

Some thoughts on orphan works

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Lady Bracknell: To lose one parent, Mr. Worthing, may be regarded as a misfortune; to lose both looks like carelessness ...

Jack: ... The fact is, Lady Bracknell, I said I had lost my parents. It would be nearer the truth to say that my parents seem to have lost me ... I don't actually know who I am by birth. I was ... well, I was found ... May I ask you then what you would advise me to do? ...

Lady Bracknell: I would strongly advise you, Mr. Worthing, to try and acquire some relations as soon as possible ...

An “orphan” work is a work which is protected by copyright but whose owner cannot be identified and/or located. In early 2006, the government announced that it would conduct an inquiry into orphan works.¹ That announcement was prompted by a number of submissions to the government’s inquiry into fair use in 2005.² The issue was also raised in earlier inquiries into copyright law. In its 1994 report, *Highways to Change*, the Copyright Convergence Group recommended that the issue be given further consideration.³ In 1999, the Copyright Law Review Committee (CLRC) noted that the issue “generated a lot of comment” in submissions to its inquiry into the simplification of the Copyright Act.⁴

The announced inquiry has not yet taken place, largely because the Attorney-General’s Department’s resources have been taken up with the Copyright Amendment Bill, introduced into parliament on 19 October 2006. In addition, the Bill may partly address some of the concerns relating to orphan works, particularly those raised by cultural institutions.

An overview of the problem

Recognising an orphan

The reasons a person may be unable to identify or locate a copyright owner include:

- there is nothing to indicate who the copyright owner is;

- 1 The review was announced in the speech “An Overview of the Government’s Reform Agenda” by Ms Helen Daniels, Assistant Secretary, Copyright Law Branch, Attorney-General’s Department, to the 11th Annual Copyright Conference, Australian Centre for Intellectual Property in Agriculture, 17 February 2006.
- 2 There is a link to the issues paper for the inquiry, *Fair Use and Other Copyright Exceptions: an examination of fair use, fair dealing and other exceptions in the Copyright Act*, and submissions responding to the issues paper, from www.copyright.org.au/U25871.
- 3 Copyright Convergence Group, *Highways to Change: Copyright in the New Communications Environment* (AGPS, Canberra, 1994) at 68:

a mechanism in the Copyright Act ... may have advantages in providing access to copyright material. However, there may also be disadvantages for copyright owners, for example, little known authors.
- 4 Copyright Law Review Committee, *Simplification of the Copyright Act 1968: Part 2: Categorisation of Subject Matter and Exclusive Rights, and Other Issues*, (Attorney-General’s Department, Canberra, 1999) at 122. The report is available via www.ag.gov.au/clrc.

- the identity of the author or a former copyright owner can be ascertained, but the identity of the current copyright owner cannot be ascertained;
- the identity of the copyright owner can be ascertained, but contact information for that copyright owner cannot be ascertained.

Material in which copyright has expired may be freely used (thus making irrelevant any orphan status it may otherwise have). In many cases, however, it can be unclear whether or not a work is indeed still protected – for example, it cannot be established when the creator died, or when the material was created, or whether or not the material has been published.⁵ Such material may effectively need to be treated as still protected by copyright, with the consequence that it too may need to be treated as orphaned if the copyright owner cannot be identified or located.

The orphaning process

In their joint submission to the fair use review, the Intellectual Property Research Institute of Australia (IPRIA) and the Centre for Media and Communication Law (CMCL) stated that copyright material may come to be orphaned for a variety of reasons, including because the owner is dead or the company which owned copyright has ceased to exist.⁶ This, however, is a somewhat oversimplified approach, as the user may in some cases be able to identify and locate the current copyright owner by identifying the first copyright owner and following the chain of title. Copyright in a work whose author has died, for example, may be owned by the author's children.

Whether or not the user can identify and locate the copyright owner will depend on a number of factors, including:

- information on, or connected with, the material indicating its copyright owner at the time it was produced;
- information about subsequent transfers of ownership; and
- the ability of the user to get access to, and interpret, that information.⁷

In many cases, the orphaning process is exacerbated by factors such as:

- the nature of the material (particularly relevant where the material has not been commercially exploited or was not created by a professional creator, and is of a type where the copyright owner may be unaware that they have any copyright rights – family materials such as photos and letters are examples of these types of material);⁸

5 These factors can be relevant in determining not only whether the item is still in copyright (such as photos taken before 1955, or works published anonymously or under a pseudonym prior to 1955), but also in determining whether or not various exceptions apply (particularly the exceptions available to libraries and archives, such as section 51).

6 Copyright in Cultural Institutions Group (CICI) submission to the fair use review, at 38.

7 The ability of the person making the search to access and interpret available information will depend on both **objective** factors such as their access to relevant records (for example, records relating to probate and the administration of estates, and to the distribution of assets on the winding up of companies), and **subjective** factors, such as his or her ability to reach valid conclusions on the available data.

8 See, for example, the submission to the fair use review by the CICI, at 37–38. See also the Australian Digital Alliance (ADA) submission to the fair use review, at 10. The ADA classed Australian and foreign Government reports in this category. It is unclear, however, why such reports are likely to be “orphan works”.

Note also that creative and commercially valuable materials may also become orphaned. In its submission to the fair use review, the ABC gave instances of quite recent material created by people working in the arts and television production being orphaned: ABC submission to the fair use review at 16–17.

and

- the long period of copyright duration (including the fact that the duration of copyright can be open-ended where material is unpublished), leading to situations where copyright in a single photograph or letter or publication may have passed through several generations of heirs, and may now jointly reside with members of several collateral branches of a family.⁹

The practical consequences of a work being orphaned

As noted, orphan status is only of any consequence if copyright in the material has not yet expired, and then only if an exception cannot be relied upon to use the material.

Nearly all exceptions to copyright infringement apply to orphan works. These include:

- the fair dealing provisions for “research or study”, “reporting the news” and “criticism or review”;¹⁰
- the library and archive provisions; and
- the schemes available for educational institutions (Parts VA and Part VB of the Act).¹¹

Where an exception is not available, however, the fact that a copyright owner cannot be identified or located can and does have consequences. As the submission by the Australian Digital Alliance (ADA) to the fair use inquiry noted, institutions may have to “place a significant amount of resources into locating owners” if they wish to do certain things with that material.¹² Alternatively, as the ABC submitted to the same review, the material is simply not used – a decision which, nonetheless, can still “create considerable financial, administration and labour costs”.¹³

9 As the ADA noted in its submission to the fair use review (at 9), the extension of copyright to a general rule of “life + 70 years” means that orphan material which was still in copyright on 1 January 2005 has received an additional 20 years of copyright protection. As noted in the previous footnote, however, even for very recent material it may not be possible either to identify or locate the copyright owner or owners.

10 Ss 40, 42, 43, 103A, 103B, 103C. The latter two exceptions require “sufficient acknowledgement”, but the requirement does not apply if the work is anonymous (see definition of “sufficient acknowledgement” in s10(1)).

11 Note that this is the same in a number of other jurisdictions, and is the sense in which the references to “extended collective licensing” under Scandinavian legislation in the CLRC’s *Simplification* report, op. cit., and the ADA submission to the fair use review at 11 should be understood: see, for example, section 38b of the Norwegian *Act Relating to Copyright in Literary, Scientific and Artistic Works etc* 1961 and Article 26i of the Swedish *Act on Copyright in Literary and Artistic Works* 1960.

12 ADA submission to the fair use review at 9. The ADA also stated that the alternative is to “refrain from using such material altogether”. Clearly this is incorrect: as noted above, the fact that material is orphaned does not preclude its use under the library and archive exceptions, where available. The ADA submission also stated that the lack of a mechanism for dealing with orphaned works:

results in perpetual copyright by default ... This provides a disincentive to researchers wishing to utilise a broad range of works in their endeavours, impairing or obstructing research accordingly.

This, is, however, also incorrect. Firstly, the expiry date for copyright protection **can** be known for orphan works: for published anonymous or pseudonymous works all that needs to be known is the year of publication; for other works, the information required for the application of section 33 or sections 93–96 can be known even though the current copyright owner is unable to be identified or located. Secondly, as noted above, both the “research or study” and “criticism or review” exceptions (together with any other available exceptions) may be relied upon whether or not material is orphaned.

13 ABC submission to the fair use review at 16. See also the US Copyright Office, *Report on Orphan Works* (January 2006) at 55:

The fact that copyright material becomes orphaned is not a new phenomenon, but it appears the issue is now receiving more sustained attention as cultural institutions increasingly want to use digital communication technology to increase access to materials in their collections. The fact that a letter or a photograph was an “orphan work” was not an issue for cultural institutions when they primarily regarded their functions as:

- the preservation of physical items entrusted to them;
- the display of physical items (for example, on a wall or in a display case); and
- facilitating access to the physical item by students, scholars and academics.¹⁴

Over the past few years, however, the desire to make material available online to the public has increasingly brought collecting institutions up against the orphan work issue.¹⁵

On the other hand, commercial users of copyright material, such as film and television production companies and publishers, have been faced with the orphan works question for a considerably longer period. The digital age has not had the same impact on them, in relation to orphaned works, as it has on cultural institutions.

Whether or not to use an orphan work is a question of risk management:

- a user who is risk-averse (and is not able to justify the use of the material under one of the exceptions, such as fair dealing for criticism or review) will not use the material at all, and may use substitute material for which a clearance can be obtained or which is in the public domain;
- a user who is less risk-averse will use the material, but will generally take steps to minimise the risk of a substantial damages claim from a copyright owner who discovers the unauthorised use.¹⁶

Collecting institutions such as libraries, galleries and museums, tend to fall into the risk-averse category. However, unlike a film company or publisher, a collecting institution may be less able to use substitute material.

Before reaching a decision to *not* use a work, a collecting institution may nonetheless have expended considerable time and effort in attempting to locate or identify copyright owners. The following comments from a Canadian Copyright Board decision demonstrate the lengths to which

For purposes of developing a legislative solution we have defined the orphan works situation to be one where the use goes beyond any limitation or exemption to copyright, such as fair use. However, in practice, most cases will not be so neatly defined, and a user may have a real choice among several alternatives that allow her to go forward with her project: making noninfringing use of the work, such as by copying only elements not covered by copyright; claiming fair use; seeking a substitute work for which she has permission to use; or a combination of these alternatives. Indeed, the Authors Guild provided survey data that users confronted by the orphan works situation make exactly these types of choices.

The report is available at www.copyright.gov/orphan.

14 Such access has in many cases been facilitated under copyright law by provisions allowing individuals to copy material for research or study purposes, and by provisions setting out when a library or archive can copy on behalf of a client.

15 The submissions to the fair use review from the Australian War Memorial and the Copyright in Cultural Institutions group give specific examples. In quite a number of the instances given, however, it is not clear why the institution could not rely on one of the existing library/archive provisions to provide copies to researchers; to make preservation copies; and to make the material available within the institution’s premises.

16 See further below under “Some comments on risk analysis”.

some people or organisations can go to identify and locate copyright owners:

Bibliographical and biographical research was already used to help identify and catalogue titles for microfilming. Preliminary research was done in library catalogues most of which are now computerized. If library catalogues did not provide the required information, resort was made to *Who's Who* and similar publications, according to country (e.g. *Canadian Who's Who*), to a time period (e.g. *Who's Who 1925*) or to profession (e.g. the *Dictionnaire des parlementaires du Québec 1792-1992*). Bibliographies such as the *Bibliographie du Québec, 1821-1967* or *Books and pamphlets by New Brunswick Writers* were also used as general sources of information. Reference works such as *Le Canada ecclésiastique: almanach-annuaire du clergé canadien* were used to trace members of the clergy. Books such as *Pseudonymes canadiens* and *Pseudonymes québécois* helped to trace authors who regularly used pseudonyms. Other reference works consulted included *Obituaries on File*, *Obituaries from The Times, 1951-1975*, the *Index consolidé des décès 1926-1970* and the *Index consolidé des mariages du Québec 1826-1970*. Archives of organizations and professional associations were consulted. University archives helped trace authors of scientific titles who were also faculty members. Tracking descendants was done by consulting city directories and newspaper obituaries.¹⁷

Although the Canadian Copyright Board stated that “The extent of the efforts made ... to trace copyright owners goes beyond anything the Board has seen to date,” anecdotal evidence suggests that lengths such as the above should *not* be regarded as peculiar to the organisation making the application to the Canadian Copyright Board or, indeed, to Canada.¹⁸

Some comments on risk analysis

In many cases, users of copyright material (such as publishers and producers) make a risk-based assessment of whether or not to use orphaned material in situations which legally require a permission. The decision about whether or not to use the material will be influenced by an analysis of the relevant risks, including the likelihood of a copyright owner taking legal action for infringement and the costs of a successful claim.

A user who does decide to use orphan material without permission may attempt to reduce the risk by keeping detailed records of the steps taken to identify and/or locate the relevant copyright owner, and by publishing what is sometimes referred to as a “good faith” notice with the material. Such a notice usually states, effectively, that all reasonable steps were taken to identify or locate relevant copyright owners, but the copyright owner could not be found, and that if any copyright owner whose work has been used without permission makes contact, the user will negotiate “in good faith” to settle the claim.

The assumption behind such steps is that any copyright owner who does surface may be persuaded that the material has not been used in blatant disregard of the copyright owner’s rights, with the hope that the copyright owner may be sufficiently mollified as to demand only a reasonable licensing fee. Such steps may also mitigate any claim for additional damages under section 115(4) or for remedies in conversion or detinue under section 116.

While many users may take such an approach, it appears that many Australian cultural institutions

¹⁷ Canadian Copyright Board, decision No 27 of 18 September 1996 (available at www.cb-cda.gc.ca/unlocatable/licences-e.html).

¹⁸ Note that the submission of the CICI group, at 44–45, contains tabulated responses from three of the ten member organisations to a questionnaire which included questions relating to orphan works. One of the questions related to the steps currently taken to locate copyright owners. We understand that the CICI is collecting further data relating to orphan works, which will no doubt be presented in its submission in relation to orphan works.

(and particularly those which are part of government departments or which are statutory bodies) are loathe to do so. The Copyright in Cultural Industries Group (CICI) submission, for example, noted that “Obviously, the risk of a copyright infringement action is low” when a cultural institution digitises an orphan work to put onto a website, for example, but that “the sector is, in general, risk-averse”.¹⁹

In other cases, such as in the film industry, the use of an orphan work may be avoided because of a concern that later exploitation of the film could be inhibited by an outstanding copyright claim, or that a claimant could unreasonably delay production or distribution, or could ask an exorbitantly high amount of money by way of compensation and/or ongoing licence fees.²⁰

Canada

Since 1988, Canada has had a system under which its Copyright Board has been able to grant statutory licences on a case-by-case basis for up to five years to applicants who cannot locate a copyright owner.²¹

Before granting a licence, the applicant must satisfy the Board that every reasonable effort has been made to contact the copyright owner to request permission.²² Any licence granted by the Board is non-exclusive, and “is subject to such terms and conditions as the Board may establish”.²³ The Board’s jurisdiction is limited to: “a published work ... a fixation of a performer’s performance ... a published sound recording, or ... a fixation of a communication signal”,²⁴ and hence does not relate to unpublished material.

