Theodore H. Feder Artists Rights Society tfeder@arsny.com

ORPHAN WORKS STUDY: SUBMISSION BY ARTISTS RIGHTS SOCIETY (ARS)

Artists Rights Society (ARS) is an organization that represents more than 50,000 visual artists in the U.S. and abroad. Included among this number are some household names, such as Pablo Picasso, Henri Matisse, Marc Chagall, Jackson Pollock, Georgia O'Keeffe, Mark Rothko and Frank Stella. (A partial list of ARS' better known members is attached hereto as Appendix A.) These however are exceptions. The vast majority of our members are not well-known, and function as small business men and women. It has been estimated that the average income of an artist in the U.S. is under \$25,000 per annum. ARS also represents the visual artist repertories of all European Union countries, as well as those of Canada, Japan, Australia, Mexico and most of South America (a list of ARS foreign sister societies is attached hereto as Exhibit B).

Adverse effect on Artists: The Disincentive to Locate The Copyright Holder

Artists would be very adversely affected by the Orphan Works bill, as it would propel many of their works into the public domain and deprive them of their right to control their own copyrights. The bill allows an infringer to reproduce a creator's work "provided he or she has performed and documented a reasonably diligent good faith search to locate the owner of the copyright." The problem here is that unless the infringer can be brought to court, at great expense to the creator, the sole decider of whether a diligent search has been made is the infringer him or herself. Alas, all too often, it will be in the interest of the infringer to *fail* to locate the copyright holder.

Contesting the Unauthorized Use

Should the copyright holder contest the infringer's unauthorized use, the only recourse is for him or her to go to court where the legislation specifically limits the financial recovery to what a reasonable buyer and a reasonable seller would have agreed to *prior* to the infringement. There is no provision for the copyright holder to *refuse* to license the work to the infringer. Nor is there any mandate for statutory damages to be applied as punishment for an illicit use. Statutory damages which can be as high as \$150,000 per infringement, though rarely applied, can serve to reduce the incidence of pirated and infringing uses by the mere threat of its application. The present bill eliminates all such statutory damages.

Exorbitant Costs of a Court Action

The costs of bringing a court action by the artist far outweigh any benefits a successful court finding would produce, as the reward for a favorable ruling is so discouragingly low. Attorneys cost hundreds of dollars an hour and court cases may drag on interminably, nor would an

attorney take such a case on a contingency basis when total damages are limited to several hundred or at most several thousand dollars. In effect, legal costs for a small business person are prohibitive, and the cost benefit analysis is such that artists would be well-advised to refrain from undertaking litigation. This of course means that the infringer is given a free hand to reproduce artistic works at will, at virtually no risk whatever. The Bill is also a very broad one. It would apply to both domestic and foreign works, both published and unpublished works and to both commercial and non-commercial uses.

There is No Business Imperative for New Legislation: If Adopted, It Would Destroy the Market for the Work of Visual Artists

ARS recognizes and honors the fair use exemptions provided by the U.S. Copyright Act. It does not impede, and in fact facilitates, the use of visual works in scholarly, press, and non-commercial educational arenas. The proposed bill, which makes no distinction between commercial and non-commercial uses, goes beyond these exemptions, as it would create a safe harbor for the most egregious exploitation of an artist's works, be it for application to coffee mugs, posters, rugs, corporate logos, advertisements, t-shirts, and boxer shorts for that matter, without the approval of or compensation to the artist, and in spite of the damage it would do to his or her reputation. It would destroy the legitimate market for the artist's work, and nullify the protections afforded by the Copyright Act. If an infringer goes to the trouble of exploiting a work of art for commercial purposes, he or she should take the trouble and courtesy of tracking down the creator, before his or her rights are ignominiously trampled upon. In brief, visual works of art should be excluded from any orphan works bill, and in the very least commercial applications ought to be prohibited.

Violation of the U.S. Copyright Law

Section 106 of the U.S. Copyright Act clearly states the owner of a copyright alone "has the exclusive rights to do and to authorize any of the following.

