

May 9, 2005

Via Electronic Mail

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Associate Register for Policy &
International Affairs
U.S. Copyright Office
Copyright GC/I&R
P.O. Box 70400
Southwest Station
Washington, D.C., 20024

Re: Reply Comments to Inquiry Concerning Orphan Works

Dear Mr. Sigall:

The undersigned entities would like to begin by thanking the Copyright Office for this opportunity to reply to the initial series of comments submitted in response to the Notice of Inquiry regarding orphan works. We were all encouraged by the large number of submissions and broad range of participation by various groups and individuals who are affected by the problem of orphan works. A survey of the comments filed revealed that approximately 650 of the 716, or roughly 91 percent, support action to address the problem. Perhaps even more encouraging than this was the general consensus among the diverse group of those filing comments on what a solution to the problems posed by orphan works might look like. Individual copyright owners and users, small not-for-profit organizations and large commercial interests alike came forward with proposals that had remarkable similarities.

A few submissions broke with the overwhelming majority and argued that any legislative solution to the orphan works problem might serve as an excuse for parties to use copyrighted works without first securing consent from the copyright owners. Of course, this is not the goal of the proposals put forward. Nor is it the sincere belief of the undersigned that this would be the effect of legislating to solve the orphan works problem. Most, if not all, of the proposed solutions include built-in safeguards to prevent just such pretextual misuse. In fact, the approach the undersigned support,¹ which generally reflects that taken in a majority of the comments filed, includes such safeguards. This can be seen most clearly by considering the requirement that is at the heart of the Copyright Clearance Initiative (“CCI”) proposal: Before using an orphaned copyrighted work, the would-be user must conduct a reasonable efforts search, as appropriate; if he or she fails to do so, then the rightful copyright owner, if one

¹ This proposal is detailed in the initial round comments of the Copyright Clearance Initiative, filed by the Glushko-Samuels Intellectual Property Law Clinic.

emerges, would retain the full panoply of rights and remedies against the user. Thus, the user has a strong incentive to conduct a meaningful search, and may be penalized for not doing so.

Accordingly, the undersigned would like to take this opportunity to discuss some of the strong elements of consensus that emerge from the submissions to date, including the first-round CCI comments which the undersigned have endorsed. Our aim is to summarize why the consensus proposal we support, which is similar in many central respects to those put forth by the majority of other commenters, presents a solution that strikes an appropriate balance between users of copyrighted works and owners of copyrighted works. In so doing, we also will address some features of other proposals.

Orphan Works are a Significant Problem

An overwhelming majority of submissions, from individuals to large organizations with thousands of members, and from both business groups and non-profits, commented that the orphan works dilemma as identified by the Copyright Office in the Notice of Inquiry is one that urgently requires resolution. Submissions were filled with anecdotes of frustration rooted in the inability to find owners of copyrighted works, even after considerable resources were expended trying to locate contact information. Many recounted similar stories of their unwillingness to use works where they were unable to find an owner. Individuals spoke of stifled creativity due to the fact that no information regarding certain works was available for clearance purposes. In all, commenters recognized that works with unlocatable owners were presenting real problems to authors and information disseminators across the creative spectrum – and, therefore, to the public for whose ultimate benefit copyright exists.

Essentially, the only arguments lodged against the overwhelming majority position that orphan works are a problem came from organizations that license musical works on behalf of their artist-clients. These organizations made the limited argument that users of musical works do not confront the problem of orphan works because the organizations themselves keep accurate and up-to-date records of all music works in their databases. Thus, the organizations argued that any orphan works solution should exclude musical works. The undersigned disagree with the categorical nature of this assessment and have demonstrated that the orphaning of works can pose serious problem for all types of works, including music.

