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70 FR 3739 COMMENT LETTER

The Graphic Artists Guild is honored and pleased to have the opportunity to submit our comments, opinions and suggestions on the important issue of "Orphan Works" to the US Copyright Office and to Congress.

The Graphic Artists Guild promotes and protects the economic interests of its members. It is committed to improving conditions for all creators of graphic art and raising standards for the entire industry. The Guild is a national union that embraces creators at all level of skill and expertise who produce graphic art intended for presentation as originals or reproduction.

The Copyright Office has provided an excellent background on the historical legislative progression that has created "orphaned" copyrighted works on their website. Questions covering an exhaustive array of difficult situations and concerns for both original creators of intellectual property, corporate copyright owners and people seeking to use copyright protected works have been put forth for comment. All of these merit discussion with the different groups of individuals affected by this issue. The Guild will address only issues and concerns that pertain to our group; original creators.

We have chosen to compose our reply so as to directly address the questions posed on the Copyright Office website.

1. Nature of the Problems Faced by Subsequent Creators and Users

What are the difficulties faced by creators or other users in obtaining rights or clearances in pre-existing works? What types of creators or users are encountering these difficulties and for what types of proposed uses? How often is identifying and locating the copyright owner a problem? What steps are usually taken to locate copyright owners? Are difficulties often encountered even after the copyright owner is identified? If so, this is an issue that the Copyright Office also invites you to address.

Without a reprographic royalties licensing and distribution organization in the USA for visual works, (e.g. the equivalent of ASCAP for music), a user must engage in a buckshot approach to try to locate the copyright holder of a visual work. Contacting the Copyright Office and Internet searches such as Google are a start, but there is no clear, reliable source. As a result, tracking down a copyright owner may cost the user quite a bit of money. From the point of view of individual creators, this whole argument has nothing to do with copyright and everything to do with money. The EXPENSE of tracking down the owner of a copyright is the big issue, and this argument falls in line with the general attempt by art users to cheapen the cost of using created material.

For obvious privacy issues, the US Copyright Office could not be expected to try to track down "unlocatable" creators by requesting residence information from either the IRS or the SSA.

A possible solution might be a group registration effort by the Copyright Office. Artists should be able to register with the copyright office as Creators. Any use of their product should have to be registered by the user of that image. The burden of proving their right to make use should fall on the user and not solely on the creator. This would strengthen the value of created product, enhance the value, and stop the abuse by users who use art without permission because they know the legal process will grind an artist down before he ever proves his ownership.

2. Nature of "Orphan works": Identification and Designation

How should an "orphan work" be defined? Should "orphan works" be identified on a case-by-case basis, looking at the circumstances surrounding each work that someone wishes to use and the attempts made to locate the copyright owner? Should a more formal system be established? For instance, it has been suggested that a register or other filing system be adopted whereby copyright owners could indicate continuing claims of ownership to the copyrights in their works.

On the other hand, the establishment of a filing system whereby the potential user is required to file an intent to use an unlocatable work has also been suggested. Would the Copyright Office or another organization administer and publish such filings? For instance, would the Copyright Office publish lists of these notices on a regular basis, similar to the lists of notices of intent to enforce restored copyrights filed with the Office? Questions arising from these different approaches are set forth in the next sections.

A. Case-by-Case Approach

The "ad hoc" or "case-by-case" approach, like that adopted in Canada, would set forth parameters for the level of search that would need to be undertaken in order to establish that a particular work is "orphaned." Ensuing questions include the nature of those parameters. Should the focus be on whether the copyright holder is locatable? What efforts need be made to locate a copyright holder before it can be determined that the owner is not locatable? Would a search of registrations with the Copyright Office (or any other registries as described below in section B) and an attempt to reach the copyright owner identified on the work if any (plus any follow up) be sufficient? What other resources are commonly consulted to locate a copyright owner, and what resources should be consulted? Do resources like inheritance records, archives, directories of authors or artists need to be searched? Should there be an obligation to place an advertisement seeking the owner? Should factors such as the age of the work (which is discussed below), how obscure the work is or how long it has been since a publication occurred be taken into consideration?

An "Orphan Work" would be a work that is still protected within its term of copyright, but for which the copyright owner cannot be contacted for a variety of reasons by a user who seeks permission to use the work.

But, the issue of usage of “orphan works” is not as simple for all concerned as it appears at first glance. And, as is the case of all copyright issues of the past century, the individual creator is caught in the middle of a tug of war between corporate copyright owners and users. Artists want to earn a living from their work. Copyright enables them to do so by licensing usage of their work for a fee. But the Work-For-Hire [WFH] copyright provision in the USA also enables businesses to hire artists to create original work where the business immediately owns the copyright to the artist’s work, and the artist receives neither the right to license their work nor licensing fees. Therefore, there are actually two separate classes of copyright owners in the USA: original creators (“authors”) and owners by assignment, who are often corporations.