- (1) To reproduce the copyright works in copies or phonograms
- (2) To prepare derivative works based upon the copyright works

§ 501(a) of the same law states that "Anyone who violates any of the exclusive rights of the copyright owner as provided by section 106 is an infringer of copyright."

Nowhere in the law is an infringer given the right to circumvent the copyright holder, when in the infringer's sole judgment, his "good faith search" has somewhat conveniently failed to turn up the owner.

U.S. case law makes clear that even innocent intentions are no defense to infringement. "Intention to infringe is not essential under the (Copyright) Act." (Plymouth Music Co. v. Magnus Organ Corp., 456 F. Supp. 676 (S.D.N.Y. 1978).

Violation of the Berne Convention

The legislation flies in the face of numerous international treaty obligations of the U.S. It violates Article 9(1) of the Berne Convention for the Protection of Literary and Artistic Works which reserves to the author the exclusive rights of authorizing the reproduction of his or her work. Our trading partners abroad would not look favorably on the negation of their artists' copyrights in the U.S. depriving foreign artists of their rights is inconsistent with U.S. treaty obligations under Berne.

Further, it fails the 3 step test of the "Certain Special Cases" exception of Berne (Article 9 (2)) since it:

- 1. Does not restrict exploitation to special cases.
- 2. It *does* conflict with the normal exploitation of the work.
- 3. It unreasonably prejudices the legitimate interests of the authors.

The Bill's Excessive and Unlimited Scope

The bill is an extremely broad one. It makes no distinction between a commercial and noncommercial use of an infringing work and thereby places no limitation on the most blatant commercial exploitation of an artist's oeuvre. Commercial applications should imperatively be prohibited by the Act. The bill applies to foreign as well as to U.S. works, thus depriving foreign artists of their rights without due process and inviting retaliatory measures by our trading partners, which would further harm U.S. artists. Lastly, the bill makes no evident distinction between published and unpublished work, thus potentially driving one as well as the other into the public domain.

The EU Directive

The recent EU Directive on Orphan Works (dated October 25, 2012, scheduled for adoption by member states on October 25, 2014) specifically excludes the use of orphan works by commercial entities:

"Arrangements may be made, "under this Directive, to conclude agreements with commercial partners for the digitization and making available to the public of orphan works. Such agreements... should not grant the commercial partner any rights to use, or control the use of, the orphan works." (emphasis added, S.22 of the Whereas Clause)

Further, the obligations and rights of national collecting societies, which maintain addresses of their members, are deferred to and recognized.

"This Directive is without prejudice to the arrangements in the member states concerning the management of rights such as extended collective licenses, legal presumptions of representation

or transfer, collective management or similar arrangements or a combination of them, including for mass digitization. (S.24 of the Whereas Clause)

Article 5 of the Directive makes this clear:

"This Directive does not interfere with any arrangements concerning the management of rights at national level."

Lastly the EU Directive does not apply to American or non EU works, unlike the proposed US Bill which draws no distinction between domestic and foreign works. The pertinent clause in the Directive is the following:

"For reasons of international comity, this Directive should apply only to works and phonograms that are first published in the territory of a member state."

Registries: Their Huge Impracticality, and the Regrettable Return of Formalities

There is much talk about establishing commercial registries of works which may then be consulted by the infringer as a part of his or her search. Any work not found on one of these registries will be assumed to be an "orphan work." This brings back the largely discredited days of U.S. copyright formalities which famously included the need to register a copyright as a condition of its protection. This provision had a particularly deleterious effect on foreign artists, who did not register their works and were thus deprived of their copyrights prior to the 1996 Restoration Provisions of the Copyright Act, designed to correct this inequity. It can be said as well that very few American artists managed to devote the time and resources to abide by these requirements. Reintroducing formalities in the form of registries would violate Berne, Article 5(2) which rejects all formalities. What artist would have the time, money, and clerical patience to fill out the forms necessary to register his or her work, let along to spend time and money digitizing then? Visual artists are not like authors of books, even prolific ones, who may produce one or two books a year. If we include sketches, preparatory studies or drawings, and finished works, an artist may accumulate hundreds or works a year and thousands of works in his or her lifetime.

