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Submitted by Online Submission Procedure

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U.S. Copyright Office
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Re: Orphan Works and Mass Digitization: Response to Notice of Inquiry (77 F.R. 204) (Docket No. 2012-12)

Questions posed:

Occasional or Isolated Use of an Orphan Work: How has the legal landscape changed since the 2008 proposed orphan works legislation and is the framework of that bill still viable for occasional uses of orphan works?

Potential Orphan Works Solutions in the Context of Mass Digitization: How should 'mass digitization' be defined, what are its goals, and what, therefore, is an appropriate legal framework that is fair to authors and copyright holders as well as good faith users?

Dear Register Pallante:

I. Introduction

We are writing to express the views of the American Bar Association's (the "Association") Section of Intellectual Property Law (the "Section") responding to the Copyright Office's October 22, 2012 Notice of Inquiry regarding orphan works and mass digitization. These views have not been submitted to the American Bar Association's House of Delegates or Board of Governors, and should not be considered the views of the Association.

The Section appreciates the Copyright Office's inquiry on these matters and supports the overall goal of greater clarity in the administration of copyrights to both protect the rights of authors and producers of non-orphan materials, and to make more orphan materials available to the public. The Office provided significant historical context and background in its Notice of Inquiry. The two questions in this Notice of Inquiry are highly interrelated, and our comments are accordingly integrated rather than broken out into discrete sections.

The question of orphan works intersects with other stated priorities of the Register such as Section 108 reform, improvement of the Copyright Office Recordation and Registry system, and small claims court options.¹ Each of these priorities affects the others, and it may be necessary to respond to them holistically rather than as individual or severable matters. Indeed, in 2006 Register Marybeth Peters convened a study group to consider copyright exceptions for libraries in a digital age, resulting in the Section 108 Study Group Report published in 2008. The Study Group discussed the question of orphan works in the library context. The Copyright Office, under your leadership, has reinitiated their work.

II. How do we scope the question of orphan works?

The desire to make productive uses of orphan works requires the ability to meaningfully define and identify such works. The compelling possibilities for the identification and productive uses of orphan works and the question of who can use orphan works in what ways and at what price, if any, sometimes overshadows the deceptively simple question of whether a given work is indeed an orphan. The discussion and debate about this subject has continued since the 2006 Register's Report on Orphan Works. These are very much live and evolving questions, as demonstrated, for example, at a meeting hosted by The University of California, Berkeley Law School titled *Orphan Works & Mass Digitization: Obstacles and Opportunities* in April of 2012. The program, which included your keynote remarks, presented a wide range of speakers and viewpoints - private corporations like Microsoft, legal scholars, and practitioners (including members of the working group that prepared this comment). The Copyright Office is familiar with these proceedings. We mention this meeting as an example of the sustained concern with the question of orphan works, along with countless other workshops, seminars, and scholarly papers that have grappled with the question since the 2006 Report and the proposed 2008 orphan works legislation.

Part of the question is to what extent these questions are *particular* to Google's activities over the past decade. Is the orphan works question one that is modest on its own but became a major concern for copyright once Google and the Internet Archive began to scan books on a grand scale? What other projects could be defined as 'mass' digitization? There is tremendous public good from these activities when handled in a careful, secure, and conscious manner.

III. The Challenge of Locating Rights holders: The Need for A Publicly Accessible, Searchable Database

a. Role of the United States Copyright Office

Your office has already articulated improved access to the Registry as a priority, and we strongly endorse progressing as rapidly as possible in that effort. The Section would be pleased to support the Copyright Office's efforts in this very practical matter. Much of the consensus in

¹. United States Copyright Office, *Priorities and Special Projects of the United States Copyright Office* (Oct. 25, 2011), available at <http://www.copyright.gov/docs/priorities.pdf> (last visited Jan. 17, 2013).

our discussions centered on the desirability of having the records of the Copyright Office meaningfully accessible to the general public in order to easily identify and contact rights holders who choose to register their works. The Book Rights Registry proposed in the course of the Google Books Settlement efforts was essentially a workaround for the absence of an accessible and reliable registry. There is a question as to whether checking the Copyright Office's records – assuming that was meaningfully possible – would or could constitute reasonable due diligence for using an orphan work. If such information was meaningfully accessible, its presence in such a registry would eliminate the question of whether a work is an orphan provided there is sufficient identifiable information associated with the work (e.g. that administrative or legal metadata has not been removed from the work) and the information exists in the registry. If such a search did not result in useful rights information, the search itself would be a positive factor in determining a diligent search for a rights holder even if not dispositive on its own. Different users are differently situated: due diligence for a company would likely be different from what might be required of a library or other non-commercial actor. Given that registration is not required, however, checking the Copyright Office records may only be a starting point for uses that are outside of the allowable exceptions to copyright already stated in the law.

