

Oxford, February 1st, 2013

The Copyright Office
Library of Congress
101 Independence Avenue S.E.
Washington D.C. 20559-6000
UNITED STATES OF AMERICA

On-line submission at <http://www.copyright.gov/orphan/comment-submission/>.

**Notice of Inquiry “*Orphan Works and Mass Digitization*”
Submission by the International Association of Scientific Technical and Medical
Publishers, STM**

Dear Sirs

Introduction

The International Association of Scientific, Technical and Medical Publishers (“STM”) is the leading global trade association for academic and professional publishers. It has over 120 members in 21 countries, including in the United States of America, who each year collectively publish nearly 66% of all journal articles and tens of thousands of monographs and reference works. STM members include learned societies, university presses, private companies, new starts and established players.

We welcome the opportunity to contribute to the inquiry on “*Orphan Works and Mass Digitization*”, in particular as STM is able relate some of its experiences as an active and engaged stakeholder representative in Europe, where some of the same issues have been and continue to be addressed in successive consultations and norm-setting. STM’s submission will be limited to these pertinent experiences and not address each and every question on which this consultation seeks input. In this regard, STM refers to the submission filed or to be filed by AAP, with its STM counterpart, the Professional and Scholarly Publishing Division (the PSP division of AAP). STM also welcomes the opportunity to continue contributing to future deliberations after making this submission.

STM publishers have actively embraced the opportunities of the digital online environment in making their content available electronically.¹ In doing so, STM publishers not only make

¹ A useful catalogue of the digital changes in scholarly publishing can be found in the STM report (2009) “An Overview of Scientific and Scholarly Publishing” at http://www.stm-assoc.org/2009_10_13_MWC_STM_Report.pdf.

their scholarly journals available on-line, but, as appears more fully below, have actively participated in other ways under which their content can be made available, such as licensing institutional libraries to deliver documents electronically and supporting the initiative in Europe facilitating the mass digitization of out-of-commerce works by institutional libraries. Principal STM members have also signed up to a Safe Harbor statement relating to the use of Orphan Works, and a Safe Harbor statement in similar terms on Out-of-Commerce Works has recently been approved and is at this time being circulated to members for signature.

The legal vehicle enabling these access initiatives is licensing, as opposed to reduced level of copyright protection by way of exceptions or limitations. By leading and/or actively participating in access projects, STM's members demonstrate their commitment to delivering the highest level of sustainable access to high quality content to the widest range of stakeholders. If copyright protection is reduced and economic benefits are essentially transferred (for free) to third party participants in the information technology sector (eg intermediaries), the effect will be to reduce the ability of this sector to re-invest in high quality content and access.

Document Delivery

By way of introduction to STM's approach to challenges posed by new technology, we refer to STM's Statement on Document Delivery,² in which we take as a point of departure that any discussion of copyright exceptions and limitations must be governed by the Berne Convention's three-step test, which requires that an exception must be confined to certain special cases that do not interfere with the normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the rights-holder.³

Following this approach, STM publishers have licensed some of the widely used international digital document delivery services, including a consortium of German universities, Subito⁴, the International Non-Commercial Document Delivery Service of the British Library⁵ and the French Government's scientific and technical research information service CNRS/INIST⁶. STM publishers license their content also to other local or regional consortia or commercial document delivery organizations within and outside the United States on a similar basis, creating a level playing field for market participants.

Orphan Works and Out-of-Commerce Works

Because STM also actively supports efforts to solve "orphan works" and "out-of-commerce" issues through collective license schemes, we believe that developing better guidelines and guidance on practical issues concerning rights clearances points to a way forward to solve the problem of orphan works in digitization projects. Whilst for both orphan works and out-of-commerce works it is axiomatic that a would-be user first has to ascertain that a work is in fact "orphaned" or "out-of-commerce", the searches required differ: for orphan works a "vertical" search along the chain of rightsholders is required, while an out-of-commerce requires a "horizontal" search, across all relevant channels of trade and direct delivery channels.

