Reply Comments From The Software & Information Industry Association In Response To The Copyright Office's Notice Of Inquiry Concerning Orphan Works And Mass Digitization

March 6, 2013

Pursuant to the Notice of Inquiry ("NOI") relating to *Orphan Works and Mass Digitization* published by the U.S. Copyright Office in the Federal Register on October 22, 2012, the Software & Information Industry Association ("SIIA") submits the following reply comments on behalf of itself and its members.

Although we made an effort to review and assess the merits of each of the 91 comments filed in response to the NOI, due to the large number of submissions in conjunction with time constraints it simply was not possible or appropriate for us to attempt to respond to each submission. To make our reply comments as useful as possible we focused on some of the main themes and suggestions prevalent in the comments. The fact that we have not addressed any particular recommendation or suggestion should not be interpreted as concurrence with such recommendation or suggestion.

Unfortunately, instead of providing helpful comments on the orphan works issues raised by the Copyright Office in the NOI, many commenters chose to voice general copyright concerns and/or push a particular copyright reform agenda aimed at devaluating copyright owners' rights that have very little to do with the specific orphan works issues that are the focus of the NOI. In particular, several comments that suggest that the potential for large statutory damage awards and long copyright terms of protection are the root cause of the orphan works problem are completely unfounded and irrelevant to the NOI. Corresponding proposals aimed at reducing the range of statutory damages or the term of protection for copyrighted works are red herrings that likewise have little, if anything, to do with the orphan works issue. None of the commenters provide credible statistical or other factual support to demonstrate that the existing level of statutory damages or term of copyright protection has caused or magnified the orphan works

problem. In fact, to the extent there is any nexus between term of protection or statutory damages and orphan works a strong argument to the contrary could be made.[1]

Similarly, some commenters urged adoption of an "opt out" system for mass digitization projects. This proposal is flawed because not only does it goes well beyond the scope of this NOI since it is not limited to orphan works but rather would apply to all copyrighted works, but also because this approach was clearly rejected by the court in the Google books litigation and is inconsistent with well-accepted tenets of U.S. and international copyright law. While we suggested in the initial comments SIIA submitted to the Office on February 4th pursuant to the NOI ("February 4 Comments")[2] that there is reason to consider treating uses of orphan works in the mass digitization content differently, that should not be misinterpreted as an endorsement of an opt out system or a system in which no copyright ownership search takes place, as was suggested by other comments.

While there seemed to be no agreement amongst the commenters as to whether orphan works legislation is necessary at this time, there does appear to be general agreement that in the event orphan works legislation is deemed appropriate by the U.S. Copyright Office and Congress, that such legislation should be modeled after the legislation that was considered in 2008 that (among other things) would limit the legal remedies available to the copyright owner where the user could not, after a reasonably diligent search, identify and locate[3] the copyright owner before commencing the use of the work.[4]

The most notable disagreement with this approach came from the Library Copyright Alliance ("LCA") and a few others who suggested, in lieu of the aforementioned approach, a one sentence amendment to Section 504(c)(2) of the Copyright Act that would "grant courts the discretion to reduce or remit statutory damages if the user conducted a reasonably diligent search prior to use."[5] While the simplicity of this approach is somewhat appealing, it's this same simplicity that

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[1] With regard to term of protection, the only copyrighted works that can presently avail themselves of the additional term of protection that was added in the Sony Bono Term Extension Act (which the U.S. Supreme Court held to be constitutional in *Eldred v Ashcroft)* are those that were published during a time when copyright notice and other formalities were required in order for copyright protection to vest in a work. Similarly, to the extent statutory damages are available, failure to include a copyright notice would potentially reduce the range of statutory damages under Section 504. Because orphan works are unlikely to include any type of copyright notice, it is highly unlikely that the risk of paying an exorbitant statutory damage award or the additional term of protection therefore ever come into play.

[2] http://siia.net/index.php?option=com_docman&task=doc_download&gid=3933&Itemid=318

[3] Located is used here to denote that the copyright owner cannot be contacted. If a user has correct and current contact information for a copyright owner, such as an email address, the fact that the user does not know where the owner is physically located should be irrelevant.

[4] As stated in our February 4 Comments, we echo our support for these key elements should orphan works legislation be introduced in the future.

[5] Although the one sentence suggested by LCA does not specify what the user must search for (i.e., the identity and location of the copyright owner) or specify that the user's search must be unsuccessful, we chose not to highlight

also demonstrates its failings. For example, this approach fails to account for the following scenarios:

- What happens if and when the owner of the orphan works comes forward after the use has commenced? We assume (under this approach) that the copyright owner would be entitled to recover actual damages for past uses, but what about future uses? Would the copyright owner never be able to obtain statutory damages? Moreover, because the LCA says that "any legislative approach that involves licensing…is completely unacceptable" would this approach also prevent licensing solutions for past and/or future uses?

