



May 5, 2008

The Honorable Howard L. Berman
Chairman
Committee on the Judiciary,
Subcommittee on Courts, the Internet, and Intellectual Property
U.S. House of Representatives
2221 Rayburn H.O.B.
Washington, DC 20515

The Honorable Howard Coble
Ranking Member
Committee on the Judiciary,
Subcommittee on Courts, the Internet, and Intellectual Property
U.S. House of Representatives
2468 Rayburn H.O.B.
Washington, DC 20515

Re: H.R. 5889

Dear Chairman Berman and Ranking Member Coble:

The Library Copyright Alliance (LCA) consists of five major library associations: the American Association of Law Libraries, the American Library Association, the Association of Research Libraries, the Medical Library Association, and the Special Libraries Association. These five associations collectively represent over 139,000 libraries in the United States employing 350,000 librarians and other personnel. The associations participate in the LCA to address copyright issues that have a significant effect on the information services libraries provide to their users. The LCA's mission is to foster global access to information for creative, research, and educational uses.

We write to express our appreciation for your introduction of H.R. 5889, which limits remedies in copyright infringement cases involving orphan works. We look forward to working with you and your staffs to fashion a practical framework that will encourage socially productive uses of culturally and historically significant works whose copyright owners cannot be identified or located.

However, we wish to state in unequivocal terms our strong opposition to the notice of use filing (the so-called "dark archive"), which appears at subsections (b)(1)(A)(ii) and (b)(3). As we discuss below in greater detail, the requirement of such a filing will dramatically limit the utility of the legislation for libraries and other important stakeholders.

The special collections in our Nation's libraries, museums, state and local historical societies, and archives include significant amounts of orphan works. These repositories with orphan works are not being made publicly available for fear of copyright owners' coming forward and demanding unknown amounts of compensation. Despite extensive and costly searches to locate orphan work owners, without a legislative solution, the risk remains too high for these institutions to make orphan works publicly available.

Resolving the orphan works problem will provide significant new educational opportunities because these works will be publicly accessible and available to students, scholars, and the public. Access to these resources will support and inspire new scholarship by making the works of previous generations more accessible and useful to current users.

We are encouraged that you have introduced H.R. 5889 to address this issue and that a mark-up has been scheduled for this week. Attached are proposed amendments, and we hope that we will be able to support the enactment of an amended bill that reflects our concerns.

In particular, we strongly urge that you strike the bill's "dark archive" provisions. The dark archive's requirements will be excessively burdensome for users and provides few benefits to owners. Mandating that users file a notice of use with a government agency will drive up compliance costs significantly. Many institutions will require legal counsel to review the submissions prior to filing, adding to the burden.

Moreover, subsection (b)(3) appears to require a separate notice for each work used, presumably with a separate filing fee. Such a requirement will put the orphan works limitation beyond the reach of cultural institutions engaged in mass digitization projects. Even if users could include multiple works in one notice, the requirement of drafting a narrative summary of each search could be cost prohibitive. Also, a library's desire to keep costs down by aggregating multiple works into one notice will cause the library to delay placing digitized works online, which will then result in the search not being proximate to the use, as required by the bill.

At the same time, H.R. 5889 contains provisions on specific pleading and disclosure of search information in the early stages of pretrial discovery which are well tailored to provide against any risk of abuse by users. In sum, the dark archive will provide no additional protection to owners but will impose costs so great on noncommercial users that they simply will not employ the orphan works provision. For this reason, the LCA will not support any orphan works legislation that includes a notice of use provision.

On behalf of the members of the Library Copyright Alliance, thank you for your continued leadership on the orphan works problem. We look forward to working with the Subcommittee members and their staffs so that orphan works legislation can be enacted this year.

Sincerely,

Prudence S. Adler

Prudence S. Adler

Associate Executive Director

Association of Research Libraries

cc: Members of the House Subcommittee on Courts, the Internet, and Intellectual Property

On behalf of the Library Copyright Alliance: the American Association of Law Libraries, American Library Association, Association of Research Libraries, Medical Library Association, and the Special Libraries Association (contact information for each association is attached).

Library Copyright Alliance

www.LibraryCopyrightAlliance.org



The American Association of Law Libraries (AALL) is a nonprofit educational organization with over 5,000 members nationwide. AALL's mission is to promote and enhance the value of law libraries to the legal and public communities, to foster the profession of law librarianship, and to provide leadership in the field of legal information and information policy. <http://www.aall.org/>
Contact: Mary Alice Baish (202-662-9200)



The American Library Association (ALA) is a nonprofit educational organization of over 65,000 librarians, library trustees, and other friends of libraries dedicated to improving library services and promoting the public interest in a free and open information society. <http://www.ala.org/>
Contact: Lynne Bradley (202-628-8410)



The Association of Research Libraries (ARL) is a nonprofit organization of 123 research libraries in North America. ARL's members include university libraries, public libraries, government and national libraries. ARL influences the changing environment of scholarly communication and the public policies that affect research libraries and the diverse communities they serve. ARL pursues this mission by advancing the goals of its member research libraries, providing leadership in public and information policy to the scholarly and higher education communities, fostering the exchange of ideas and expertise, and shaping a future environment that leverages its interests with those of allied organizations. <http://www.arl.org/>
Contact: Prudence S. Adler (202-296-2296)



