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Submission re: Orphan Works
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This comment assumes that, regardless of the *extent* to which orphan works are removed from public access and their dissemination inhibited, their inaccessibility to the public frustrates important public policy goals of copyright, and therefore require the development of some mechanism to which people wishing to use orphan works may turn. After a diligent yet fruitless search to establish, locate and contact the copyright owner in order to ask for permission to use her copyrighted work, what can the copyright law do to facilitate the process of acquiring permission to use orphan works?

A formal approach, such as a return to the copyright registration system in the 1909 Copyright Act, would run afoul of international obligations, as they make copyright protection dependent upon a “mere technicality” or a “formality.”¹ Removing formalities protects the unwary who fail to comply with these formalities and inadvertently lose the copyright protection in their works.

A more practical and viable solution to the problem of orphan works would be the creation of a compulsory, non-exclusive licensing scheme. Canada implemented its licensing scheme for unlocatable owners of copyrighted works by the addition of Section 77 of the Canadian Copyright Act.² Such a licensing scheme is a familiar one under existing United States copyright law. For example, in 1909 under Section 115 of the Copyright Act, Congress created a compulsory licensing scheme for mechanical reproductions of musical works.³ The Berne

¹ The Berne Convention, Article 5(2) “no formalities” requirement, which is incorporated by reference into both the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”) and the WIPO Copyright Treaty (“WCT”). The WIPO Performances and Phonograms Treaty (“WPPT”) contains an express “no formalities” provision without reference to the Berne Convention.

² 77. (1) Where, on application to the Board by a person who wishes to obtain a licence to use (a) a published work, (b) a fixation of a performer's performance, (c) a published sound recording, or (d) a fixation of a communication signal in which copyright subsists, the Board is satisfied that the applicant has made reasonable efforts to locate the owner of the copyright and that the owner cannot be located, the Board may issue to the applicant a licence to do an act mentioned in section 3, 15, 18 or 21, as the case may be.

(2) A licence issued under subsection (1) is non-exclusive and is subject to such terms and conditions as the Board may establish.

(3) The owner of a copyright may, not later than five years after the expiration of a licence issued pursuant to subsection (1) in respect of the copyright, collect the royalties fixed in the licence or, in default of their payment, commence an action to recover them in a court of competent jurisdiction.

(4) The Copyright Board may make regulations governing the issuance of licences under subsection (1). 1997, c. 24, s. 50.

³ Strangely, many musicians circumvent the use of this licensing scheme and use Henry Fox Agency in order to obtain permission to use musical works. The existence of the licensing scheme serves to control the prices of contracts made between the musicians and Henry Fox Agency, however, so it still serves an important purpose. *Copyright in a Global Information Economy*. Cohen, Julie E., et. al. 2002 at 431. Why, though, have people sought to deal with Henry Fox instead of the Copyright Office? Before we attempt to create a central authority for

Convention sanctions the compulsory licensing scheme under §115.⁴ Would the Berne Convention sanction a licensing scheme for orphan works? A compulsory licensing system does not terminate the owner's copyright, so it passes muster under the Berne Convention's "no formality" requirement.⁵ Moral rights issues could present interesting problems, however. If someone wanted to use another author's work, how could an independent party determine whether the proposed use would be prejudicial to the honor and reputation of the author? Under the Berne Convention, moral rights should be actionable at least until the expiry of economic rights,⁶ and must be considered in the development of a licensing scheme. Further research on other international treaty obligations is needed to ensure the licensing scheme does not run afoul of these obligations.

In order to facilitate a licensing scheme, the Copyright Office could create a central authority where permission-seekers, who have made "good faith" and "reasonable" efforts to establish, locate and/or contact the copyright owner, could obtain a non-exclusive license to use the orphan work. This would require, as the Canadian System, a board or authority who would be responsible for assessing whether the permission-seeker had indeed made "good faith" and "reasonable" efforts. What should constitute "good faith" and "reasonable" efforts? In Canada, the Copyright Board "will grant a licen[s]e only if you have made *every reasonable effort* [in the circumstances] to find the copyright owner."⁷ The Canadian Copyright Board analyzes petitioner's efforts on a case-by-case basis, considering the nature and extent of the efforts in the context of "the type of work or other subject-matter, the nature of its publication and its mode or medium of exploitation/distribution."⁸ The petitioner should contact collective rights societies, publishing houses, libraries, universities, museums, departments of education, corporate records, copyright office registration systems, etc, and list these efforts on her application for a license. The applicant is required to sign an affidavit and provide documentation of search efforts. It is worth probing why the Copyright Board of Canada has issued, at least according to their web site, only 143 of these licenses since the licensing program was implemented in 1990.⁹ Can the small number of licenses issued be explained by relatively few applications or is the standard of "every reasonable effort" too strict? This requires further investigation before we commit to any particular standard of reasonableness.