As an initial matter, the comments submitted in response to the Notice of Inquiry contain numerous examples of musical works where owners could not be found after extensive searches. This is the case because many musical works (sometimes older and more obscure, and often of foreign origin) are not represented in the catalogues of licensing bodies such as performing rights organizations. More fundamentally, the inclusion of musical works in an orphan works solution should not be a concern to music copyright owners and their licensing organizations since such a solution will only apply to those works where ownership-related information is unavailable. By their own admission, the licensing organizations keep detailed records of the musical works of their members and therefore the orphan works problem should not arise with respect to (nor any solution apply) to titles in their catalogues. If anything, an orphan works solution based on the reasonable efforts search approach will only encourage music copyright owners to come forward

and identify themselves with their works, by one means or another, and, conversely, create powerful incentives for users to search for and clear rights.

Here, it is important to reemphasize, as a general proposition applicable to all kinds of copyrighted material, that the goal of an orphan works solution should not be to make large numbers of works available for use without authorization, but to promote informed choices by copyright owners that will lead to fewer works being orphaned. The general solution supported by a majority of those submitting comments – establishing incentives for users to engage in a reasonable efforts search -- would allow owners who decide not to exercise the rights of control and enforcement inherent in copyright to release their orphaned works for general use, simply by doing nothing to assert a connection with them. By contrast, owners who wish to assert control would have new reasons to maintain better contact information, in one or another publicly available form. The modes by which this might be accomplished are many and various. Owners could take better advantage of registration facilities maintained by the Copyright Office, sign up with existing collective administration organizations, organize new private societies of authors and owners, make use of voluntary web-based registries of authors' contact information established by private organizations or government agencies, and more.

Orphan Works May be of Any Age

Among those that addressed the issue, the vast majority of submissions stated that orphan works should not be limited to older works, or to those for which a fixed part of the copyright term has elapsed. The majority of comments reached the conclusion that orphan works – i.e., those whose owners cannot be located by means of a reasonable efforts search -- can be of any age. Again, support for this position can be found by reading the numerous stories found in the submissions about works, both newer and older, that did not have accurate or reliable contact information associated with them, or where the corporate owner had dissolved and its assets could not be traced. This is particularly true of various “ephemeral” works, which may never be clearly marked or claimed by a creator; it may also be the case for some newer digital works, such as websites.

Some of those dissenting from this majority position suggested that only works past a certain age should qualify for orphan status. Commenters suggesting an age limitation presented a wide array of minimum age limitations. Among the suggestions were a 15-year limit, a 20-year limit, a 25-year limit and a 28-year limit. The undersigned are strongly of the view that such a restriction on what works may be eligible for orphan status would needlessly complicate a system that should not discriminate based on age, with the result that it would fail to address the root problems identified by the commenting parties.

First, erecting an age-based threshold for orphan works eligibility would be contrary to the fundamental purposes underlying the Notice of Inquiry, as it would create new uncertainty about when a work not currently being exploited may safely be used in the absence of finding the rights owner and clearing rights. Such a condition would inevitably lead to confusion, since it is very often the case that the age of the orphan work is difficult to determine. In fact, most orphan works by their very nature have so little data associated with them that their publication or creation dates (or, if they are functionally anonymous, the dates of death of their creators)

cannot be established. Also, some orphan works are found in collections, such as archives, that extend over long periods of time. If only works of a certain age were eligible for orphan works treatment, a collection that straddled this arbitrary line would have to be broken up into portions that are eligible for orphan works treatment and portions that are not. This variable treatment, in turn, would reduce the cultural value of the collections as a whole.

Second, mandating such an age-based threshold also would necessitate selecting the minimum age. Even among submissions proposing an age restriction, there was no consensus on what age limit is appropriate. Any such selection would essentially be arbitrary, whether or not it might be based on a fixed term of years tied to a number that has some other relevance in past or present copyright law.

Finally, and most important, no age-based threshold would be needed in an approach based on a reasonable efforts search requirement. By its nature, that approach should work to disqualify many newer works for orphan works treatment because, as some commenting parties recognized, they may be more likely to have contact information available. Instead of creating an artificial demarcation for orphan works eligibility, an appropriate orphan works solution will be self-executing; although the solution might be deployed or made available more often with respect to older works, it ought not to exclude categorically those created more recently but already detached from their authors or owners.