Since 1990, the Board has issued 186 licences; only six applications for a licence have been refused.²⁵

Appendix 1 contains a tabulated summary of the successful applications. It is also productive to look at the six refusals to grant a licence (Appendix 2). Of these:

- two were refused on the basis that the material was not published;
- one was refused on the basis that the ownership of copyright was not in fact unknown, as claimants to the ownership were litigating that very issue through the Russian courts; and
- three were refused on the basis that no permission was needed from the copyright owner or, indeed, from the Board – either because the material was no longer in copyright, or because the applicant was not proposing to use enough of the material to

¹⁹ CICI submission to the fair use review at 39.

²⁰ See, for example, the submission of the ABC to the fair use review, at 16: “the ABC’s recent filming of an aboriginal artwork in a program could not be cleared as a result of not being able to locate the artist ... The entire segment could not proceed”.

²¹ Section 77, *Copyright Act (Canada)* Chapter C-42.

²² Despite the fact that the vast majority of applications to the Board are successful, the Board does not merely function as a rubber-stamp: in relation to one application, the Board had asked that additional research be carried out in relation to six items. See decision No 47 of 31 October 1997 (available at www.cb-cda.gc.ca/unlocatable/licences-e.html).

²³ Section 77(2) *Copyright Act (Canada)*.

²⁴ Section 77(1) *Copyright Act (Canada)*.

²⁵ A list of the licences granted and refused, together with links to the reasoning in each decision, is available at www.cb-cda.gc.ca/unlocatable/index-e.html. As at 30 September 2006, 186 decisions were listed as having been made. Note, however, that some decisions relate to the same subject matter (for example, relating to altered licence conditions or for an extension of a licence previously granted).

constitute a “substantial part” of the material.²⁶

The process

In its online brochure for prospective applicants, the Board states that there is no set application form to be filled in, but that the Board will need certain information including, if available, the following:

- a description of the work (type, title, year of production, etc.);
- the names and nationalities of the creator (author, performer, producer, broadcaster, as the case may be), of the copyright owner and of the publisher;
- if the creator is dead, the date of death;
- how you intend to use the work. Be specific and provide as much detail as possible. For example, if you wish to include written material in a book, indicate the length of the text, that of the book, how it will be used and, if it is to be sold, the suggested retail sale price. If possible, provide a copy of the material to be used;
- how soon you plan to use the work and for how long;
- any information as to what royalties you are paying or have paid for similar uses of similar works;
- a detailed description of all efforts made to try to locate the copyright owner and the results. Provide copies of any relevant material, including any correspondence ...²⁷

We understand that there are no application fees payable for an application to the Board,²⁸ and that the Board is able to proceed both informally and promptly – the online brochure notes that the Board usually issues a decision “within 30 to 45 days”.

Conditions imposed on licensees

The Board generally directs that payment of royalties be made to “a copyright collective society that would normally represent the unlocatable copyright owner”. From the reported reasons for its decisions, it is clear that in many cases the Board determines the licence fee it will impose as a condition of a licence in consultation with the most relevant collecting society.

The online brochure from the Board notes that:

The Board allows the copyright collective society to dispose of the royalties as it sees fit for the general benefit of its members. The copyright collective society, however, undertakes to reimburse any person who establishes, within 5 years after the expiry of the licence, ownership of the copyright of the work covered by the licence.²⁹

²⁶ Note, however, that the first published decision from the Board established two general presumptions: that copyright subsists in the work which is subject to an application; and that the relevant creator owns copyright. The Board established this principle in response to an argument by an applicant that copyright in some of the subject artworks might have expired, and that the works could have been produced by staff members, rather than freelancers, so that the employer (the predecessor in title to the applicant) may have been the copyright owner: see the decision of 24 August 1990 in relation to File 1990-3. The Board stated that in reaching its decision it “drew inspiration” from the fact that similar presumptions exist in infringement proceedings: see the Board’s second decision in File 1990-3 of 15 February 1991.

²⁷ The brochure is available at www.cb-cda.gc.ca/unlocatable/brochurecov-e.html.

²⁸ Confirmed by an email from Lise St Cyr, Senior Clerk of the Copyright Board, received 28 March 2006.

²⁹ Available at www.cb-cda.gc.ca/unlocatable/brochurecov-e.html.

The reason for requiring payment of a licensing fee to a relevant collecting society was stated in the third published reasons for decision:

By requiring a licensee to pay the royalties fixed in the licence directly to a licensing body, that is, a society, association or corporation that carries on the business of collective administration of copyright for the benefit of copyright owners who have authorized it to act on their behalf, the Board enables the copyright owner to collect the royalties directly from the licensing body, as would an owner who is a member of the licensing body, rather than having to resort to the courts. As for the licensing body, it may acquire a new member if it hears from the copyright owner within five years of the expiration of the licence.³⁰

The Board in that case went on to state that, if no copyright owner surfaced to claim the money, “the licensing body can keep the amount of the royalties fixed in the licence as well as the accumulated interest, for the overall benefit of its members”. The Board did not, however, give a justification for this part of its decision.

From late 1998, licences issued by the Board have also generally been conditional on the applicant filing with the Board a receipt from the nominated collecting society for the amount determined by the Board. In many cases, the licence is also stated to be conditional on the relevant collecting society giving a written undertaking that it will abide by the stipulated conditions (namely, to pay the relevant sum to any copyright owner coming forward before the date specified in the licence).

Despite its general policy relating to the payment of a licence fee, the Board has in a number of cases made different orders. This has particularly been the case, for example, where no relevant collecting society exists (for example, in relation to licences for the use of architectural and engineering plans).³¹

Some general comments on applications considered by the Board

There are a number of possible conclusions one could reach from the comparatively small number of applications considered by the Copyright Board, and from the nature of the type of people and entities applying for licences:

- users are largely locating copyright owners, and only need to rely on the process infrequently;
- many people don’t use orphan works at all, or are happy to take a risk in using such works without applying to the Board for a statutory licence (perhaps, for example, they conclude that the level of exposure to risk from using an orphan work is less than the cost of going to the Board for a licence);³² and
- to the extent that people *do* rely on the process, it provides a useful safety-valve for more risk-averse people, who otherwise might not proceed with projects using orphan works.

³⁰ File 1990-4, decision of 10 June 1991.

³¹ Note, however, that in the first of the cases listed on its website (decisions 1 and 2 in the Appendix to this article), the Board stated that the applicant “should not be required to pay [a collecting society] for the use of a work unless the owner claims the copyright within five years of the expiration of the licence”.

³² As noted earlier, there are no fees imposed by the Board. However, there may be costs in preparing the relevant information to support an application, and in most cases the Board sets a licence fee which is payable to a relevant collecting society, whether or not the copyright owner ever comes forward to collect that fee. Note also that, in some cases, there may be a cost in terms of time. As noted earlier, however, the Board states that it usually issues a decision “within 30 to 45 days” from the date an application is lodged.

Japan

Article 67 of the Japanese Copyright Law states:

(1) Where a work has been made public, or where it is clear that it has been offered to or made available to the public for a considerable period of time, the work may be exploited under the authority of a compulsory license issued by the Commissioner of the Agency for Cultural Affairs and upon depositing on behalf of the copyright owner compensation the amount of which is fixed by the Commissioner as corresponding to an ordinary rate of royalty, provided that, after the due diligence, the copyright owner cannot be found for the reason that he is unknown or for other reasons.³³

Article 67 further provides that copies of relevant works must “bear an indication to the effect that the reproduction of these copies has been licensed in accordance with the provision of that paragraph and give the date when the license was issued”.

I have not been able to locate much information on how the procedure operates in practice. However, one Japanese commentator has noted that “there are very few examples [of people relying on it]” and that:

- (i) The procedures are complicated. In addition, criteria for necessary factual findings are not clear.
- (ii) Deposition of a compensatory fee which is the equivalent of a royalty is necessary, but the criteria for the amount is not clear, and it is difficult to assess. Furthermore, the procedure for making the deposit is itself complicated.
- (iii) As the decision provides a special legal status deriving from an administrative disposition, it is deemed not transferable, and it is difficult to use in a business environment.
- (iv) Copyright related rights are beyond its scope.³⁴

Nonetheless, the National Diet Library either has or is about to rely on the provision, having already digitised and made available online “digital images of our Meiji collections whose copyrights have expired under the title Digital Library from the Meiji Era”.³⁵ In relation to material in which copyright has *not* expired, the Library’s website notes:

Although the system is able to manage the copyrights page by page, we have been able to identify only about one-third of the copyright holders for 169,000 volumes. Thus we have begun to ask the public through our Web site to get in touch with copyright holders we have not yet discovered. If we cannot find, and get permission from, copyright holders, in the end we will need to apply for permission to the Director-General of the Agency for Cultural Affairs to clear the copyrights of those books.

United States

Until quite recently, registration of copyright with the Copyright Office, together with renewal of registration at the end of an initial 28-year term, played a large part in effectively minimising what was protected by copyright.³⁶ However, once the United States began to contemplate becoming

33 The translation of the Japanese provisions is taken from Y Oyama, et al, *Copyright Law of Japan* (Copyright Research and Information Center, Tokyo, December 2004) at 81.

34 Katsuya Tamai, “Facilitation of the Use of Digital Content – a Proposal for Legislation in Japan”, at 3-4 (available at www.atrip.org/upload/files/activities/utrecht2004/Katsuya%20Tamai.doc).

35 See www.rlg.org/legacy/preserv/diginews/diginews7-2.html#feature1.

36 See, generally, www.copyright.gov/circs/circ15.pdf. See also http://cyberlaw.stanford.edu/about/cases/kahle_

a party to the Berne Convention, which requires member States to grant copyright protection without any formalities, it became necessary for it to abandon formalities as they had hitherto operated.³⁷

This abandonment still resonates in current US discussions about orphan works, as demonstrated in the following extract from a 2004 brief in a case which is challenging the removal of formalities:

For the first 186 years of our Republic, copyright laws established an “opt-in” system, one in which copyrights were secured only to those who took steps to claim them. In 1976 and 1989, Congress inverted this regime, transforming copyright law into an “opt-out” system, one in which rights are granted automatically and indiscriminately unless disclaimed. ...

In a series of statutes over a relatively short period of time, Congress shifted copyright from an opt-in to an opt-out regime, by removing from our law a core set of copyright formalities. These formalities, including (1) registration, (2) notice, and (3) renewal (hereafter, “opt-in formalities”), were required of copyright owners for them to secure initial, and continued, copyright protection. ...

The removal of formalities utterly changed the nature and reach of American copyright law. For 186 years of the American Republic, the purpose and effect of these opt-in formalities was to narrow the reach of copyright law to those works that had a continuing copyright-related interest. Given the limits that these opt-in formalities placed on the reach of the law, copyright burdened relatively few creative works, and hence burdened very few beyond commercial creators. The law thus left essentially unburdened archivists, preservationists, libraries, and non-commercial creators.

But by stripping out copyright’s opt-in formalities, Congress has reversed this traditional pattern Works today that have no continuing commercial use, but continue under the regulations of copyright, are effectively orphaned by the current regime.³⁸

According to some estimates, the net effect of the system as it operated under the “opt-in” system was that some 50% of published material was never protected by copyright at all because of failure to comply with formalities, while copyright in only about 15% of items registered with the Copyright Office was renewed.³⁹ Essentially, it is argued, there were no orphans prior to 1976.⁴⁰

It should also be noted that the constitutional justification for copyright law in the United States – “to promote the Progress of Science and useful Arts” – is quite different to the justifications which permeate discussion of copyright in other jurisdictions. For example, in continental European thinking, natural rights theories are particularly strong, while in other English-influenced systems there is a strong underlying notion of fairness: “It is certainly not agreeable to natural justice that

v_ashcroft.shtml

37 The United States did not become a party to the Berne Convention until 1989, but the 1975 amendments essentially removed registration as a prerequisite for copyright protection in published material. By way of contrast, both Australia and Canada became, in their own right, a party to the Berne Convention in 1928, while Japan had become a party in 1899.

38 Authored by Larry Lessig, Jennifer Grannick and Chris Sprigman. The application was dismissed in the District Court at the motion of the government – *Kahle v Ashcroft* 2 USPQ2d 1888 (2004) – but is on appeal before the United States Court of Appeal for the Ninth Circuit: see, generally, cyberlaw.stanford.edu/about/cases/kahle_v_ashcroft.shtml. See also Christopher Sprigman, “Reform(aliz)ing Copyright”, Research Paper No 88, August 204, available via <http://ssrn.com/abstract=578502> (published citation: (2005) 56 *Stanford Law Review* 485) and the comments of Lessig at www.lessig.org/blog/archives/002401.shtml.

39 See Sprigman, *ibid.*, at 35 of draft article at SSRN. Sprigman also notes, *loc. cit.*, that renewal rates for certain categories of material, including books and visual art works, was often much lower.

40 This is implicit in the above quote from the brief authored by Lessig, Grannick and Sprigman.

a stranger should reap the beneficial pecuniary produce of another man's work".⁴¹

How foreign such notions are to much contemporary US thought on copyright – which is unadornedly functionalist – is clearly exemplified in the following quote from a US professor of law:

The primary purpose of copyright is not, as many people believe, to protect authors against those who would steal the fruits of their labor ... this misconception, repeated so often ... poses serious dangers to the core purpose that copyright law is designed to serve ...⁴²

Further, the predominance of the functional approach in US discussion leads to a much greater concern that copyright not impede the creation of "derivative works". This concern is particularly evident in relation to whether or not a particular use of copyright material is "fair use". It is in this light that, in the United States, the fact that the orphan status of a work may prevent the creation of new works seems to carry a particular resonance.

The intellectual and cultural milieu in which the orphan works issue is discussed in the United States, then, is quite different to that which has been traditional in Australia or in either Canada or Japan.

One of the fundamental legal points, however, that is common across the jurisdictions is that, unless an exception applies, a permission from the copyright owner must be obtained. The United States does have the "fair use" exception. However, it is quite clear that "fair use" is not available as a defence merely because the owner of copyright in that material cannot be identified and/or located.⁴³ There are, nonetheless, some provisions in current US copyright legislation which specifically deal with situations where the owner of copyright is not known. As discussed below, however, these are currently very limited.

