

VIA ELECTRONIC MAIL

mailto:orphanworks@loc.gov

March 25, 2005

Jule L. Sigall  
Associate Register for Policy & International Affairs  
U.S. Copyright Office  
Copyright GC/I&R  
P.O. Box 70400  
Southwest Station  
Washington, DC 22024

Dear Mr. Sigall:

In response to the Federal Register notice of January 26, 2005 entitled “Orphan Works,” we hereby submit the following comments about orphan works. “Orphan works” are defined as works possibly under copyright, but for which the owners are impossible or unreasonably difficult to find. This proposal is submitted on behalf of a coalition of organizations whose work supports independent and documentary filmmakers. The coalition includes:

- **Association of Independent Video and Filmmakers (AIVF)** – a non-profit membership organization serving local and international film and videomakers—from documentarians and experimental artists, to makers of narrative features—by providing a variety of informational services and other resources (<http://www.aivf.org>).
- **Film Arts Foundation** – a non-profit membership service organization providing comprehensive education, equipment, information, consultations, and exhibition opportunities to independent filmmakers (<http://www.filmarts.org>).
- **IFP-New York** – a not-for-profit service organization dedicated to providing resources, information, and avenues of communication for its members: independent filmmakers, industry professionals, and independent film enthusiasts (<http://www.ifp.org>).
- **National Alliance for Media Arts and Culture (NAMAC)** – a non-profit association dedicated to the support and advocacy of independent film, video, audio, and online/multimedia arts (<http://www.namac.org>).
- **National Video Resources (NVR)** – an organization that provides grants to filmmakers and creates educational programming using film and video (<http://www.nvr.org>).

As a result of changes to U.S. copyright law in the last thirty years, such as the elimination of formalities, the inclusion of unpublished works and the 1998 Copyright Term Extension Act, the number of works covered by copyright has greatly expanded. The present ease of obtaining copyright protection is largely highly beneficial to creators. Additionally, however, the lack of records has resulted in a vast landscape of orphaned works—where original creators are unlocatable and likely have no interest in exploiting their copyrights, and where important cultural items languish, unusable by the creators who would revitalize them.

When a copyright owner cannot be found, subsequent creators are discouraged by fear of liability from incorporating orphaned works into new creative endeavors. For filmmakers, this means that the ability to tell a story to its fullest is compromised. Many filmmakers, particularly

those working with a limited budget, are unable to shoulder the unknown financial risks of using materials that they cannot fully clear, even if the likelihood that the owner of a work exists is small. As a result, the creative expression of the filmmaker is chilled, artistic choices are driven unnecessarily by financial uncertainties, film diversity suffers (because the smaller pool of easily cleared items is all that can be used) and the audience loses out on the valuable opportunity to experience the most comprehensive version of the work. A sampling of the problems that can occur includes:

- Choice of raw material may be severely limited by liability concerns if the filmmaker requires unique, unusual, obscure or ephemeral<sup>1</sup> footage.
- Inability to clear important materials for documentaries and period films can alter the cultural and historical record.
- Libraries and archives may not be able to give access to filmmakers to works in their collections for which they do not have complete ownership information.
- Distributors, broadcasters and insurance companies may not accept a filmmaker's search for an owner as sufficient and consider the project too risky to take on.
- Filmmakers may be unable to incorporate vital visual works, such as photographs and paintings, into production design of their films if the owner cannot be found.
- Valuable underlying works such as books, letters and other written works cannot be utilized in creating a derivative work if the owner cannot be located.
- Filmmakers may find that, without guidelines for what is reasonable, the task of searching for a copyright owner is too daunting and simply give up.

For example, independent producer Ben Gervais found that the inability to locate the copyright owner of an obscure book meant that he could not create a film adaptation of the work. After finding an old book that was missing publisher and author information, Mr. Gervais began searching for the owner of the copyright. Upon consulting with an expert book dealer, he identified the publisher, which had been out of business for over twenty years. However, the expert believed that the book had been part of a very limited run printed in the 1970's. Further investigation revealed that the publisher's catalog was archived at a university library and at the Library of Congress. Unfortunately, neither of those resources was helpful in determining who owned the copyright. As a result, because of the lack of clarity of ownership, a film adaptation has not been made, and the public has thus far lost the opportunity to experience the unknown author's work.