The Copyright Office is the fundamental starting point for an online database to determine authorship and ownership of works to help identify rights holders. The electronic database only includes registrations made after 1978. In one year alone, the Office “registered 636,527 claims; recorded 8,985 documents representing more than 294,000 works; transferred over 800,000 copies of works valued at \$32.9 million to the Library’s [of Congress] national collection.”² Pre-1978 records are only available for manual search on-site at the Copyright Office, with the significant exceptions of the Stanford Copyright Renewal Database and the Catalog of Copyright Entries (CCE). The limit is that the first only applies to books registered in the US between 1923 and 1963. The CCE is a scan of Copyright Office registrations from July 1891 to December 1977. While the CCE is an important starting point, it is not searchable (there is no perfect or reliable optical character recognition or “OCR”³), and one needs considerable technical knowledge of copyright to make meaningful use of the resource. Neither resource provides records of transfers or assignments.⁴

² U.S. Copyright Office, 2010 Annual Report of the Register of Copyrights (2010), *available at* <http://www.copyright.gov/reports/annual/2010/ar2010.pdf>, p. 3 (last visited, January 17, 2013).

³ One member of the working group noted that in his experience while the Internet Archive did OCR the copyright database, it is not reliable. In fact, Stanford's database has errors as well. He noted that his organization regularly sends fixes to Stanford.

⁴ See *Digitization and Public Access* available at <http://www.copyright.gov/digitization/goals.html> and *Searching Google's Scans of the Catalog of Copyright Entries* available at <http://books.google.com/googlebooks/copyrightsearch.html>. See also The Copyright Office's blog *Copyright Matters: Digitization and Public Access* it is a laudable example of improved transparency and public engagement in these matters *available at* <http://blogs.loc.gov/copyrightdigitization>.

A registry managed by the Copyright Office has been a key feature of this working group's discussions indicating a general consensus that such a registry should be meaningful, searchable, with online access to information (discussed below). The desire for publicly accessible rights information was highlighted by the Google lawsuit and settlement attempts, reflecting some notable changes since the 2008 bill. One of the shortcomings of the two failed settlement agreements was that the parties attempted to monetize orphan works in a manner deemed anti-competitive. The unsuccessful settlement agreements shared the concept of a 'books rights registry' that would have been a database of books for authors and publishers.⁵ Among the flaws of that approach was that it was based on an "opt-out" mechanism that is inconsistent with the Copyright Act, which absent an exception, requires permission from rights holders before copies are made.⁶

While the framework in the proposed settlement efforts was not adopted, the need for a publicly accessible, searchable database of copyright authorship; ownership; dates of creation and/or publication; and other pertinent information about works (including literary works, musical works, films, recordings, photographs, etc.), as well as the recordation database of name changes and copyright transfers and assignments, has tremendous appeal. While reasonable minds can differ over the details of the proposed registry, essentially none of the parties to the lawsuit had the standing to represent owners of orphan works. Thus, the only aspect of the publishers' settlement with Google relevant to orphans is that books that might be orphans can still be searched (but not generally viewed or read) regardless of status. The settlement between publishers and Google in October 2012 seems to reflect a sort of *détente*, perhaps due to the growth of digital or electronic books (e-books) as a practical matter. The settlement leaves unresolved the question of orphan works in the book context. It is difficult to predict what impact the publisher settlement will have on the disposition of orphan works, if any.

b. The Challenge of a Workable Database Solution

The creation of a workable database that can be easily searched by someone who wants to use a work but does not know the identity of the author is a problem that -- at present -- has not been effectively solved. A possible solution would be an electronic Copyright Office registration system that would be easily accessible and usable by all authors (rights holders) for all categories of works at a cost and with technical demands that would not be prohibitive to its use. Such a system must be accessible, usable, affordable and reliable for both rights holders as well as people seeking information about the copyright status of a work. At the moment that is not the case for most visual artists, particularly fine artists, free-lance illustrators and photographers who often find the current system expensive and difficult to use. Arguably such a

⁵ Note: The Authors Guild maintains an Authors Registry, available here <http://www.authorsregistry.org/>.