In addition, the orphan works issue is being approached both through litigation and legislative reform.

Current provisions in US law dealing with unknown copyright owners

Section 108(h) of the US Copyright Code has "sometimes been referred to as an 'orphan works' provision".⁴⁴ That section provides as follows:

(h)(1) For purposes of this section, during the last 20 years of any term of copyright of a published work, a library or archives, including a nonprofit educational institution that functions as such, may reproduce, distribute, display, or perform in facsimile or digital form a copy or phonorecord of such work, or portions thereof, for purposes of preservation, scholarship, or research, if such library or archives has first determined, on the basis of a reasonable investigation, that none of the conditions set forth in subparagraphs (A), (B), and (C) of paragraph (2) apply.

(2) No reproduction, distribution, display, or performance is authorized under this subsection if:

41 *Millar v Taylor* (1769) 4 Burr 2303, 98 ER 201 per Willes J at 2334. See also the cases cited by S Ricketson, *The Law of Intellectual Property: Copyright, Designs & Confidential Information*, 2nd ed. (revised), loose leaf service (Lawbook Co, Sydney, 2002)

42 Lydia Pallas Loren, "The Purpose of Copyright" Vol 2 No 1 *Open Spaces*, available at <http://open-spaces.com/article-v2n1-loren.php>.

43 Copyright Office, *Report on Orphan Works* (January, 2006) www.copyright.gov/orphan/orphan-report-full.pdf at 55.

44 Copyright Office, *Report on Orphan Works*, *ibid.*, at 45.

- (A) the work is subject to normal commercial exploitation;
- (B) a copy or phonorecord of the work can be obtained at a reasonable price; or
- (C) the copyright owner or its agent provides notice pursuant to regulations promulgated by the Register of Copyrights that either of the conditions set forth in subparagraphs (A) and (B) applies.

The provision was enacted as part of the Sonny Bono Copyright Term Extension Act of 1998, in part to counter difficulties in relation to orphaned material. However, as can be seen, the scope of the section is quite limited: it only applies in relation to previously published material which has begun its last 20 years of copyright protection, and then only to use of such material by libraries for “preservation, scholarship, or research”.

There is another provision in the Copyright Act – section 115(b)(1) – and two provisions in the US Code of Federal Regulations relating to copyright – §260.7 and §253.9 – which relate to situations where copyright owners are unknown, but these are really just administrative provisions relating to other, more general, exceptions.⁴⁵

The Orphan Works Bill

At the time of writing, a Bill amending US copyright law – the Orphan Works Act of 2006 (HR 5439) – was working its way through the US legislative process.⁴⁶ The Bill follows a 2005 inquiry by the Copyright Office as to whether or not US law should be amended in light of difficulties faced by people wanting to use orphan material.⁴⁷

Essential features of the Bill are:

- a limitation on remedies for infringing use, rather than a complete defence to an infringement claim;
- the limitation applies in the event that the person who has used the orphan material without permission can show that he or she (or a person acting on his or her behalf, or a person who is jointly and severally liable with him or her for the infringement) “performed and documented a reasonably diligent search in good faith to locate the owner of the infringed copyright”, and that this search was unsuccessful;⁴⁸
- the “reasonably diligent search” is undertaken before the infringing use begins;

⁴⁵ Section 115(b)(1) provides that notices of intention to make a sound recording of a non-dramatic musical work under the compulsory licence in that section can be filed with the Copyright Office, in the event that Copyright Office records don’t identify the copyright owner in the relevant musical work, and the address to which the notice can be sent.

The first of the regulations (§260.7) relates to certain types of digital transmissions and the making of “ephemeral phonorecords”, and provides that monies paid to collecting agents be kept in segregated trust accounts for three years, after which the material may be used to offset any costs related to licences under section 114(g)(3) of the Act. The second (§253.9) relates to royalty payments for the inclusion of copyright material in broadcasts of non-commercial educational programs by public broadcasters, where the identity of the copyright owner is unknown.

⁴⁶ The text of the Bill is available at www.copyright.gov/legislation.

⁴⁷ The text of the Copyright Office report, together with submissions and the transcripts of roundtable conferences on the issue, is available from the website of the US Copyright Office, at www.copyright.gov/orphan.

⁴⁸ The Bill therefore does not take up a suggestion made in submissions to the Copyright Office that people be able to “ride on the coat tails” of someone else who has made the relevant enquiries: see a summary of such submissions in the Copyright Office report, *op. cit.*, at 78-79.

- attribution “in a manner reasonable under the circumstances” is given to the author and owner of the copyright, “if known with a reasonable degree of certainty based on information obtained in performing the reasonably diligent search”; and
- the provision applies both in relation to published and unpublished material.

The Bill was “marked up” by the US House of Representatives subcommittee on 24 May 2006 and referred to the House Judiciary Committee.⁴⁹

The nature of a “reasonably diligent search”

The Bill provides that a search:

- will be “reasonably diligent” only if it includes steps that are reasonable under the circumstances to locate the relevant copyright owner in order to obtain permission;
- is not “reasonably diligent” solely by reference to the lack of identifying information with respect to the copyright on the copy or phonorecord of the work; and
- includes the use of “reasonably available expert assistance and reasonably available technology”.⁵⁰

The Bill further provides that the Copyright Office “shall receive, maintain, and make available to the public” information from “authoritative sources, such as industry guidelines, statements of best practices, and other relevant documents” to assist people in making searches which are “reasonably diligent”, and that such information may include not only relevant Copyright Office records, but also other sources of copyright ownership information “reasonably available to users”; “methods to identify copyright ownership information”; “sources of reasonably available technology tools and expert assistance”; and information relating to best practice.

The limitation on remedies

Under current US law, a court may award a range of remedies in the event of an infringement, including statutory damages. The ability of a court to award statutory damages relieves a plaintiff from having to demonstrate actual loss (for example, by reference to how many infringing copies were made). Statutory damages can be exceptionally high: they can range between \$750 and \$30,000 per work, but where a plaintiff can show wilful infringement, they can be up to \$150 000 per work.⁵¹

The Bill proposes that, in the case of orphaned material, if the infringer is able to demonstrate that a “reasonably diligent search” was undertaken:

⁴⁹ In its *Simplification* report, the CLRC stated that it had considered (and rejected) a similar proposal relating to orphan works – to allow only the awarding of damages, not injunctions, in the event of an infringement of copyright in an orphan work: CLRC, *Simplification of the Copyright Act 1968: Part 2*, op. cit., at 124. While rejecting the proposal, the CLRC (at 125) did nonetheless recommend that the government consider whether or not such a scheme “would be feasible in Australia”.

For the sake of completeness, the CLRC also stated that it had considered (and rejected) the creation of a registry of orphan works (that is, of works which people had used, but for which they could not identify or locate copyright owners).

⁵⁰ The Bill further provides that, “if reasonable under the circumstances”, such assistance and technology includes “resources for which a charge or subscription fee is imposed”.

⁵¹ Section 504 of the US Copyright Law. Note that there is no equivalent provision under Australian law.

- a court would only be able to award “reasonable compensation”;⁵²
- neither actual damages nor statutory damages could be awarded;
- “full costs” (including a “reasonable attorney’s fee”) could only be awarded in the event that the person or organisation which has undertaken the “reasonably diligent search” has failed to “negotiate in good faith with the owner of the infringed work regarding the amount of reasonable compensation” which is payable.

The Bill also proposes that:

- before granting any injunctive relief, a court must take into account “any harm that the relief” would cause to the person who has used the orphaned material; and that
- where someone “recasts, transforms, adapts or integrates” the orphaned material into a “new work of authorship”, an injunction not be available if the infringer “pays reasonable compensation” and provides attribution “in a manner that the court determines is reasonable under the circumstances”.

Proposed commencement date

The Bill proposes that the amendments apply only for infringing uses commencing on or after 1 June 2008. Presumably, the delayed operation of the amendments is to allow the Copyright Office and interested parties time to create the “best practice” statements and industry guidelines which are referred to in the Bill, and which will form the basis of an assessment as to whether or not a particular person or organisation has undertaken a “reasonably diligent search” for a copyright owner.

Other matters

The Bill proposes that, not later than 12 December 2014, the Register of Copyrights report on the operation of the amendments to the Committee on the Judiciary in both the House of Representatives and the Senate.

The Bill also proposes that the Register of Copyrights conduct an inquiry, including public roundtables, into remedies for “small copyright claims”, including “consideration of alternatives to disputes currently heard in the US district courts”. This part of the Bill seems to be derived from concerns raised by photographers during the orphan works inquiry.⁵³

Kahle v Ashcroft

In early 2004, two digital archivists, Brewster Kahle of the Internet Archive and Rick Prelinger of the Prelinger Archives (hosted on the Internet Archive), filed a complaint in a US District Court, asking the court to declare that copyright restrictions on orphan works, resulting from

52 The Bill proposes that the copyright owner have the onus of establishing what amount constitutes “reasonable compensation”, by reference to the amount on which “a reasonable willing buyer and a reasonable willing seller in the positions of the owner and the infringer would have agreed with respect to the infringing use of the work immediately before the infringement began”.

53 Submission of the Professional Photographers of America, to the Copyright Office study on orphan works, at 11–13 (available at www.copyright.gov/orphan/comments/OW0642-PPA.pdf). This issue was also considered by an oversight hearing of the House of Representatives Committee on the Judiciary (Subcommittee on Courts, the Internet, and Intellectual Property) on 29 March 2006: see <http://judiciary.house.gov/OverSight.aspx?ID=226>.

the removal of formalities for copyright protection, are unconstitutional.

The case was dismissed, but is currently on appeal (as *Kahle v Gonzales*) to the United States Court of Appeal for the Ninth Circuit.⁵⁴

The Public Domain Enhancement Bill

The Public Domain Enhancement Bill was introduced into the US House of Representatives in June 2003 as House Bill 2601 for the United States 108th Congress, and reintroduced as House Bill 2408 for the 109th Congress in May 2005.

Essentially, the Bill provides that, in order to take advantage of extended periods of copyright duration, US copyright owners be required to register their copyright with the Copyright Office 50 years after first publication, and then re-register every ten years thereafter until the end of the copyright term. The Bill also provides that a six month “period of grace” apply in the event that the copyright owner fails to register by the 50th anniversary of publication.

The purpose of the Bill has been stated as providing “a test by the government to see if the copyrighted work is commercially viable or otherwise important to the copyright holder”: those works which are not registered (or renewed) would fall into the public domain, while the registration requirement would “also provide for a simple and comprehensive registry that will make it easier for potential users to identify copyright holders”.

I understand that the Bill was referred to the House Subcommittee on Courts, the Internet, and Intellectual Property in July 2005 but has yet to win support in the Congress.

Current Australian law

The current Australian Copyright Act contains some provisions which deal with situations in which a copyright owner is either not known or cannot be found.⁵⁵

Section 52: old unpublished works

Section 52 of the Copyright Act provides a procedure for old unpublished “works” to be published in cases where the owner of copyright is not known.⁵⁶

In some ways, however, the provision is not really an orphan works provision at all, as it applies in cases where the copyright owner is simply not known to the publisher: the section does not require that the publisher be *unable* to identify or locate the copyright owner, and does not even appear to require the publisher to actively *attempt* to identify or locate the copyright owner(s).

54 *Kahle v Ashcroft* 72 U.S.P.Q.2d 1888 (2004). For comment on the progress of the case, and access to the various briefs filed by the parties, see http://cyberlaw.stanford.edu/about/cases/kahle_v_ashcroft.shtml and www.oreillynet.com/pub/a/policy/2004/05/06/kahleversusashcroft.html.

55 In addition to the provisions discussed in this section, there are some instances in which the fact that a work is an orphan may affect the procedure to be followed in the event that an exception is relied upon. This is the case, for example, in relation to notification of copyright owners under section 183; and the making of cover versions of musical works under section 55.

56 Note also that section 51 allows the copying and communication of an old unpublished work for people wanting a copy for research or study, and for people who want to publish the material. Section 110A similarly provides for the copying of old unpublished sound recordings and films held in libraries or archives, but there is no provision similar to section 52 that permits the actual publication of the relevant recording or film.

From a number of the submissions to the fair use inquiry, it appears that some collecting institutions may be unaware of the potential for exploiting this section in relation to older material in their collections, and that institutions could perhaps make better use of the procedure.⁵⁷ That said, it must be acknowledged that the provision has a number of limitations.

First, there are limitations on the type of material in relation to which the exception may be relied upon:

- the provision is only available in relation to unpublished works;
- there is no comparable provision for audio or audiovisual material;
- the material must have been created by someone who died more than 50 years before the calendar year in which the person seeks to rely on the provision;
- as a consequence, the provision can be difficult to rely upon if the creator is unknown, or if it can't securely be established that the creator died more than 50 years before the provision is to be relied upon;
- the provision only applies to material held in libraries or archives and which is accessible to the public (although this can include accessible material held in galleries, museums and corporate collections).⁵⁸

Second, there are limitations relating to the use of the material:

- the provision can only be invoked where the material is published as part of a new work;⁵⁹
- the provision does not allow the work to be "adapted" (for example, by making an arrangement of an old unpublished piece of music, or by translating an old unpublished text);⁶⁰ and
- while the provision covers the rights to publish and reproduce the relevant work, it is in our view extremely doubtful that the provision would allow, for example, web publication as a first method of publication.

Third, once the work has been published in reliance on the section, there are *some* situations in which the work may be further used without infringing copyright, but these are reasonably limited in scope.⁶¹

- the work may be broadcast and performed in public;

57 See, for example, the submissions to the fair use review by the CICI and the Australian War Memorial (at 3), where references are made to particular situations where difficulties with copyright are stated to prevent certain uses being made of material. However, sections 51 and 52 would appear, at least at first blush, to be available to allow the copying and publication of the material.

58 Note also that a "library" can rely on the provision whether it is run for profit or not, but that only an archive which is not run for profit may rely on the provision: this results from definition (b) of "archive" in section 10(1), in conjunction with section 10(4).

59 This can, however, in many cases be addressed by publishing the old work with an introduction or preface, for example, or perhaps even just an index.

60 For the reasons explored by the High Court in *Avel v Multicoin Amusements* (1990) 18 IPR 443, the notion of "publication" in section 52 does not appear to be governed by the definition in section 29. Section 52 was not amended by the Digital Agenda (Amendment) Act 2000, so in our view the meaning of "publication" in section 52 would not be interpreted to include any part of the communication right.

61 Section 52(3).

- a “record” may be made of the work; and
- the work may be transmitted electronically (other than in a broadcast) but only “for a fee payable to the person who makes the transmission”.