Orphan Works

² http://www.stm-assoc.org/2011_06_08_STM_Statement_Document_Delivery.pdf

³ Art. 9(2) Berne Convention, Art. 13 TRIPS, Art. 10 WIPO Copyright Treaty.

⁴ http://www.stm-assoc.org/2008_10_01_Subito_Settlement_Press_Release.pdf

⁵ <http://www.bl.uk/incd> and http://www.stm-assoc.org/2011_09_08_Press_Release_STM_PA_BL_Doc_Del_Agreement.pdf

⁶ http://www.stm-assoc.org/2012_10_04_INIST_CNRS_STM_Press_Release.pdf

In order to avoid an outcome where orphan works are excluded from the cycle of creation and exploitation, because copyright compliant users may prefer non-use over the risk of liability for infringement, STM developed a Position on Orphan Works in December 2006⁷, followed by a Position Paper in November 2007 on a “Safe Harbor” for the conditions of use of orphan works under which signatory STM members would not take action for infringement⁸. In June 2008, STM, together with 24 other stakeholder organizations, signed a Memorandum of Understanding on Diligent Search Guidelines for Orphan Works applying in the European Union.⁹

This was followed by the adoption of the Orphan Works Directive by the European Union in October 2012.¹⁰ The Orphan Works Directive is directed at making possible the digitization of Europe’s cultural heritage by publicly accessible libraries and other similar institutions. STM supports the Orphan Works Directive because of the following main attributes: (i) a good faith and diligent search is required in respect of every work before it can be considered as an orphan work (Article 3) and (ii) if the rightsholder is found, the rightsholder can terminate the orphan work status (Article 5).

Out-of-Commerce Works

STM has made similar endeavors in relation to the accessibility to works of its members which are out of commerce. Out-of-commerce works are works that are still protected by copyright but are no longer commercially available because the authors and publishers have decided neither to publish new editions nor to sell copies through the customary channels of commerce. As such, they pose a challenge to mass digitization projects which is similar to those posed by orphan works.

Encouraged by the success in finding common ground on orphan works, in September 2011, STM, together with other stakeholders representing public libraries, other publishers and copyright management organisations, signed a Memorandum of Understanding on making out of commerce works available in EU member states.¹¹ These stakeholders have together formed a task team which is setting about the implementation of mass digitization projects by beneficiary public libraries.

Since then, STM has approved a “Safe Harbor” statement on the use of out-of-commerce works, which is in the process of being circulated for signature by its members. This Safe Harbor statement is expected to be published on STM’s website by the end of February 2013, but a specimen text is attached to this submission for your consideration.

As with STM’s other initiatives, the Memorandum of Understanding is based on a licensing solution, albeit a collective one, from which rightsholders can withdraw, and it does recognise that legislative backing for its terms may be needed in some member states of the European Union.

⁷ <http://www.stm-assoc.org/documents-statements-public-co/2006-documents-statements-public-correspondence/>

⁸ <http://www.stm-assoc.org/documents-statements-public-co/2007.11%20Safe%20Harbor%20Provisions%20for%20the%20Use%20of%20Orphan%20Works%20Nov2007%20Ver%201.1.doc>

⁹ http://ec.europa.eu/information_society/newsroom/cf/itemdetail.cfm?item_id=4145 and http://www.stm-assoc.org/2006_06_04_EU_Orphan_Works_Memorandum.pdf

¹⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>

¹¹ http://www.stm-assoc.org/2011_09_20_STM_Out_of_Commerce_MoU.pdf and http://www.stm-assoc.org/2012_10_18_MoU_OOCW_OMIT_in_EU.pdf.

Together with national libraries of a number of Member States, the rightsholders of the book- and image-based sector created ARROW¹², a very useful and innovative tool, which enables to make an easy, rapid title-by-title diligent research. The British Library published a report in September 2011, demonstrating that ARROW enables librarians to make a diligent search per book in five minutes instead of four hours, and which strongly recommends using that tool as a technical solution for the diligent search¹³.