It would be impossible to register all of these, and even if such an effort was to be undertaken, those works which had not yet been entered in the registry would be orphaned until such time as they were, which might take many years to accomplish, and by which time great damage would be done to their creators.

There is no Need for an Orphan Works Bill. Methods already Exist for the Use of Works Without the Owner's Approval

It is important to note that a would-be infringer already has three existing ways to reproduce a work without obtaining the copyright owner's approval, and that adding an orphan works regime is simply not necessary. One is the Fair Use provision of the U.S. Copyright Act which allows

for reproduction in mostly educational and journalistic cases and in non-commercial settings without permission or fee.

The second occurs where an infringer in a commercial context employs a marketplace risk analysis, and decides to reproduce a work hoping the copyright holder does not come forward. If he or she does, the matter may or may not be settled for a fee or other consideration, and if the parties cannot resolve the dispute, normal court procedures are available.

Thirdly, we have seen where publishers have occasionally appended a notice to their books announcing that they have reproduced works without locating the copyright holder, but having made every effort to do so, they would be happy to make amends by inviting the owner to come forward.

All three of these methods are currently employed. They are sufficient unto themselves and certainly help to obviate the need for an orphan works bill.

Conclusions and Recommendations

In summation, the view of Artists Rights Society is the following:

1 The bill should be rejected in its entirety.

2. Failing this, we believe that works of visual art should be excluded from its scope.

3. The bill should not apply to foreign works of art.

4. The requirement for the establishment of registries (and thereby the reintroduction of formalities) should be eliminated.

THE FOLLOWING IS A LIST OF THE MORE PROMINENT ARTISTS REPRESENTED BY ARTISTS RIGHTS SOCIETY. PLEASE NOTE THAT THERE ARE MANY OTHERS. FOR MORE INFORMATION, PLEASE CHECK OUR WEB SITE AT WWW.ARSNY.COM, CALL 212-420-9160, OR FAX YOUR REQUEST TO 212-420-9286.

ACCONCI. VITO AGAM, YAACOV ALBERS, JOSEF (d. 1976) ALBERS, ANNI (d. 1994) ALECHINSKY, PIERRE ALVAREZ BRAVO, LOLA (d. 2002) APPEL, KAREL (d. 2006) ARCHIPENKO, ALEXANDER (d. 1964) ARMAN ARP, HANS (d. 1966) ARROYO, EDUARDO ARTSCHWAGER, RICHARD AVERY, MILTON (d. 1965) BACON, FRANCIS (d. 1992) BASQUIAT, JEAN-MICHEL (d. 1988) BECKMANN, MAX (d. 1950) BELLMER, HANS (d. 1975) **BENTON, FLETCHER** BERARD, CHRISTIAN (d. 1949) BERAUD, JEAN (d. 1935) BERNARD, EMILE (d. 1941) BERTOIA, HARRY (d. 1978) BEUYS, JOSEPH (d. 1986) BLAKE, PETER BLANCHE, JACQUES-EMILE (d. 1942) BONNARD, PIERRE (d. 1947) BRANCUSI, CONSTANTIN (d. 1957) BRAQUE, GEORGES (d. 1963) BUFFET, BERNARD (d. 1999) BURRI, ALBERTO CALATRAVA, SANTIAGO CALDER, ALEXANDER (d. 1976) CAPPIELLO, LEONETTO (d. 1942) CARRINGTON, LEONORA CASSIERS, HENRI CATALANO, ELIZABETH CAULFIELD, PATRICK CESAR (d. 1998) CHAGALL, MARC (d. 1985) CHAMBERLAIN, JOHN (d. 2011) CHICAGO, JUDY CHILLIDA, EDUARDO (d. 2002) COCTEAU, JEAN (d. 1963) CONDO, GEORGE DAHL-WOLFE, LOUISE (d. 1989) DALI, SALVADOR (d. 1989) DAPHNIS, NASSOS DARGER, HENRY (d. 1973) DAVIS, GENE (d. 1985) DEFEO, JAY (d. 1989) DE KOONING, WILLEM (d. 1997) DE NIRO Sr., ROBERT (d. 1993) DE STAEL, NICOLAS (d. 1955) DENIS, MAURICE (d. 1943) DERAIN, ANDRE (d. 1954) DIBBETS, JAN DINE, JIM