Unless another exception applies, however, the work may *not* be included, for example, on a free website or on an intranet; in a movie or documentary; or in a subsequent publication other than a new edition of the publication in which it was initially published.

Sections 54–61: recording musical works

Sections 54 to 61 provide for a statutory licence to record musical works which have already been commercially released. The provisions are not often relied upon because, in practice, a parallel and far simpler voluntary procedure operates in the Australian music industry, administered by APRA/AMCOS.⁶² The APRA/AMCOS procedure is generally referred to as either the “mechanical licence” or the “cover version licence”.

However, the provisions in the Act are still relevant where APRA and/or AMCOS do not represent the owner of copyright in the relevant music and/or lyrics for the purposes of the licence. This can be the case as a matter of choice on the part of the relevant music publisher or copyright owner (a choice made by a number of publishers operating in the Christian music field) or as a result of a work having become orphaned.

The essential features of the statutory licence are:

- that the relevant song has already been commercially released, either in Australia or in another Treaty country;
- the person relying on the scheme intends to make the “record” he or she is making under the licence for retail sale;
- the relevant prescribed notice has been given to the relevant copyright owner(s); and
- the relevant “prescribed royalty” is paid to the owner of copyright in the music and any associated lyrics.

The relevant regulations provide that, if the person wanting to rely on the statutory licence “does not know the name, or an address for service in Australia” of the relevant copyright owner(s) or any relevant agent, a notice can be published in the *Government Gazette*.⁶³ Further, if a relevant name and address cannot be found “by reasonable inquiry” the royalty payments can be deposited into a dedicated bank account, where they are to be kept for a minimum six-year period.⁶⁴

Section 113C: owners of copyright in sound recordings

Section 113C has some kinship to an orphan works provision. It was introduced as part of the amendments giving performers co-ownership of copyright in sound recordings and came into effect on 1 January 2005.

⁶² AMCOS is authorised by its publisher members to offer the licence; unsigned songwriters and composers, however, can authorise APRA to represent them for the purposes of the licence. For further information on the licence generally, see www.apra.com.au.

⁶³ Regulation 7.

⁶⁴ Regulation 12. This regulation sets out the procedure if the owner of copyright is found before the end of the six-year period.

The section provides for how a person (the “first owner”) who previously owned the entire copyright in a sound recording may deal with that copyright in the event that, after making reasonable inquiries, he or she cannot discover the identity or location of another owner (that is, a performer).

Section 34: duration of copyright in anonymous & pseudonymous works

While not an orphan works provision as such, section 34 has a role in delivering certain types of material into the public domain earlier than otherwise might be the case.⁶⁵

As amended by the *US Free Trade Agreement Implementation Act* (2004), the section provides that if the first publication of a work is anonymous or pseudonymous, and the creator is not generally known or cannot be ascertained by “reasonable inquiry”, copyright continues to subsist until 70 years after the end of the year in which the work is first published, rather than 70 years after the year in which the relevant creator dies.

However, there is no similar provision for anonymous or pseudonymous material that has *not* been published.

Section 195AR: defence to an infringement of the attribution right

Section 195AR lists “any difficulty or expense that would have been incurred as a result of identifying the author” of a work or film as a factor to be taken into account in determining whether or not a failure to attribute a creator was “reasonable” in any particular set of circumstances.

Section 219: compulsory licence relating to some types of material published before 1 May 1969

Section 219 of the Act preserves a statutory licence which operated until 1 May 1969 as a “proviso” to section 3 of the Copyright Act 1912 – the legislation which preceded the current Copyright Act.⁶⁶

The essential features of the provision are as follows:

- the material was published before 1 May 1969;
- a certain period of time has elapsed since the creator or creators died;⁶⁷
- the person relying on the provision has notified the copyright owner of his or her intention to reproduce the work; and
- the person relying on the provision pays a 10% royalty on all copies sold (the royalty

⁶⁵ The provision applies whether the copyright owner is known or not – a different matter from whether or not the relevant creator is known for the purposes of applying the general duration provisions. Note that there is no similar provision in relation to “other subject matter” because duration of copyright for such material is already generally measured from the end of the year of first publication.

⁶⁶ Section 3 of the 1911 Act dealt with the duration of copyright – life of the author plus fifty years.

⁶⁷ Generally, 25 years from the end of the year the creator died, but 30 years in the case of relevant works created before the 1911 Act came into operation. (Note that section 219(4) sets out how to determine the relevant period in the event that the material is a work of joint authorship.)

A deeming provision operates in relation to certain works not “published” or performed during the lifetime of the relevant creator or creators: section 219(5). The effect of this subsection is to extend the 25 or 30-year period to 25 or 30 years from the end of the year the relevant work is first published or performed.

being calculated by reference to the published price of the material).

For the purposes of section 219, regulations 38 to 42 of the Copyright Act 1912–1966 still operate. These set out the matters which need to be included in the notice to the copyright owner, and how payment is to be effected (generally, by the purchase from the copyright owner of adhesive labels showing that the royalty has been paid).

Importantly, for the purposes of this article, in cases where the name and address of the copyright owner or his or her agent “are not known and cannot, with reasonable diligence, be ascertained”, the regulations provide that the notice can “be advertised in the *Gazette*”, and that royalties “shall be a debt due by the person reproducing the work to the owner of the copyright”. In these cases, the person relying on the section must “keep an account of all ... copies sold” and would be required to pay the copyright owner the amount owing in the event that he or she made a claim.

The limitations built into the section include that it does not apply:

- to any material first published on or after 1 May 1969;
- to audio or audio visual material; or
- to any use of material other than by way of reproduction, and therefore is not available if material is to be used online, or in public screenings or performances, or in translations or arrangements.

The Spicer Committee recommended the repeal of the procedure in order that Australia be able to ratify the Brussels Convention (an international convention revising the Berne Convention).⁶⁸

Approaches put forward for Australia

Many of the submissions to the 2005 fair use inquiry urged the government to amend the Copyright Act to deal with orphan material.

It must be recognised that the focus of the inquiry was fair use, not orphan works, and that people with views in relation to orphan works may not as yet have put their views to the government. A review of orphan works would no doubt allow those people to put forward their views, as well as taking into account submissions to the fair use inquiry.

Nonetheless, from the views put forward to date, four basic approaches can be identified:

- a new defence to infringement where a person who used an orphaned work had made “reasonable enquiries” to ascertain the identity and location of the copyright owner;
- a procedure whereby a court or administrative body could grant licences for particular uses of orphan works on a case-by-case basis;
- an “extended licensing” model, whereby licences offered by collecting societies be deemed by legislation to extend to the use of all similar material unless that copyright owner has informed the collecting society to the contrary;⁶⁹ and

⁶⁸ Report of the Committee Appointed by the Attorney-General of the Commonwealth to Consider What Alterations are Desirable in the Copyright Law of the Commonwealth, AGPS, Canberra, 1965, at para 38.

⁶⁹ This model was noted by the CLRC in its simplification inquiry, and is purportedly based on Scandinavian legislation: CLRC, *Simplification of the Copyright Act 1968: Part 2*, op. cit., at 124.

- a “specific defence of fair dealing with orphaned works”.⁷⁰

In the following sections, I briefly comment on each of these approaches. I then discuss what I see as core issues which need further consideration.

The “reasonable enquiries” defence

A “reasonable enquiries” defence was put forward by the ADA as part of its submission to the fair use inquiry. The ADA proposed that the Act be amended to provide a non-remunerable exception to infringement in the event that:⁷¹

- the author of a work is unknown;⁷² and
- the user has made “reasonable efforts” to locate and notify the copyright owner.⁷³

The ADA submitted that people relying on the defence be required to use a prescribed form of notice “on or in close proximity to any copy of the work made, inviting the rights holder to contact the institution”.⁷⁴

The ADA also submitted that industry practice should form the basis of any “reasonable efforts” test and that, apart from the use of the prescribed form of notice, there be no additional administrative requirements such as any obligation to advertise the use of the work within a certain time frame prior to the use.⁷⁵

The CICI submission endorsed the ADA proposal, but submitted that “such an exception must be balanced against the interests of copyright owners and only apply to ... non-commercial uses of a work”.⁷⁶

A procedure for granting specific licences

This proposal also requires a user to make “reasonable efforts” to identify and locate the copyright owner, but does not allow the use of the work unless a court or administrative body determines that such efforts have been made. In addition, the user may have to pay a licence fee, which the copyright owner could claim if discovered within a period of time (such as six years). This approach approximates to the Canadian model.⁷⁷

⁷⁰ ABC submission to the fair use review at 16.

⁷¹ ADA submission to the fair use review at 10.

⁷² We suspect that the ADA means where the **copyright owner** is unknown, because otherwise its proposal would relate only to anonymous works.

⁷³ Presumably, the ADA intended to refer to more than merely **notifying** the copyright owner, because where the copyright owner can be identified and located, a licence would generally need to be negotiated.

⁷⁴ ADA submission to the fair use review at 11. Note that the submission principally discusses the issue from the point of view of collecting institutions.

⁷⁵ ADA submission to the fair use review at 11. As noted in my discussion of current provisions which operate by way of orphan works provisions, an obligation to publish a notice in the Commonwealth *Government Gazette* about a forthcoming use of a work is required where a person or organization wants to rely on section 52.

⁷⁶ CICI submission to the fair use review, at 40. See also the submission to the fair use review by the Council of Australian University Libraries (CAUL), at 7.

⁷⁷ The constitutional consideration relates to whether or not a determination that a person has made “reasonable enquiries” is a judicial determination. It is not clear to me that such a determination is in fact something that only a court could decide under Australia’s federal constitution: cf the need for Shepherd J in *Thomas v Brown* (1997) 37 IPR 207 to sit as a Federal Court judge, rather than as President of the Copyright Tribunal, in making findings concerning who was the author of the Aboriginal flag. The determination of this issue was, in that case, a fundamental issue going to the jurisdiction of the Tribunal.

The Australian Copyright Council submission to the fair use inquiry suggested the introduction of such a mechanism, with jurisdiction conferred on the Federal Magistrates' Court or the Copyright Tribunal.⁷⁸

An extended licensing approach

Copyright Agency Limited (CAL) submitted that a scheme be implemented whereby the scope of voluntary licences offered by collecting societies be given extended operation "by a specific provision providing that the copyright user could assume that a work was included in a collective licence scheme unless told otherwise".⁷⁹ Copyright owners who did *not* want to be included as part of such an extended licence could rely on an opt-out mechanism – such as notifying the relevant collecting society.⁸⁰ In its submission to the fair use inquiry, CAL stated that:

The underlying thinking for this proposal is that if a significant proportion of copyright owners in a particular class of works agree to participate in a collective management scheme, then that scheme would be consistent with the expectations of other copyright owners in that particular class.⁸¹

Alternatively, CAL submitted:

Another option could be to limit the damages payable by a collecting society to a non-member copyright owner for authorising copying of their works under a collective licence to the licence fees that would otherwise have been payable for the copying. The limitation would only apply if the work were in the same *class* of works as the works actually licensed by the collecting society.

A further alternative is if a collecting society wanted the scope and terms of any licence scheme to be extended in this way that they could refer the licence scheme to the Copyright Tribunal to review. The Tribunal could then hear evidence, advertise the reference, vary the licence scheme if necessary and decide whether to grant the exception. This would provide an impartial forum for assessing the merits of any particular situation.⁸²

A "fair dealing" approach

The ABC submitted to the fair use review that a "fair dealing" approach be adopted in relation to the use of orphan material. The submission did not, however, elaborate on how such an approach might operate in practice. It should be noted, however, that the current fair dealing provisions are founded on two points:

- fairness; and
- a particular purpose for which the material is used.

⁷⁸ Australian Copyright Council, *Response to Issues Paper on Fair Use*, June 2005, at 8, available from its website at www.copyright.org.au.

⁷⁹ The CLRC's *Simplification* report, op. cit., refers to "extended collective licensing" under Scandinavian legislation. Note, however, that under provisions such as section 38b of the Norwegian *Act Relating to Copyright in Literary, Scientific and Artistic Works etc* 1961 and Article 26i of the Swedish *Act on Copyright in Literary and Artistic Works* 1960, the extended licence applies in the context of quite specific and narrow statutory licences (such as educational use and various broadcast uses of material). We understand that CAL's proposal, on the other hand, is that an extended licence apply to all voluntary licences offered by collecting societies.

⁸⁰ CAL, submission to the fair use review, at paras 69 and 70. Note that such a proposal was also raised by CAL in supplementary comments by CAL to the CLRC simplification reference, in a letter to the Committee dated 21 July 1998 at 6–7.

⁸¹ CAL submission to the fair use review, at para 69.

⁸² CAL submission to the fair use review, at paras 71-72.

The difficulty facing someone wanting to use an orphan work, however, relates not to the *purposes* for which they want the work, but to its *status* as an orphan – a quite different matter. It is therefore not clear how a “fair dealing” approach would operate in practice. The ABC may elaborate on its suggestion in any further submissions it may make on the orphan works issue. On the other hand, one might speculate that the ABC suggested a “fair dealing” approach as a way of fitting its concerns over orphan works into the context of “fair use”.

It should also be noted that, under US law, it is not “fair” to use something merely because the copyright owner cannot be identified or located.⁸³ It may therefore be necessary for any fair dealing provision along the lines suggested by the ABC to include criteria by which “fairness” could be evaluated. Presumably, whether or not a certain level of investigation or evaluation has been undertaken to identify or locate the copyright owner would be a key component of an orphan works provision based on “fair dealing”. If so, such an approach is likely to look like the first approach outlined above, the “reasonable efforts” approach.

Issues for further consideration

Is there a need for a legislative mechanism dealing with orphan works at all?

In Part 2 of its *Simplification* report, the CLRC noted a number of arguments supporting the introduction of a legislative mechanism within the Copyright Act to deal with orphan works:⁸⁴

- the lack of a mechanism creates practical problems for obtaining approval for the use of copyright material and making payment for its use;
- the electronic delivery and creation of copyright material can be expected to result in an increase in the number of cases where the copyright owner cannot be identified or located;
- a lot of time and money are expended by the users of copyright materials, trying unsuccessfully to locate copyright owners unrepresented by copyright collecting agencies, or other licensing bodies;
- the introduction of a mechanism would allow the freeing of access to valuable copyright material that presently cannot be accessed because to do so would constitute a breach of copyright; and
- the introduction of a mechanism would allow for the saving of costs associated with searching beyond what would reasonably be required to satisfy the reasonable search standard specified in the mechanism.