The United Kingdom is at present considering a Digital Copyright Exchange, which, if implemented, could automate licenses and permissions, thereby increasing efficiency.¹⁴

Preservation and archival copies

STM supports the ability of libraries and archives to being able to make preservation and archival copies and to shift the format of items forming part of the library's or archive's permanent collection for these purposes where it is not reasonably practical to buy a replacement copy. However, preservation copies should not be used as "master copies" to serve beneficiaries of fair dealing exceptions or under any other exception, or to permit access on an insecure online platform, which could well distort the market.

The STM publishing community has worked actively to establish digital preservation standards, including the European Union's *Parse* project, and publishers have supported the creation of important archives through library initiatives such as the *eDepot* project at the Koninklijke Bibliotheek in the Hague, Netherlands, the *Portico* project, and *LOCKSS*.¹⁵

Responses to the Inquiry

With the background set out above, we respond as follows to the two questions raised in the Notice of Inquiry:

1. Orphan Works on an Occasional or Case-by-Case Basis

STM supports the determination of orphan works status on a case-by-case basis, as appears from the initiatives with which STM has been involved and which are described above. In many ways, the rules applicable to orphan works are rules of rights clearance "of last resort", and should only apply where all other methods of rights clearance do not apply or are impracticable.

It has been suggested that the need for a "diligent search" may be obviated in the case of "mass-digitization" exercises. STM remains of the view that whilst users and rights-holders

¹² www.arrow.eu.net

¹³ <http://pressandpolicy.bl.uk/ImageLibrary/detail.aspx?MediaDetailsID=1197>

¹⁴ See the UK Intellectual Property Office's report called "Copyright Works" (commonly referred to as the "Hooper report") at <http://www.ipo.gov.uk/dce-report-phase2.pdf>. A cross-media project that will create the framework for a fully interoperable and fully connected standards-based communications infrastructure so that businesses and individuals can manage and communicate their rights more effectively online is being carried out in Europe by the Linked Content Coalition, more information on which can be found at <http://www.linkedcontentcoalition.org/#>.

¹⁵ See the STM site at <http://www.stm-assoc.org/eu-project-parse/#> for details on this important digital preservation standards project, the project at the Royal Library in the Hague as described at <http://www.kb.nl/en/expertise/e-depot-and-digital-preservation>, the Portico project at <http://www.portico.org/digital-preservation/> and the LOCKSS initiative at <http://lockss.stanford.edu/lockss/Home>.

should collaborate in an effort to streamline and facilitate diligent searching, there is no substitute for a diligent search even in cases of mass-digitization in relation to orphan works.

Having said this, STM is aware that a digitization project is unlikely to wanting to just focus on “orphan works”, but rather will be subject or time-period specific or have some other substantive focus. Thus, orphan works, will almost always be a subset of a whole host of works in relation to which users will invariably have to secure permission first. Among such works are likely also out-of-commerce works and a considerable overlap between orphan works and out-of-commerce works should be expected. For this reason, STM is of the view that where a user complies with rules established in relation to out-of-commerce works, the same user may rely on that status and need to carry out an additional diligent search to establish orphan work status in relation to such works. Thus, in practice, in relation to mass digitization, requirements relating to out-of-commerce works are likely to dominate the issues that may arise in relation to orphan works.

2. Orphan Works in the Context of Mass Digitization

STM believes that the following should be addressed in any regulatory initiative in this area:

1. Reasonably diligent, good faith search for the copyright owner:

- The potential user of orphan works should be required to conduct a thorough search in good faith, with a view to identifying, locating and/or contacting the copyright owner, prior to using the orphan work.
- The reasonably diligent search should necessitate a high level of care. However worded, the search standard prescribed should require the potential user not only to research the identity/location of the current copyright owner, but also to inform her-/himself about the possible sources where such information could be found.
- Any regulative initiative should refrain from prescribing minimum search steps or information sources to be consulted. Only a flexible approach will ensure an adequate solution dealing with the individual circumstances of each orphan work, as well as rapidly changing information sources and search techniques.
- Stakeholders should be encouraged to develop standards and guidance on what they consider a reasonably diligent search. These must be flexible as resources available change and improve.
- The user of an orphan work should bear the burden of proving that her/his search was reasonably diligent, and must maintain records of his/her efforts to meet that burden.

