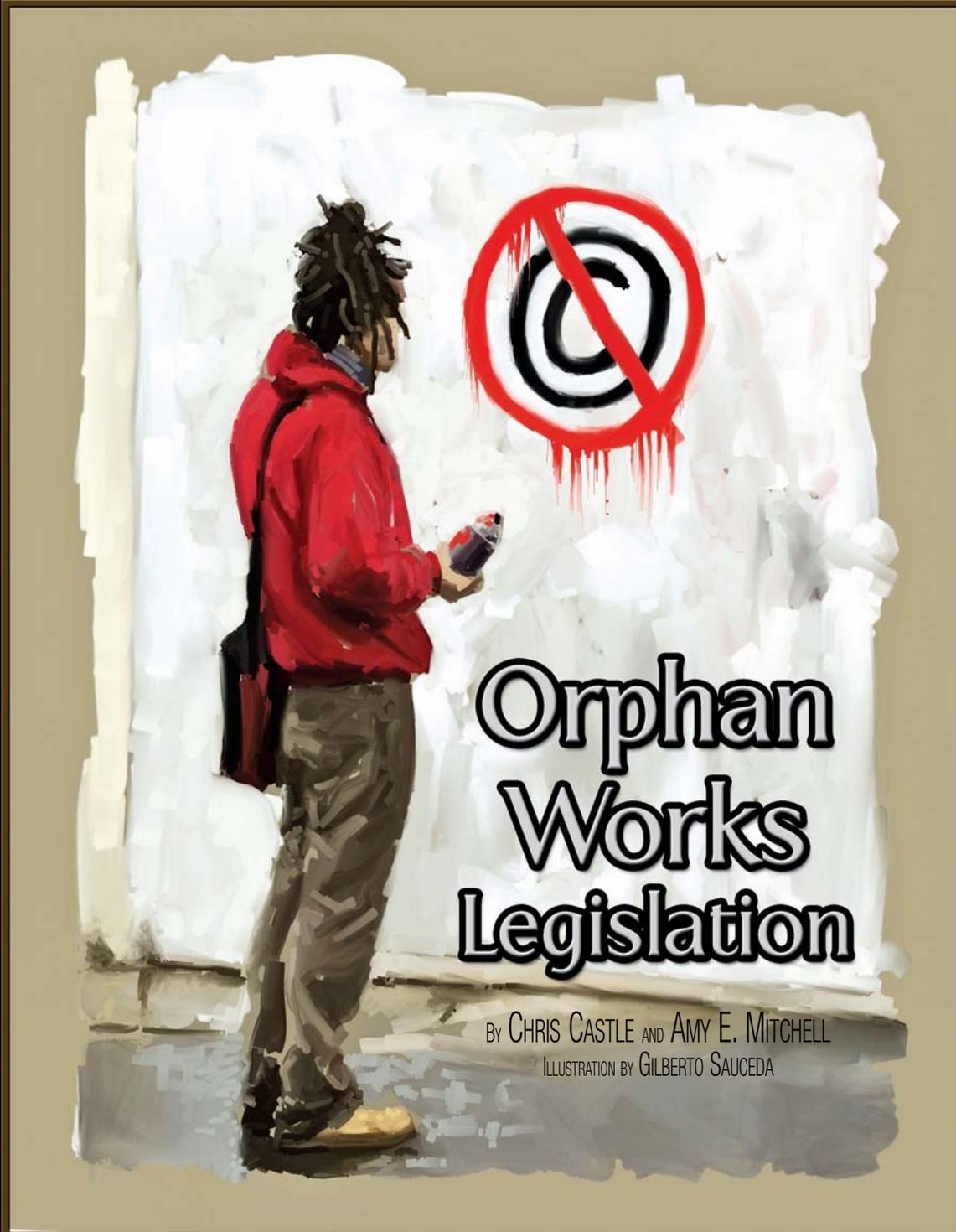


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ENTERTAINMENT & SPORTS LAW



**Orphan
Works
Legislation**

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ILLUSTRATION BY GILBERTO SAUCEDA

If you have never heard the phrase “orphan work,” do not feel that you live under a rock. Aside from artists and copyright specialists, few people probably have. An orphan work is a work of copyright for which the owner is not readily found, although the term “orphan work” is not defined in U.S. legislation. The term is impliedly a copyright for which the owner cannot be located after an as yet undefined and self-policed “reasonably diligent search” in “good faith” and in accordance with as yet undefined “best practices.” The work can then be used for both “altruistic” purposes (largely non-commercial uses by museums, libraries, and academics) and commercial purposes.

