

October 9, 2015

The Honorable Maria A. Pallante
Register of Copyrights
U.S. Copyright Office
101 Independence Avenue, SE
Washington, DC 20559-6000

Via electronically: <http://copyright.gov/policy/massdigitization>.

**Re: Comments Submitted Pursuant to Request for Comments Regarding
“Mass Digitization Pilot Program,” 80 Fed. Reg. 32614 (June 9, 2015)**

Dear Register Pallante:

The American Intellectual Property Law Association (“AIPLA”) is pleased to have the opportunity to present its views on the above-referenced U.S. Copyright Office request for comments regarding “Mass Digitization Pilot Program,” 80 Fed. Reg. 32614 (June 9, 2015).

AIPLA is a national bar association of approximately 14,000 members who are primarily lawyers engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

The pilot program builds on the Copyright Office’s comprehensive report on Orphan Works and Mass Digitization.¹ With regard to mass digitalization, the Office concluded that the addition of extended collective licensing (“ECL”) in U.S. law would facilitate access to digital collections of books, photographs, and other materials for nonprofit purposes. Thus, the pilot program would allow those seeking to engage in mass digitization projects to obtain licenses on specific terms and allow the U.S. community to gain ECL experience. With that as background, AIPLA offers the following comments.

¹ <http://copyright.gov/orphan/reports/orphan-works2015.pdf>

1(a): Qualifying Collections

The Copyright Office recommends that ECL be available for three categories of published copyrighted works: (1) literary works; (2) pictorial or graphic works published as illustrations, diagrams, or similar adjuncts to literary works; and (3) photographs.

Bearing in mind the nature of this program as a “pilot,” we have certain suggestions regarding the categories of works to be included. With respect to literary works, we recommend that sufficient input be gathered from individuals and groups most affected, especially since literary works, at least those in print, are least likely to be orphan works but are perhaps the most vulnerable to having their commercial value impaired. On the other hand, because photographs and pictorial works may be easier to reproduce, find, exploit and meme, it seems these are the most vulnerable under the program to be used without an adequate search for rights-holders, or without due compensation. Some of AIPLA’s concerns with respect to visual works are outlined in its response to the Notice of Inquiry Regarding “Copyright Protection for Certain Visual Works,” 80 Fed. Reg. 23054 (Apr. 24, 2015), submitted recently on July 23, 2015.

1(b): Eligibility and Access

The Office inquired about the appropriate limitations on the end-users eligible to access the digital collection and any appropriate restrictions on methods of access.

AIPLA agrees that any pilot program must set appropriate limitations on the end-users who could be eligible to access a digital collection under a qualifying mass digitization project. AIPLA recommends that entities be able to provide broad access to the digitized works that comprise the collection resulting from the mass digitization (“Project”), but that access to these Projects should be traceable to a user and/or an access point. We believe that eligibility to access the collection and any requirement to trace the use of digitized materials should depend on the Project (its medium, nature and volume) and the entity providing access.

In terms of providing traceability, we suggest that users could be required to register prior to accessing the Project. Part of our concern, especially with the existence of a black market and the “dark web,” is that users could push the materials to another platform, thereby facilitating further downstream exploitation. Thus, we recommend that mechanisms be considered to prevent users from further exploiting the works outside the context of the Project by pushing the materials to another platform, especially in the event that a work (or a body of works) was challenged as being an orphan work.

1(c): Security Requirements

Under the Office’s proposed framework, a collective management organization (“CMO”) representing copyright owners would be permitted to seek authorization from the Register of Copyrights to issue licenses for certain mass digitalization activities. The Office has recommended that CMOs and users maintain adequate digital security measures.

We agree that CMOs and users should be required to include, as part of any ECL license, terms requiring the user to implement and reasonably maintain adequate digital security measures to control access to the collection, and to prevent unauthorized reproduction, distribution, or display of the licensed works. However, AIPLA recommends that there be at least some basic lockdown functions that cannot be disabled, so that average users are not able to just “cut and paste.” Although it may be difficult to trace and implement, we recommend for its deterrent effect that a user’s account/access be disabled if past behavior violated either copyright law or the stated policies of the entity providing access to the collection or Project.

2: Dispute Resolution Process

AIPLA agrees with the recommendation of the Office that the pilot program provide for a dispute resolution process, but we disagree that such a system should be contained within the Copyright Royalty Board (“CRB”). Instead, we recommend establishing a dispute resolution process similar to the Uniform Domain-Name Dispute Resolution Policy (“UDRP”).² There are various considerations which drive this recommendation. First, we are sensitive to the work flow and obligations of the CRB and of the Copyright Office itself. The current burdens on the Office in this regard have recently been well documented and discussed.³ Any dispute resolution procedure must be handled quickly and efficiently.