Orphan Works May be Published or Unpublished

A reasonably broad consensus also existed on the issue of whether orphan status should be available to both published and unpublished works, reflecting opinion across a very wide range of commenting parties. This consensus arose from a recognition that as a result of various developments in U.S. copyright law (including the extension of federal protection to unpublished works, automatic copyright renewal, and the restoration of copyright for certain works of foreign origin), federal protection now covers huge numbers of unpublished works, some of which (like letters and documentary photographs) may be of considerable historical or cultural importance. Most of the comments that addressed the issue stated that the orphan works problem existed among both published and unpublished works and, thus, that a solution should include both. Only a few submissions, including that of such eminent copyright experts as Professors Jane Ginsburg and Paul Goldstein, argued that only published works should be considered in an orphan works solution. Several others expressed some tentativeness concerning the inclusion of unpublished works as an initial matter or argued that separate solutions should be developed for published and unpublished works, while still concluding that both should qualify for orphan status.

Although U.S. law excluded protection for unpublished works prior to the 1976 Copyright Act, it now protects both published and unpublished works. The inclusion of unpublished works within our federal copyright law in 1976 was a step toward eliminating confusion within the law. However, as several commenters (including the undersigned organizations, the Recording Industry Association of America, the Library of Congress, the National Film Preservation Association, leading art museums, and the Copyright Clearance Center) noted, it often remains difficult to determine with any degree of certainty whether a work is published or unpublished. Indeed, as commenting parties pointed out, the Copyright Office

itself recognizes that the question of publication must turn on a technical and legal analysis, for which the factual predicate often may be unavailable. Requiring users to determine the publication status of a work prior to making use would perpetuate existing uncertainties and (in many cases) would require specialized legal counsel. As a result, such a limitation would severely limit the effectiveness of any overall solution to the orphan works problem.

Federal copyright gave the owners of unpublished works new protection. However, the benefits of federal protection for authors are dependent upon constitutional limitations that benefit the public. As Professor Goldstein wrote in 1970, “It is at the stage of statutory protection that the public interest becomes compelling and that copyright doctrine must accommodate the creator’s economic interest to the public interest in free access.” And in 1988, Professor Goldstein also stated, at congressional hearings on U.S. adherence to the Berne Convention, that “The fact that Berne consists of standards, and that these standards are sufficiently flexible to accommodate the often disparate laws and practices of its member states, means that the Convention leaves ample room for preserving the American copyright tradition of balancing the incentives needed for authors and publishers against the interests of consumers in access to copyrighted works.”

Neither Berne, nor any other international agreement, mandates a “droit de divulgation” or moral right of “first publication.” In fact, affording copyright owners such a right was considered and rejected by the Berne parties in 1928. However, the Berne Convention does include a provision, Article 9(2), developed further in TRIPS Article 13, that specifies the circumstances in which member nations may allow for exceptions and limitations to copyright. As explained in several comments, including those filed by the undersigned, that standard clearly is satisfied by an approach that limits remedies available to orphan work owners after a reasonable efforts search has failed to identify or locate them.

Professors Goldstein and Ginsburg suggest that Berne’s Article 10, dealing with quotations, may place limits on Congress’ ability to include unpublished works in a solution to the problem of orphan works. However, as the WIPO Guide to the Berne Convention makes clear, the Article 10 exceptions are not meant to be comprehensive or to limit the rights of the public. Instead, the Article 10 exceptions are examples of instances in which the “public’s thirst for information” outweighs an author’s interest in concealing a creative work. The “three-step test” of Article 9(2) allows member nations to create new exceptions and limitations based on the needs of their respective publics.²