DIX, OTTO (d. 1969) DUBUFFET, JEAN (d. 1985) DUCHAMP, MARCEL (d. 1968) DUFY, RAOUL (d. 1953) DUNOYER DE SEGONZAC (d. 1974) ERNST, MAX (d. 1976) ESCOFFERY, MICHAEL FAUTRIER, JEAN (d. 1964) FEININGER, LIONEL (d. 1956) FINI, LEONOR (d. 1996) FINSTER, HOWARD (d. 2001) FLAVIN, DAN (d. 1996) FONTANA, LUCIO (d. 1968) FOUJITA (d. 1968) FRANCIS, SAM (d. 1994) FRANKENTHALER, HELEN (d. 2011 FRITSCH, KATARINA GIACOMETTI, ALBERTO (d. 1966) GIACOMETTI, DIEGO (d. 1985) GLEIZES, ALBERT (d. 1953) GONTCHAROVA, NATALIA (d. 1962) GONZALEZ, JULIO (d. 1942) GORKY, ARSHILE (d. 1948) GROMAIRE, MARCEL (d. 1971) GROOMS, RED GUILLAUMIN, ARMAND (d. 1927) **GURSKY, ANDREAS** HAACKE, HANS HAMILTON, RICHARD HARTUNG, HANS (d. 1989) HEARTFIELD, JOHN (d. 1968) HELD, AL (d. 2005) HELION, JEAN (d. 1987) HERBIN, AUGUSTE (d. 1960) HERON, PATRICK (d. 1999) HILL, GARY HIRAKAWA, NORITOSHI HIRST, DAMIEN HÖCH, HANNAH (d. 1978) HOFMANN, HANS (d. 1966) HOLZER, JENNY HUEBLER, DOUGLAS (d. 1997) HUNT, BRYAN ICART, LOUIS (d. 1950) IMPIGLIA, GIANCARLO INDIANA, ROBERT IRWIN, ROBERT JARRET, BRUNO JAWLENSKY, ALEXEJ VON (d. 1941) JENSEN, ALFRED (d. 1981) JIMÉNEZ, LUIS (d. 2006) KAHLO, FRIDA (d. 1954) KANDINSKY, WASSILY (d. 1944) KAPOOR, ANISH KISLING, MOISE (d. 1953) KLEE, PAUL (d. 1940) KLEIN, YVES (d. 1962)

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KLINE, FRANZ (d. 1962) KOKOSCHKA, OSCAR (d. 1980) KOLLWITZ, KAETHE (d. 1945) KOSUTH, JOSEPH KRASNER, LEE (d. 1984) KUPKA, FRANZ (d.1957) LALIQUE, RENE (d.1945) LAM, WILFREDO (d. 1982) LARIONOV, MIKHAIL (d.1964) LAURENCIN, MARIE (d.1956) LAURENS, HENRI (d.1954) LAWRENCE, JACOB (d. 2000) LE CORBUSIER (d.1965) LEGER, FERNAND (d.1955) LEMPICKA, TAMARA DE (d.1980) LEVINE, LES LEWITT, SOL (d. 2007) LISSITZKY, EL (d. 1947) LONGO, ROBERT LOOS, ADOLF (d. 1933) LUCE, MAXIMILIEN (d. 1941) LUX, LORETTA MAGNELLI, ALBERTO (d. 1971) MAGRITTE, RENE (d. 1967) MAILLOL, ARISTIDE (d. 1944) MALLET-STEVENS, ROBERT (d. 1945) MAN RAY (d. 1976) MANGOLD, ROBERT MANGUIN, HENRI (d. 1949) MARCOUSSIS, Louis (d. 1941) MARDEN, BRICE MARIN, JOHN (d. 1953) MARQUET, ALBERT (d. 1947) MARSH, REGINALD (d. 1954) MASSON, ANDRE (d. 1987) MATISSE, HENRI (d. 1954) MATISSE, PIERRE (d. 1989) MATISSE, SOPHIE MATTA (d. 2002) MATTA-CLARK, GORDON (d. 1978) MAYWALD, WILLY (d. 1965) METZINGER, JEAN (d. 1956) MICHAUX, HENRI (d. 1981) MIES VAN DER ROHE, LUDWIG (d. 1969) MIRÓ, JOAN (d. 1983) MOHOLY-NAGY, LAZLO (d. 1946) MOORE, HENRY (d. 1986) MORI, MARIKO MORRIS, ROBERT MUNTER, GABRIELE (d. 1962) MUNCH, EDVARD (d. 1944) MURRAY, ELIZABETH NAGEL, PATRICK (d. 1984) NAUMAN, BRUCE NEWMAN, BARNETT (d.1 970) NEVELSON, LOUISE (d. 1988) NICHOLSON, BEN (d. 1982) NOVROS, DAVID NOGUCHI, ISAMU (d. 1988) O'KEEFFE, GEORGIA (d. 1986) OPIE, JULIAN OPPENHEIM, MERET (d. 1985) OROZCO, JOSE CLEMENTE (d. 1949) OUD, J.J.P. (d. 1963) PAOLOZZI, EDUARDO