The issue of “orphan works” is made complex by the existence of these two classes of copyright owners. Upon closer evaluation, the broad title of “orphan works” also consists of two distinct categories:

#1 Works created by individual living authors who still own their copyright, or are deceased and their copyright has passed to their heirs, and are unlocatable either because they have not kept their contact information current with the US Copyright Office, their name is not on their work, or they never registered their work at all. These copyright owners are simply unlocatable.

#2 Works created under a Work-For-Hire agreement (or where the author’s rights were bought out in full), where a business or corporation owned the copyright, and that business or corporation is defunct and its assets- including intellectual property rights- were not sold or assigned to anyone else. In this circumstance, these works are truly orphaned in that no one owns the copyright although the term of copyright has not expired, and therefore these works are not in public domain.

The Copyright Office could easily determine which of these two categories applies to any particular work.

The issues raised regarding “orphan works” in *Kahle vs. Ashcroft* bring to the front burner the necessity of addressing copyrighted works that have been orphaned. Closer examination reveals that there are myriad unique situations that merit individual consideration for very compelling reasons, especially within the second category of works. The dilemma of either permitting or denying use of “orphan works” really cannot be resolved with an all or nothing ruling. There need to be provisions to accommodate specific circumstances in which either the copyright owner of a WFH no longer exists (such as a defunct corporation) although the copyright has not expired, or the unlocatable copyright owner would neither be harmed by nor would have a reasonable objection to a particular usage.

The Canadian Copyright Board [CCB] has already recognized this, and has added a provision and process to Canadian Copyright Law to enable use of published “orphan works” under certain circumstances. The Graphic Artists Guild supports the CCB approach to dealing with published orphan works on a case-by-case basis. The CCB has been admirably judicious and conservative in its grants to use published “orphan works.” In exchange for being issued a limited usage license and paying a licensing fee, the user is indemnified from a copyright infringement lawsuit within the designated period of time their usage is permitted.

The Canadian Copyright Board is not rescinding copyright of “orphan works”. The CCB is actually acknowledging that copyright protection still exists, and that a potential user cannot simply use an “orphan work” without being granted legal permission. The CCB is in effect acting as an agent of the [absent] copyright owner, and granting [or not] a license and fee on their behalf, with the stipulation that a legitimate copyright owner can still collect their fee.

Efforts to locate a copyright holder should include searching Copyright Office records of registry, and resources like inheritance records, archives, and directories of authors or artists. Placing public notices in newspapers is not likely to yield results.

Registration of copyright owners, as suggested in the **“Formal Approach”** would be the most obvious solution, although at this time the US does not have a statutory mandate requiring such registration. The Graphic Artists Guild would like to see this registry operated and maintained by the US Copyright Office, and not by a private agency. We are concerned that a privately owned and operated agency might be influenced by the financial might of corporate copyright owners over individual creators, or not be held to the higher standards of financial transparency of a government agency.

Requiring the Copyright Office to keep track of usage of published orphaned works it grants to licensees puts the responsibility to claim fees upon the copyright owner or their heirs by contacting the Copyright Office. This is reasonable. Expanding the staff of the Copyright Office to review petitions to use published “orphan works” would increase the budget of the Copyright Office. Perhaps the Copyright Office should hold the licensing fees paid for usage of “orphan works,” and use those monies to cover the expenses after the claim limit has expired. Or, perhaps if an appropriate royalty agency exists (such as ASCAP for musical works), it should collect the licensing fees and hold the money for an unlocatable copyright owner (the Canadian policy). In the situation of a work orphaned by a defunct corporation, there is actually no one who could legally claim a licensing fee, so this fee ought to be paid to some agency that will benefit all creators: the Copyright Office. This would also help keep the copyright registration fee low, and therefore affordable to individual creators.

The incentive for a creator to register would be the ease of opportunity to license their works. But, under the current system, unless a creator has registered the copyright of a particular work, they would not be granted the same legal protection in the event of an infringement of an unregistered work. Until the 1976-enacted Work-For-Hire clause is abolished, which would result in the definition of all creators as sole authors, a Registry of Authors would simply be a directory with contact information to be used by those seeking permission to use a work. If a user did not check the Registry, that would certainly forfeit their declaration that the work was “orphaned,” and would automatically deem any unauthorized usage of work belonging to a registered author an infringement and illegal. This is a strong motivation for both authors and users to take advantage of such a registry.