The amount of effort required to track down the copyright owner arguably is the dividing line between those who would protect copyright and those who would commoditize copyright.¹ Some believe that orphan works “include those for which the author or assignee of a work — the work’s ‘parent’ — can no longer be determined, usually because the contact information included on the copyright registration is out of date.”² The definition of an orphan work and what a reasonably diligent search entails are part of legislation pending before the U.S. Congress.

This legislation, introduced April, 24, 2008, has generated strong opinions on both sides of the copyright argument. The Senate bill³ was approved by the Senate Judiciary Committee with little debate, despite the fact that many groups in the creative community immediately renewed objections they made when a version of the legislation was introduced in the last session of Congress. The House bill⁴ has received more consideration and deliberation, but has yet to be scheduled for a markup by the full House.

Supporters of the legislation (opponents of strong copyright laws) view the legislation as a “first step” toward “copyright reform”⁶ and as both “altruistic” and highly commercial⁷ in nature. Much of this support comes from the technology and consumer electronics industries. The orphan works legislation is not limited to “altruistic” uses — it includes purely commercial uses as well. Most opponents of the legislation do not object to using orphan works altruistically; it is the commercial applications that are the problem — and how creators of copyright would be compensated.

The dividing line between those who support the legislation and those who do not (small business and independent creators) has never been more clearly defined. The mismatch is serious enough to come to the attention of the Small Business

Administration, which conducted an SBA Roundtable on Aug. 8, 2008, in New York City. Nor have big business’ plans been so bitterly rejected by large portions of the creative community as was clearly brought out at the SBA Roundtable and other ad hoc meetings around the country, including a town hall meeting in Nashville hosted by Congressmen John Hall (D-NY) and Jim Cooper (D-TN).⁸

How are Copyright Owners Located?

If an “infringer” does not locate the copyright owner of the work concerned in his or her self-policed “reasonably diligent search,” but the copyright owner later discovers the use, the legislation substantially limits the rights and remedies of the copyright owner. The copyright owner may only negotiate for “reasonable compensation” for the infringed work, and the infringer gets a safe harbor from statutory damages and the payment of the copyright owner’s attorney fees.

If the infringer and the copyright owner cannot agree on “reasonable compensation” in voluntary negotiations, the copyright owner’s only remedy is to sue the infringer. But under the legislation, the infringer can assert the new affirmative defense of “orphan work.” The copyright owner would then have to prove that the infringer’s search was either conducted in bad faith or was not reasonably diligent in order to defeat the new “orphan work” affirmative defense.

It is unlikely that anyone but the major copyright owners will be in a position to make a believable threat of litigation given the safe harbor. If copyright owners are denied the threat of significant damages, one might well ask (as some groups have) whether any infringer has the incentive to negotiate fairly for just or “reasonable compensation.” And if copyright owners have to sue to enforce their rights in “millions” of potential lawsuits, there may well be a significant number of uses for which the copyright owner receives neither “reasonable” nor “just” compensation — or their day in court because they can’t afford to bring multiple lawsuits to enforce their rights.¹⁰

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The Dark Archive

A threshold question is, How would a copyright owner ever know that his or her work was orphaned? One would think that a copyright owner is entitled to notice before the government imposes an involuntary compulsory license. But no public notice is required in the Senate bill, and the House bill would establish a nonpublic “dark archive”¹¹ in which users would file a “Statement of Use.” These records are to be maintained in the Library of Congress, but can only be searched by copyright owners in litigation essentially under a subpoena. It is clearly the intention of Congress that notices of infringement *not* be recorded or easily searchable. If one accepts that the premise of the legislation is to connect users with copyright owners for exploitation of copyrights, then it is difficult to understand why a searchable database of statements of use cannot be maintained — and paid for — by the government. It seems that due process would be better served by public notice rather than keeping the orphaning locked away in the Library of Congress — particularly if the Library of Congress itself is doing the orphaning.

Some would prevent copyright owners who surface after the orphaning from obtaining injunctive relief to stop the continued use — a remedy that the copyright owner would have available without the legislation. Some have argued that if the infringer manipulates the orphan work in a sample or mashup, the infringer could claim a new copyright in the manipulated work, but the copyright owner would be prohibited from getting an injunction to stop exploitation of the manipulated work.

How Can Orphan Works be Exploited?

The infringer may use any orphan work (still image, musical work, sound recording, or audiovisual work) for any purpose (advertising, endorsements, motion pictures, television, or user-generated content of any kind). This could put a copyright owner in an impossible position — for example, the infringer uses the orphan work in a manner the copyright owner does not have the right to permit, such as a song or recording used for a military recruiting commercial that the copyright owner has contractually agreed with the writer or artist will not be used in a political advertisement.