⁶ See 'Statement of Marybeth Peters, *Competition and Commerce in Digital Books: The Proposed Google Book Settlement*, Statement before the Committee on the Judiciary, United States House of Representatives, 111th Congress 1st Session (Sept. 10, 2009), available at <http://www.copyright.gov/docs/regstat091009.html>.

system would need to be able to search for melodies and images (similar to a search on Google Images), because many media are separated from their legal or administrative metadata. It is not possible in the current Copyright Office system to register each item by title or other stable piece of information.⁷

The Copyright Office has been unable to address this problem effectively itself, in part due to insufficient funding. This is a core problem as was demonstrated when Marybeth Peters, in testimony to the House Judiciary Committee on the last orphan works bill, flatly stated that the Copyright Office could not and would not be responsible for the creation of an orphan works database. She suggested that such a function should be left to private sector entities.⁸ Some of her observations bear repeating here:

On a practical level, it is difficult to imagine how the Copyright Office or any government office could ever keep pace with the image technology world that exists outside our doors and beyond our budget. In reality, the Copyright Office does not have and is not likely to obtain the resources that would be necessary to build a database of works that are searchable by image, even if there are some copyright owners who would be amenable to such an undertaking. Our point of comparison is the comprehensive reengineering project that the Copyright Office is just now completing. Among other things, this project has made it possible for authors, publishers and other copyright owners to routinely register their copyright claims electronically. Under the “Electronic Copyright Office” (or “eCO”), claimants may complete copyright applications, pay the required fees and submit the appropriate deposit copies of their works—all on-line. The eCO portion of reengineering took five years and has cost \$17 million to date. We used off-the-shelf software (in accordance with Congressional directives) and completed the project on time and within the budget Congress appropriated. It represents the single biggest overhaul of the Copyright Office since 1870 and the most significant adjustment to registration practices since 1978. Based on this experience, we believe it would be highly impractical for the Copyright Office to employ cutting-edge image recognition technology.

⁷ At the very least, purported good faith users of orphan works of digital photography should have the software capability of reading the image’s exchangeable image file to ascertain if there is a copyright notice. One member of our working group observed that authors’ and photographers’ work is routinely sold or licensed by companies with no authorization from the creator with the belief that the risk is low because creator often does not have the resources to enforce his or her rights. A copyright small claims system could help remedy this problem by lowering the cost of enforcing one’s rights.

⁸ See Marybeth Peters, *The “Orphan Works” Problem and Proposed Legislation*, Statement before the Subcommittee on Courts, the Internet, and Intellectual Property, Committee on the Judiciary, United States House of Representatives, 110th Congress, 2nd Session (Mar. 13, 2008), available at <http://www.copyright.gov/docs/regstat031308.html>.

Finally, the process of searching for a copyright owner is not a function controlled exclusively by the Copyright Office. Although the Copyright Office is one resource, our records will never be a complete resource because registration is a voluntary process and many copyright owners, including photographers and visual artists, choose not to register. Thus it is the case already that when searching for a copyright owner, users look to private databases, websites, publishers, collecting societies, professional organizations, trade associations and many other resources.

Several members of our working group articulated the concern that leaving this to the private sector might mean the unwarranted transfer of a fundamental government function to private companies. This in turn would require that individual rights holders would have to pay a fee and meet conditions established by a possibly unregulated private entity. A private entity set up to protect constitutional and statutory rights could create an inequitable public policy. Any approach would have to take into consideration meaningful, relatively simple, and efficient access by those who wish to ascertain the copyright status of a work in order to make some use of that work. This also raises the question as to what problem we are trying to solve. The question may be so complex and large that it will take some time to solve. There may not be sufficient incentive in investment solutions because the problem may affect a relatively small number of rights holders in a disproportionately large way. That said, there might be multiple solutions that complement each other.⁹

c. Some Limits to Registration

The US Copyright Office is the home of the authoritative record of registration in this country. In the past, registration was among the formalities required for an enforceable copyright. The formalities of registration were eliminated when the US joined the Berne Convention for the Protection of Literary and Artistic Works in 1989. While there are important benefits to registration, once it was not required it became more difficult to find rights holders from the Copyright Office records to seek permission if needed for a given use. The internet and digital technology has led to an explosion in the volume of works eligible for copyright protection. Additionally, it can be very difficult at times to link back to a copyright holder and find relevant contact information.

Registration with the Copyright Office may not solve the orphan works issue for many kinds of works. Our discussions noted that registration is more burdensome for certain kinds of creators than others. There are special concerns for photographers and artists. For example, titles for visual works do not necessarily identify the work. Author/rights holder information may not be up to date (e.g. transfers and assignments). Deposits of published works are not necessarily retained by the Library of Congress in all cases, thus limiting the ability to confirm a particular record's association with a given work. This reflects one of the challenges of rights research: it involves the wide variety of types of works, media, and industry (book publishing, motion pictures, audio recordings, music, visual arts, photography, etc.). The information necessary to