On the other hand, the CLRC noted a number of arguments against having any mechanism within

⁸³ Compare the comment in the IPRIA/CMCL submission to the fair use review, at 39, that “fair use would not entirely resolve the issue of orphan works, but would represent an important step in that direction” which, in light of the US Copyright Office comments, is clearly incorrect.

⁸⁴ CLRC, *Simplification of the Copyright Act: Part 2*, op. cit., at 122. Not all of these are logically cogent: for example, it is not clear why the delivery and creation of material in electronic form would necessarily lead to an increase in the number of orphaned works; and the comment that orphan works cannot currently be accessed conflates the issues of access, *per se* and exploitation by third parties other than under an exception to infringement.

the Copyright Act to deal with orphan works:⁸⁵

- a fear that such a mechanism would be an invitation to infringe copyright after inadequate enquiries;
- any statutory licence would be a fundamental change to the nature of copyright, altering an exclusive right to a “mere right of remuneration”, and would be contrary to the Berne Convention;
- poorly known copyright owners may find that the only way to enforce their rights would be through the membership of large groups, such as collecting societies, which facilitate their identification. This may effectively empower collecting societies with a monopoly over the enforcement of copyright holders’ rights.

As far as I am aware, none of those submissions to the fair use review which addressed the issue of orphan works argued *against* the introduction of a mechanism. Presumably, if people do oppose an orphan works mechanism being introduced into the Copyright Act, they will make their opposition known in submissions to the orphan works review.

What principles should guide any legislative solution?

In the first part of this article, I discussed how the fact that material is orphaned can present difficulties to potential users and therefore “losses” to society more generally – difficulties and losses which, it is contended, may not be matched by any corresponding benefit to copyright owners. It is important, therefore, to be clear about the principles that should guide, shape and limit any legislative solution.

One touchstone is to clearly define the purpose for which any solution is devised. I was particularly alerted to this issue by the comments of one participant in the orphan works roundtable meetings convened by the US Copyright Office, and the responses to those comments: the Record Industry Association of America (RIAA) representative commented that the aim should not be to allow users to just use works, but to facilitate putting users in contact with owners.⁸⁶

Others, however, noted that any orphan works provisions or process essentially should have a two-fold purpose:

One is to make the existing system work better by helping users and owners to get together. The other objective is to create a safety valve for users that genuinely cannot find an owner so that they can use a work ...⁸⁷

⁸⁵ CLRC, *Simplification of the Copyright Act: Part 2*, op. cit., at 123. The CLRC notes that submissions arguing against the introduction of an orphan works mechanism included the submissions of the Australian Publishers Association and some collecting societies, with notes of caution coming from both the Law Council of Australia and Telstra Corporation. The quote in the second bullet point of the quoted list is cited as being from the Telstra submission.

⁸⁶ Interestingly, the Copyright Office’s report (op. cit., at 92) indicated that, in many cases, copyright owners were indeed found:

The Authors Guild presented results of a survey of authors indicating that around 89% of respondents “Never” or “Rarely” encountered an orphan works situation. (R135) Nevertheless, around 65% of respondents agreed that a legal provision to address the orphan works situation would ease their work as a writer, with less than 7% disagreeing with that statement. Carnegie Mellon University Libraries (537) conducted a study involving requests for permissions to digitize the books in its collections and found that copyright owners could not be located for about 22% of the books in the sample.

⁸⁷ Comments of Fritz Attaway, from the Motion Picture Association of America, during the Copyright Office’s

Another touchstone – again prompted by comments during the same roundtable – is derived from properly defining the nature of the problem: is the problem “orphan works”, or “orphan uses”?⁸⁸ In other words, should any legislative solution be directed towards *any* otherwise infringing use of works identified as orphaned, or only towards particular uses where a particular social benefit is identified?⁸⁹

In addition, international obligations must guide any legislative amendments. In particular, Australia is under an obligation under both the Berne Convention and TRIPS to ensure that, generally, any exception to the rights of copyright owners:⁹⁰

- is limited to special cases;
- does not prejudice the normal exploitation of the work; and
- does not unreasonably prejudice the legitimate interests of the creator or copyright owner.

This test – generally referred to as “the three-step test” – provides guidance both as to the scope of any permissible exception and its particular shape.⁹¹

The submission from the Copyright Advisory Group of the Ministerial Council on Education, Employment and Youth Affairs (CAG) to the fair use inquiry (on behalf of the school sector) contended that a free exception for orphan works would not be in breach of Australia’s treaty obligations.⁹² Different views, however, were raised in the US in submissions to the Copyright Office inquiry into orphan works. The relevant comments are worth quoting in full:

In preparing their Orphan Works Report, the Copyright Office was warned by Professors Jane Ginsburg and Paul Goldstein that this legislation might bring international repercussions ...

We’ve corresponded with Professors Ginsburg and Goldstein and they’ve given us permission to quote from their Reply Comment to the Copyright Office. In it, they explicitly advised that the Orphan Works provision would fail to meet the three-step test of TRIPS art. 13 and Article 5(2) of the Berne Convention.

“As a general matter, however, the diversity of responses highlights the fundamental

roundtable discussions of 26 July 2005 at 65 (available from www.copyright.gov/orphan).

88 The comment was made by the representative from the American Publishers Association, Copyright Offices roundtable transcript of 26 July 2005 at 84–85.

89 In this respect, it should be noted that the submission on behalf of the schools sector from Copyright Advisory Group (CAG) addresses the orphan works issue from a completely different starting point – cost. The statutory licences for educational institutions already allow the use of orphan works, without having to take any steps either to identify or locate any copyright owners.

90 For general information about and discussion of the three-step test, see Sam Ricketson, *WIPO Study on Limitations and Exceptions of Copyright and Related Rights in the Digital Environment*, prepared for the WIPO Standing Committee on Copyright and Related Rights, Ninth Session, Geneva, June 23–27, 2003 (available from the WIPO site at <http://wipo.int>).

91 In their submission to the fair use review, IPRIA and CMCL, *op. cit.*, at 40, noted two other suggestions relating to treaties:

- a solution put forward in a submission to the US Copyright Office that a treaty solution be sought prior to the local solution; and
- that a “reasonable inquiries” model be adopted at the local level which can then be “readily extended to apply [to] an international level” – presumably through a treaty.

It is not clear that treaty processes are likely to be initiated (let alone concluded) any time soon in relation to the orphan works issue.

92 CAG submission to the fair use review, at 24–25.

importance of precisely defining the category of “orphan” works. The broader the category, or the lower the bar to making the requisite showing of due diligence, the greater the risk of inconsistency with our international obligations to uphold authors’ exclusive rights under copyright. Compliance with Berne/TRIPs is required by more than punctilio; these rules embody an international consensus of national norms that in turn rest on long experience with balancing the rights of authors and their various beneficiaries, and the public. Thus, in urging compliance with these technical-appearing rules, we are also urging compliance with longstanding practices that have passed the test of time.” 1., p. 1, OWR0107-Ginsburg-Goldstein

“Several proposals assert that limiting remedies for the unauthorized use of “orphan” works poses no Berne-TRIPs problem because there is by definition no “normal exploitation” for a work whose owner cannot be found, and which therefore is not being exploited.” 4(C)(ii) p. 5, OWR0107-Ginsburg-Goldstein

The Orphan Works Report from the Copyright Office noted these warnings on p.88.

“[O]ne comment argued that [TRIPs] Article 13’s “certain special cases” language required a narrow range of works, a narrow range of users, and a narrow range of rights excepted. As many of the proposed orphan works provisions would apply to all works, would be available to all users, and would affect all rights, this test, the commenter argued, would not be met. The comment further argued that the second step in the test ... is usually read to refer to the sort of uses that a copyright owner generally makes of his or her work. If the orphan works provision permitted uses that the owner would ordinarily license - and it clearly would - then the provision might fail this test also. However, the commenter noted, in the past the second step of the test has not been applied to the orphan work context, so its construction in this context is uncertain. The language might be flexible enough to apply to specific uses. Finally, the commenter argued that the third step ... should be read to encompass both actual and potential uses, so once again many of the proposed orphan works provisions would fail the test.”

Who should be able to rely on any legislative mechanism(s)?

From both anecdotal evidence and from the data relating to applications to the Canadian Copyright Board, all manner of users can face difficulties with orphan works, and may therefore be able to benefit from a legislative mechanism or mechanisms. The US Copyright Office’s *Report* identified four basic categories of use:

(1) uses by subsequent creators who add some degree of their own expression to existing works to create a derivative work; (2) large-scale “access” uses where users primarily wish to bring large quantities of works to the public, usually via the Internet; (3) “enthusiast” or hobbyist uses, which usually involve specialized or niche works, and also appear frequently to involve posting works on the Internet; and (4) private uses among a limited number of people.⁹³

Should there be just one legislative mechanism?

Given the different ways in which the orphan status of material can be problematic, it may be necessary to consider different mechanisms to facilitate different types of use while still protecting copyright interests. For example:

⁹³ Testimony of Jules Sigall, from the Copyright Office, of 6 April 2006 to the US Senate Committee on the Judiciary (http://judiciary.senate.gov/print_testimony.cfm?id=1847&wit_id=5219).

- specific amendments to the library and archive provisions – on which collecting institutions would also be able to rely – might address the concerns of those sectors, including amendments which clarify the application of the existing provisions;⁹⁴ and
- a more general exception covering situations in which other people, institutions and organisations want to use orphan material.

It may, for example, be appropriate for the first of these to be framed by reference to a “reasonable enquiries” or licensing approach, while the second might be addressed by adopting either the licensing or case-by-case Canadian approaches.

On the other hand, there may be advantages in having all issues related to orphan works dealt with by the one mechanism – advantages of consistency and legislative simplicity. In this regard, it is worth noting that the Canadian Copyright Board has demonstrated that it can deal with applications from collecting institutions in relation to large numbers of orphaned works as well as one-off applications from people renovating houses.⁹⁵

Submissions to the orphan works review are likely to provide further insight into whether or not particular sectors are having different types of difficulties, in which case, different legislative approaches might be appropriate. However, even from the submissions to the fair use review, it is clear that different issues lie behind the concerns.

To what materials should any mechanism apply?

Should a legislative or procedural mechanism relating to orphaned material apply only to certain types of material? If so, the any mechanism could be limited, for example, to:

- material which has been published, as per the Canadian system, or should it also cover unpublished material;
- older material (as per the current section 52 of the Australian Copyright Act) or also to more recent material; or
- material held in collections which are accessible to the public, or to any material which meets relevant threshold tests.

Again, submissions to the orphan works review may flush out other issues. However, issues which can clearly be relevant here include the extent to which a copyright owner’s right to “publish” his or her material should be recognised and given value (including that the publication right might be exhausted by the actions of third parties);⁹⁶ and the extent to which the Copyright Act

⁹⁴ A number of issues relating to ambiguities or lacunae in the existing library and archive provisions are listed in the discussion paper *Fair Use: Issues & Perspectives* (Australian Copyright Council, Sydney, 2005) at 60–61. For example, it may be that amendments might be considered concerning how duration of copyright is determined in anonymous or pseudonymous material that has **not** been published; the scope of the current section 52 might also be reviewed.

⁹⁵ Note also that, in Canada, libraries and collecting institutions are given far less scope to deal with copyright material without permission from the copyright owner than is the case in Australia.

⁹⁶ In this sense, the concept of publishing relates to the rights of an owner of copyright in a “work”, under section 31 of the Act: see the discussion concerning the interpretation of this right in *Avel Pty Ltd v Multicoin Amusements Pty Ltd* (1990) 18 IPR 443 (in which the High Court distinguished the meaning of the word “publish” in section 31 from the definition of “publish” in section 29 of the Act); see also the discussion in CLRC, *Report on Reference Concerning the Meaning of “Publication” in the Copyright Act* (1984), available at www.ag.gov.au/clrc.

should be a means by which confidentiality and privacy may be maintained.⁹⁷

Should any legislative mechanism that is adopted prescribe the steps a person has to follow?

Except for the extended licensing model, there is a presumption in the other proposed mechanisms that someone seeking to rely on the exception first undertake a “reasonable” search, or make a “reasonable effort” to identify and/or locate the relevant copyright owner.

One US commentator has stated that “the bar for a reasonable search has to be high enough that it’s not a sham”.⁹⁸ On the other hand, concern has been expressed that any legislative mechanism relating to orphan works not impose too great a burden. One writer, for example, has stated that, in his view, the Canadian Copyright Board’s assessment of a “reasonable effort” really involves a “thorough search”, and that this may in some cases in fact not be reasonable, as it “imposes a real cost” on people and organisations wishing to use orphaned material.⁹⁹

One issue which arises is whether or not the Act should spell out what types of searches or efforts need to be undertaken. Particular users may have very imperfect knowledge of the steps which may be reasonable to take to identify or locate a copyright owner, and the risk averse may therefore still be reluctant to rely on any exception. However, given the myriad types of orphaned material, it may be very difficult to prescribe in the Act or regulations what steps are to be followed as a precondition of relying on any exception. If that is so, it may be better to leave it to the user to assess, in light of all the circumstances, the steps they are likely to need to take to fulfill an obligation to make a “reasonable” search.

Is an independent arbiter a necessary part of any orphan works exception?

Arguments against

In their submissions to the fair use review, CICI and ADA opposed the introduction of any administrative procedure. They did so for the reasons identified by the CLRC in its *Simplification* report: “the introduction of [such a] scheme would require a high level of administrative resources” and “the costs were likely to outweigh the benefits, considering the size of the problem”.¹⁰⁰

IPRIA and CMCL also opposed the setting up of a procedure along the Canadian line, particularly

97 Such a concern clearly troubled the Gregory Committee when discussing the duration of copyright in unpublished material, and how to encourage access to material deposited with public archives without discouraging potential donors (who might fear “improper publication”) from depositing such material: British Board of Trade, *Report of the Copyright Committee* (HMSO, London, 1952) at paras 29 to 35.

On the other hand, see the view expressed by Peter B Hirtle, for example, that extensive attempts to identify a copyright owner were “in some ways unnecessary” in respect of the two projects he discusses, as “the copyright owners, when located, did not by and large object to their material being included and did not charge permission fees”: Peter B. Hirtle, “Unpublished materials, new technologies, and copyright: facilitating scholarly use”, 49 259–275 (Fall 2001) at 269, draft available online at http://cidc.library.cornell.edu/Pub_files/Hirtle_OSU_paper.pdf.

98 Bridget Dooling, webpost, 3 March 2006, available at www.techliberation.com/archives/037084.php.

99 Hirtle, *op. cit.*, at 268. Note that Hirtle, at 269, includes estimated costs of copyright clearances in relation to two projects: in one case, \$1.43 per item (online access to advertisements) with a success rate in identifying and locating copyright owners of less than 50%; in another case, £5–6 per document in the first year, dropping to £2–3 in the second (unpublished and “semi-published” documents to be digitised and made available online).