Best Practices

A “reasonably diligent search” must be conducted “in good faith” by the infringer in accordance with “best practices.” No one supervises this search or, as is the case in Canada,¹² where users apply to the Copyright Board of Canada for permission to use an orphan work and must demonstrate to the board that the user has conducted a proper search, certifies that the search has been performed correctly. It is unknown whether any meetings have yet been held regarding “best practices,” but it seems

possible that some meetings may have been held by the Copyright Office with “user groups.” There have been no public meetings of the interested parties to establish best practices, and best practices are unlikely to be established before the effective date of the legislation (Jan. 1, 2009). The authors have reviewed the analogous procedures promulgated in Europe by interested parties, and these seem to be a good starting place for reference.

The Rise of the Databases

The orphan works legislation contemplates the availability of databases to be used by infringers for “reasonably diligent” and “good faith” searches (presumably established through “best practices”). It is not entirely clear from the orphan works legislation, but it appears unlikely that an infringer who conducts his or her search in a database that is certified by the government would have satisfied obligations.

For example, if an infringer downloaded an illegal copy of a live recording of the Beatles that had no metadata attached to it or was in an MP3 file that had been named incorrectly, the infringer would look for a database designated in best practices. If that database was anything other than an audio fingerprint database, it is likely that the infringer would conduct a text search and not find the Beatles due to (a) incorrect naming, and (b) not knowing the owner’s identity — even if the infringer knew it was, in fact, the Beatles. Of course, that might be a “bad faith” search — but good luck proving it.

If an orphan work is essentially defined by its absence in a database, then it is of critical importance that the databases be robust, accurate, and easy to use. Conversely, it is also of critical importance that copyright owners see to it that their works are registered in these databases once the works are identified.

What Should A Copyright Owner Do Now?

You may wish to suggest to your clients that they take the following steps:

- Register their copyrights with the U.S. Copyright Office.
- Affiliate with the relevant performing rights or other creative organizations in their sector (e.g., register songs with a performing rights organization such as the American Society of Composers, Authors and Publishers [ASCAP], Broadcast Music, Inc. [BMI], or SESAC; and register sound recordings with SoundExchange).
- Affix copyright notices clearly to their works, including tagging digital copies of their works.
- Keep current contact information on their website or MySpace page.
- Monitor the development of large databases covering the categories of copyright your clients create, particularly databases developed by Google, Inc.
- Monitor the progress of the orphan works legislation through Congress.

Notes

1. James DeLong, "Google the Destroyer." Available at <http://www.ksrlaw.com/NewsPage.aspx?id=Publications&article=1199752418745>
2. Comment of David Drummond, general counsel, Google, Inc., to U.S. Copyright Office (March 25, 2005, p. 2). Available at <http://www.copyright.gov/orphan/comments/OW0681-Google.pdf>
3. The "Shawn Bentley Orphan Works Act of 2008" (S. 2913).
4. The "Orphan Works Act of 2008" (H.R. 5889).
5. *See, e.g.*, "Public Knowledge's plan to codify copyright issues arising out of Google's acquisition of YouTube." Speech of Gigi Sohn, president and co-founder of Public Knowledge, "Six Steps to Digital Copyright Sanity: Reforming a Pre-VCR Law for a You-Tube World." (Available at <http://www.publicknowledge.org/node/1244>).
6. Gigi Sohn, president and co-founder of Public Knowledge, "The Orphan Works Act of 2008: *Copyright Reform Takes its First Steps*," presented to the Center for Intellectual Property 8th annual Intellectual Property Symposium, University of Maryland University College (May 29, 2008). (Available at <http://www.publicknowledge.org/pdf/ow-speech-20080529.pdf>) (emphasis added).
7. "[W]e expect that [Google's] use of these orphan works will likely be in the 1 million works range. ..." Testimony of Alexander MacGillivray, counsel to Google, Inc., U.S. Copyright Office Roundtable at 166 (July 26, 2005). Currently available at <http://www.copyright.gov/orphan/transcript/0726LOC.PDF>
8. June 28, 2008 at the Sunset Grill, Nashville, Tenn.
9. Statement of Alexander McGillivray, counsel to Google, Inc. <http://www.copyright.gov/orphan/transcript/0726LOC.PDF>.
10. *See, e.g., The Football Association Premier League Limited, et. al. v. YouTube, Inc., et al.*, 07 Civ. 3582 (LLS) (available at www.youtubeclasseaction.com)
11. Lofgren Letter at 1.
12. Although a number of countries are moving toward an orphan works regime for libraries and archivists, Canada is one of the few countries, if not the only country, that has implemented an orphan works regime. Potential users must apply to the Copyright Board of Canada for permission to use a work for which the copyright owner cannot be located, and the board supervises each application.



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