3. Nature of “Orphan Works”: Age

Should a certain amount of time have elapsed since first publication or creation in order for a work to be eligible for “orphaned” status? If so, how much time? It might be helpful, in determining what an appropriate time period would be, to note some of the different benchmarks for term requirements that history and international conventions suggest. For example, under the 1909 Act, a work was to be renewed in the 28th year after publication. Current copyright law provides a presumption after the shorter of 95 years from publication or 120 years from creation that the work is in the public domain unless the Copyright Office's records indicate otherwise (and the Copyright Office issues a certified report to that effect).\10\ Current copyright law provides another benchmark in the right to terminate grants of transfers or licenses after 35 (and up to 40) years after the grant or publication date.\11\ Under existing international treaties, the term of protection for works measured other than by the life plus fifty term is generally fifty years from publication. The Copyright Term Extension Act of 1998 extended terms in the U.S. by 20 years, but at the same time recognized that certain uses should still be allowable in those last twenty years, namely uses by libraries and archives of certain works that are neither available at a reasonable price nor subject to normal commercial exploitation.

\12\ Would the last twenty years of the copyright term, or any of the other benchmarks or time periods noted above, be an appropriate measure for eligibility as an “orphan work”? Should it be the same for all categories of works, or different depending on the nature of the work? What if the term for a particular work is unknown or uncertain? If the copyright owner is not known or cannot be found, there will certainly be instances where the date of creation or death of the author will be unknown. Can it be presumed at a certain point that a work has entered into the period in which it can be recognized as an orphan work?

Specifically, this provision provides that in the last twenty years of the term of any published work, a library or archive, including a nonprofit educational institution that functions as such, may make any copyright use of the work (other than create derivative works) for purposes of preservation, scholarship or research, if it has determined on the basis of reasonable investigation, that (i) the work is not subject to normal commercial exploitation, (ii) a copy cannot be obtained at a reasonable price, and (iii) the copyright owner or its agent has not provided notice with the Copyright Office that neither (i) or (ii) applies to the work.

and

4. Nature of “Orphan Works”: Publication Status

Should the status of “orphan works” only apply to published works, or are there reasons for applying it to unpublished works as well? In Canada, for example, the system for unlocatable copyright owners only applies to published works. What are the reasons for applying it to unpublished works? If “orphan work” status would apply to unpublished works, how would such a system preserve the important right of first publication recognized by the Supreme Court in Harper & Row?\14\ What are the negative consequences of applying such a system to unpublished works?

The Graphic Artists Guild believes that a consistent age timeline should be applied to all works, and that US Copyright Law should be consistent with the Berne Convention and Article 12 (Term of Protection) of the TRIPS Agreement. Published works should be protected for fifty years after the date of publication. Fifty years from publication would be a reasonable measure for a work-for-hire work created for a corporation, such as a film.

The Guild opines that only published works should be considered for “orphan” status. Records of published works are more easily traceable than unpublished works, and a user would have a realistic chance of either locating the last recorded copyright owner or determining the genuine status of the work. The copyright owners of unpublished works are intrinsically extremely difficult to trace, and in many instances the age of the work would be impossible to pinpoint. We must also defer to the rights of a creator to decide which of their works they would have wanted to be released for publication, and respect their privacy and personal judgment as to any number of possible reasons they did not publish a particular work.

The existing provisions for libraries and archives are sufficient as they are.

5. Effect of a Work Being Designated “Orphaned”

However a work is identified and designated as “orphaned,” what would be the effects of such designation? Under systems for a mandatory, formal registry of maintained works, like the 1909 Act, the right to assert one's exclusive rights vis [agrave] vis others could similarly be lost, in whole or in part, if the work was not contained on the registry. Should this loss of rights apply only to the particular work at the time of use, or only to the particular use or user, or would it affect a permanent loss of rights as against all uses and users?

Other possibilities include imposing a limitation on remedies for owners whose works are “orphaned”--without affecting the copyright itself. For instance, under the

Canadian approach, the Copyright Board sets the license fees and other terms for the use and collects the payments on behalf of the copyright owner should one ever be identified. Under that approach, users could be confident that their use of the work would not subject them to the full range of remedies under the Copyright Act, but only an amount akin to a fee for use. At the same time, copyright owners would not be concerned about the inadvertent loss of rights from failure to pay the fee or take other requisite action. Domestically, the Copyright Clearance Initiative of the Glushko-Samuelsan Intellectual Property Law Clinic of American University's Washington College of Law is currently developing a proposal that would limit the liability for users of orphan works and not result in any loss of copyright per se on the part of the copyright owner.¹⁵ Under that proposal, only a recovery of a reasonable royalty would be allowed in infringement actions with respect to orphan works where good faith efforts have been made to locate the copyright owner. Are there other approaches that might be used? If a reasonable royalty approach is used, how should it be determined in any given case? To settle disputes as to the appropriate fee, is traditional Federal court litigation the right dispute resolution mechanism, or should an administrative agency be charged with resolving such disputes or should another alternative dispute resolution mechanism be adopted?