100 CICI submission to the fair use review at 39; ADA submission to the fair use review at 9–11; CLRC, *Simplification of the Copyright Act 1968: Part 2*, *op. cit.*, at 123.

noting that one of the disadvantages of adopting such an administrative procedure is that the statutory licence would have “local consequences only” and that, “if every country sets up such system, this may be done with good intentions but will lead to significant burdens on creators”.¹⁰¹

However, unless a relevant treaty deals with a matter, and signatory countries all apply the treaty standard rigidly, *any* copyright exception will always only ever have “local consequences only”. Nonetheless, as IPRIA and CMCL go on to note, where countries have a “reasonable enquiries” model, at least for those countries, the enquiries which are reasonably likely to provide a defence in one country are likely to provide a defence in the others.¹⁰²

Arguments for

There may be several advantages in having an independent arbiter decide whether or not orphaned material may be used under a statutory licence. These include:

- the concomitant public scrutiny brings a great degree of transparency and accountability to the use of the material;¹⁰³
- whether or not the material is indeed orphaned is independently and objectively assessed; and
- subject to the usual legal appeals which might be available, a person authorised by the arbiter to use the material under the licence is given statutory assurance that they can indeed use the material under the exception – they are not merely relying on their own assessment that the steps they have taken to identify the material are adequate, but are given certainty and finality.

At the same time, a case-by-case approach has the merit, in relation to the international treaty, of ensuring that reliance on the exception is limited to “certain, special cases. Additionally, over time, the body of decisions made by an administrative tribunal may help point the way to “good practice” when it comes to assessing how to identify or locate copyright owners.

Costs and benefits

Integral to considering whether or not the costs of an independent arbiter outweigh the benefits is identifying what costs are likely, and how they might be minimised.

For example, a procedure requiring only written submissions and affidavits might be considered. As it is likely that records relevant to the steps taken by an applicant to identify or locate a copyright owner will in many cases already have been created as part of the process of deciding that a work is indeed orphaned, it may not be difficult to create documentation for any proceedings before

¹⁰¹ We presume that the submission meant to refer, for example, to collecting institutions rather than to “creators”, as people merely digitising material to make it available online could not really be classed as “creators” in any relevant sense. Note also that it is not clear that making orphan material available online will necessarily lead to liability for infringement under the laws of every country in the world – the issue of jurisdiction and liability in the online environment is very messy and in some ways increasingly unclear, but where the targeted audience for material is only in Australia, it may be other countries may not regard the presence of the material as within their jurisdiction.

¹⁰² IPRIA/CMCL submission to the fair use review at 40.

¹⁰³ Note, for example, that under regulation 18 of the *Copyright Tribunal (Procedure) Regulations 1969* (Cth), applications to the Tribunal are advertised, and that under section 163 of the Copyright Act, unless particular confidentiality issues arise, proceedings of the Tribunal take place in public.

an independent arbiter. Where the relevant material is likely to be orphan material, it may even become usual practice to begin to create records in a form suitable for such use as the search is made, rather than as a later, additional, step.

Further, while it is unlikely that either a tribunal or a court would allow itself merely to be used as a rubber stamp, it is also unlikely that the costs of an application would rise as a result of being opposed. Presumably, in the event that an application is opposed by a person with standing, it is because the copyright owner has been found. In that case, the material is no longer an orphan – a result which perhaps should be characterised as a good outcome.

It should also be noted that the services of the Copyright Board are provided for free by the State of Canada – there are no filing fees or charges. This means that applicants to the Canadian Copyright Board only have to consider the costs of preparing their application. It is not, however, clear that an Australian government would waive filing fees or other charges if it were to set up a procedure along the Canadian lines.

Should an extended licensing approach be adopted in Australia?

A benefit of an extended licensing provision in the Act, such as that proposed by CAL, would be that transaction costs for users of orphaned material would be greatly minimised. Indeed, it is not apparent from the proposal that a user of material covered by a blanket licence would even need to establish that the material is orphaned.

In this sense, however, the CAL proposal appears to over-address the problem of orphan works, as it would effectively reverse the current situation in which copyright owners who want a collecting society to license their material on their behalf opt in to the licences offered. Instead, copyright owners would have to opt out if did *not* want their works offered under a blanket voluntary licence scheme from a collecting society.

Somewhat paradoxically, the CAL proposal also *under*-addresses the orphan works problem by proposing a solution that would only apply where blanket licences are indeed available. There are, however, currently no collecting societies representing, for example:

- computer programs;
- performing rights in plays and “grand rights” works;
- reproduction of material into, for example, films and film sound tracks; or
- translations and other adaptations, such as arrangements of music.

It is not clear that any collecting societies offering licences for these types of uses and materials are likely to develop either in the near future or in the longer term.

For situations where there are relevant collecting societies already in existence, issues which would need to be addressed in refining the proposal include:

- whether or not the proposal should be specifically targeted to relate only to orphaned material;
- how a “class of works” is to be defined (for example, whether or not private letters and other documents are in the same class as the materials in which CAL grants voluntary licences, or whether family photos are in the same “class of works” as those licensed by

VISCOPY);¹⁰⁴

- what should happen in situations where more than one collecting society may license the relevant use of the material;
- what should happen to monies received in the event that no copyright owner is located by the collecting society within a particular time-frame; and
- if monies are to be retained by the collecting society in the event that no copyright owner is located, the basis on which the collecting society should be entitled to do this.

Should there be any obligation to advertise proposed use of an orphan work?

On the one hand, it can be argued that people applying for a licence should be required to advertise their application (for example, in a government *Gazette* or a newspaper or relevant newsletter). Such an advertisement would give copyright owners the ability to make themselves known or, if the mechanism to be adopted in relation to orphan works were to involve an administrative procedure, to become a party to proceedings.¹⁰⁵

On the other hand, it is unlikely that many owners of copyright in orphaned material would periodically scan such advertisements – particularly if they are placed in a government *Gazette*.

Perhaps, instead of making it a *requirement* to advertise, the fact that advertisements have been placed in publications likely to be read by relevant copyright owners could be a factor bearing on whether or not reasonable efforts have been made to identify or locate a copyright owner. This may certainly address the concerns currently being raised by visual artists in the United States that a legislative mechanism relating to orphaned material may unduly prejudice their position as copyright owners, given how easily an attribution or copyright notice may become separated from a visual image.¹⁰⁶

Should there be any requirements relating to payment?

The issue of whether or not payment should be made for the use of orphan works arises only in relation to a legislative solution which institutes an administrative procedure to assess whether or not particular orphan works may be used, or if the voluntary licence schemes offered by collecting societies are effectively turned into statutory licences by an adoption of the extended licensing approach advocated by CAL.

In many comments relating to orphan works, both in Australia and overseas, there seems to be an assumption that orphan works are necessarily of no commercial value or not commercially viable. Certainly, much of the material referred to in the submissions from the collecting institution sector relates to ephemera and social history material. For example, in the CICI submission to the fair use review, one academic is quoted as stating “By definition, these works are not valuable

¹⁰⁴ As the proposal is based on the imputed expectations of people who have created particular types of material, it may be difficult to argue that the proposal should extend beyond published material.

¹⁰⁵ As noted earlier, unless the President of the Copyright Tribunal directs otherwise, applications and referrals to the Copyright Tribunal are already subject to advertisement: regulation 18, Copyright Tribunal (Procedure) Regulations.

¹⁰⁶ See, for example, the concerns expressed at www.illustratorpartnership.org/01_topics.

to the copyright owner".¹⁰⁷

In some cases, however, the conclusion that orphan works have no value to the copyright owner seems to be based on the fact that the copyright owner, by becoming unknown, is demonstrating that he or she has effectively abandoned the material. In other cases, the conclusion seems to be based on the fact that the copyright owner is not actively exploiting the material.¹⁰⁸

Flowing from such assumptions is the conclusion that an exception relating to orphan works should not be remunerable.¹⁰⁹

On the other hand, several copyright owner representative groups argued that payment should be made.¹¹⁰ For example, in its submission to the fair use review, the Music Council of Australia noted that it "supported one of the possible remedies advanced: viz. that a trust fund should be created to accept normal royalties for use of orphan works", noting that much of the material created by its members is not commercially available, and noting also an argument raised by one of its members which it presumably thinks applies also in Australia: that "Many black South African composers were seriously ripped-off by US artists and record companies who used their material for years without payment, claiming that it was 'impossible' to trace the copyright owners".¹¹¹

At least one submission to the fair use inquiry articulated a fear that free access to orphan material under a statutory exception may encourage people to use orphaned material instead of paying for a licence for material they can get a clearance for, thereby affecting the market for non-orphaned material.¹¹² However, there are some conceptual difficulties in placing a great deal of weight on such a concern, particularly where the material in issue is not substitutable. In many cases, a person or an organisation may want to deal with a particular work as a result either of its inherent qualities, or because it is, for example, part of a collection. In these cases, the ability to get a licence to use something else is not relevant.

Perhaps the concern about access to orphan works which is either entirely free or too easy is really an argument about ensuring that any legislative solution ensures that attempts to locate the copyright owner are sufficiently thorough – for example, by efforts to locate the copyright owner being not just reasonable in the circumstances, but also conducted in good faith.¹¹³

If payment is to be made, what is to be done with the money?

In its submission to the fair use review, the Music Council of Australia did not comment on who should hold any monies relating to the use of copyright material. It did submit, however, that, such monies should firstly go to "persons or organizations who emerge within a prescribed period after use of the copyright work and can establish ownership". Secondly, "There could be an appropriate and periodic distribution of unclaimed funds, for uses such as support to the

107 CICI submission, at 38, quoting from Kimberlee Weatherall, "Background Paper to Oral Presentation", *Snapshot* 3 (22 May 2005) at 3.3.1.

108 Such arguments are particularly apparent in the submissions to the US Copyright Office inquiry into orphan works, and in the roundtable discussions accompanying that inquiry, and are closely linked to the issue of registration of copyright under US law.

109 See, for example, the ADA submission to the fair use review, at 10.

110 ACC submission to the fair use review, at 8; CAL submission to the fair use review, at 16; and the Arts Law Centre of Australia submission to the fair use review, at 8. Note that the Arts Law Centre did not give a reason for its support of the principle.

111 Music Council of Australia, submission to the fair use review, June 2005, at 5.1 and following.

112 See, for example, the ACC submission to the fair use review at 8.

113 See, for example, the discussion of this in the US Copyright Office *Report*, op. cit., at 98.

creation of more opportunities” for relevant creators.¹¹⁴

On the other hand, in its submission to the fair use review, ADA opposed any scheme “which deems unidentifiable rights holders to be members of collecting societies” – thereby requiring the person or organisation using the orphaned material to pay a copyright fee calculated by reference to that society’s regular fees.¹¹⁵ However, in the event that the government decided that royalties in relation to orphaned works should be held in trust for a specified period, ADA submitted that, at the end of that time, the money should be returned to the person or institution that had made the payment, and that such monies should not be kept by the relevant collecting society.¹¹⁶

114 Music Council of Australia, submission to the fair use review, June 2005, at 5.4.

115 Note that the licences from APRA are available whether or not APRA is able to pass the relevant proportion of the monies it collects to a member. Note, however, that APRA itself is the copyright owner: its obligations to pass on payments to members is based on its obligations to members and affiliates, and that its rules deal with what happens to monies that cannot be paid to a member in the event that he or she cannot be located.

116 ADA submission to the fair use review at 10. The ADA also noted, *ibid.*, at 11, that where materials were being used by cultural institutions for non-commercial purposes, no material loss to the rights holder is incurred. We take it that the submission also therefore assumes that a rights holder later coming forward would not be entitled to any payment.

We understand that the holding of monies for which no rights holder can be identified is an issue which currently faces collecting societies. For example, if, after four years’ monies are unable to be allocated due to lack of information or inability to locate a copyright owner, CAL currently “rolls over” the money into the following year’s annual distribution. CAL’s *Annual Report 2004–2005* indicates that, of just under \$189.6 million distributed between the financial years 2000–2001 and 2004–2005, some \$7.7 million was “rollover” monies (representing 4.07% of the total distribution for that financial year). However, CAL is clearly getting better at identifying and remunerating relevant copyright owners: while “rollover” monies in 2000–2001 accounted for some 5.2% of the distribution; in 2004–2005 only 2.45% of the total distribution represented monies “rolled over”.

Similarly, according to Screenrights’ 2004–2005 *Annual Report*, after the six-year period dating from 1999 during which relevant copyright owners were sought, only 1.3% remained undistributed, to be “rolled over” into the 2005–2006 distributions.

It is important to note, however, that not all of the monies currently “rolled over” by CAL and Screenrights represent payment related to orphan works. Particularly with CAL, we understand that in many cases the inability to identify a copyright owner to whom payment can be made frequently results from the inadequacy of the information recorded by the person who, for example, photocopied the material, not from the fact that the material is orphaned. It should also be noted that the practice of rolling over funds into an annual distribution by these two collecting societies is in accordance with point 18 of the guidelines for declared collecting societies from the Commonwealth Attorney-General’s Department (available from the website of the department at www.ag.gov.au).

Appendix 1: Licences authorised by the Canadian Copyright Board

In the following table, “publisher” in most cases refers to a commercial publisher. The term “filmmaker” includes producers of films and of TV programs.

The last column indicates whether the applicant pays the relevant amount to a collecting society (the relevant one being nominated in the decision) or is granted a licence by the Board on the proviso that they undertake to pay the copyright owner in the event that he or she contacts the applicant within the relevant time frame (also in many cases stated by the Board).

Until decision 59, where a relevant collecting society exists, the reasons for decision often include a comment to the effect that the relevant fee was set in consultation with a particular collecting society. Since decision 60 (5 June 1998), the Board has not generally stated in its reasons as to how it has arrived at the relevant sum imposed as part of the conditions of a licence. It is likely, however, that it has continued to take note of the standard fees set by the relevant collecting society. In the column giving details of the licence fee, I have generally provided any salient details of how the Board arrived at the licensing fee if that information relates to some factor other than consultation with a relevant collecting society.