The Medical Library Association (MLA), a nonprofit, educational organization, is a leading advocate for health sciences information professionals with more than 4,700 members worldwide. Through its programs and services, MLA provides lifelong educational opportunities, supports a knowledgebase of health information research, and works with a global network of partners to promote the importance of quality information for improved health to the health care community and the public. <http://www.mlanet.org/>
Contact: Carla Funk (312-419-9094 x.14)



The Special Libraries Association (SLA) is a nonprofit global organization for innovative information professionals and their strategic partners. SLA serves more than 11,000 members in 70 countries in the information profession, including corporate, academic and government information specialists. SLA promotes and strengthens its members through learning, advocacy and networking initiatives. <http://www.sla.org/>
Contact: Doug Newcomb (703-647-4923)

PROPOSED AMENDMENTS TO H.R. 5889

These proposed amendments to the orphan works bill, H.R. 5889, are submitted on behalf of the Library Copyright Alliance,¹ the Association of Public Television Stations, and Public Knowledge.

The amendments below are listed by page number, not order of importance.

Reasonable Compensation

In the definition of reasonable compensation in subsection (a)(4), H.R. 5439 in the 109th Congress included the word "reasonable" before "willing buyer" and "willing seller." However, "reasonable" was omitted from S. 2913. We believe it should be restored to ensure that courts understand that this is to be an objective standard.

Proposed amendment: On page 4, lines 7 and 8, insert the word "reasonable" before the phrases "willing buyer" and "willing seller."

Alternative proposal: On page 4, line 10, insert the word "reasonably" before "agreed".

Timing of Qualifying Search

Subsection (b)(2)(A)(ii)(III) introduces an ambiguity with respect to the timing of the qualifying search. It states that the infringer must perform the search "before using the work" and "at a time that was reasonably proximate to the commencement of the infringement." In addition, subsection (b)(1)(A)(i) states that an infringer must prove that the required steps were taken "before the infringement began." Internal copying is often central to the creative process. Filmmakers, for example, try out different photographs, or use "temp" music tracks while developing their films. Filmmakers then license these works when they decide to keep them in the film and use them in a version that is publicly performed. These temp uses commonly occur well before the filmmaker decides to include the works in the film and engages in the search for the owners. The language in the subsection, however, suggests that the filmmaker must perform the search before any use, including an internal one that is a fair use. This ambiguity needs to be eliminated to prevent the filmmaker from being disqualified from relief because his search came after his "use" in trying out the work.

Proposed amendment: On page 4, line 23, replace the words "the infringement" with "an infringing public distribution, performance, or display". Strike the language on page 8, line 2 through line 5, and insert the following: "the search before, and at a time that was reasonably proximate to, the commencement of an infringing public distribution, performance, or display."

Notice of Use

Subsections (b)(1)(A)(ii) and (b)(3) require the filing of a Notice of Use. Such a filing will be excessively burdensome for users, with little benefit to owners. Mandating a filing with a government agency will drive up compliance costs significantly; many institutions will require reviews of the submission by legal counsel prior to filing. Moreover, H.R. 5889 appears to require a separate notice for each work used, presumably with a separate fee. Such a requirement will put the orphan works limitation beyond the reach of cultural institutions engaged in mass digitization projects. Even if users could include multiple works in one notice, the requirement of including a summary of the search places the user on the horns of a dilemma. If the user does not provide a detailed description of the search with

¹ Concerns have been raised with respect to the impact of certain provisions of H.R. 5889 on state sovereign immunity. These concerns will be addressed separately by other entities.

respect to each work, the owner could attempt to estop the user from adducing additional evidence of the search in the event of litigation. On the other hand, the cost of drafting a detailed summary of every search could be cost prohibitive. We note the bill's new provisions on specific pleading and disclosure of search information in the early stages of pretrial discovery, and we are convinced that these are well tailored to provide against any risk of abuse by users. Under the circumstances, and considering the likely costs of implementation, the archive is unnecessary.

Proposed amendment: Strike the language on page 5, line 9 through line 11, and renumber the following subsections. Strike the language from page 9, line 5, through page 10, line 2.

Good Faith Negotiation

In subsection (b)(1)(B), a user's failure to negotiate in good faith with the owner will lead to the user losing eligibility for the limitation on remedies; but in the Smith bill, the user faced only the penalty of paying the owner's attorneys fees. We believe that this provision will dramatically change the nature of the negotiations over compensation in a negative manner. It provides the owner with enormous leverage over the user; he can demand excessive compensation because the user will fear that failure to pay could result in a court finding that he did not negotiate in good faith, which in turn could lead to exposure to statutory damages. This will result in useless controversies about the legitimacy of negotiating tactics -- and, ultimately, to the provisions of the bill going unused by many whom it was designed to assist.

Proposed amendment: On page 6, lines 16 and 17, strike "Subparagraph (A) does not apply if," and insert instead: "The court may award full costs, including a reasonable attorney's fee, against the infringer under section 505, subject to section 412,".