⁹ See below in Section "e" – "Some Good News - New and Improving Resources"

search each category can be nuanced and knowledge of a particular industry may be a prerequisite for successfully identifying rights holders. Thus, a good faith search by someone outside of a given industry may not lead to meaningful results even if they are exercising due diligence. This information gap is one of the key concerns regarding orphans both for registered and unregistered works. We support developing mechanisms for recommended search practices by category of work;¹⁰ these would evolve over time as research tools and metadata improve.

d. Challenge of Finding Heirs

We also discussed the challenge of identifying and finding heirs where a copyright holder is deceased and where there is no clear corporate entity managing rights. Even with a database, there can be issues with multiple heirs; it may be unclear whether you are obtaining permissions from the correct heir or assignee. The copyright term of ‘life plus 70 years’ increases the likelihood that heirs may not be locatable or easily discovered for older works still technically subject to copyright, especially for independent authors and creators (self-published for example) and unpublished works. Additionally, the name of an author may not be identifiable from the face of a work. Moreover, since copyright notice is now optional, many works are published without attribution because attribution is not a requirement of copyright. This is a particular problem with works of visual art and unpublished works, which were not required to have a copyright notice under earlier copyright laws. There is some promise in technological advances in image recognition that may make it easier to find images and associate rights information. Of major concerns for many users, rights research can be prohibitively costly and may be indeterminate.

e. Some Good News: New and Improving Resources

While we would like to see improved access to the US Copyright Office’s registrations, there are a growing number of resources for finding rights information. One of the suggestions in the 2008 Report on Orphan Works – and one we would broadly support – is the role of the US Copyright Office perhaps with assistance of the Library of Congress as a hub of information for those seeking permissions. There are a growing number of resources independently created by rights holders who want to be found, perhaps by an industry group, and by users who want to find rights holders efficiently. A few projects of note that facilitate rights research that came up in our conversations include the following:

¹⁰ It might be helpful if authors, creators, rights holders generally, along with relevant professional organizations would help make their members more ‘findable’. Some of the organizations that came up in our discussions include the Association of American Publishers, The Authors Guild, American Society of Media Photographers, Graphic Artists Guild, Picture Archive Council of America, National Press Photographers Association, and Professional Photographers of America. The Authors Coalition of America is comprised of these and about 15 other similar associations representing various content providers. See <http://www.authorscoalition.org/member/index.html>.

UC Berkeley Art Museum and Pacific Film Archive
<http://www.mip.berkeley.edu/cinefiles/>

Media History Digital Library¹¹
<http://mediahistoryproject.org/>

Field Guide to Sponsored Films, prepared for the Nat'l Film Preservation Foundation¹²
<http://www.filmpreservation.org/dvds-and-books/the-field-guide-to-sponsored-film>

Obtaining Copyright Permissions¹³
<http://guides.lib.umich.edu/permissions>

PLUS, The Picture Licensing Universal System¹⁴
<http://www.useplus.com/>

IV. Google is not a Library: The 800-Pound Gorilla

Google is at the center of the orphan works question as a company whose business model relies on, what some view as, massive copyright infringement – while others view it as a fair use, depending on the context. For many, the question is whether Google in particular will be able to use contemplated orphan works provisions as a legal shield for some of its activities. Can these concerns be balanced with the normal copyright presumptions and well-established limitations on the otherwise exclusive rights of a copyright holder that apply to libraries and archives, expanded to museums and defined research institutions, to support preservation, innovation through research on data and research corpuses?¹⁵ Museums, libraries, and archives have been digitizing and capturing digital content for preservation and educational use for many years and are generally conscientious in their approach to copyright. Many have developed norms of risk management for copyright research, permission, and notice to support constructive uses of new technologies for appropriate access to collections.¹⁶

¹¹ Launched in 2011 this resource makes available hundreds of thousands of pages of periodicals and production information on early cinema.

¹² This resource contains production credits and descriptive entries, as well as other identifying information on hundreds of industrial and other films used prior to 1980 (these were films made to explain public programs, train employees, argue social causes, and sell products).

¹³ This site has resources and contacts for seeking permission for works in all media.

¹⁴ PLUS is “[a] cooperative, multi-industry initiative” and “a three part system that clearly defines and categorizes image usage around the world, from granting and acquiring licenses to tracking and managing them well into the future.” See <http://www.useplus.com/>.

¹⁵ Other opportunities include the ability to perform research across the digital corpus, such as ‘non-consumptive’ uses like text mining for research (not viewing or reading individual works). See Jean-Baptiste Michel, et al. *Quantitative Analysis of Culture Using Millions of Digitized Books*, Science (Jan. 14, 2011), available at <http://www.sciencemag.org/content/331/6014/176.abstract> (last visited Jan. 17, 2013).