² In fact, the U.S. Congress implicitly rejected the interpretation of the Article 10 quotations provision suggested by Professors Goldstein and Ginsburg when it passed the 1992 amendment to 17 U.S.C. §107 that explicitly makes clear that fair use can be made of unpublished works. During the hearings that led to the passage of the amendment, Professor Ginsburg submitted letters in which she argued that the amendment would violate the Berne Convention for the same reasons that she now suggests that a solution to the orphan works problem that includes unpublished works would run afoul of our international obligations. In passing the amendment, Congress implicitly recognized the validity of arguments made by the U.S. Copyright Office and some of the nation’s largest publishing organizations, both of whom relied on the interpretation of the Ad Hoc Committee on Berne Convention Implementation, which concluded that the Berne Convention does not prohibit fair use of unpublished works, because the “moral right of publication is not provided for in the Berne Convention.” See *Final Report, reproduced in U.S. Adherence to the Berne Convention: Hearings Before the Subcommittee on Patents, Copyright, and Trademarks of the Senate Judiciary Comm.* 99th Cong. 1st & 2d Sess. 461 (1985, 1986).

Nor is a limitation of liability based on a reasonable efforts search inconsistent with the opinion of the U.S. Supreme Court in *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985). There, the Court stressed that when an author is exercising “creative control” over her work, others may not usurp that control by depriving the author of her “property interest in exploitation of prepublication rights.” However, an author (or author’s heir) who has allowed an unpublished work to find its way into a public archive or some other place where public access is permitted hardly can be said to be exercising “creative control.” Moreover, even if use of an unpublished orphan work were to be permitted, non-copyright protections (such as the separate laws of privacy) would continue to safeguard personal interests.

Therefore, unpublished works should be included within any solution to the problem of orphan works. Neither our domestic law nor our international obligations prevent the Congress from doing so. The comments have overwhelmingly demonstrated that locating the owners of unpublished works is as difficult, if not more difficult, than locating the owners of published works. Refusing to quench the “public’s thirst for information” by preventing individuals from disseminating unpublished works after making a reasonable effort to locate their owners would be bad policy based on an unfortunate misinterpretation of the law.

An Orphan Works Solution Should be Available for All Types of Uses

There was broad consensus that an orphan works solution should apply to digital uses as well as analog ones. In addition, most commenters stated that both commercial and non-commercial uses should fall within an appropriate orphan works solution. Although several organizations restricted themselves to urging that non-profit uses be encompassed within such a solution, it appears these statements were intended to indicate only what, *at a minimum*, an orphan works solution should include. The undersigned believe that restricting an orphan works solution to non-commercial uses is an unnecessary limitation that would discriminate against businesses that promote the “progress of science” by sponsoring and disseminating works of art and entertainment; in fact, to do so would run counter to the history and philosophy of copyright in the United States. Thus, it is significant that many non-profit organizations advocating a reasonable efforts search approach to the orphan works problem explicitly make a case for covering commercial uses. The comments received in response to the Notice of Inquiry amply reflect the difficulty that both for-profit and not-for-profit organizations face with respect to orphan works. At the practical, administrative level, too, a comprehensive approach makes sense, since the line between commercial and non-commercial uses often can be difficult to draw.

An Orphan Works Solution Should Not Resurrect Copyright Formalities

A consensus of comments noted that an orphan works solution should be free from mandatory formalities. Many agreed that imposing specific burdens on owners to register could give rise to potential tensions with international law. Nevertheless, a very few commenters did favor an approach under which, if the owner does not file an “intent to enforce” notice twenty-five years after publication, the work then becomes orphaned and available for use by third parties. A larger number of comments favored a different kind of formality: requiring prospective users to make a formal declaration of “intent to use,” triggering a waiting period

after which, in the absence of a response from the copyright owner, the work would be available. These submissions claimed that a notice of intent to use would not conflict with international law (in particular, the Berne Convention's prohibition on formalities), but would serve as a way for previously unknown (or unfound) owners to be put on notice.