2. Clear and adequate attribution

The user of orphan works should be required to provide attribution to the copyright owner(s) throughout her/his use of the orphan work as clearly and adequately as possible in the circumstances. For example, where a copyright notice is present in the orphan work, credit should be given in a manner which reflects the notice.

3. Adequate remuneration of copyright owner and/or appropriate restitution:

- Any regulative system should provide that a reappearing copyright owner is to be offered full remedies in an appropriate and reasonable manner, taking into account also the legitimate interests of the user in her/his continued exploitation of the previously orphaned work.
- The appropriate reinstatement of the exclusive rights of the copyright owner should include an entitlement to adequate remuneration for the user's use of the previously

orphaned work. Adequate remuneration should generally be defined as the equivalent of a license fee for the entire use term as it would have been negotiated between copyright owner and user prior to the commencement of the use.

- It is our view that remuneration should be negotiated between the parties, with recourse to the courts where such negotiations fail. Where consistent with local rules, court costs and fee shifting should be available to the prevailing party. For example, if the user offers a fee which the proprietor deems unreasonable, the proprietor should pay legal fees where the Court awards a fee equal to or less than the user's offer, and the user should pay a fee if the Court awards a greater sum.

4. Limitation on injunctive relief:

Any possibility of injunctive relief against the continued and future use of a previously orphaned work should be sufficiently flexible to take into account the efforts and investment made by a good faith user.

5. Non-exclusivity of use:

The use of orphan works is non-exclusive. A user of orphan works can only intervene against further uses of the same orphan work where the further use would infringe her/his new rights in derivative works (e.g. translations, adaptations).

STM's position does not affect the right of copyright owners to ignore or refuse requests for licences for subsequent uses of the orphan works, including derivatives thereof.

6. "Orphan work" defined:

Care needs to be taken to ensure that works that are not "in print" but are still "in copyright" and have identifiable owners are outside of the definition of orphan works.

Finally, STM opposes the view that preservation copies made by libraries and archives, or possibly by museums, may be used as "master copies" to serve beneficiaries of fair dealing exceptions or under any other exception, or to permit access to the general public. For preservation and archival copies to retain their legitimacy they must not become the source of further uses other than on-site consultation and/or inspection.

Conclusion

The question is whether orphan works should be dealt with as a matter of a copyright exception, a reduction in copyright penalties once a "parent" is located, or a blanket collective license. The view of STM is that private market solutions are almost always to be preferred, since they are the most likely to provide tangible beneficial results.

Licensing (individually and collectively) is the 21st century's answer to legal access to copyright-protected works.

While technology is ever changing and affects the specifics of supply and demand, human nature and the need for sustainable market-driven solutions remain the same. While in the 18th and 19th century market failures and information disparities may have necessitated more and broader exceptions from copyright protection, the 20th century set the trend for more and more individual and collective licensing. In particular collective licensing is a solution that lends itself to the licensing of (i) low value "mass" transactions", or (ii) licensing situations that can be characterized as "many-to-many" situations. The latter part of the 20th century and

the 21st century herald the beginnings of ever more targeted licensing, whether individual direct licensing or licensing through a collective management organization. The trend therefore is not to broaden exceptions and permit free uses, but rather to allow licensing to close the gap between market supply and market demand at the point of use, faster and smarter.¹⁶

STM stands ready to supplement this submission or contribute in whatever way is appropriate as the Copyright Office's consultations progress.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Mabe", with a long horizontal flourish extending to the right.

Michael Mabe
Chief Executive Officer
STM, International Association of Scientific, Technical and Medical Publishers

¹⁶ See the list of thousands of journals from which articles are available for 24-hour period rentals at <http://www.deepdyve.com/browse/journals>.