¹⁶ See discussion of ‘Best Practices’ below. See also examples of the Library of Congress’s American Memory project discussed in Jon Band. Brief Amici Curiae of American Library

While these organizations have an overarching concern about risk, there has been virtually no litigation regarding these practices until very recently.¹⁷ The question of the ability of libraries and archives to make their collections accessible is front and center for all works, including orphans. If carefully tailored, and if the definition of ‘orphan works’ is made clear, library and archival (and museum) use of orphans is probably not very controversial. In the Section 108 Committee Report, some of the uncontroversial areas considered included preservation (such as retention, cataloging, digital surrogates that allow for preservation of fragile analog material) and on-site access for education and educational uses.

What changed, well before the Register’s 2006 Report regarding orphan works, was the *ability* of libraries and archives to provide remote access, on demand, for free – in theory - to some of their holdings. This raises another question of definition: when is a project a ‘mass’ digitization project? What scale is envisioned? Are a few hundred or a few thousand pamphlets or photographs from a library special collection ‘mass’ digitization? Would a legislative solution be most effective if it provides one standard or approach for commercial users and another standard tailored to qualified organizations like libraries and archives analogous to the approach of Section 108? Would it be sufficient if the digital copy and access is provided by a non-commercial, educational entity such as those qualified under Section 108 – and subsequent users are expected to make their own independent assessment of any needed permission in light of their use and the nature of the user?

V. 2008 to 2012: What has changed?

a. Litigation and New Markets

The orphan works legislation proposed in 2008 was based on the extensive report produced by the US Copyright Office in January of 2006.¹⁸ Informed by extensive comments and public roundtables reflecting a diverse set of interests, the Report describes the legal and practical landscape. But it was prepared roughly concurrently with lawsuits by authors and

Association, Association of College and Research Libraries, and Association of Research Libraries In Opposition to Plaintiffs’ Motion for Partial Judgment On The Pleadings, (Apr. 20, 2012) *available at* <http://www.librarycopyrightalliance.org/bm~doc/htamicus-final.pdf>, p. 9 (last visited Jan. 17, 2013).

¹⁷ See *The Authors Guild v. HathiTrust* ___ F. Supp. 2d ___ (S.D.N.Y. Oct. 10, 2012) (slip op. at 2-3) (internal citations omitted), *available at* United States District Court, Southern District of New York <http://www.nysd.uscourts.gov/> (last visited Jan. 18, 2013).

¹⁸ United States Copyright Office, *Report on Orphan Works: A Report of the Register of Copyrights* (Mar. 2006), *available at* <http://www.copyright.gov/docs/regstat030806.html> (last visited Jan. 18, 2013).

publishers against Google that began in October of 2005.¹⁹ The Copyright Office is intimately familiar with the history of those cases and the failed settlement attempts.²⁰

In 2005, the e-book market was more theoretical than actual. In the seven years since the Google Books suit was filed, publishers have made great strides in engaging in the creation of a market and infrastructure for e-books. For context, in 2005 Publishers Weekly did not track e-book sales at all.²¹ In 2011, “[e]-book revenues across trade publishing topped \$2 billion ... more than doubling from \$869 million in 2010, according to the latest figures from BookStats.”²² Another change since 2008 is the existence of more developed commercial markets for books, articles, and even portions of books. The swift development of technology continues to change the landscape – in the absence of any orphan works legislation. Would the market be more robust if the law were different? Or is legislative action more or less urgent than it appeared nearly a decade ago?

At present, litigation continues between the Authors Guild and the American Society of Media Photographers and Google; it is unlikely that orphan works will be a component of any resolution of those lawsuits. The Authors Guild made an attempt to take on the issue in a lawsuit filed in 2011 against HathiTrust as noted in the Notice of Inquiry. The resulting opinion deemed the question of orphan works as unripe, but provided a discussion of fair use in the context of mass digitization. The decision in *Authors Guild v. HathiTrust* authored by Judge Harold Baer suggests that, at least for libraries and similarly qualified organizations, there may not be any need for legislative action provided uses of works in their collections are within appropriate parameters. If the decision is sustained on appeal, current exceptions may be sufficient for qualified libraries, archives, and perhaps museums under Sections 107 and 108 for both occasional and incidental digitization – again within appropriate parameters. That said, mass digitization may be but is not inherently fair use. For example a project by a commercial actor may be less likely to be fair use while a similar project by a non-commercial actor may be fair use. But, given that fair use is available to anyone, under some fact patterns it may address many private sector concerns with orphan works as well.²³

¹⁹ Andrew Albanese, *Publishers Settle Google Books Lawsuit*, Publishers Weekly (Oct. 05, 2012), available at <http://www.publishersweekly.com/pw/by-topic/digital/copyright/article/54247-publishers-settle-google-books-lawsuit.html> <http://www.copyright.gov/docs/regstat030806.html> (last visited Jan. 18, 2013).