If a work were to be designated “orphaned,” that would legally open the door for permission of limited one-time use of the work by a particular user, who would be granted official and recorded permission by the Copyright Office. The Copyright Office could levy an appropriate licensing fee, as determined by a survey of authors in the appropriate field, to be collected by a legitimate copyright owner should they come forward within a reasonable time period. Anyone who uses an orphaned work without explicit permission and paying a usage fee would be an infringer just as in any other situation, as would anyone who uses a work without permission that has not been designated “orphaned” by the Copyright Office.

Since the Copyright Office would in effect be acting as an Agent on behalf of the copyright owner of an “orphaned” work, perhaps the Copyright Office should also be given the legal authority to bring an infringement suit against an unlawful user. Any monetary damages collected in a prevailing suit, after legal expenses are paid, should be held for the copyright owner should they come forward within a reasonable time period; the same process as holding a licensing fee for an “orphaned” work. Knowing that the US Copyright Office would pursue an infringement lawsuit in lieu of an unlocatable author would be a significant deterrent to unauthorized use.

The Copyright Clearance Initiative of the Glushko-Samuelsan Intellectual Property Law Clinic of American University's Washington College of Law is reasonable.

The Copyright Office review process should be extremely judicious as to whom it grants permission, and only for very limited usage. Some examples of permitted usage we would agree with would be:

- Saving and restoring deteriorating original works created on perishable materials is an obvious necessity.
- Permitting works with historical or biographical significance to be used for historical, cultural or documentary purposes (such as an historical exhibit or topical documentary motion picture) should be allowed.
- Permitting limited use and reproduction of architectural or engineering plans as necessary for restoration, maintenance, repair or insurance evaluation is necessary for public safety and historic preservation.
- Permitting limited use by an accredited academic institution for educational/teaching purposes.

The Copyright Office should specifically deny permission for unlimited usage, usage outside the USA, and requests from merchandising companies or other users whose

sole purpose for usage is to generate profit from sales of a protected work for personal financial gain.

The Canadian Copyright Board model seems like a win/win solution, and a huge incentive both for creators to register their work and for users to petition the Copyright Office for permission and still be responsible for paying a licensing fee should the copyright owner turn up.

6. International Implications

How would the proposed solutions comport with existing international obligations regarding copyright? For example, Article 5(2) of the Berne Convention generally prohibits formalities as a condition to the “enjoyment and exercise” of copyright. For any proposed solution, it must be asked whether it runs afoul of this provision. Would a system involving limitations on remedies be consistent with the enforcement provisions of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) or the prohibition against conditioning the enjoyment or exercise of copyright on compliance with formalities of TRIPS and other international agreements to which the U.S. is party? Would such proposals satisfy the three-step test set forth in TRIPS, Art. 13, requiring that all limitations and exceptions to the exclusive rights be confined to “certain special cases that do not conflict with the normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder”? Are there any other international issues raised by a proposed solution?

Provisions that have been discussed in this comment letter appear to comply with Article 13 of the TRIPS Agreement. The only exception might be whether or not permission of usage of American “orphan” works for accredited academic institutions for educational/teaching purposes should include all member countries of TRIPS.

In Conclusion

There is a world of difference between a university library being granted a time-limited license to digitize and post on its website the hometown magazine/newspaper from the turn of the century [this is orphaned because the publisher is defunct], with a limited window of time permitted for copyright heirs of the writers to claim their fee from the university library, and Professor Lessig's assertion that Joe Shmo is being denied his right to free speech or is being hindered from being creative because copyright protection prohibits him from plagiarizing another writer's old work to use it as his own.

What is the alternative? ***Kahle vs. Ashcroft*** demands that copyright term extensions (in compliance with Berne) be repealed, and all works renewed automatically under the 1992 Copyright Renewal Act be declared public domain. This all or nothing mandate would throw the baby out with the bathwater. What would happen if the US continues to deny usage of “orphan works”? Exactly what is already happening: people are using copyrighted works without permission because they cannot locate the copyright owner or because the copyright owner no longer exists; and they're not paying any licensing fee to anyone. Should a living copyright owner turn up and discover this, they have to incur the expense of a lawsuit to get paid a usage fee (and damages if they're lucky), which isn't likely to happen because litigation is so expensive. End result: the copyright owner isn't likely to get any licensing/usage fee from the infringer at all. But anyone using the orphaned works of a defunct/non-existent copyright owner is in the clear! He can use the copyrighted work without permission and for free without any concern of being sued for infringement because there's no one to sue him. There is absolutely nothing stopping people from doing this. It's as if the copyright doesn't exist. Allowing the US Copyright Office to act as an Agent on behalf of unlocatable or defunct published “authors” is preserving the copyright of the work. But the Copyright Office

must exercise tremendous discretion when it grants permission to use published “orphan work.”

Sincerely,

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