PICABIA, FRANCIS (d. 1953) PICASSO, PABLO (d. 1973) POLIAKOFF, SERGE (d. 1969) POLLOCK, JACKSON (d. 1956) POLKE, SIGMAR (d. 2010) RABINOWITCH, DAVID REINHARDT, AD (d.1967) RENGER-PATZSCH, ALBERT (d. 1966) **RENOIR, PIERRE-AUGUSTE (d.1919)** (works with RICHARD GUINO (d. 1973)) RIETVELD, GERRIT (d. 1964) RIVERA, DIEGO (d. 1957) ROCKBURNE, DOROTHEA ROTHENBERG, SUSAN ROTHKO, MARK (d. 1970) ROUAULT, GEORGES (d. 1958) RUFF, THOMAS RZEPKA, ADAM SAINT PHALLE, NIKI DE (d.2002) SANDER, AUGUST (d. 1964) SAURA, ANTONIO SAVILLE, JENNY SCHARF, KENNY SCHMIDT-ROTTLUFF, KARL (d. 1976) SCHNABEL, JULIAN SCHWITTERS, KURT (d. 1948) SEGOVIA, ANDRE SELIGMANN, KURT (d. 1962) SERRA, RICHARD SEVERINI, GINO (d. 1966) SHAPIRO, JOEL SICKERT, WALTER (d. 1942) SIMONDS, CHARLES SIQUEIROS, DAVID ALFARO (d. 1974) SMITH, TONY (d.1980) SONNIER, KEITH SOULAGES, PIERRE SOUTINE, CHAIM (d. 1943) SPENCER, STANLEY (d. 1959) STARN, MIKE & DOUG STEINBERG, SAUL (d. 1999) STELLA, FRANK STIEGLITZ, ALFRED (d. 1946) STOECKLIN, NIKLAUS TAEUBER-ARP, SOPHIE (d. 1943) TANGUY, YVES (d. 1955) TANNING, DOROTHEA TAPIES, ANTONI TENWIGGENHORN, NIC THERRIEN, ROBERT THOMAS, MICKELENE TINGUELY, JEAN (d. 1991) TOBEY, MARK (d. 1976) TURNBULL, WILLIAM VALADON, SUZANNE (d. 1938) VAN DONGEN, KEES (d. 1968) VAN VELDE, BRAM (d. 1981) VASARELY, VICTOR (d. 1997) VILLON, JACQUES (d. 1963) VLAMINCK, MAURICE DE (d. 1958) VUILLARD, EDOUARD (d. 1940) WACHTER, EMIL WALDMAN, PAUL WARHOL, ANDY (d. 1987) WEINER, LAWRENCE

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WESTON, EDWARD (d. 1958) WOLS (d.1951) WRIGHT, FRANK LLOYD (d. 1959) XENAKIS, CONSTANTIN ZADKINE, OSSIP (d.1967) ZELDIS, MALCAH ZULOAGA, IGNACIO (d. 1945) ZWART, PIETER (d. 1977)

Exhibit B

Foreign Artists Rights Societies Represented by ARS in the U.S.