²⁰ While the Association of American Publishers settled with Google only in October of 2012 after seven years of intense wrangling, the Authors Guild and American Society of Media Photographers are still in litigation.

²¹ For more perspective, the Kindle, the first commercially successful e-book reader, was introduced in 2007 postdating the Orphan Works Report.

²² Jeremy Greenfield, *E-Book Revenues Double in 2011, Top \$2 Billion, Digital Book Work* (Jul. 17, 2012), available at <http://www.digitalbookworld.com/2012/e-book-revenues-double-in-2011-top-2-billion/> (last visited Jan. 18, 2013).

²³ For example, the scenario in *Kelly v. Arriba Soft*, 336 F.3d 811 (9th Cir. 2003), where making digital copies of photos for the purpose of searching for a commercial use was deemed fair use.

Fair use may only offer a partial solution to the orphan works problem.²⁴ Like all fair use analyses, the results will depend on the specific fact scenarios. Libraries and archives are concerned about digitizing large collections whether they encompass orphan works -- or works that are not orphans -- to facilitate preservation and, where permissible, use by library patrons. This working group is not taking the position that mass digitization in and of itself qualifies as fair use, as fair use requires a case-by-case determination.

b. Legislation – European Union

Although no consensus has been reached in the United States on proposed orphan works legislation, the European Union on October 25, 2012, adopted a directive on certain permitted uses of orphan works. The European Union passed a directive and implemented the Accessible Registries of Rights Information and Orphan Works (ARROW) towards Europeana, the European Digital Library.²⁵ A significant focus of the Directive is easing the ability of cultural and educational institutions to make important cultural materials publicly available online. It provides a framework for checking if a work is in the registry, listing intended uses, and limiting risk by providing for situations where a putative copyright holder emerges.

The Directive allows public service institutions to use orphan works for certain purposes after undertaking a diligent search. Once operational, the Directive will establish a system under which there will be an EU-wide orphan works status. A work identified as an orphan in the country of its first publication or broadcast will have that status recognized in all member states. The Directive sets a minimum diligent search standard that a prospective user must conduct, but permits member states to add their individual national requirements to the minimum diligent search standard. Search results are recorded with national authorities, who will forward the information to the central online database maintained by the Office for the Harmonization in the Internal Market in Alicante, Spain. If the rights holder later comes forward, “fair compensation” will be due “to ...put an end to the orphan work status of their works or other protected subject-matter.”

²⁴ Jennifer M. Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 Berkeley Tech. L.J. __ (Jun. 18, 2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2089526 (last visited Jan. 18, 2013).

²⁵ See ARROW at <http://www.arrow-net.eu/>. See also <http://www.europeana.eu/portal/>. In addition to Europeana, other related EU initiatives include a 2005 communication from the European Commission entitled “i2010 – A European Information Society for growth and employment”; a 2011 recommendation of the European Commission on the digitization and online accessibility of cultural material and digital preservation; and a directive of the European Parliament on certain permitted uses of orphan works available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>.

The Directive is subject to several important limitations. First, it is limited in scope because it concerns only “certain uses made ... by publicly accessible libraries, educational establishments and museums, as well as by archives, film, or audio heritage institutions and public-service broadcasting organizations, established in the Member States,” and such uses must be “only in order to achieve aims related to their public-interest missions.” The Directive limits uses by other kinds of actors, though does mention “public-private partnership agreements.”

Other limitations of the Directive can be attributed to the fact that it is focused strictly on the European Union and does not seem to take into consideration the consequences it may have that extend beyond EU borders. One important limitation is that the scope of the Directive is confined primarily to works *first* published or first broadcast in an EU member state; other works are not covered by the Directive. It can be difficult or impossible to know where a work was *first* published or broadcast. Finally, among other remaining issues, when member states transpose the Directive into their national laws, the Directive requires that EU member states “provide for an exception or limitation to the right of reproduction and the right of making available to the public” without considering whether such an exception or limitation complies with the Berne Convention or with the TRIPS Agreement.

The Directive does not clearly address commercial uses. The Directive reflects the EU’s desire to compete with ongoing digitization projects, such as Google’s projects, and establish a public EU alternative to such projects. EU initiatives in this area preceded the Directive and date back to 2005, such as Europeana.²⁶ Although the implementation of the Directive is complicated and raises serious questions, it represents a significant commitment in Europe to address this matter in a way that improves access to European cultural materials for educational and scholarly purposes generally.²⁷

c. An Administrative Push -- Canada

Canada implemented another approach to finding rights holders that combines elements of the EU approach with an administrative framework.