Similarly, Ruth Hinkel-Pevzner, an experimental filmmaker, is often precluded from utilizing found footage. Ms. Hinkel-Pevzner's work incorporates footage provided to her through a variety of

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<sup>1</sup> Ephemeral films are those designed to serve a specific pragmatic purpose for a limited time, and are often valuable for their sociological, ethnographic or evidentiary aspects. This genre may include works such as advertising films, educational films, and social guidance films. Wikipedia, citing noted archivist Rick Prelinger, at [http://en.wikipedia.org/wiki/Ephemeral\\_film](http://en.wikipedia.org/wiki/Ephemeral_film). The cultural value of these types of films often far outweigh the economic value they hold for the copyright owner, particularly as they age; as such, they are in danger of being orphaned, and lost.

sources, including garage sales, responses to advertisements and donations. The original creators are often impossible to locate. Although the footage is apparently no longer wanted by either the creators or their heirs, because Ms. Hinkel-Pevzner cannot obtain official clearance from the missing copyright holders, she is limited in her avenues for distribution and broadcasting of the finished work, and is often forced to choose footage that is easier to clear but which is less creatively valuable.

What makes this problem all the more distressing is that orphan works often have little to no worth to anyone outside of the specific context in which the filmmaker wishes to use them. Under our current scheme, creative works receive copyright protection regardless of whether copyright owners are actually interested in protecting their works. That filmmakers who do truly value these works cannot use them is an unfortunate consequence. When an owner doesn't care about a copyrighted work or doesn't exist, the filmmaker should be encouraged rather than punished for bringing such works out of obscurity and creatively demonstrating their value to the public.

## **I. Orphan Works Proposal**

We propose amending the current copyright system to encourage greater use of orphan works and, as stated by the Copyright Office's Notice of Inquiry, to "promote the dissemination of works by creating incentives for their creation and dissemination to the public."<sup>2</sup> This proposal addresses the issue of orphan works in two ways: (1) it would reduce the number of orphaned works created in the future via the implementation of a voluntary listing system for copyright owners, and (2) it would provide immediate relief to those wishing to make use of orphaned works by allowing them to begin use now, while limiting their liability should a surfacing copyright holder later sue for infringement.<sup>3</sup>

This is designed to be a "user friendly" system that is simple and straightforward for both copyright holders and users of orphan works. Copyright holders will be able prevent their work from becoming an orphan. New users will not be needlessly prevented from using orphaned works because of fears of unlimited financial liability. While filmmakers would benefit from this proposal, we have attempted to create a system that can be easily used by anyone who needs to clear an orphaned work. Finally, our proposal is crafted to avoid conflict with U.S. obligations under international treaties. It would require Congress to legislate (to create the relevant presumption, limitations on liability and implementing legislation for the Copyright Office), and the Copyright Office to develop various systems and to oversee the process on an ongoing basis.

### **A. Voluntary Listing System**

As a threshold matter, fewer works would be orphaned if there were a simple and inexpensive way for copyright holders to disseminate their contact information. The present system for registering copyrights works very well for holders of valuable copyrights, but some copyright holders may prefer a simpler system that merely makes them easy to locate if a user wants to negotiate a license. We therefore recommend that Congress amend the copyright law to provide

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<sup>2</sup> Orphan Works, 70 Fed. Reg. 3741 (Jan. 26, 2005).

<sup>3</sup> Note that, in no way should the limitation of liability provided here replace or undermine the doctrine of "fair use" codified in 17 U.S.C. 107. Many uses of orphaned works are likely be fair uses, as they are valuable and do not detract from a market for the work. Still, the fact-intensive analysis required under the fair use doctrine often leaves funders, insurers, distributors and others unwilling to accept the risk of relying on a fair use defense. A specialized solution to the problem of orphaned works should complement the fair use doctrine, and in no way diminish it.

sufficient incentives for copyright holders to *voluntarily* list their works and contact information with the Copyright Office. Listing would render the work *per se* non-orphaned, and new users would be required to negotiate an agreement with the copyright holder. However, if the copyright owner has listed a work and then allows the contact information to become obsolete or is otherwise unlocatable, the work should be treated as though it were not listed (i.e., the listing must be kept accurate). Additionally, a user who is unable to locate a listed owner due to inaccuracy (e.g., vagueness, obfuscation, obsolete information, etc.) may, under certain circumstances, be permitted to use the inaccuracy of the listing as a defense or as evidence supporting the user's reasonable efforts.