Putting questions of international legality aside, it is clear that mandatory formalities of all kinds are unfair in that they impose differential burdens on different classes of owners or users. An "intent to enforce" formality is unfair to the smaller individual owner who is not aware of the requirement or does not have the economic means to pay fees merely to maintain his or her rights. Moreover, as several of the undersigned pointed out in their opening round comments, such an approach holds out the false promise of certainty when, in fact, it could spawn additional confusion; in practice, the would-be user often would not know when the term of "registration" under an intent to enforce standard had ended, such that the work, having not been registered, was now available for use. Likewise, a mandatory "intent to use" notice would discriminate against users who lack the ability or means to comply, and who might ultimately choose not to use the orphan work rather than jump over bureaucratic hurdles. Self-censorship and selective silencing are problems that an orphan works solution should eradicate rather than perpetuate.

Furthermore, requiring an "intent to use" notice would add costs and burdens without, in most circumstances, resulting in any clear benefit in terms of encouraging the rightful copyright owner to emerge. Specifically, there is no reason to believe, and no way to ensure, that potentially affected owners (legatees of intestates, assignees of assets of dissolved partnerships, foreign sculptors, anonymous letter writers, etc.) would ever read or be aware of such notices. Additionally, in many cases it would be difficult or impossible to provide a meaningful description of the orphan work in question.

Rather than promoting self-help by copyright owners, as would an approach based on the reasonable efforts search concept, a solution that gave specific emphasis to such a *mandatory* pre-use formality would only invite evasive practice by prospective users. By the same token, however, a *voluntary* declaration of intent to use, in the form of postings to relevant websites maintained by or for the benefit of copyright owners, could become an important aspect of the good-faith reasonable efforts search in some specific circumstances. However, the mere failure to make such a declaration ought not to be the basis for penalizing the user, nor should it give rise to any presumption with respect to a reasonable efforts search.

An Orphan Works Solution Should Require the User to Conduct Some Form of a Reasonable Efforts Search

Although parties varied on what a reasonable efforts search should include, the overwhelming majority of submissions proposed an orphan works solution that included requiring the user to conduct some sort of a reasonable efforts search as a predicate for making use of an orphan work. Almost all of the comments argued that this would be an appropriate way to balance the interests of both the user and the owner of the copyrighted work. Many submissions suggested that the standard for a reasonable efforts search should be a flexible one, based on various circumstances, which could include the situation of the prospective user, the

nature of the work, and other factors. Several comments went on to propose that the Copyright Office or some other body issue guidelines for users on how to conduct a reasonable efforts search. There also were suggestions that the parameters of such a search be laid out in legislation. Others proposed that users should affirmatively swear that they had performed a reasonable efforts search in the form of a certificate or affidavit to be deposited with the Copyright Office or other designated entity.

Here, it is of fundamental importance to note that the nature, types and status of orphan works will vary enormously, as so amply documented in the comments. No single solution or even set of solutions can be nuanced or varied enough to take these various circumstances into account in determining what sort of searches might be reasonable. In practical terms, it is the prospective users – who are most familiar with the works they wish to use – who will be in the best position to know what is reasonable.

The undersigned believe that, with time, various understandings of what constitute reasonable efforts searches under various circumstances will emerge, but that any attempt to establish prescriptive, one-size-fits-all standards at the outset will frustrate rather than promote the goals of an orphan works solution. We agree that the voluntary promulgation of “best practices” by user communities is more likely to promote clarity than is a “top-down” regulatory approach. Copyright owners, as well, through their organizations and societies, could participate in developing consensus over what constitutes a reasonable efforts search. In sum, we believe that an orphan works solution should avoid excessive bureaucracy and rigidity and, instead, invite creativity and investment from all participants in the copyright system. Over time, interactions between copyright owners and users may well create appropriate standards by which the reasonableness of a search can be assessed. The Copyright Office, along with private sector organizations such as professional associations and learned societies, could play useful roles as clearing houses for information about expectations for searches in different fields of information practice.