Canada pioneered this approach with its centralized system for licensing orphan works. Under Canada’s approach, prospective users of works for which owners cannot be located may apply to the Copyright Board of Canada requesting a non-exclusive license to make certain uses of a work where it is satisfied that the user has made “reasonable efforts” to locate the [rights holder(s)] in the work, and that the owner is unlocatable. The Canadian law contains no explicit authorization allowing subsequent user to rely upon a prior user’s search, and because of the relatively small number of licenses granted—only 441 in the first 21 years of the program—it is unclear and remains untested whether a subsequent applicant could do so. Between 1988, when the Canadian regime was established, and 2009, only 441 applications had been filed for licenses to use 12,640 suspected orphan works. Of those, 230 licenses were granted between August 1990 and July 2008. Moreover, there is no requirement that applicants make their search

²⁶ *Id.*

²⁷ *Id.*

*documentation public, so it would be difficult for subsequent users to know about the documentation provided to the board by earlier applicants.*²⁸

Whether such an approach would be appropriate for or work well for the United States is an open question. It is difficult to tell what the actual impact of the Canadian approach may be given the low number of actual applications over a 30-year period.

VI. Concept of Qualified Institutions in Section 108

Our group would like to note discussions by the Section 108 Study Group regarding digitization for preservation purposes by cultural institutions. In these instances preservation is necessary for the long-term retention of the physical material. This is separate from, and far less controversial than, the dissemination of library/archival material. The Section 108 Study Group agreed that any wholesale digital preservation exception – as distinct from the scope or nature of access to the materials (scope of access was not discussed by our group) - be limited to “qualified institutions” based on the framework currently provided in Section 108 for libraries and archives (also noting the general agreement to add ‘qualified’ museums to that scope). The qualifications are specific and clear, reflecting a significant commitment and ability to responsibly manage digital resources. The Report recommended the definition of “qualified institutions” as follows:

Criteria to determine if a particular library or archives is “qualified” to avail itself of this exception should include whether the library or archives:

a. Maintains preservation copies in a secure, managed, and monitored environment utilizing recognized best practices. The following general principles for best practices should be observed for digital preservation (and for analog preservation to the extent applicable):

i) A robust storage system with backup and recovery services;

ii) A standard means of verifying the integrity of incoming and outgoing files, and for continuing integrity checks;

iii) The ability to assess and record the format, provenance, intellectual property rights, and other significant properties of the information to be preserved;

iv) Unique and persistent naming of information objects so that they can be easily identified and located;

²⁸ See David Hansen, Gwen Hinze & Jennifer Urban, *Orphan Works and the Search for Rightsholders: Who Participates in a “Diligent Search” Under Present and Proposed Regimes?* White Paper No. 4., Berkeley Digital Library Copyright Project (Forthcoming 2013), available at <http://www.law.berkeley.edu/12115.htm>.

v) *A standard security apparatus to control authorized access to the preservation copies; and*

vi) *The ability to store digital files in formats that can be easily transferred and used should the library or archives of record need to change.*

b. *Provides an open, transparent means of auditing archival practices;*

c. *Possesses the ability to fund the cost of long-term preservation;*

d. *Possesses a demonstrable commitment to the preservation mission; and*

e. *Provides a succession plan for preservation copies in the event the qualified library or archives ceases to exist or can no longer adequately manage its collections.*²⁹

VII. Best Practices

The desire for greater certainty of permissible uses of works is reflected in the emerging ‘best practice’ frameworks, notably in the arena of libraries, archives, museums and cultural institutions broadly. For example in 2009, the Society of American Archivists issued a statement of best practices that described the steps that professional archivists consider to be reasonable efforts to identify and locate rights holders.³⁰ Without orphan works legislation, libraries, archivists, educators and museums have turned toward applying fair use to orphan works. Various user groups have published codes of best practices in fair use for their fields with the goal of helping their users understand and apply fair use with a balanced approach. Another example: the Association of Research Libraries published a code of best practices in fair use for academic and research libraries in 2012³¹ that stated that the principles of the code could apply to orphan works. The orphan works best practices and the fair use best practices documents demonstrate that user communities are more able and willing to utilize existing copyright exceptions to achieve the goal of making use of orphan works than they were in 2008.

These are notable as efforts from a particular sector – culture and education – to responsibly address concerns about making use of orphan works and mass digitization. Their efforts are transparent and public, also of significant importance because, as publicly available documents, they invite discussion between the user community and relevant copyright owners. Where fair use and/or existing library exceptions are legitimate keys in addressing orphans –in

²⁹ The Section 108 Study Group Report (Mar. 2008), *available at* <http://www.section108.gov/docs/Sec108StudyGroupReport.pdf> (last visited Jan. 18, 2013).