We recommend that the Copyright Office keep this process as simple as possible. As the Copyright Office expects to offer online registration by 2006, it may be most efficient for the Copyright Office to use its current registration system as a foundation, and supplement it with a second tier of simplified listing for orphan works. In order for the system to facilitate the easy listing of orphan works, we recommend the following:

- First, any work registered under the current system will be *per se* non-orphaned.
- Second, a simplified orphan works listing should be established in parallel with the existing formal registration system. A single search will draw upon both databases. This listing will require the name, contact information, date of the work, and description of the work, as well as a sworn statement that the information is true.
- Third, the Copyright Office should put all old registrations into the online search system to facilitate searching of older works. Currently, the online searchable database only includes works that were registered after 1978. As a work gets older, it may become more and more difficult to find its owner; therefore, by including all of the registrations in the database, potential users will have a simple and effective way for searching for older, registered materials.
- Fourth, updating contact information in the orphan works listing should be very simple. A copyright holder should be able to submit a simple online form or "change of address" card. In order to protect against fraudulent use of this system, a private receipt number or a password-protected online login system could be used, or a sworn statement could be required.
- Fifth, in order to encourage voluntary participation, listing a work for the purpose of preventing it from becoming an orphan should be free of charge.
- Finally, the Copyright Office should establish a simplified manner in which a copyright holder could easily list "batches" of both published and unpublished works. Currently, unpublished works may be formally registered as a "collection" with a single form under the following conditions: (1) the elements are assembled in an orderly form; (2) the combined elements bear a single title identifying the collection as a whole; (3) the copyright claimant in all the elements and in the collection as a whole are the same; and (4) all the elements are by the same author, or, if they are by different authors, at least one of the authors has contributed

copyrightable authorship to each element.<sup>4</sup> We recommend that the Copyright Office adapt this method for listing collections of both published and unpublished works for the purpose of determining orphan works.

## **B. Use of Non-Listed Works**

If a copyright holder does not list the work with the Copyright Office under the new system and does not formally register it under the existing system, a person wishing to make use of a work that might be under copyright can conduct a “reasonable efforts” search in order to take advantage of our proposed limitation of liability.

### **1. Reasonable Efforts Search**

What constitutes “reasonable efforts” will vary widely from project to project, medium to medium, and use to use. There can be no one set of criteria that will constitute reasonable efforts in all instances. However, some guidance as to what constitutes reasonable efforts would be very useful to searchers:

- To aid users, the Copyright Office should create a standard form outlining some basic measures. This form should include guidelines for what might be considered a reasonable search for a particular medium of work, possibly developed through input by various industry, literary, and arts groups as well as insurance companies and other interested parties. The form should *not* be drafted as an exclusive or exhaustive list of what will be considered reasonable; it should leave ample room for a user to document any applicable alternative searches or failed attempts.
- As part of the reasonable efforts system, the Copyright Office could also provide a place for searchers to post a notice of intended use on its website. The description would include the following: (1) name and contact information for the person/organization wishing to make use of the work; (2) a description of the work in question; and (3) a description of the proposed use.
- After a user does the research and fills out the form, which will include a sworn statement that all the user’s efforts have been made in good faith, have been documented and that the form is accurate and complete, the user must have it notarized and submit it to the Copyright Office.
- Upon receiving the form, the Copyright Office will review it for completeness. If it is found to be complete, the Copyright Office will send the user notice that the form has been approved. The Copyright Office should *not* be asked to make a determination of “reasonableness,” but merely to approve and record the form. This would minimize the administrative burden associated with this procedure for both the Copyright Office and the user, and avoid an unwieldy “case-by-case” approach.

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<sup>4</sup> Copyright Office Circular 1 (Registration Requirements), *available at* <http://copyright.gov/circs/circ1.html#cr>.

- Once the form has been approved, a user would be presumed to have used “reasonable efforts” and may begin using the work.
- The user should, of course, retain the documentation of the reasonable efforts search.

## **2. Results of Search: Rebuttable Presumption and Limitations on Liability**

Once the user has received the approved reasonable efforts form from the Copyright Office, the efforts would be presumed reasonable. A copyright holder who surfaces and initiates an infringement suit<sup>5</sup> against the user would be permitted only limited remedies unless this presumption is rebutted.

