

23/01/2007

ORPHAN WORKS: DEFINING THE PROBLEM, FINDING A SOLUTION

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Ever have this happen? You're teaching a class and planning to make a large number of copies of an article and you want to be 100% copyright compliant. So you check out the name of the author or owner, only to discover there is none identified with the work. Or perhaps the name is there, but after searching, you have no idea how to reach the owner. Perhaps you are writing a book and want to include a picture or drawing and don't know the source. You look at the work and don't see any ownership information. You google, you yahoo!, you even go the website of the Copyright Office and do a search. Nothing. What do you do now? You know that copyright law protects works even though the owner's unavailable or unidentified. Even anonymous works are fully protected. If the publisher is out of business, the clearance trail may grow cold, but the rights of the owner — of so-called "orphan works" — may still be warm.

This issue of orphan works has haunted the copyright law for decades. With the recent marked expansion of the term of copyright — from 56 years to life plus 70 years or 95 years (or more in certain cases) and with legal reform that reduced reliance on copyright formalities (especially notice and registration) prior to receiving copyright status, the problem of clearing works at the proper source has become acute. Now the Copyright Office is recommending a new way to deal with it. After being asked by Congressional leaders in the Senate and House of Representatives, the Copyright Office issued a Notice of Inquiry, received over 850 written comments and conducted public hearings. In an exhaustive report released in January, www.copyright.gov/orphan, the Copyright Office has defined the problem and made a series of recommendations to Congress.

Description of Orphan Works

To start, an "orphan work" is a term that describes the situation "where the owner of a copyright work cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner." If an owner is found but does not respond to a request or refuses permission, or if the owner wants a larger fee than the user wants to pay, that is not an "orphan work" matter. Nor is it an orphan work matter if the user decides that the process of conducting a reasonable search is simply too time-consuming, too burdensome, too costly. Where there are reasonable means available — from Copyright Office compendia to governmental and private databases on and off the Internet — the failure to do the research does not convert a work into an orphan.

Rather, only if the owner cannot be identified or located does the orphan issue come into play. The problem may be that there is inadequate information on the work — no name of author, copyright notice, title or other indicia of ownership. This is particularly common with photographs and unpublished works. Sometimes, an owner is identified, but there is no contact information. Other times, there may be a change in ownership and the trail to the source is incomplete or non-existent. Because copyrights are property interests, they can be sold or licensed and they pass to heirs or successors. In each case, if records are not adequately maintained, the rightful owner may be hard to find.

In addressing the problem, the Copyright Office identified four categories of proposed uses: 1) uses by subsequent creators, e.g. an author who wants to use a photograph in a book; 2) large scale access uses, e.g. academic or non-profit institutions that want to post large quantities of information online; 3) enthusiast uses, e.g. experts or hobbyists who want access to copies of previously published works; and 4) private users, e.g. those who intend to make personal uses of copies.

Legal Factors

The Copyright Office report identified a number of legal factors that contribute to the orphan works problem. These include the changes adopted in 1976 and 1988 to accommodate U.S. accession to the Berne Convention for the Protection of Literary and Artistic Works. Under Berne, no formalities can deprive an author of copyright rights; so the requirements of the U.S. system that mandated notice and registration were relaxed. The Copyright Office did note that a partial treatment of orphan works already exists. When the 1998 term extension was adopted, certain non-profit institutions were authorized to make limited use of works in the last 20 years, provided that upon reasonable investigation it was determined that the works were not subject to "normal commercial exploitation" or available for a reasonable price.

In addition, an exemption already written into law may cover a particular use. If so, while the work could be an orphan, a user's concern could be alleviated, for example, by the public performance exception, library photocopying limitation, fair use, or compulsory licensing. However, if there is no clear exemption and the user needs to copy the work, the matter is starkly presented. If a productive and beneficial use of the original work is not undertaken because of the inability to obtain permission, then the purposes of copyright – to advance science and the useful arts – is not served.

Proposed Solution of the Copyright Office

After reviewing various proposals from the public for addressing the orphan works problem, which ranged from utilizing existing legal exceptions, to improving databases to locate owners, to legislating limits on damages and injunctions, to declaring orphan works to be in the public domain, the Copyright Office came up with its own conclusions and recommendations.