³⁰ Society of American Archivists, *Orphan Works: Statement of Best Practices* (Rev. Jun. 17, 2009), *available at* <http://www.archivists.org/standards/OWBP-V4.pdf> (last visited Jan. 18, 2013).

³¹ Association of Research Libraries, et al, *Code of Best Practices in Fair Use for Academic and Research Libraries* (Jan. 2012), *available at* <http://www.arl.org/bm~doc/code-of-best-practices-fair-use.pdf> (last visited Jan. 18, 2013).

either scenario posed by this Notice of Inquiry – it seems desirable as it requires no change to the law and is consistent with international obligations.

Best practice statements allow for greater understanding of rights and responsibilities and thus greater confidence in decision-making and risk evaluation. There is an important caveat however especially for unilaterally produced best practice statements or guidelines: they may be but are not necessarily reflective of current law. This working group takes no position on best practice guidelines though recognizes that such efforts demonstrate user communities' desire to achieve greater certainty. It may be that certainty might be better served by orphan works legislation and Section 108 reform, perhaps informed by qualities of existing best practice guidelines.

VIII. Other Considerations

Our working group discussed a variety of orphan works considerations. Our discussions focused on the importance of balance, and there were some open-ended questions and concerns that we want to note in this Comment for future consideration. These items do not fall neatly into particular categories, and we note them here possibly for future exploration even though we came to no consensus:

- A prospective user, say a documentary filmmaker, who engages in a documented and diligent search should be permitted use a work in derivative works such as a documentary film. In the event a rights holder later emerges, the filmmaker should have immunity from past use and a reasonable transition period forward to negotiate a license appropriate for the circumstances.
- The Copyright Office may want to recognize the difference between private, public, and non-profit actors in their roles, functions, impact, and resources that those users possess that are different from commercial users.
- In prior proceedings, interest groups could be viewed as people who need to make copies of large collections and those who need to make derivative works, such as documentary filmmakers noted above. What is possible or necessary for a reasonable search may vary given differences in resources; remedies might differ accordingly.
- One of the key differences between the US and Europe is that there are existing collecting societies to compensate for use of orphan works, whether effective or not, that create a different framework. Collective licensing and extended collective licensing were discussed but not in detail other than to note that the US does not have the same infrastructure as the EU for collecting societies generally. The existence of collecting societies or licensing regimes would not obviate need for search (absent a compulsory licensing approach).
- Books are now in a class by themselves because of the scale of Google Books and HathiTrust. As documented in the Notice of Inquiry to which this Comment responds, the

courts are sorting out issues relating to books. Thus, the focus of this exercise should really be on everything other than books.

- One perspective that arose in our discussions is that some orphan work concerns may be addressed by fair use, especially for cultural institutions.
- Regarding damages, one participant in our group suggested that a modest change to Section 504(c)(2) of the Copyright Act could give a court the discretion to reduce or remit statutory damages if the user does a reasonably diligent search prior to the use. Such a change may be sufficient, leaving it up to a judge to determine whether the search was appropriate under the circumstances.
- Will foreign countries with weak copyright protection enact their own orphan works legislation, following our example, and give their citizens a free pass on all online materials without embedded copyright metadata?
- Will special hardware or software be needed to decipher the copyright management information in digital content?
- Would possible legislation require authors to register their works in all foreign countries, in a multitude of languages and formats, to become part of the verification system?
- Is the proposed Copyright Office registration system going to cover unregistered works by American authors and foreign authors as well? Will the orphan works registrations be free? Or will there be a charge?
- Would any possible legislation comply with the "no formalities" requirements of the Berne Convention?

IX. Conclusion

Thank you for your consideration.³² The Section is honored to have the opportunity to comment on the Copyright Office's inquiry on orphan works and mass digitization. The Section's ideas, suggestions, and recommendations are based on the immense expertise and

³² Three white papers from the Berkeley Digital Library Copyright Project were helpful in organizing this submission and revisiting some of the issues surrounding the proposed and possible solutions:

Orphan Works: Definitional Issues

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1974614

Orphan Works: Mapping the Possible Solution Spaces

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2019121

Orphan Works: Causes of the Problem

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2038068

Maria A. Pallante
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experience of its distinguished members. The Section believes its comments will offer the Copyright Office insight in developing an appropriate mechanism to deal with issues related to mass digitization and orphan works.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joseph M. Potenza". The signature is fluid and cursive, with the first name being the most prominent.

Joseph M. Potenza
Section Chair
American Bar Association
Section of Intellectual Property Law