, however, should prevent the user from claiming that the work was "orphaned" in those circumstances in which a "reasonably diligent" search would include checking the database (which, presumably, would be most of the time, when there is sufficient information for a search).

The Joint Commenters believe that a requirement for would-be users of "orphan works" to file an "intent-to-use" statement, or place an advertisement, would serve no useful purpose. It would be burdensome to the users while forcing copyright owners to continually monitor filings or advertisements that frequently would not be catalogued by (or identify) copyright owners. Such a filing could be useful where the author of the potential "orphan work" is known but, for example, is deceased and has left an estate that cannot be located; however, in such a case, a voluntary copyright owners' information database (as previously described) would provide a better solution. If the copyright owner has submitted information to the database, the burden then would be on would-be users to search the database, rather than on the copyright owner to continually monitor intent-to-use filings or advertisements; moreover, from the would-be users' perspective, searching a known database likely would be easier and less costly than having to make intent-to-use filings or place advertisements for each potential "orphan work" to be used.

3. Nature of Orphan Works: Age.

The Joint Commenters believe there should be no minimum age for "orphan works." Newer works, by their nature, may be expected to qualify as "orphan works" much less frequently than older works, since the copyright owners likely will be more often known and locatable. The age of a work thus may be considered relevant to determining whether a would-be user conducted a "reasonably diligent" search, since the chain of title is likely to be considerably less complicated in the case of newer works and relevant records are likely to be more fresh and accessible. However, there is no reason to disqualify new works that otherwise meet the criteria from being treated as "orphan works."

4. Nature of Orphan Works: Publication Status.

The Joint Commenters urge that, unlike the Canadian statutory approach, U.S. law should permit *unpublished* works that otherwise meet the relevant criteria for “orphan works” to be treated as such. As with the *age* of a work, whether a work has been published may be considered relevant to the analysis of whether the search conducted by a particular user to identify and locate the copyright owner can be considered “reasonably diligent” under the circumstances. However, there is no reason to disqualify unpublished works that otherwise meet the criteria from being treated as “orphan works.”

In its Notice of Inquiry, the Copyright Office suggests that permitting “orphan work” status to apply to unpublished works could jeopardize a “right of first publication.” The Joint Commenters will give further consideration to this and other issues associated with permitting unpublished works to be treated as “orphan works” as they may be raised or discussed by the Copyright Office or in other submitted Comments.

5. Effect of a Work Being Designated "Orphaned".

Under the limitation-of-remedies approach proposed by the Joint Commenters, each would-be user of a copyrighted work would have the responsibility to conduct a “reasonably diligent” search for the copyright owner in anticipation of making a particular use that implicates the exclusive rights of the copyright owner and would not be authorized by any of the statutory limitations or exceptions applicable to such rights. Once a work may be considered an “orphan work” with respect to a particular would-be user whose “reasonably diligent” search fails to identify and locate the copyright owner, the limitation-of-remedies protection would apply to that user in engaging in the contemplated use of the work. It would also apply to protect a “successor-in-interest” to that user. For example, if the original user of the “orphan work” is an author who incorporates the “orphan work” into a new work, the publisher of the new work, as well as the publisher’s distributors and licensees, would also be protected by the “orphan work” designation without having to search anew for the copyright owner of the original work.

However, apart from this seemingly clear and reasonable extension of the “limitation-of-remedies” protection beyond the specific use for which the would-be user had conducted a “reasonably diligent” search to obtain permission, other uses of the copyrighted work in question raise line-drawing issues concerning the user’s entitlement to claim “orphan work” protection.

The Joint Commenters’ believe that a key principle for resolving these issues should be that when a “reasonably diligent” search has failed to enable a would-be user of the copyrighted work to identify and locate the copyright owner, the result cannot mean permanent designation of the work as an “orphan work,” with the full legal consequence of that designation applying to *any and all* subsequent uses and users of the work. Such treatment of the work would, in practical terms, operate against the copyright owner as a forfeiture of copyright; at a minimum, it would invite the world to exploit the copyright

owner's rights with impunity, potentially placing an impossible burden of negotiations (or litigation) on the copyright owner who later comes forward to claim a reasonable fee or royalty from users of the work.

But consideration of this basic principle is only part of the analysis required to determine for which uses and users of copyrighted works the proposed "limitation of remedies" protection should be available. There may be other factors – such as the nature of each proposed use of the "orphan work" – that should be considered relevant to the "who, when and how" calculus of permissible reliance on "orphan work" status. The Joint Commenters will give further consideration to these matters as they may be raised or discussed by the Copyright Office or in other submitted Comments.

6. International Implications.

As described above, the Joint Commenters believe that one of the advantages of their proposal is that it addresses the need to encourage the wider use of "orphan works" without violating U.S. obligations in connection with a number of international treaties and trade agreements concerning copyright. It is difficult (if not impossible) to imagine an "orphan works" mechanism that could survive international scrutiny if based on any form of mandatory registration or the re-imposition of other formalities as a prerequisite to continued copyright protection.

However, the Joint Commenters also note that permitting State entities to claim the proposed "limitation of remedies" protection for their use of "orphan works" could be problematic in terms of ensuring U.S. compliance with such treaties and agreements.

As the result of a series of federal court decisions on the sovereign immunity of States under the Eleventh Amendment, State entities cannot be liable for monetary damages resulting from their acts of copyright infringement. They may, however, be subject to injunctions prohibiting further infringing use of copyrighted works. Since the proposed "orphan work" defense would allow the copyright owner of the infringed work to obtain monetary damages (in terms of a court-determined reasonable license fee or royalty) but not injunctions, permitting State entities to avail themselves of the "orphan work" defense would mean that a copyright owner who comes forward would be unable to get either an injunction (under the defense) or a monetary award (under the existing case law) and, thus, would be left with no recourse. This would be a patently unfair result, which almost certainly would violate U.S. obligations under the TRIPs Agreement, among others. Accordingly, in order to avoid this situation, the "orphan work" defense should not be available to a State entity unless the State is willing to waive its sovereign immunity in connection with the use of "orphan works."

Conclusion

The Joint Commenters will carefully review and consider other Comments submitted to the Copyright Office in response to its Notice of Inquiry. They look forward to submitting Reply Comments that will address the views and proposals put forward by

other Commenters, while further discussing and refining the views and proposal they have submitted in these Joint Comments in response to the views of the Copyright Office and the Comments of others.

Respectfully Submitted,

Allan Adler
Vice President for Legal & Government Affairs
Association of American Publishers

Peter Givler
Executive Director
Association of American
University Presses

Keith Kupferschmid
Vice President, Intellectual Property
Policy & Enforcement
Software & Information Industry Association