Determining that the orphan works problem is real and not susceptible to a single solution, the Copyright Office recognized that a new orphan works limitation is needed. Guiding the provision are important policy considerations, including that a) users conduct reasonably diligent searches for owners; b) a fair balance be struck if after a use the owner surfaces; and c) any solution not unduly burden the government or the stakeholders – users and owners.

With these factors in mind, the Copyright Office recommends that Congress amend the law to limit liability on the user. In a nutshell:

If the user has performed a good faith, reasonably diligent search for the copyright owner but is unable to locate that owner, and if the user provides attribution to the author and copyright owner if possible, then that user should enjoy a benefit of limitations on the remedies that a copyright owner could obtain against him if the owner showed up at a later date and sued for infringement.

To satisfy the Copyright Office's proposal, the "reasonably diligent search" must precede the use. The user should not do the search after the fact. Nothing would prevent a user from relying upon the research of another, but if the work can be attributed to an author or owner, even if she cannot be located, the source should be cited in the use.

Since a reasonably diligent search will be the crucial legal criterion, the Office provides factors which will affect a determination whether the test was met. These factors include:

1. The amount of identifying information on the copy of the work itself, such as an author's name, copyright notice or title. The more information, the more diligent the search.
2. Whether the work had been made available to the public. Published works are usually easier to find; however, unpublished works will also be covered by the limitation.
3. The age of the work, or the dates on which it was created and made available to the public. The older the work, the more likely identifying information may be unreliable.
4. Whether information about the work can be found in publicly available records, such as the Copyright Office records or other resources. While there is no central repository, there are public (Copyright Office and other governmental sources) and private databases (such as ASCAP/BMI and Authors Guild) that should be considered.

5. Whether the author is still alive, or the corporate copyright owner still exists, and whether any record of any transfer of the copyright exists and is available to the user. With the Internet, there are many resources available to locate individuals and companies. A diligent search of publicly available information should be undertaken.

6. The nature and extent of the use, such as whether the use is commercial or noncommercial, and how prominently the work figures into the activity of the user. The more important and substantial the use, the more rigorous the search.

The Copyright Office does not propose adopting regulations to define a reasonably diligent search, nor does it think it prudent to require a user to file notice of claim with the Copyright Office or some other registry.

Relief from Statutory Damages, Attorneys Fees and Injunctions

Perhaps the single greatest issue for use of orphan works is what would the damages be if the author surfaces. In addressing this concern, Copyright Office rejects the monetary damages and attorney fees standard of current law and proposes a "reasonable compensation" standard, with the amount being one established by the owner consistent with the established value of the work. In many cases, the reasonable amount might be zero. Moreover, if the user is noncommercial and if the use stops expeditiously after notice, the Copyright Office recommends no money should be awarded. To assuage user concerns, the Copyright Office points out that if the search was reasonably diligent, the likelihood of an author surfacing should be very remote.

The other concern of users is that an injunction could wreck its derivative use of the orphan work. In response, the Copyright Office proposes that injunctive relief be barred in cases where the user transforms the orphan work, pays reasonable compensation and provides proper attribution. In other cases, the Copyright Office believes injunctive relief should be available but its enforcement taken into consideration whether the user has a "reliance interest" that ought to be protected. As with fair uses, the more transformative the use, the greater the likelihood that no injunctive relief should be granted.

Next Step: The 110th Congress Must Consider Orphan Works Bill

After the Copyright Office's Orphan Works Report was published, the U.S. Senate Judiciary Committee held public hearings on the topic. During the hearing, key legislators, Sen. Orrin Hatch (R-Utah) and Sen. Patrick Leahy (D-VT), expressed their support for legislation dealing with problems posed by orphan works. The 109th Congress ended without action on any legislative action. While copyright reform has become one of the most contentious subjects in legislative debate and is not easily achieved, it is reasonable to expect that a consensus on orphan works will emerge in the 110th Congress. Whether that will be sufficient to produce a new law will become clearer in the coming months.

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