- Under the proposed approach it would appear that injunctions would still be a potential remedy available to the copyright owner. Does that mean that a book publisher who had gone to press with a book that contains an orphan work, but not yet distributed the printed copies of the book could be enjoined from distributing those copies even though they are willing to pay a licensing fee or damages and have otherwise acted in good faith and in accordance with the law? Such a result would seem manifestly unjust.

- The limitation on remedies proposed seems only to apply to "the user." But what about successors in interest like the author, publisher, distributors and licensees as well as others that may be in privity with the user?

These are just a few of the problematic scenarios that are unanswered by the LCA approach. The primary reason to adopt orphan works language would be to create a level of certainty within the community of copyright owners and users. This simplistic one-line approach fails to even remotely achieve this goal.

Several commenters suggested that the orphan works problem is chiefly caused by the relaxation of the copyright registration requirements resulting from U.S. accession to the Berne Convention. While a relaxation of the registration requirement no doubt plays some role in the orphan works problem, we believe that the primary cause is actually the lack of publicly available *searchable* databases for accurate and *current* copyright ownership information. One way to create such a database is to require copyright registration and then to make the information in those registrations available to the public. However, a database comprised solely of copyright registration information would be inadequate to address the orphan works problem because it would fail to address the most critical and fundamental aspects of the orphan works problem -- whether the data in the database is searchable, accurate and current. A more efficient and effective way to accomplish this goal is to create economic and other incentives for organizations to create copyright ownership databases and make them searchable by the public. As we said in our February 4 Comments, we do not believe sufficient incentives now exist.

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those fatal flaws with the proposed language because they were likely just an oversight and are easily correctable, while the other problems with this approach are not so easily addressed in the LCA sentence approach.

As is the case with all types of property, ownership of intangible property often changes over time. After a copyright application is filed, ownership of the copyrighted work could change hands numerous times throughout the copyright term. It is also extremely likely that the location of the owner will also change over the copyright term. A database comprised only of copyright registration information (as proposed by several of the commenters) fails to address this reality. On the other hand, commercially driven copyright ownership databases could address these issues. Instead of passively hoping for a copyright owner to update their records,[6] owner-operators of these databases would have an economic incentive to proactively seek out the most up-to-date information to ensure that their databases stay current and accurate in order to offer a better product than its competitors.

These same commercial incentives will push these copyright ownership database owners to improve the searchability of their database tools and ensure that they can effectively, efficiently and accurately respond to automated queries from users. This is a particular problem for copyrighted works where it may be relatively difficult to do an image search and the title of the work may not be discernible from a mere inspection of the work itself, and for mass digitization projects where an automated query would be necessary.

A few commenters urged that when a work is recorded in a database, that fact, standing alone, should prevent the work from ever being identified as an orphan work. While we agree in principle with this suggestion we do not think it goes far enough. Merely recording a work in a database is not sufficient if the ownership information relating to that work is not kept current and the database itself does not meet certain standards of searchability. However, if the work is recorded in a database that meets appropriate standards for searchability, accuracy and accessibility and the information regarding a work in that database is kept current and accurate, then – having met all those requirements – the work should be *per se* "non-orphanable" and there should be a presumption that the user's search did not satisfy the "reasonably diligent" criteria.

One other issue SIIA would like to address is the position urged by Carnegie Mellon University Libraries that a work should be considered to be orphaned where ownership is contested. We strongly disagree with this view. Where there exists a disagreement between parties relating to copyright ownership of a work that situation remains a matter for the contesting parties to resolve, perhaps before a tribunal of competent jurisdiction. Contested ownership, in and of itself, should not warrant the work being deemed an orphan work because once ownership is decided the user would know definitively who the owner of the work is and may attempt to obtain a license from that person. Moreover, if the a work can be considered to be orphaned merely by contesting its ownership any orphan works solution would be ripe for gamesmanship.[7] Orphan work status should only apply when the copyright owner cannot be identified or, where the owner is identified, but cannot be located.

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[6] Once these databases become widely used by prospective licensees, any passivity of authors and publishers in keeping their contact information current would likely disappear since they would have an increased incentive to keep their information updated so they can more easily be found by prospective licensees who are willing to pay them to license their copyrighted works.

[7] For example, one of the contesting parties could use the work as an orphan work and then, if a tribunal finds that that person is not the owner, the true owner would be left with an insufficient remedy against the losing party/user.

In conclusion, SIIA looks forward to continued participation in the Copyright Office's efforts to develop an appropriate approach to the orphan works problem. It is our hope that whatever direction the Office and Congress choose that it is one that effectively balances the interests of copyright owners and users, takes into account possible technological solutions to these issues in lieu of, or in addition to, legislation, and considers the potential different considerations for orphan works in the context of mass digitization projects.

We would be very interested in participate in any future hearings, roundtable discussions, or other further processes that the Copyright Office may hold on this important issue in the future. If you have questions regarding these comments or would like any additional information please feel free to contact Keith Kupferschmid, SIIA's General Counsel and Senior Vice President of Intellectual Property, at (202) 789-4442 or keithk@siia.net. Thank you again for this opportunity to comment on this very important copyright issue.