	Date	Applicant	Subject matter	Scope of licence	Licence fee	Payment
1 & 2	24/8/90 & 15/2/91	media organisation	magazine covers	10,000 copies of 15 magazine covers, to be used in a promotional calendar	\$642 for the cover; \$428 for each of the others	applicant to hold letter of credit for five years
3	10/6/91	educational organisation	book extracts	reproduce 35 copies of up to 427 pages from a book	\$597.80 at a rate of 4c per page	collecting society
4	14/6/91	museum	book extracts	reproduce in museum exhibition	\$25 (one copy only; short part of text; non-profit use)	applicant
5	23/8/91	publisher	book extracts	reprint extracts in a textbook (max 50,000 copies)	\$500 (corresponds with the high end of fees applicant had negotiated with other copyright owners)	collecting society
6 & 9	16/3/92 & 6/4/92	publisher	photograph from a book	use as cover illustration: 4,000 copies plus advertising	\$200 (evidence taken as to fees paid for similar uses)	collecting society
7	26/3/92	filmmaker	extracts from a cartoon	30 seconds of visuals & 2 minutes of sound in a film	\$500 (based on the amount applicant negotiated in other territories)	applicant
8	26/3/92	teacher	book extracts	make 12 copies	\$25 (short extract & few copies)	applicant
10 & 11	14/5/92 & 30/6/92	museum	extracts from 2 books	for exhibition display panels	\$131 + \$173 (relevant collecting society's general translation & reproduction fees)	collecting society
12	9/7/92	church	3 photos from local newspapers	print up to 1,000 copies in black & white in a book	\$25 (religious institution charging cost recovery only for the book & evidence that the newspapers haven't charged for the use of other photos)	applicant

13	4/11/92	school board	maths exercise book	make 14 copies for classes	\$25 (limited number of copies to be made)	collecting society
14	30/11/92	filmmaker	2 mins from a musical work & 1 short film extract ¹	include in up to 300 prints of a film & exploit the film in all media in Canada	\$800 + \$300	collecting society (for music) applicant (for film)
15	18/2/93	museum	2 photo	print up to 1,000 copies of each photo in a book	\$25	collecting society
16	31/3/93	filmmaker	recorded song	to include in up to 50 copies of a film & exploit the film at festivals	\$25	collecting society
17, 58 ² & 159	6/5/94; 26/3/98; & 19/7/05	publisher	letter from a newspaper	reproduce in no more than 19,500 copies of a textbook	\$200 (the fee the publisher would have offered)	collecting society
18	3/8/94	non-profit organisation	8 passages from poems	reproduce the passages on aluminium panels on public display for 30 years	\$80 (\$10 per passage; evidence that this is an appropriate symbolic amount)	collecting society
19	31/3/95	writer	photo from newspaper	print in no more than 110 copies of a book	\$25 (the fee the writer would have offered)	collecting society
20	3/5/95	maker of language video	English language instruction video	produce 200 copies of the program.	\$100 (fee the maker of the video would have offered)	collecting society
21	25/9/95	writer	7 letters published in a community newspaper	include in no more than 2,500 copies of a textbook	\$50	collecting society
22	19/10/95	publisher	poem	include in 500 preliminary versions & 3,000 final versions of a book	\$35	collecting society
23 & 34	19/1/96 & 11/2/97	co-editors	all or major portions of 7 published articles	include in no more than 4,000 copies of an anthology	\$300 (hardcopy version) \$300 (paperback version) (consultation with CANCOPY) ³	collecting society
24	14/5/96	publisher	poem	include in no more than 5,000 copies of a textbook	\$50	collecting society
25	20/8/96	filmmaker	excerpts of TV programs	use in a film	\$800 + \$1,066.67 ⁴	collecting society

26	30/8/96	publisher	text & two photos	no more than 12,000 copies within a 204 page textbook	\$100 (text) & \$130 (for each photo)	collecting society
27	18/9/96	non-profit organisation ⁵	1,048 books, pamphlets & printed ephemera	reproduction in any material form; total number of copies of each work not to exceed 75.	10¢ per copy per work ("in all probability" no copyright owners will surface, & "most" will not require payment)	applicant
28	29/11/96	TV program maker	two excerpts from a TV program (total duration: 5 secs)	use in a TV program to be broadcast twice	\$400 ⁶	collecting society
29	11/12/96	distance education body	extracts of a book	reproduce no more than 100 copies as a support material for Grade 9 distance education students	\$460	collecting society
30	22/1/97	publisher	2 short texts	include in no more than 3,000 copies of each textbook	\$347.02	collecting society
31	23/1/97	advertising agency	colour photo	include the photo in no more than 1,500 copies of a 30-page advertising brochure	\$47.15	collecting society
32	23/1/97	museum	black & white photograph	reproduce & "spot" the photo for an exhibition ⁷	\$78.75	collecting society
33	10/2/97	non-profit organisation	912 works	reproduce in print form, microfiches or CD-ROM, the number of copies not to exceed 75	10¢ per copy for microfiche or print 15¢ per copy for CD-ROM ⁸	applicant
35	11/2/97	writer	music & words for 15 songs	include in 500 copies of support materials for primary school teachers	\$90.90	collecting society
36 & 49	25/2/97 & 12/1/98	writer	7 photos & a cartoon	include in 20,000 copies of a non-profit CDROM	\$1,646.40 (\$205.80 per work) ⁹	collecting society
37	5/3/97	publisher	extract from a book	include in no more than 5,000 copies of a textbook	\$46.88	collecting society
38	5/5/97	writer	poem	include in no more than 600 copies of a book	\$6.70	collecting society
39	13/5/97	publisher	516 works	reproduce no more than 75 copies in print, microfiche or CD-ROM	10¢ per copy for print & microfiche 15 per copy for CD-ROM (as per decision # 33)	applicant
40	11/6/97	writer	drawing	reproduce in 40 test copies of a manual for a non-profit association	\$35.65	collecting society
41	11/6/97	non-profit organisation	excerpts of a poem	include in no more than 5,000 copies of a brochure	\$50	collecting society

42	11/6/97	school board	translation of a 24 page exercise book	reproduce no more than 500 copies	\$130	collecting society
43 & 56 ⁰	32/7/97 & 16/3/98	publisher	book	reprint no more than 4,000 copies	\$500 + 8% of the retail price of each book sold	collecting society
44	28/7/97	publisher	3 photos from an ad for a play	include in no more than 10,000 copies of a textbook	\$317.40	collecting society
45	26/8/97	publisher	3 excerpts of a text	include in no more than 10,000 copies of the textbook.	\$49.83	collecting society
46	27/8/97	filmmaker	19 prints/posters	use as set dressing in a 22-episode TV series to be aired in '97/'98	\$2,850 (\$150 per work)	collecting society
47	31/10/97	publisher	300 works	reproduce no more than 75 copies in print, microfiche or CD-ROM	10¢ per copy for print & microfiche 15¢ per copy for CDROM (as per decision #33)	applicant
48	31/10/97	filmmaker	2 newspaper articles	incorporate the articles into a documentary to be exploited in all Canadian markets.	\$500 (\$250 per article)	collecting society
50	12/1/98	publisher	3 textual excerpts	include the excerpts in no more than 1,000 copies of a grammar teaching guide & make photocopies for students	\$20	collecting society
51	14/1/98	filmmaker	magazine article	reproduce & incorporate it into a film or video, to be performed to the public	\$150	collecting society
52	13/2/98	publisher	583 works	reproduce in no more than 75 copies in print microfiche or CD-ROM	10¢ per copy for print & microfiche 15¢ per copy for CD-ROM (as per decision #33)	applicant
53	13/3/98	filmmaker	2 photos	reproduce & incorporate them into a film & authorise their public display when exploiting the film	\$736 (\$368 per work)	collecting society
54	13/3/98	non-profit organisation	a map	reproduce the map into an article	\$15	collecting society
55	13/3/98	university library	16MM film	transfer one copy into VHS format	\$25	applicant
57	26/3/98	non-profit organisation	book	reprint no more than 2,000 copies	\$300 + 8% of the retail price of each book sold	collecting society

59	8/4/98	individual artist & a (non-profit?) organisation	one poem, 14 articles & 14 photos	reproduce the works in no more than 100 copies of a CD-ROM	\$22.50 for the text & \$231 for the photos	collecting society
60 ¹¹	5/6/98	publisher	621 works	reproduce no more than 75 copies in print, microfiche or CD-ROM	10¢ per copy for print & microfiche 15 per copy for CD-ROM (as per decision #33)	collecting society
61	2/9/98	local government(?) ¹²	18 songs	reproduce on no more than 500 CD-ROMS & 500 cassettes	\$374.40	collecting society
62	29/9/98	publisher	551 works	make no more than 75 copies in print, microfiche or CD-ROM	10¢ per copy for print & microfiche 15 per copy for CD-ROM (as per decision #33)	applicant
63	9/10/98	public broadcaster	play	adapt, produce & broadcast the work for the French-speaking market in Canada (total of 3 broadcasts)	\$3000	collecting society
64	30/10/98	university	2 short stories	make no more than 75 copies to use as reading material for an English course	\$67.50	collecting society
65	7/1/99	publisher	painting	reproduce in 10,000 copies of a 500-page scholarly book	\$108.10	collecting society
66	7/1/99	publisher	a book	make one copy	\$12.24	collecting society
67	8/2/99	publisher	a linocut	reproduce in 10,000 copies of a 250-page scholarly book	\$165	collecting society
68	18/3/99	publisher	1152 works	make no more than 75 print, microfiche or CD-ROM copies	10¢ per copy for print & microfiche; 15¢ per copy for CD-ROM	applicant
69	30/3/99	writer	24 songs	print the songs & to make photocopies for teaching purposes	\$85	collecting society
70	26/5/99	government	short story	reproduce the work into 200,000 copies of an anthology ¹³	\$500	collecting society
71	17/6/99	record company	9 photos	reproduced in 10,000 copies of a CD-ROM	\$1,323 (\$147 per photo)	collecting society
72	20/9/99	publisher	588 works	make no more than 75 print, microfiches or CD-ROM copies	10¢ per copy for print & microfiche; 15¢ per copy for CD-ROM	applicant

73	5/10/99	filmmaker	journal article	reproduce in a brochure accompanying 600 copies of a video	\$75	collecting society
74	22/10/99	filmmaker	2 photos, 3 images from a documentary, 30 seconds of a recorded song & 38 seconds from a piece of music in a film	incorporate the material into a TV documentary; public performance & broadcast of the material as part of the exploitation of the film	\$345 per photo; \$575 per film image; \$93.75 for the music on the recording; & \$250 for the music from the film (total: \$2,758.75)	SODART (for photos & images) SODRAC (for music on recording) CMRRA (music from film)
75	21/2/00	publisher	560 works	make no more than 75 print, microfiche or CD-ROM copies	10¢ per copy for print & microfiche; 15¢ per copy for CD-ROM	applicant
76	3/3/00	writer	newspaper articles	make no more than 75 copies	10¢ per work	applicant
77	3/3/00	publisher	3 short stories	reprint in 25,000 copies of an anthology for high schools	\$2,250 (\$750 per work)	collecting society
78	3/3/00	filmmaker	photo from a newspaper	incorporate into a film for 3 seconds; public performance, broadcast & reproduction into copies for domestic viewing as part of the exploitation of the film	\$230	collecting society
79	6/3/00	publisher	short excerpt from an article	reproduce into 500 copies of a novel	\$10	collecting society
80	20/3/00	publisher	book	translate & publish 800 copies	\$400	collecting society
81	21/6/00	library	a photo, an ad for a concert & 2 magazine covers	put the works onto its website until the end of 2005	\$1,600	collecting society
82	6/7/00	Supreme Court of Canada	photo	reproduce in 4,000 copies of a commemorative book.	\$452	collecting society
83	21/7/00	library	8 book cover illustrations	put the works onto its website until the end of 2005	\$2,000 (\$250 per work)	collecting society
84	13/9/00	publisher	excerpt of a poem	include the extract into 3,000 copies of a primary school exercise book	\$18	collecting society
85	21/9/00	publisher	excerpt of a literary work	reproduce the extracts into 500 copies of 2 related text books	\$20	collecting society
86	21/9/00	individual	2 art prints	reproduce each print once	\$25 per work	applicant
87 & 115	13/10/00 & 14/3/03	government-appointed French language body	a cover illustration from a novel & a caricature	reproduce into 5,000 copies of a history book	\$113 for the cover art; \$83 for the caricature ¹⁴	collecting society

88	20/10/00	private individual	art print	make one copy	\$25	applicant
89	21/11/00	publisher	44 works	make no more than 75 copies in print, microfiche or CD-ROM	10¢ per copy for print & microfiche; 15¢ per copy for CD-ROM	applicant
90	22/11/00	archives	excerpts of 2 literary works	use on a website ¹⁵	\$500 (\$250 per excerpt)	collecting society
91	30/11/00	publisher	an essay from an anthology	reprint the essay in 17,000 copies of a textbook	\$750	collecting society
92	15/12/00	writer	newspaper articles	reproduce the articles in 300 copies of a book	45c per copy (calculated as 3% of the book's recommended retail price) ¹⁶	historical society to pay any particular copyright owner 10¢ per article per copy ¹⁶
93	12/1/01	private individual	5 pieces of music	reproduce the works on 500 copies of a CD-ROM	\$185 (7.4¢ per song per copy)	collecting society
94	12/1/01	non-profit organisation	a painting	reproduce an image of the painting in 45,000 copies of a magazine	\$150	collecting society
95	15/1/01	composer	6 poems	set the poems to music & publicly perform the settings ¹⁷	\$450 ¹⁸ (\$75 per poem)	collecting society
96	25/1/01	musical group	lyrics to a song	record & produce no more than 1,200 copies of a musical setting of the lyrics	\$31	collecting society
97	12/3/01	publisher	an illustration from a book	reproduce as an illustration in 6,000 copies of another book	\$125	collecting society
98	18/2/02	private individual	construction & engineering drawings	make 2 copies of the drawings in order to renovate the relevant property	\$50	applicant
99	21/2/02	private individual	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant
100	7/3/02	private individual	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant
101	11/4/02	2 private individuals	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant
102	17/4/02	private individual	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant

103	16/7/02	property company	construction & engineering drawings	make one copy in order to effectively manage the relevant property	\$25	applicant
104	30/7/02	publisher	2 photos	reproduce in 5,000 copies of a study of a Molière play	\$130 (\$65 per photo)	collecting society
105	16/8/02	publisher	58 pages of illustrations from a newspaper supplement	reprint in a book ¹⁹	\$745	collecting society
106	20/8/02	composer	translation based on an 18 th Century book	set parts of the work to music, make a recording of the setting & then make 500 CDs	\$155	collecting society
107	29/8/02	private individual	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant
108	29/8/02	private individual	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant
109	1/11/02	educational institution	25 training modules	make 155 copies to use as a student resource	\$45.20 per package	collecting society
110	5/11/02	private individual	architectural plans	make one copy in order to renovate the relevant property	\$25	applicant
111	26/11/02	filmmaker	3 pen & ink sketches	incorporate the sketches into a television documentary, & to both perform the documentary in public & broadcast it in all Canadian markets	\$250	collecting society
112	10/12/02	creator of a training resource	a movie	create a digitally edited version in order to demonstrate film restoration techniques & to make 1,000 copies of both the original & edited versions on DVD-ROM, DVD and/or video	20% of distributor's gross receipts from sales; 65% of gross receipts from all other uses (the Board set the royalty on the basis that the applicant should be considered as a distributor of the film)	collecting society
113	16/1/03	non-profit organisation	image of a painting	use the image on 5,000 cards to be used as thank you gifts	\$150	collecting society
114	28/2/03	non-profit organisation	10 children's songs	reproduce the songs on 100 copies of a CD-ROM	\$50	collecting society
116	18/3/03	editor	2 poems	reprint in 100 copies of a poetry anthology ²⁰	\$45	collecting society

