



March 6, 2013

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Register of Copyrights
United States Copyright Office
101 Independence Ave. S.E.
Washington, DC 20559

RE: Reply Comments—Orphan Works and Mass Digitization

To the Register of Copyrights:

Pursuant to the Notice of Inquiry (“NOI”) published in the Federal Register on October 22, 2012 (77 Fed.Reg. 64,555), I submit these Reply Comments on behalf of the Association of American Publishers (“AAP”) regarding the Copyright Office’s efforts to assess the current state of orphan works issues, including potential solutions for the occasional use and mass digitization of orphan works.

As stated in our initial Comment, AAP’s core mission is to support publishers as both copyright owners and users of the copyrighted works of others. As the principal national trade association of the U.S. book publishing industry, AAP represents more than 250 member companies and organizations that include most of the major commercial book publishers in the U.S., as well as many small and non-profit publishers, university presses and scholarly societies. As such, AAP and its member publishers have an interest in supporting the wide dissemination and use of copyrighted works under established principles of copyright law. With our members’ considerable experience in seeking permissions 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, they have a deep understanding of 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 reviewed the initial Comments of other interested stakeholders, we offer our Reply Comments on the following three themes that surfaced in those initial Comments: (1) legislative action is still needed to facilitate the use of orphan works; (2) mass digitization of orphan works is only a subset of mass digitization issues; and (3) orphan works legislation is not the appropriate vehicle for other complicated and contested copyright reform proposals. The views

expressed here are still preliminary, but intended to highlight the importance of finding an efficient, fair, and balanced solution to the orphan works problem.

I. The *Shawn Bentley Orphan Works Act of 2008* is Still a Good Model for Current Orphan Works Legislation

Our review of the initial Comments indicates that many stakeholders still see orphan works legislation as essential for facilitating the use of copyrighted works where no rights holder can be identified or located to obtain necessary permissions.¹ Furthermore, many of those advocating for orphan works legislation continue to agree with AAP in viewing the *Shawn Bentley Orphan Works Act of 2008* (2008 Act) as the appropriate starting place for current legislation.² Thus, AAP suggests that the Copyright Office should proceed with a legislative recommendation on occasional uses of orphan works that is modeled closely on the 2008 Act.³ To that end, AAP suggests that the Copyright Office should not proceed with an orphan works solution based on: (a) licensing or (b) fair use. The reasons outlined below explain why these other approaches would fail to meet the goal of creating a fair and efficient framework for facilitating use of orphan works.

a. Licensing

The Authors Guild proposes a licensing structure for orphan works legislation in view of its new position that “diligent searches are not the answer.”⁴ The basis for this changed recommendation seems to be the Authors Guild’s view that the incentive structure of the 2008 Act, *i.e.*, the reduction of liability in exchange for a good faith diligent search prior to use of an orphan work, is wrong. The Authors Guild views this structure as “rewarding failed searches with uncompensated use of copyright-protected materials.”⁵ AAP believes this is a misperception of the structure of the 2008 Act for two reasons.

First, the 2008 Act does not reward a “failed” search. By definition, the search, albeit one that is unsuccessful in identifying or locating the copyright owner, must be reasonably diligent and conducted in good faith. If conducted in that manner, under the circumstances, such a search would provide the best practical demonstration that no copyright owner is available to provide necessary permission for the use of the work at issue. Since the purpose of orphan works legislation is to enable use of copyrighted works for which no rights holder can be identified or located after conducting a reasonably diligent, good faith search, AAP does not consider an

¹ See generally American Bar Association Section of Intellectual Property Law; American Intellectual Property Law Association; Authors Guild; Copyright Alliance; Public Knowledge/Electronic Frontier Foundation (stating that “we believe that a limitation on remedies conditioned on a reasonably diligent search can serve as a useful means of lowering barriers to the use of orphan works”); and Library of Congress, initial Comments re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

² See generally American Association of Law Libraries; Copyright Alliance; Copyright Clearance Center; Future Music Coalition; International Documentary Association; Recording Industry Association of America, and Software Information Industry Association, initial Comments re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

³ In our initial comments, AAP outlined the key provisions of the 2008 Act that should be carried over into a new legislative recommendation. Respecting the Copyright Office’s notice that prior comments need not be repeated, AAP briefly reiterates its strong belief that an intent-to-use registry not be required. This view is also shared by AIPLA. See AIPLA initial Comment re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012) at 3.

⁴ Authors Guild, initial Comment re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012) at 1.

⁵ *Id.*

unsuccessful search that is conducted in compliance with these statutory requirements to be a “failure” because it reasonably establishes the requisite conditions for permitting and incentivizing the prospective user of the work to proceed with its use in confidence that the subsequent emergence of the copyright owner, should that occur, will not brand the user as a willful direct infringer subject to the full panoply of remedies that the law provides for such infringement. Only if a search is not conducted in a reasonably diligent, good faith manner can it be considered a “failed” search, and in that case, the unpermissioned use of the work would not be protected against full liability for infringement and would thus not be encouraged.