An Orphan Works Solution Should Include Limitations on Remedies Available to the Copyright Owner

The hundreds of submissions displayed a diverse range of suggestions about what remedies should be available to the copyright owner who appears and objects to a use commenced after an unsuccessful reasonable efforts search. However, there was a consensus that an orphan works solution should limit remedies in such a situation, with some commenters suggesting that a complete safe harbor be established for all, or certain, kinds of users. Even major trade associations of large commercial copyright owners (such as the Recording Industry Association of America and the Association of American Publishers) believed that there should be a strict limitation on damages once a user had conducted a reasonable efforts search. The rationale for a limitation on remedies is the same as that for an orphan works solution overall: to create a framework in which users could bring orphaned works to the public by reducing or eliminating the chilling effects of uncapped economic risk and uncertainty about whether use could continue if the copyright owner were to emerge. To encourage cultural innovation, and permit a new generation of creators to build upon the ideas of others, it is necessary to shield good-faith users from open-ended and uncertain financial or injunctive relief.

Various submissions proposed three types of limitations on remedies, with some variations. First, the undersigned support a solution that would put a monetary cap on damages for a use commenced by the user after a reasonable efforts search fails to produce an identifiable copyright owner. This cap would not apply to new uses begun after the copyright owner had made his or her claim known, and would be specific to the user and use in question. Each new user would have an obligation to conduct a reasonable efforts search, as appropriate, in order to take advantage of the limitation of remedies provision or, conversely, risk exposure to the full panoply of copyright remedies should it choose not to do so.

Second, a number of commenters proposed that a user would pay some form of reasonable royalty or license fee for the use and not be subject to any other monetary liability such as statutory damages, user's profits or other measures of relief. We believe that a clear limitation on damages is essential if an orphan works solution is to strike an effective balance between owners and users in order to promote creative activity and cultural commerce. Unfortunately, providing for a royalty or license fee would reintroduce into the system exactly the same chilling effect that uncertainty about copyright ownership (and, as a corollary, the application of copyright doctrines such as "substantial similarity" and "fair use") now generates. No standards exist, nor could any easily be devised, to predict or guide judicial determinations as to what would constitute a "reasonable" fee. The resulting uncertainty and potential liability would adversely affect the choices not only of individual creators, but of institutional gatekeepers as well. Publishers, movie studios, and others would be reluctant to support or distribute new versions of orphan works if their potential exposure (in the event of commercial success) could not be determined in advance and that, in essence, they might still be required to pay actual damages (which may approximate a reasonable licensing fee) for their use. Non-profit entities (such as museums and universities) would be similarly reluctant, since the uncertain threat of a "reasonable" license fee would hang over their heads as well. We note that still further complications would be introduced if users were required to estimate such fees and pay them into escrow in advance of use. For this reason, we find problematic the solutions that would involve the mandatory payment of a proxy fee, whether through a compulsory license mechanism administered by the Copyright Office or through an association's, guild's or agency's licensing arrangements.

Finally, some commenters, including the museums and the Library of Congress, suggested that a safe harbor, perhaps for a period of years, rather than a limitation on remedies approach be adopted; they reasoned that while the economic risks posed by a capped damages approach may be small for uses of individual works, they could prove unacceptably large, in the aggregate, for massive digitization projects involving tens or hundreds of thousands of different works. The undersigned recognize that this approach has merits, as well, in reducing uncertainty in the use of orphan works.

We conclude as we began. The undersigned supporters of the CCI proposal believe strongly in the importance of limiting remedies in the case where users have conducted a reasonable efforts search without locating the copyright owner. By the same token, we are convinced that the CCI proposal provides meaningful protections for copyright owners who emerge to claim their orphans. Under this proposal, users do not benefit from a reduced remedy

if they have, without reason, decided not to conduct a search, or have searched carelessly, in bad faith, or in a manner that deviates from reasonable professional practices. If a court determines that a user did not make a reasonable efforts search, any infringement will be subject to all the remedies that the law currently makes available.

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