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memorandum

TO	Art Copyright Coalition	**DATE**	July 23, 2015
FROM	Joshua Kaufman	**EMAIL**	jjkaufman@venable.com
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RE	Orphan Works		

There has been a great deal of Internet chatter over the last week or so regarding the Orphan Works issue. Unfortunately, this important issue has fallen prey to the classic Internet distortions with much misinformation being circulated. Make no mistake, the Orphan Works issue is an important one and I will discuss it below. However, the breathless requests that the people write to the United States Copyright Office ("Copyright Office") by today because they are drafting a new copyright law which will strip artists of their copyrights are simply inaccurate.

The Copyright Office about a year ago was seeking comments on their Orphan Works report. Hundreds of people responded and the report was issued a few months ago. The request for information that was due by today, is important and one worthy of responding to, but it has nothing to do with Orphan Works. Rather, the Copyright Office was soliciting information and comments about problems that those in the visual arts have with monetizing, licensing, counterfeiting and the like but not Orphan Works. There may be another chance to address the Orphan Works issue if, and that is a big if, and when Congress takes up a bill dealing with it.

A word on Orphan Works. Orphan Works are generally works that are still protected by copyright but the author, or rights owner, of the work cannot be located. The perceived problem for many with Orphan Works and the reason the report was generated, and laws have been passed in Europe, is that many scholars, documentarians, libraries, museums and the like feel constrained from using Orphan Works in their materials. Assuming good faith for the moment and a diligent search has been done by the entity which wishes to use the Orphan Works scholars are faced with the dilemma of using the works and then being sued if the rights owner comes out of the woodwork, or not using the work to the detriment of the scholarly research or other projects they are engaged in. In many instances prudence governs and works are not shared with the public and not incorporated into the various projects. As a result of this dilemma and a hue and cry from the scholarly, museum and library worlds, various legislative attempts have been introduced around the world to deal with the situation. If one reads the *Orphan Works and Mass Digitization* report of the Register of Copyrights (June 2015) you will see an analysis of the various approaches taken around the world. The Copyright Office read hundreds of comments submitted by both sides of the argument, researched the various statutes and came up with its own proposals on how to deal with the situation under U.S. law. It proposed a piece of draft legislation that it thought would best resolve the issue from an American perspective.

For those truly interested in the issue I would strongly suggest that you read the actual report, which is available online at the Copyright Office website www.copyright.gov or from a link on its home page http://copyright.gov/orphan/reports/orphan-works2015.pdf. It is a thoughtful and

well researched report. Whether or not one agrees with the ultimate conclusions, it was not something issued without a great deal of deliberation.

A number of years ago when this issue rose to prominence and actual bills were introduced into Congress, the ACC formally lobbied a number of members of Congress who were introducing the legislation to alert them to our concerns as members of the visual arts community. Of greatest concern at the time was the use of artwork on useful articles. In other words, taking artwork and putting it on T-shirts, mugs, puzzles, greeting cards, screensavers, textiles, flatware, mouse pads and the like. At the time, we strenuously argued to Congress, and to the Copyright Office, that allowing such type of use of an artwork would not advance the purposes of the Copyright Act and would just be an invitation to counterfeiting. We also raised concerns that there was no effective mechanism to search for visual imagery on the Internet (at the time) therefore even if one wanted to find the owner and run down the history of an image there is no effective means of doing so, making a mockery of any claim to doing a diligent search.

The Copyright Office's proposal at this juncture does not strip away a person's copyrights, what it does do is if the user follows a number of procedures, which will be described below, and in good faith cannot find the copyright owner and uses a work and then the copyright owner contacts them certain of the remedies for infringement would disappear (i.e., damages, costs, and attorney's fees) but not the underlying copyrights of the owner and they would still be entitled to reasonable compensation for the previous uses and could prevent future uses of the work, this is called the Limitation of Liability approach.

The first step anyone who wishes to use a work must do is undergo a "diligent search" for the copyright owner. A diligent search would obviously entail an exhaustive online search through the Copyright Office records, using an image recognition tool such as Tineye or Google Goggles and generally searching online. That would include searching image databases that are available for free for people to register their imagery (PLUS Registry) and other common sense types of searches. In the last few years viable, commercially available (and free) tools to undertake image searches have become available. Therefore, images that are on the open web (not behind password-protected sites) should be locatable and thus would not be covered under the Orphan Works exceptions because if one does not find them they obviously have not conducted the required diligent search. The legal burden to prove, by a preponderance of the evidence, that before the Orphan Works exception use was invoked and the user has in fact carried out a diligent search, is on the user.

What I might suggest is that you use Tineye and Google Goggles and upload some of the images from your website to see if they are in fact being located, if not you might want to talk to your tech people to find out why not and make adjustments.

Then after a diligent search has been undertaken and the right's holder has not been identified one who wishes to use the imagery must then file a Notice of Use with the Copyright Office stating that they are using the following materials, description of the material, summary of the search undertaken any information they have on the owner, the source of the work, certification

of the good faith search, the name of the user, how the work will be used and provide contact information for them. In this way individuals can look at the Copyright Office database for Notices of Use to see if anybody has filed a Notice of Use based on their properties and then contact them to get them to stop. There is also a format for contacting the user/infringer called a Notice of Claim of Infringement provided for in the bill. In reality, however, the Notice of Use for visual arts since the Copyright Office website will not be a searchable database of imagery, will be of limited value in terms of finding out if a visual image is being used, but it is still an important tool.

As mentioned above the proposed Copyright Office bill does not strip the copyright owner of its underlying rights but does place limits on remedies. Specifically, actual damages, statutory damages, and costs and attorney's fees if the infringer, in fact, has complied with all of the requirements of the statute and could not honestly find the copyright owner prior to using the works. Injunctive relief is still available, but not for derivative works that contain sufficient new material to be separately copyrightable unless the user refuses to pay reasonable compensation, i.e. a fair licensing fee, for the use.

Of course, the downside is obvious in that one could claim that they carried out a diligent search and the burden would shift to the copyright owner to prove an infringement. Whereas currently, the infringement would be presumed without a license agreement. The Copyright Office in its report acknowledges this deficiency but believes in the long run that this is a fair compromise. Reasonable people are free to disagree.

Importantly, in section (f) of the proposed legislation the Copyright Office excludes the use of imagery on useful articles, "…the limitations on remedies under this section shall not be available to an infringer for infringements resulting from fixation of a pictorial, graphic, or sculptural work in or on a useful article that is offered for sale or other commercial distribution to the public."

The Copyright Act defines a useful article as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a useful article." This definition would cover pretty much any type of licensed product that would attempt to embed an artwork or imagery in it. The only question under this definition is whether a simple print or poster would be included in that it might fall under "merely to portray the appearance of the article." If a bill does get introduced into Congress it certainly would be an area to lobby on to make sure that, for the purposes of Orphan Works, useful articles would include posters and prints.

While the Orphan Works legislation proposed by the Copyright Office certainly adds challenges to the rights owners for visual arts, it is not the document being portrayed on the Internet in which the sky is falling and visual artists will lose all their rights. If and when Congress takes up this bill we will have an opportunity to either formally lobby as the Art Copyright Coalition, or individually, to send letters to the various appropriate congress people requesting changes to the bill to strengthen protection for visual artists and voicing opposition where appropriate.

I am attaching a PDF copy of the Copyright Office's actual proposed legislation and its explanation of it.