- If an infringement action against the user is initiated within the 3-year statute of limitations:
  - The copyright holder’s damages will be capped at a statutory maximum that is low enough for users to feel comfortable using the orphaned work (perhaps \$500).
  - The copyright holder may not enjoin the user from using the work, and
  - The copyright holder may not be awarded attorneys’ fees.
- During the infringement suit, the burden will be on the copyright holder to rebut the presumption of reasonableness and to prove that the user’s efforts were unreasonable (this should be a high standard), falsified or performed in bad faith.
- A copyright holder who succeeds in rebutting the presumption of reasonableness will be entitled to unlimited relief, unless the user can otherwise prevail (for example, on a fair use defense).

### **C. Orphan Status for Single Use Only**

Works should generally only be considered orphans for one use. A single “use” of an orphaned work includes any and all rights a user must ordinarily exercise in order to realize a creative work as they have envisioned it, regardless of which rights under 17 U.S.C. §106 this implicates. For example, a single use by a filmmaker could require reproducing the orphaned work, creating a derivative work by using it in a film, distributing the film through various channels and on various media, and publicly performing the film, among other acts. Filmmakers should not be prevented from freely syndicating their work, releasing different versions of the work, or otherwise disseminating it as desired. A second artist wishing to make use of the same orphaned work in a new project, however, would have to engage in a reasonable efforts search as set out above in order to take advantage of the liability limitations we propose. (If the reasonable efforts forms are recorded by the Copyright Office, however, they might serve as guidance for a subsequent user.) This permits a surfacing copyright holder who had not initially realized the economic viability of a work the chance to get a “second bite at the apple” by registering or listing it and thus being able to negotiate with subsequent users, while ensuring that a user who has performed reasonable efforts is able to undertake any course of conduct needed to creatively re-purpose the work.

### **D. Published and Unpublished Works**

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<sup>5</sup> Note that a copyright holder is required by Section 411(a) to formally register prior to commencing an infringement suit.

As with copyright law generally, both published and unpublished works should be eligible for orphan status. Many culturally valuable works are unpublished, such as home movies, letters, diaries or research notes. However, any remedies under other laws intended to protect privacy or other rights would be left undisturbed by including unpublished orphan works as well as published in a copyright law solution. Copyright policy does not preclude the unauthorized use of unpublished works. While the Supreme Court in *Harper & Row v. Nation Enterprises* stated that a court should take into account the unpublished nature of a work when evaluating a fair use defense, it did not bar the use of all unpublished works.<sup>6</sup> Additionally, when Congress amended §107 in 1992, it explicitly stated that the unpublished status of a work does not on its own bar a finding of fair use.<sup>7</sup> Filmmakers (for example, documentarians) may rely extensively upon unpublished sources for historical, period or sociological works. These valuable materials should not be excluded from a solution addressing orphaned works.

### **E. Proposal's Relationship to International Treaties**

This proposal has been crafted to avoid conflicts with international treaties, including Section 5(2) of the Berne Convention,<sup>8</sup> which provides that “exercise and enjoyment” of copyright protection “shall not be subject to any formality.”<sup>9</sup> The U.S. Senate has stated that, in order for a statutory provision to qualify as a “formality” that deprives an owner of the “enjoyment and exercise” of her copyright under Berne §5(2), it must “condition the availability of all meaningful relief upon” some “formality.”<sup>10</sup> For that very reason, §410(c), §412, and §205 of the Copyright Act, which merely “substantially enhance the relief available” to those who comply, remain intact without violating the treaty.<sup>11</sup> Similarly, the voluntary orphan works listing described above would simply “substantially enhance[s] the relief available” to the owner who complies. And even if the work is not listed, the rightful owner of an orphaned work would in no sense lose her copyright. Should she surface, she is still entitled to initiate an infringement suit against the user to recover limited damages. In addition, the proposed system grants orphan status only for a single use, allowing existing copyright owners to resurface and extract value from the copyright for later users.