orphan works, we may want to evaluate whether a private company might be better suited or preferable to the players involved before we spend precious resources on the creation of a governmental agency that may be an unattractive alternative.

⁴ "Each country of the Union may impose for itself reservations and conditions on the exclusive right granted to the author of a musical work and to the author of any words, the recording of which together with the musical work has already been authorized by the latter, to authorize the sound recording of that musical work, together with such words, if any; but all such reservations and conditions shall apply only in the countries which have imposed them and shall not, in any circumstances, be prejudicial to the rights of these authors to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority." Berne Conv., art. 13(1). (my emphasis)

⁵ "The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work." Berne Conv., art. 5(2)

⁶ Berne Conv., art. 6bis.

⁷ <http://www.cb-cda.gc.ca/unlocatable/brochure-e.html> (emphasis added). The United Kingdom also employs a reasonableness inquiry, but also limits its licensing scheme to orphan works whose copyright has likely expired.

⁸ <http://www.robic.ca/publications/Pdf/103-LC.pdf> "Some Comments on the Licensins Scheme of Section 77 of the Copyright Act" by Laurie Carrière.

⁹ <http://www.cb-cda.gc.ca/unlocatable/licences-e.html> March 23, 2005. The US Copyright Office referred to 125 licenses, but the web site has 143 listed. Federal Register: January 26, 2005 (Vol.70, No. 161) at 3741.

The board could facilitate the location of copyright owners of seemingly orphan works, by creating an online database where permission-seekers could post their desire to obtain permission to use the orphan work. This would create an additional, and hopefully what could eventually be the primary, source for locating copyright owners that would decrease the expense incurred in conducting searches of copyright owners. This database could include searchable scanned copies, photographs or other files; pertinent information already obtained regarding copyright ownership of the work; and the date of filing of the request. We would have to take precautions not to reveal the proposed use of the permission-seeker, as this might lead to the pirating of the permission-seeker's proposed use.

Once a notice has been posted to the online database, we would need to set an expiration date by which the copyright owner must come forward. Upon expiration, the central authority would make its "good faith" and "reasonable efforts" determination. Would we want to make posting to the database mandatory or optional? Would posting to the database be sufficient to constitute "good faith" and "reasonable efforts?" Or would it merely be one of many factors? Would the central authority require applicants to meet minimum criteria of contact before posting, such as efforts to locate the author via the internet, letters sent to known addresses of the copyright owners, contact made with collective rights societies and publishing houses? It would make sense to find out which of these efforts is considerably costly and time-consuming and to replace them with the database posting when possible. The ultimate goal would be to minimize the overwhelming costs and time commitments which discourage most people from conducting copyright ownership searches of orphan works.

If the board determined that the applicant had not made "good faith" and "reasonable" efforts, the board would need to provide an explanation of what efforts the board felt the applicant should pursue before re-applying for a license.

After the board has determined that an applicant has made "good faith" and "reasonable" efforts to locate and obtain copyright permission from the copyright owner, the board would then issue a license. There are three issues that must be considered when issuing a license: (1) the time period in which the applicant has to make a copy of or otherwise use the copyrighted work for the specific, approved purpose; (2) the fee or royalties, if any, that will be collected from the applicant for use of the work; and (3) a time period in which the copyright owner can raise a claim and collect the fees.

The Canadian system gives applicants a limited time period in which the orphan work can be copied. This time period should give the applicant a reasonable amount of time in which to make a copy of the work, and should take into consideration the nature of the work and whether substantial proportions will be copied from it. Depending on the type of work, Canada gives the applicant anywhere between one month to three months (to make a copy of construction or architectural plans)¹⁰ to one year or more (to make copies of 912 works).¹¹

¹⁰ <http://www.cb-cda.gc.ca/unlocatable/licences-e.html> There are various examples of these types of licenses issued on the website.