117	7/5/03	property management company	architectural plans	make 2 copies of the plans of the relevant property for maintenance & operational purposes only	\$50	applicant
118	28/5/03	private individual	architectural plans	make one copy to assist in repairing the relevant property	\$25	applicant
119	30/5/03	publisher	book jacket	reproduce the jacket in 2,500 copies of an anthology	\$31.67	collecting society
120	6/6/03	property owners/managers	mechanical design drawing	make one copy to assist in making a Reserve Fund Study	\$25	applicant
121	13/6/03	performer?	piece of music	record the piece & make 500 copies on cassette or CD	\$53.90	collecting society
122	18/6/03	filmmaker	cartoon	use it in a documentary; including for public screenings, telecommunications & private copies	\$110	collecting society
123 & 125	21/7/03 & 22/9/03	performer	piece of music with lyrics	record the piece & copy it onto 300 cassettes & 500 CDs ²¹	\$50	collecting society
124	22/8/03	performer	23 pieces of music	record the pieces, & make 500 CDs	\$856.40	collecting society
126	12/11/03	filmmaker	excerpts from 3 personal letters	to be recorded as off-camera narration in an episode of a four-part TV documentary; including for public screenings & telecommunications	\$300 (\$100 per letter)	collecting society
127	18/11/03	private individual	architectural plans	make one copy to assist in renovating the property	\$25	applicant
128	4/12/03	university library	series of issues of a magazine	digital reproduction & communication to the public	\$25 per work	applicant
129	15/1/04	property owner	architectural plans	make one copy to assist in repairing the relevant property	\$25	applicant
130	27/1/04	architect	architectural plans	make one copy for purposes of renovating the property	\$25	applicant
131	30/1/04	university library	14 pieces of print music	digitally reproduce the pieces, together with public performance & communication via a website ²²	\$25	applicant to pay any copyright owner coming forward
132	5/2/04	property owner	electrical plans	make one copy for record purposes only	\$25	applicant
133	18/2/04	corporate property owner	architectural plans	make one copy to assist in renovating the property & making additions	\$25	applicant
134	9/3/04	government body	detail of a painting	digitally reproduce & communication to the public of the work via the Net	\$250	collecting society
135	10/3/04	community preschool	21 songs	record the songs & make 500 CDs	\$367.50	collecting society

136	26/4/04	private individual	architectural plans	make one copy to assist in renovating the property	\$25	applicant
137	5/5/04	property owner	architectural plans	make one copy for insurance valuation & for ongoing repair/maintenance purposes	\$25	applicant
138	10/5/04	writer	a cartoon	reproduce the cartoon in 800 copies of a book	\$81	collecting society
139	23/6/04	private individual	architectural plans	make one copy to assist in renovating the property	\$25	applicant
140	23/6/04	performer	song lyrics	record & make 1,000 copies	\$85	collecting society
141	2/9/04	building consultants	architectural plans	make one copy for construction purposes	\$25	applicant
142	22/9/04	private individual	architectural plans	make 6 copies for reference purposes only	\$25 per copy	applicant
143	26/10/04	private individual	architectural plans	make one copy for construction purposes only	\$25	applicant
144	6/12/04	2 private individuals	architectural plans	make one copy for renovation purposes only	\$25	applicant
145	6/12/04	property management company	architectural plans	make one copy for "operational purposes" only	\$25	applicant
146	6/12/04	property management company	mechanical & electrical plans	make 3 copies for operational & renovation purposes	\$25 per copy	applicant
147	26/1/05	architect/planning consultant	architectural & structural plans	make one copy in order to assist in renovating the property	\$25	applicant
148	3/2/05	real estate advisory company	electrical & mechanical plans	make one copy for renovation purposes	\$25	applicant
149	3/2/05	property developer	architectural plans	make one copy for "operational exercises" only	\$25	applicant
150	9/2/05	engineering firm	architectural plans	make one copy for consultation & analysis purposes only	\$25	applicant
151	21/3/05	performer?	5 musical works	record the works & make 500 CDs	\$212.50	collecting society
152	12/4/05	film director	8 second film clip	use the clip in a documentary; licence includes public performance & telecommunication in all media in Canada	\$180	collecting society
153	25/4/05	educational institution	2 articles	make 37 copies for students in a course	\$444 (30c per page per copy)	collecting society

154	4/5/05	property manager	mechanical & electrical plans	make one copy for operational, maintenance & renovation purposes only	\$25	applicant
155	4/5/05	publisher	a magazine article	reproduce in 10,800 copies of a university textbook	\$150	collecting society
156	10/5/05	filmmaker	8-extracts from a book	off-camera narration in a TV documentary; includes public exhibition & telecommunication in the Canadian market & making 500 copies for educational purposes ²³	\$150	collecting society
157	30/6/05	private individual?	architectural plans	make one copy for sale transaction purposes only	\$25	applicant
158	18/7/05	architect	architectural plans	make one copy for renovation purposes only	\$25	applicant
160	19/7/05	writer	a jointly authored war diary	reproduce in a 1,000 copies of a book	\$225	collecting society
161	28/7/05	company	architectural plans	make one copy for renovation purposes only	\$25	applicant
162	4/8/05	writer	a poster	reproduce the poster in 1,000 copies of a non-fiction book	\$84	collecting society
163	19/8/05	educational institution	5 sets of images/diagrams	reproduce the images/diagrams in 100 copies of a course pack	\$50	collecting society
164	1/9/05	a civic area's board of governors	2 films	reproduce on DVD & screen in public during an exhibition ²⁴	the higher of the highest fee paid for any other film to be screened, or \$1	applicant
165	1/9/05	architects	mechanical & electrical plans	make two copies for renovation purposes only	\$50	applicant
166	2/9/05	filmmaker	11 photographic transparencies of work by an artist/writer	use in a documentary; includes public exhibition, telecommunication of the images as embodied in the film & any necessary to support the distribution of copies for private purposes	\$2,497	collecting society
167	26/9/05	private individual	architectural plans	make one copy for construction purposes only	\$25	applicant
168	4/10/05	publisher	an artistic work	reproduce the image on the cover of a 1,000 copies of a book	\$159.50	collecting society
169	17/10/05	record company	a song	record the song & make 2,000 CDs	\$50 (calculated as the relevant portion of the 12.5% royalties otherwise payable)	collecting society

170	21/11/05	filmmaker	9 photos	incorporate the photos into a documentary film; includes public exhibition, telecommunication of the images as embodied in the film & any necessary to support the distribution of copies for private purposes	\$1215 (\$135 per photograph)	collecting society
171	8/12/05	private individual	a book	print 1,000 copies	\$650	collecting society
172	23/01/06	private individual	architectural plans	make one copy for renovation purposes	\$25	applicant
173	23/01/06	early childhood centre	6 songs	record the songs & make 500 CDs for free distribution to families, educators etc	\$50	collecting society
174	23/01/06	private individual	architectural purposes	make one copy for repair purposes	\$25	applicant
175	31/01/06	publisher	magazine article	reprint in 1,500 copies of an anthology	\$150	collecting society
176	2/02/06	architectural firm	architectural plans	make one copy in order to prepare new construction documents for a renovation	\$25	applicant
177	27/2/06	private individual	architectural plans	make one copy for renovation purposes	\$25	applicant
178	16/3/06	company	architectural plans	records purposes	\$25	applicant
179	23/5/06	private individual	architectural plans	make one copy for renovation purposes	\$25	applicant
180	1/6/06	company	sprinkler, basement and electrical plans	make one copy for renovation purposes	\$25	applicant
181	1/6/06	company	architectural plans	make one copy for renovation purposes	\$25	applicant
182	6/6/06	private individual	architectural plans	records purposes	\$25	applicant
183	21/6/06	publisher	magazine article	reprint in 1,500 copies of an anthology	\$150 ²⁵	collecting society
184	26/6/06	private individual	architectural plans	make one copy for renovation purposes	\$25	applicant
185	26/7/06	art gallery	drawings	reprint in 1,000 copies of a book	\$242	collecting society
186	11/8/06	author	2 quotes from a magazine article	reprint in a book (number of copies not specified)	\$10	applicant

Footnotes

- 1 The applicant also applied for (and was granted) a licence to reproduce up to 13 headlines and titles of books, but the Board stated that these were either not protected by copyright or of negligible value, so no additional licence fee was assessed as payable.
- 2 In the 1998 application, the licence allowed the inclusion of the letter to the editor in a further 19,500 copies of an edition of the book, and the licence fee was again \$200, to be paid to CANCOPY. The 2005 licence permitted the letter to be included in a further 15,000 copies of an edition of the book, again with a licence fee of \$200 to be paid to Access Copyright, the Canadian Copyright Licensing Agency.
- 3 The collecting society (CANCOPY) did not, however, allocate a value to the copying of three of the seven articles.
- 4 Set in consultation with the relevant collecting society & by reference to the amounts in other contracts the copyright owners had with the relevant TV station.
- 5 The applicant, an organisation which has applied for and been granted a number of licences by the Copyright Board, is the Canadian Institute for Historical Microreproductions, whose functions are stated in this licence decision to be: "to improve access to printed Canadiana, to make rare and scarce Canadiana more widely available, to bring together fragmented collections of Canadiana, and to ensure the preservation of Canadiana in Canada and elsewhere".
- 6 Set in consultation with the relevant collecting society, but based on the amount the now uncontactable author was originally paid under his contract with the TV station.
- 7 By "spot", it appears that the face of one of the people in the photo was to be highlighted in some way.
- 8 The applicant & Board accepted that the CANCOPY figure of 15 cents per copy for CD-ROM was appropriate.
- 9 Amended at the later application to \$403.35 per work for 80,000 copies.
- 10 In the second decision, the Board licensed the printing of a further 10,000 copies of the book, and found that, where discounts of 50% were extended to vendors purchasing copies on a non-returnable basis, the royalty should be 8% of the net amount received instead of 8% of the retail price.
- 11 Note that the form of the licence changed from this decision, and that less information is available from the material on the Board's website.
- 12 The licence is given to "Loisiers de Granby", which I understand to be a town in Canada.
- 13 The Board also made the licence conditional on the reproductions not being sold.
- 14 In the second application, the Board imposed licence fees of \$84 for the cover illustration and \$62 for the caricature (presumably on the basis that the second licence was limited to the reproduction of the works in only 2,000 copies of the book).
- 15 The Board required that the following copyright notice be included with the items:

©[name of copyright owner] [year of publication]. Rights for digital reproduction and communication to the public obtained by licence issued by the Copyright Board of Canada in cooperation with the Canadian Copyright Licensing Agency (CANCOPY). Any alteration, further distribution or sale of this excerpt, in any form, is strictly prohibited.

Similar requirements are imposed by the Board in some other subsequent licences it has issued.
- 16 Reduced pro rata if more than 4 copyright owners make claim.
- 17 The licence includes making enough copies for the performances, but excludes printing and sale of the poems with the music. The Board also imposed an obligation that the poet be properly credited at the performances and in any promotion, and that a copyright notice be included on any copies made under the licence.
- 18 The licence also required the applicant to pay SOCANN any public performance royalties according to its usual tariff scale as if the poet were a member.
- 19 Unlike most other applications, the Board did not impose an upper limit on the number of copies of the book which could be printed in reliance on the licence.
- 20 Apart from payment, a condition of the licence was that full bibliographic details be given for each work.
- 21 The second licence permitted the making of a further 600 CDs, with a fee of \$58.67 payable to SODRAC.
- 22 The licence gives examples: "a scan of the music, a MIDI sound file, a PDF of the music reproduced in Finale notation and the music available for viewing, printing and reading in Finale Viewer".

23 This was a retroactive application. Nonetheless, the Board still wanted to be satisfied that it should issue a licence. Reasons are available for this application on the Board's website, which throw some interesting light on the sorts of considerations taken into account by the Board:

The Board was also able to view the episode in which excerpts from Sergeant Johnson's work were incorporated, and is satisfied that the use made therein in no way detracts from Sergeant Johnson's reputation nor from the work itself. Indeed, the Board believes that the use made by Breakthrough honours Sergeant Johnson's work and helps to disseminate it to a broad public for educational purposes. Moreover, a substantial part of Sergeant Johnson's work, which was in literary form, has now been incorporated into a cinematographic work, which will help to perpetuate it and disseminate it on a broader scale.

24 It appears the licence to make DVD reproductions was limited to making copies for the purpose of screening (the originals being in 16 MM).

25 A credit, together with a statement to the effect that the material was published under a Copyright Board licence, had also to be prominently printed in the anthology.

Appendix 2: licence applications refused by the Canadian Copyright Board

Date	File number	Applicant	Subject of application	Reason for denial of application
17/11/05	2005-UO/TI-36	British Columbia Institute of Technology	digitisation of two segments of a film titled <i>Learning to Build Wings Over Canada: Brisbane Aviation Co Ltd</i>	The film was either published & copyright no longer subsists or they were unpublished & the Board could not grant a licence.
13/9/05	2005-UO/TI-34	National Film Board of Canada, Ville Saint-Laurent, Quebec	part of a musical work by Gregory Virion	Ownership of copyright was the subject of litigation in Russia; the copyright owner was therefore not unlocatable, merely undetermined.
3/3/05	2004-UO/TI-37	Office for the Lieutenant Governor of Quebec	reproduction of a photograph of the November 1959 legislative session	The photograph was not published.
17/1/05	2004-UO/TI-32	Canadian Centre for Architecture, Montreal, Quebec	reproduction of photographs	There was no evidence as to whether the photographs had been published.
29/7/04	2004-UO/TI-20	Dominique Marquis (historian), Montreal, Quebec	reproduction of excerpts from the newspaper <i>Lactation Catholique</i>	The works were public domain pursuant to s 6.1.
29/3/04	2003-UO/TI-21	Pointe-a-Calliere, Montreal Museum of Archaeology & History	reproduction of quotations	The subject of the application was an insubstantial part of the work & therefore copyright permission was not necessary.