Second, even where a reasonably diligent, good faith search fails to yield the identity or contact information for the rights holder, the 2008 Act provided that a subsequently emerging rights holder would be owed reasonable compensation for use of the work. Thus the 2008 Act framework provided for compensation where a rights holder proved to be available to seek it.⁶ AAP supports this approach because it preserves the fundamental right of a copyright owner to negotiate reasonable compensation for use of their work. Moreover, any compensation paid is paid directly to the rights holder instead of channeling the compensation through a third party collecting society or government agency.

A licensing model, on the other hand, would require up-front payments to third parties. As pointed out by the Library of Congress, few owners come forward to contest uses of orphan works.⁷ Thus, requiring up-front payments adds an unnecessary cost to using orphan works. As the Copyright Office noted in its original Report on Orphan Works, the advance payment requirement was a primary reason that the Canadian process for obtaining a license to use an orphan work was so little used. Furthermore, although AAP believes compensating copyright owners for use of their works is a crucial copyright right, AAP does not believe that channeling payments through third parties is a better way to protect this right than providing reasonable compensation directly to orphan works owners once they come forward. Furthermore, other comments highlighted additional drawbacks to creating a licensing scheme, such as the conflict of interest problems that would undermine the effectiveness of third party collecting societies, not to mention the costs of creating an entirely new infrastructure to effectuate an orphan works licensing model.⁸ For these reasons, AAP believes that a diligent search framework will be more effective than a licensing scheme for encouraging fair and efficient occasional uses of orphan works.

b. Fair Use

The Library Copyright Alliance claims in their initial Comments that “libraries no longer need legislative reform in order to make appropriate uses of orphan works” because “fair use is less

⁶ Some of the initial Comments raised the importance of the Copyright Office’s inquiry regarding the viability of establishing an adjudicative forum to pursue copyright claims of low economic value (“small claims”) to facilitate claims for reasonable compensation by re-emergent rights holders in the orphan works context. AAP has been an active participant in the Copyright Office’s discussion of creating a forum for adjudicating small claims.

⁷ See e.g. Library of Congress, initial Comment re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012) at 5-6 (explaining that “in the more than ten years that the Coolidge collection has been available online, the Library has not received a single complaint.”).

⁸ See generally AIPLA; Internet Archive; PK/EFF; and LCA, initial Comments re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

uncertain.”⁹ However, the Library of Congress notes that although there may be a few examples of the successful application of fair use to orphan works projects, this development does not “obviate the need for a [legislative] solution to the orphan works problem.”¹⁰

To be sure, AAP believes that there may be instances where orphan works can currently be used by commercial and non-commercial entities pursuant to fair use. For this reason, AAP has consistently supported inclusion of a savings clause in any orphan works legislation to clarify that such legislation “does not affect any right, or any limitation or defense to copyright infringement, including fair use.”¹¹ However, there are certainly occasional uses of orphan works that are not fair uses. Thus, AAP still strongly believes that orphan works legislation is a necessary foundation for the use of orphan works, despite certain case-specific applications of fair use, for two reasons: (1) reasonably diligent, good faith search legislation provides greater legal certainty than is available when relying solely on fair use; and (2) such legislation allows for additional uses beyond what fair use may permit.

As the LCA itself points out, “other communities (*i.e.*, communities other than libraries) may not feel comfortable relying on fair use and may find merit in an approach based on limiting remedies if the user performed a reasonably diligent search for the copyright owner prior to the use.”¹² Making other communities “feel comfortable” using a legislative approach should not be considered an option of last resort. Rather, reasonably diligent, good faith search legislation can facilitate efficient use of orphan works by providing greater legal certainty to users prior to use, which is a practical concern for many entities. For that reason, AAP encourages stakeholders and the Copyright Office to support a legislative solution as an effort to help realize the full public benefit of making orphan works more easily available and useable.

Additionally, if fair use remains the only avenue for using orphan works, certain legitimate uses will not be made; many beneficial uses that could be authorized with legislation will not be possible; and rights holders and potential users will be dragged into continued legal battles which will produce varying interpretations of the boundaries of fair use of alleged orphan works. To continue to rely on fair use instead of working to update the 2008 Act would needlessly squander the investment so many stakeholders and the U.S. government previously made to craft the diligent search framework. Therefore, AAP urges the Copyright Office to move forward with the

⁹See Library Copyright Alliance, initial Comment re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012) at 1, 2. The LCA asks the Copyright Office to “trust librarians to exercise their professional judgment and expertise to determine whether the copyright owners of [non-commercial] materials are likely to be unlocatable, *i.e.*, to *presume* responsibly that *certain types* of works are orphans,” *Id.* at 4 (emphasis added). AAP notes the benefits of permitting use of orphan works extend beyond libraries and as such, AAP has consistently supported orphan works legislation that creates a framework for responsible use of all type of works by all types of users. Moreover, the Copyright Office should not endorse the LCA’s “responsible presumption” approach as it would result in certain undefined categories of works being given unequal protection under U.S. copyright law.