Secondly, we believe the dispute resolution process should be established to handle issues besides those arising in disputes over royalty amounts, such as legal issues relating to title, rights, and licensing. For example, a work may be first identified as an orphan, which could be disputed later should more than one author or owner claim rights (and royalties) to the same work, or use of the works outside the scope of the ECL could be challenged.

The process must be initiated easily and electronically, to be resolved quickly by third party neutrals and economically for parties. We would anticipate a substantial volume of different kinds of disputes that would be brought forward under this program. We are therefore concerned that the Copyright Office might have inadequate resources to administer the kind of dispute resolution process required to make the pilot program successful for those involved or affected by the Projects, either through the actual digitization, curation, publication, or use of the works.

We suggest the Copyright Office consider approving providers of third-party dispute resolution services to administer the dispute resolution process, similar to the way that the World Intellectual Property Organization and the National Arbitration Forum administer UDRP disputes.

Another reason we advocate this streamlined UDRP-type process is because we believe these costs must be kept as manageable as possible, so that the entity that digitizes the work would be

² <https://www.icann.org/resources/pages/help/dndr/udrp-en>

³ See, e.g., <http://judiciary.house.gov/cache/files/1c82a3a6-3b1b-4a51-b212-281454d1e56e/written-testimony-of-register-maria-a-pallante.pdf>.

responsible for the costs of the dispute resolution process. In this way, copyright rightsholders would not be deterred from challenging rates or claims, and the costs of claims would not be a disincentive for entities to access the Projects. We believe that the costs of any dispute resolution process should not be overly-burdensome on the digitizing entity, so that the digitizing entity would be willing to do this.

We recommend that any dispute resolution process include an appeals process through the court system, especially if there is enough at stake in the dispute.

3: How Royalties Should Be Distributed

AIPLA recommends that the distribution of royalties follow current industry practices and be made on a quarterly basis.

4: What Should Constitute a Diligent Search

AIPLA supports continuing efforts to define standards for a good faith, diligent search with regard to an orphan works. We refer the Office to our comments filed in response to the Notices of Inquiry concerning orphan works in 2013 and 2014.⁴ Our recommendation continues to be that guidelines/best practices be developed for each type of work/medium. For example, a checklist or flowchart of the steps to take as part of a good faith diligent search would be helpful to ensure some level of uniformity in the process. Although such a document would need to be updated as new search tools and functions become available, the Office could specify a standardized search process comprising a plurality of ordered and possibly dependent steps for searching which, if followed, would constitute due diligence. Not only would this show due diligence on the part of the entity that digitized the work, but it would also prevent the entity from intentionally skipping any step or steps that would produce desirable results. In this manner, the system would be designed to protect against “bad actors” while not discouraging the use of the system itself.

5: Other Issues Related to the Proposed Pilot Program

AIPLA notes that the Orphan Works and Mass Digitization report proposed that the pilot program sunset after 5 years.⁵ Because the sunset provision was not mentioned in the Notice of Inquiry, AIPLA requests that the Office provide clarification of the expiration date.

In addition, we believe several issues need to be addressed in this regard. First, it is not clear what the status of any license granted under the pilot program would be at the conclusion of the

⁴ http://copyright.gov/orphan/comments/noi_10222012/American-Intellectual-Property-Law-Association.pdf, at pages 1-4; and

<http://www.aipla.org/advocacy/executive/Documents/AIPLA%20Comments%20to%20Copyright%20Office%20on%20Orphan%20Works%205-21-2014.pdf>, at page 2.

⁵ <http://copyright.gov/orphan/reports/orphan-works2015.pdf> at p. 102.

pilot. For example, will the license expire at the end of the pilot? If the license does expire, those who received licenses might wish to be able to continue. But, if licensees cannot continue after the end of the pilot, that might chill participation. AIPLA recommends the Office provide clarification on this point.

Second, we recommend that measurable outcomes be devised to judge whether the pilot program is successful. There may also be different scenarios for Projects that need to be examined and handled separately. For example, the Office might want to distinguish entities (museums, etc.) already engaged in digitization projects for preservation and access from those that commence such activities after the pilot has been sanctioned. It might also consider whether the purposes of the Projects will change or evolve (e.g., serving not merely the purposes of preservation and access, but perhaps other purposes as well).

In terms of evaluation of the pilot program, we believe it critical to look at all the actors involved, e.g., those doing the digitizing as well as those using the fruits of that digitization, and how those users are using the works. Also fundamental to a pilot system study should be an analysis of the pilot's impact on the market for those works subject to digitization. That data should be cross-evaluated with the type of entity and the nature of the Project (e.g., purpose of digitization, media of original works, mediums in which Project is available for use by others, among other variables) to understand the short term and long term impact of mass digitization in this context.

AIPLA appreciates the opportunity to provide feedback to the Copyright Office on the Request. AIPLA looks forward to further dialog with the Office with regard to the issues raised above.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharon A. Israel".

Sharon A. Israel

President

American Intellectual Property Law Association