Safe Harbor

In subsection (c)(1)(B), the safe harbor for non-commercial uses that appeared in the H.R. 5889 has been significantly narrowed to apply only to libraries, archives, educational institutions, and public broadcasters. Museums should be added to this list. Museums have been actively involved in the process relating to this legislation (see, e.g., the testimony of Karen Coe of the Holocaust Museum at the March 2008 hearing), and there is no reason for their exclusion from the safe harbor. While some museums may qualify as "educational institutions," others may not.

Proposed amendment: On page 10, line 25, insert "museum," after "educational institution,".

As drafted, the new safe harbor applies only to the enumerated categories of nonprofit entities, but not to their employees. Unless the safe harbor extends to the employees, the safe harbor will have no utility. Congress recognized this in sections 108 and 504(c)(2) by extending those provisions' protections to employees acting within the scope of their employment.

Proposed amendment: On page 11, line 2, insert at the end: "or any of its employees acting within the scope of their employment,".

Additionally, given the narrowing of the safe harbor to these entities, the limiting language in subsections (c)(1)(B)(i) and (ii) is unnecessary.

Proposed amendment: Strike the language from page 9, line 23, to page 10, line 3, and strike "(iii)" on page 10, line 4.

In subsection (c)(1)(C), a user in the safe harbor will have to disgorge proceeds directly attributable to the infringement, even if the user promptly ceases the infringement upon receiving notice of a claim of infringement. We believe that this will discourage a wide range of socially beneficial uses by museums, libraries, educational institutions, archives, and public broadcasters. They will be reluctant to make any use that might necessitate cost recovery because they might have to disgorge that revenue. Again, the effect will be to chill the willingness of the bill's intended beneficiaries to make use of it. In the context of the narrowly tailored overall bill, this erosion of user interests is inappropriate.

Proposed amendment: Strike the language on page 10, line 9 through line 17.

Effect of Registration

Subsection (c)(1)(C) directs courts to consider whether a work was registered in determining its value. The meaning of this provision is unclear. Registration has no impact on value in a willing seller-willing buyer licensing context. Moreover, damages for the use of unregistered works really is not the subject of this legislation. Rather, the point is to eliminate statutory damages if a user has made a diligent, but unsuccessful, search for the owner. Statutory damages, of course, are available only if a work is registered prior to the infringement. Accordingly, (c)(1)(C) can only cause confusion among parties and courts.

Proposed amendment: Strike the language from page 11, line 23, through page 12, line 3.

Injunctions

In subsection (c)(2), when issuing injunctions, the court is not directed to consider the user's reliance harm in situations where the user does not add significant expression. In contrast, the Smith bill specifically directed the court to consider such reliance. Unless a user knows that the court will consider such reliance, certain uses that require a financial investment by the user might not be made. For example, a publisher might not print an orphaned novel or play because it might be enjoined from selling the printed copies. Here, too, the provision works against the core purposes of the proposed legislation.

Proposed amendment: On page 10, line 22, after the word "action" insert: "except that, if the infringer has met all the requirements of subsection (b), the relief shall, to the extent practicable, account for any harm that the relief would cause the infringer due to its reliance on the qualifying search performed under subsection (b)".

Useful Articles

In its current form, H.R. 5889 lacks the balance found in H.R. 5439 when it was reported out of the subcommittee in the 109th Congress. In addition to the provisions discussed above, new protections for copyright owners not found in H.R. 5439 include: the delayed effective date for pictorial, graphic, and sculptural (PGS) works to 2013; the provisions relating to the database for PGS works; the detailed standards for a "qualifying search;" the requirement of affixing an orphan works symbol; and the requirement that the user submit to federal court jurisdiction. In light of all these other changes, the exclusion of fixations on useful articles is unwarranted.

Proposed amendment: Strike the language on page 14, line 12 through line 17.

Report Language Issues

H.R. 5889 also contains some ambiguities that can be addressed in report language.

Scope of Intended Use

In subsection (a)(1)(D) (page 2, lines 20-24), “materials and standards” are defined to include “resources for which a charge or subscription fee is imposed” as far as such resources are reasonable for, and relevant to, the “scope of the intended use.” Report language should clarify that the “scope of the intended use” takes into account the user and the user’s budget. An amateur filmmaker—though she should certainly use all tools reasonably available to her—is unlikely to have access to the numerous fee-based tools and expert assistance that a large commercial user may have. Whether a fee service is required must be considered in light of the circumstances presented by the individual search and the individual user.

Person Performing the Qualifying Search

Subsection (b)(1)(A)(i) (page 4, line 24 through page 5, line 2) states that the search can be performed by “the infringer, a person acting on behalf of the infringer, or any person jointly and severally liable with the infringer for the infringement.” However, the provision specifying what a court should consider in determining whether a search is diligent (subsections (b)(2)(A)(ii)(II) and (III) at page 7, line 22 and page 8, line 1) references actions taken only by the infringer. Report language should make clear that the “infringer” in (b)(2) includes a person acting on behalf of the infringer or any person jointly and severally liable with the infringer for the infringement.