Additionally, exceptions and limitations to exclusive rights that meet a three-part test are allowed under Berne Article 9(2), TRIPS Article 13, and WIPO Article 10. The test is met if the limitation or exception involves “(1) certain special cases, (2) [which] do not conflict with a normal exploitation of the work, and (3) do not unreasonably prejudice the legitimate interests of the rights holder.”<sup>12</sup> In reviewing §110(5) of the Copyright Act in light of the TRIPS agreement the WTO provided guidelines on how to apply this test.<sup>13</sup>

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<sup>6</sup> See 471 U.S. 539, 564 (1985) (discussing the right of first publication as one factor to consider within a fair use analysis); see also Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1118 (1990) (stating that the “second factor should not turn solely, nor even primarily, on the published/unpublished dichotomy”).

<sup>7</sup> Fair Use of Unpublished Works, Pub. L. No. 102-492, 106 Stat. 3145 (1992) (codified at 17 U.S.C. §107) (“The fact that a work is unpublished shall not itself bar a finding of fair use....”).

<sup>8</sup> Berne Convention for the Protection of Literary and Artistic Works, Paris Act, 5(2), July 24, 1971, 25 U.N.T.S. 221.

<sup>9</sup> *Id.*

<sup>10</sup> S. Rep. No. 101-681 at 15 (1988).

<sup>11</sup> *Id.*

<sup>12</sup> WTO Secretariat, *Report of the Panel on United States – Section 110(5) of the US Copyright Act*, WT/DS160/R at ¶6.97 (June 15, 2000).

<sup>13</sup> *Id.*

First, the requirement of “certain special cases” allows exceptions only for “clearly defined” cases that are “narrow in scope.”<sup>14</sup> Our proposal is clearly defined in that it creates a system with clear rules and procedures for using an orphan work for users and copyright holders alike. Unlike the compulsory licenses at issue in the WTO panel decision, the proposed limitations on liability do not strip owners of all compensation, and are narrow in scope because they would only be applicable in cases where copyright holders cannot be found, even after users have completed a reasonable search.

The second prong of the test requires limitations and exceptions to avoid “conflict with the normal exploitation of the work.”<sup>15</sup> Further, a conflict with “normal” use arises only “if uses, that in principle are covered by that right but exempted under the exception or limitation, enter into economic competition with the ways that right holders normally extract economic value from that right to the work and thereby deprive them of significant or tangible commercial gains.”<sup>16</sup> Our proposal would not conflict within this definition because it would by definition only apply in situations where the owner was already foregoing economic gains by allowing the work to become orphaned; additionally, the surfacing copyright holder would still be able to collect limited damages by prevailing in an infringement suit against the user. Finally, if the copyright holder can rebut the presumption of reasonableness of the search, then unlimited relief would be available.

The third prong of the test requires that limitations and exceptions must not “unreasonably prejudice the legitimate interests of the right holder.”<sup>17</sup> According to the panel, only interests which “are justifiable in the light of the objectives that underlie the protection of exclusive rights” are considered legitimate.<sup>18</sup> It is not unreasonable to limit remedies for copyright holders who have allowed their works to become orphaned, preventing further use and dissemination. The goal of copyright law is to *encourage* the dissemination and creation of work, a goal not promoted by allowing a work to become orphaned. As a result, our proposal does not prejudice the legitimate interests of rights holders. The panel also stated that that a prejudice against legitimate rights becomes unreasonable if it “causes or has the potential to cause an unreasonable loss of income to the copyright owner.”<sup>19</sup> In the case of orphan works, there would be no “unreasonable loss of income” under the proposed system as the author was failing to make economic use of the work. In addition, the proposed limitations on liability proposal would still permit an infringement action that would provide a surfacing author with reasonable compensation. Finally, the limitations on liability would apply to a single user, allowing the author to retain the ability to negotiate a standard license with any subsequent users, as well as the ability to sue future infringers without limitations.

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<sup>14</sup> *Id.* at ¶6.113.

<sup>15</sup> *Id.* at ¶6.167.

<sup>16</sup> *Id.* at ¶6.183.

<sup>17</sup> *Id.* at ¶6.97.

<sup>18</sup> *Id.* at ¶6.224.

<sup>19</sup> *Id.* at ¶6.229.

## II. Conclusion

In closing, we would like to express our thanks to the Copyright Office for issuing the Notice of Inquiry and providing filmmakers, and all interested parties, with the opportunity to present views on the problem of orphan works. We would welcome the opportunity to participate in hearings, if they are held. If there is any additional information or clarification we can provide, please do not hesitate to contact us.

Respectfully submitted,

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