¹¹ <http://www.cb-cda.gc.ca/unlocatable/33-b.pdf> File: 1997-UO/TI-2

The Canadian system, upon grant of a non-exclusive license to use an orphan work, sets royalties/fees that must be paid to the Board, which will be collected *if and when* a copyright owner surfaces and makes a valid claim. Most of the fees granted in Canadian licenses were \$25, and I am unsure as to how they make this determination. I would recommend that fees be based on evidence of the market value that *this* author might receive from a non-exclusive grant of a copyright, considering similar licensing fees earned by similarly situated copyright owners in the relevant market. The fees, if under a certain amount, such as \$500, could be paid *only if* the copyright owner surfaced before the expiration date of the time period in which the owner must make his claim. Fees in greater amounts could be collected and then returned to the applicant, if no claim was made by the expiration date. The fees could be put into a Trust Fund and the interest gained therefrom should be returned to the applicant.

In setting an expiration date on which the copyright owner could make a claim to the fees for use of her work, the Canadian system gives the author five years from the date on which the time period (license period) expires in order to raise a claim to the fees. I am unsure as to why Canada chose to implement a five year term of expiration, but it is reasonable in that it gives the copyright owner ample time in which to discover the use of the copyright “infringement.” If the author comes forward after the expiration date, this would only affect the issuance of *future* non-exclusive licenses but not those issued prior to this date. It is here that moral rights issues come into play, however. First of all, would the author have an actionable moral rights claim during the five years (or other time period we choose) *before expiration*? In order to comply with the Berne Convention, I am not sure how we could preclude moral rights claims, yet it would add some uncertainty to potential liability the applicant faces after the license has been granted. Other compulsory licensing schemes involve the copyright owner, but not always the author. If the author is involved in approving the particular use for which the license will be granted, this will minimize moral rights claims, because the author is unlikely to grant a license for a use he would consider in violation of his moral rights. Does this issue surface, however, when third parties own the copyright of an artist’s work? Another pertinent issue is whether, if the licensing system precludes the author from making a claim to the royalties/fees after the expiration date, moral rights claims could be barred as well.

What kinds of orphan works would be covered by this licensing scheme? This would entail consideration of interests across a wide range of fields. The Canadian Board only issues licenses for (1) published¹² works, (2) a fixation of a performer’s performance, (3) a published sound recording, and (4) a fixation of a communication.¹³ The United Kingdom only issues licenses for a small subset of orphan works: those for which it is reasonable to assume the copyright has already expired. Limiting the licensing scheme to *published* works may leave considerable copyrighted works lurking as orphan works, since US copyright terms begin when the work is “fixed in a tangible medium” and not upon publication.¹⁴ Under Section 102 of the US Copyright Act, copyright protection subsists in the following categories:

¹² “The Board can issue a licence for the use of a work only if it has been published, which means making copies available to the public with the copyright owner's consent.” <http://www.cb-cda.gc.ca/unlocatable/brochure-e.html>

¹³ Canadian Copyright Law, Section 77(1)(a)-(d). All of these works must be those “in which copyright subsists.”

¹⁴ 17 U.S.C. §102(a). See also 17 U.S.C. §104(a).

- (1) literary works;
- (2) musical works;
- (3) dramatic works, including any accompanying music;
- (4) pantomimes and choreographic works;
- (5) pictorial, graphic, and sculptural works;
- (6) motion pictures and other audiovisual works;
- (7) sound recordings; and
- (8) architectural works.¹⁵

Some of these categories are already included in licensing schemes where permission can be granted directly from the copyright owner.¹⁶ Research should be done to determine whether it would make sense for these licensing schemes to apply to orphan works and whether the involved parties would find that desirable. This would avoid duplication of efforts. Hopefully, industry groups, collective rights societies and other interested parties will be providing comments as to the desirability of including these categories in a licensing scheme for orphan works; if not, the Copyright Office should ask for further comment on this particular issue. In making such a decision as to what works to include, it would be wise to consider the impact of any limitations for *all* interested parties.

¹⁵ 17 U.S.C. §102(a).

¹⁶ Certain types of sound recordings, public performances and public displays. See, for example, 17 U.S.C. §115.