¹⁰ *Id.*. AAP agrees with the Library of Congress’ rationale. Moreover the expansion of Open Source, Open Access, and Internet distribution in general are changing the role of libraries from local resource centers, to national or even international content curators and distributors (see <http://www.educopia.org/programs/lpc>). As such, AAP believes a more comprehensive legislative solution for orphan works will benefit the evolving goals of the publishing and library communities more than case-by-case fair use decisions limited to particular jurisdictions.

¹¹ *Shawn Bentley Orphan Works Act of 2008*, S. 2913, 110th Cong. § 2(d) (2008) (stating the “Preservation of Other Rights, Limitations, and Defenses.”). As also noted in the Copyright Office’s Report on Orphan Works, orphan works legislation and fair use would not be mutually exclusive. See OFFICE OF THE REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS, 52-56 (2006) (noting that the Copyright Office “stress[ed] that the presence of an orphan works provision should not act as a substitute or replacement for fair use.”).

¹² Library Copyright Alliance, initial Comment re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012) at 7.

diligent search approach in 2013 in order to remove unnecessary uncertainty, allow greater use of orphan works, and avoid costly and time consuming legal battles that may muddy the waters of copyright law instead of clearing a path for appropriate and beneficial uses of orphan works.

II. Mass Digitization is Broader Issue Beyond the Context of Orphan Works

Based on the initial Comments, it appears that numerous stakeholders recognized, as AAP did in its Comment, that there is substantial interest in pursuing mass digitization in contexts other than orphan works.¹³ As stated in its initial Comment, AAP supports having the Copyright Office open a separate inquiry into a broader legislative framework for mass digitization of copyrighted works. Regardless of whether a separate inquiry is opened, however, AAP encourages the Copyright Office to address occasional uses of orphan works.

To be clear, AAP believes the mass digitization and making available of copyrighted works by for-profit or non-profit entities is not permitted, as a general matter, under fair use and requires a legislative framework. Many of the goals of library, university, and commercial entity mass digitization projects are laudable, but the end should not justify the means if such means turn copyright on its head.

Publishers are in the business of disseminating and promoting access to knowledge, literature, and culture. The protections provided by copyright law create an environment that allows publishers to invest in new authors, cultivate authoritative research, and package content in new and evolving ways. The public will not benefit if fair use becomes a broad exception to copyright protections justifying mass digitization that would undermine the copyright protections that incentivize publishing high quality works.

Fair use is an assessment to be made on a case-by-case basis and therefore provides little actual certainty for unauthorized uses of large volumes of copyrighted works. A comprehensive legislative framework for mass digitization, on the other hand, would provide greater legal certainty to all potential users and thus stimulate a wide array of uses to benefit the public that would not otherwise be made. AAP has been engaged with this issue for many years and appreciates the potential benefit of facilitating various mass digitization projects. We look forward to working with the Copyright Office and other stakeholders to discuss a legislative framework for mass digitization that would allow copyright law to fairly and effectively address the new demands of the 21st century.

III. Orphan Works Legislation is not A Proper Vehicle for Other Copyright Reform

A few groups pinned the orphan works problem on the current structure of U.S. copyright law and used their initial Comments to advocate for copyright reform that would reduce the term of copyrights, eliminate or sharply reduce statutory damages, and re-implement copyright formalities.¹⁴ Regardless of whether and to what extent these issues may have contributed to the

¹³ See generally Google, Copyright Alliance, and Independent Film and Television Alliance, initial Comments re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

¹⁴ See generally Computer & Communications Industry Association; and Public Knowledge/ Electronic Frontier Foundation, initial Comments re: Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

creation of the orphan works problem, AAP does not believe that potential orphan works legislation is either a necessary or appropriate vehicle for addressing such matters of copyright reform. Moreover, the problem of preventing the creation of new orphan works is a very different matter than the problem of facilitating the current use of existing orphan works. The Copyright Office and numerous stakeholders have worked for many years to facilitate the use of orphan works and such efforts should not be frustrated by complicating any proposed orphan works legislation with complicated and contested issues that do not directly address and facilitate the use of orphan works.

IV. Conclusion

AAP looks forward to reviewing the Reply Comments of other stakeholders and working with the Copyright Office to find and implement a legislative solution to orphan works.

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