ADAGP

11, rue Berryer 75008 Paris FRANCE

AGADU

El Derecho de Autor es Uno de Los Derechos Humanos Canelones 1122 Montevideo (11.100) URUGUAY

AKKA/LAA A.Čaka Iela 97 Riga, LV-1011 LATVIA

APSAV Agencia Peruana de Sociedades de Autores Visuales Los Frailes 181 Urb, Santa Felicia La Moina Lima 12 PERU ARTEGESTION Veintimilla E8-115 y Av. 6 de Diciembre 593.2.2547 048 Quito ECUADOR

AUTVIS Rua Boa Vista, 186, 4° floor, Zip Code: 01014-000 São Paulo, SP BRAZIL

VG BILD-KUNST Weberstrasse 61 53113 Bonn GERMANY

BONO Kjeld Stubsgt. 3 0160 Oslo NORWAY

BUS Årstaängsvägen 5 B 117 43 Stockholm SWEDEN COPY-DAN Copydan BilledKunst Bryggervangen 8 2100 Copenhagen OE DENMARK

CREAIMAGEN Condell 520 Providencia Santiago CHILE

DACS 33 Great Sutton Street London ECIV 0DX ENGLAND

EAU Toompuiestee 7 EE 0001 Tallinn ESTONIA

GESAP 63 Kostava Street Tbilisi 380015 GEORGIA

HUNGART 1055 Budapest Falk Miksa utca 30. fsz.2. HUNGARY

IVARO Irish Visual Artists Rights Organization 37 North Great Georges Street Dublin 1 IRELAND

KUVASTO Director Kristel Nybondas Iso Roobertinkatu 3-5 A 22 00120 Helsinki FINLAND

LATGA-A J. Basanaviciaus str.4/6 2600 Vilnius

LITHUANIA

LITA LITA, Society of Authors Mozartova 9 P.O. Box 28 810 01 Bratislava 11 SLOVAK REPUBLIC

OSDEETE Greek Collecting Society for Works of Visual Arts 14 Kolletti St, Athens 10681 GREECE

PICTORIGHT Amstelveenseweg 88-90 1075 XJ Amsterdam THE NETHERLANDS

PROLITTERIS Schwamendingenstrasse 10 CH-8050 Zurich SWITZERLAND

RUSSIAN AUTHORS' SOCIETY (RAO) 6a B.Bronnaya Str., GSP-5, 123995 Moscow RUSSIA

SABAM Rue d'Arlon 75-77 B-1040 Bruxelles BELGIUM

SACK

SOCIETY OF ARTIST'S COPYRIGHT OF KOREA 5F, GNC MEDIA BLDG., 352-11 Seokyo-Dong, Mapo-Ku, Seoul 121-838 KOREA

SAVA

Viamonte 723, 4th floor Office nº 18 (C1053ABO) Ciudad Autónoma de Buenos Aires ARGENTINA

SGA Sociedade Guineense de Autores Pessoa Colectiva de Direito Privado Rua António M'Bana N°2, 1° Andar, C.P. 545 Bissau REP. GUINÉ-BISSAU

SIAE Viale della Letteratura 30 01144 Roma ITALY

SODRAC Tower B, Suite 1010 1470 Peel Montreal, Quebec H3A 1T1 CANADA

SOMAAP SOCIEDAD MEXICANA DE AUTORES DE LAS ARTES PLÁSTICAS, S.G.C. DE I.P. Av. Mariano Escobedo # 373, 5º Piso Col. Chapultepec Morales, México, D.F., C.P. 11570 MEXICO

SPA Av. Duque de Loule, 31 1069 Lisboa Codex PORTUGAL

SPDA Duplex Giza Tower 2/12 (#301) 201204 Ginza, Chuo, Tokyo 104-0061 JAPAN

VBK Tivoligasse 67/8 A-1120 Wien AUSTRIA

VEGAP GRAN VIA, 16 - 5° Deha. 28013 Madrid SPAIN

VISARTA 71117 str. N. Iorga nr. 21, Bucuresti ROMANIA

VISCOPY I Blackfriars Street Chippendale NSW 2008 AUSTRALIA