



# INFORMATION SHEET G101

## Orphan works: proposed changes in the US & issues for Australia

1 December 2008

This year the US Congress has considered two Bills intended to limit the consequences of using an “orphan work” without permission, and which could encourage the use of orphan works. American visual artists and photographers, in particular, have expressed a great deal of concern about the implications of the Bills.

Neither Bill has become law this year but they could set precedents for Bills that may be introduced in the next Congress, which is due to convene in January 2009.

This information sheet looks at the issues causing concern and explains why, in our view, the proposed changes would have only a limited effect on Australian copyright owners.

We have assumed that readers of this information sheet are familiar with the general principles of copyright law, as set out in our information sheet *An introduction to copyright in Australia* and online at [www.copyright.org.au/introduction-to-copyright](http://www.copyright.org.au/introduction-to-copyright).

### The problem with orphan works

An “orphan work” is one that is protected by copyright but for which the owner cannot be identified and/or located. This can raise problems for people wanting to use the material, as you can’t get permission if you can’t find out who the copyright owner is, or can’t contact them. If you’re in this position, and can’t rely on an exception, using the material will infringe copyright and you risk legal action if the copyright owner finds out.

Some users of copyright material have long argued that there should be a mechanism by which they can use an orphan work, without risk of being sued for infringement, if they can demonstrate they have taken appropriate steps to try to identify or locate the copyright owner. For example, many museums and similar organisations would like to make digital repositories of their collections or make them available online, but in many cases find it difficult or impossible to identify the owner of copyright in an old or ephemeral artefact.

Some copyright owners, on the other hand, worry that orphan works legislation will affect their ability to control their work and to earn a living from it. This is especially the case for photographers and creators of other images, films and animations, since such material can easily become orphaned, especially if it is distributed over the internet. These concerns have been widely publicised as a result of the proposed changes to US law.

Governments in several countries have looked at this issue and introduced or proposed ways to deal with it. Canada introduced a scheme in 1988 under which people can apply to the Copyright Board for a licence to use works whose owner they cannot find. In 2006, the Gowers Report on Intellectual Property, in the United Kingdom, recommended proposing an orphan works provision to the European Commission.

Issues governments need to address in such policies include:

- How can you make sure the scheme only applies to works for which the copyright owner genuinely cannot be found (and is not misused to avoid paying licence fees)?
- What steps should the user have to take to be able to rely on an orphan works scheme?
- What should happen if the copyright owner becomes aware of the way his or her material has been used and wants to stop it or be paid compensation?

(For a detailed discussion of issues surrounding orphan works generally, and a comparison of other countries' approaches, see Ian McDonald's article "Some thoughts on orphan works", available at [www.copyright.org.au/articles](http://www.copyright.org.au/articles), under the heading "2006".)

## What's happening in Australia?

There are many exceptions to copyright infringement in the Copyright Act. None of them allows the use of a work without permission merely because it is an orphan work. There is an exception that allows the publication of old unpublished orphan works held in libraries, provided certain conditions are met. In some cases, an exception may be more likely to apply if the work is an orphan work – for example, section 200AB, an exception available to educational institutions, libraries, collecting institutions and people with a disability.

In February 2006, the previous government announced that the Commonwealth Attorney-General's Department would conduct an inquiry into orphan works. There has been no further announcement about orphan works since then. If the inquiry does go ahead, it is likely that the Department would release an issues paper and seek responses to it. Any announcements are likely to be posted on the Copyright section of the Department's website (go to [www.ag.gov.au/copyright](http://www.ag.gov.au/copyright), and click on "Issues & Reviews").

## Proposed changes to US copyright law

The two orphan works Bills – *The Orphan Works Act of 2008* (Bill No H.R.5889) and the *Shawn Bentley Orphan Works Act of 2008* (Bill No S.2913) – were introduced into the US Congress in April 2008 (unlike in Australia, titles of US Bills refer to "Act" rather than "Bill").

On 26 September 2008, the Senate voted unanimously to pass Bill No S.2913 but it did not progress further. Because of time constraints, including those imposed by financial crises and the presidential election campaign, neither Bill passed through both the Senate and the House of Representatives in identical form to become law. However, as either of the Bills, or a similar Bill, could be introduced in the 111th Congress, we explore their controversial aspects below.

The two Bills are similar in form, but are not identical. They would not introduce an exception or defence allowing use of orphan works, but would limit the remedies a court could award against a person who infringed copyright by using an orphan work, provided that person had followed certain procedures. Nevertheless, their effect would be to substantially reduce rights of copyright owners in orphan works.

Remedies are orders a court can make against an infringer. They include an injunction (an order that someone refrains from doing something, or does something), damages (including compensation for loss caused by the infringement) and account of profits (compensation based on the profits made by the infringer). In the US, unlike in Australia, remedies also include "statutory damages": an amount per work that a court can award without considering the actual loss to the copyright owner and/or gain to the infringer. In some cases, statutory damages can exceed the copyright owner's actual loss, or the infringer's profits.

Both Bills limit the remedies a court may award for copyright infringement against someone who:

- has made genuine (documented) attempts to identify and contact the copyright owner, but is unable to locate him or her;
- attributes the copyright owner (where he or she can be identified);
- uses a notice with the orphan work indicating that it was used in reliance on the orphan work provisions; and
- if contacted by the copyright owner, negotiates reasonable compensation in good faith, and pays the compensation "in a reasonably timely manner".

In addition, Bill No H.R.5889 requires a user, before using the material, to file a "notice of use" at the US Copyright Office, describing the attempts made to find the copyright owner and the ways in which the material would be used. Copyright owners would then be able to search the US Copyright Office's database to find out about use of their material under the orphan works scheme. Bill No S.2913 does not include this requirement, and thus provides significantly lower protection for copyright owners.

Both Bills allow for a copyright owner to claim "reasonable compensation" for the use, but not other forms of damages, such as statutory damages, if the criteria are satisfied by the user. Nor would an injunction be available if the user has begun creating a new work incorporating some of the orphan work. Finally, the copyright owner is not able to recover the legal costs of the action.

No compensation may be claimed if the user is a non-profit educational institution, library or archives, or public broadcaster using the material for primarily educational, religious or charitable purposes, provided it promptly stops using the material after receiving notice from the copyright owner.

For links to the Bills, and information about the US Copyright Office's inquiry into orphan works, see [www.copyright.gov/orphan](http://www.copyright.gov/orphan).

### **Why are the proposed changes controversial?**

The main groups who have argued against the introduction of an orphan works scheme in the US are creators of photographs, visual art and other images. Some of these groups oppose any orphan works scheme; others accept that a scheme will be introduced and are trying to minimise any damage to copyright owners. The latter approach has been adopted by the American Society of Media Photographers, which provides commentary on the legislation, information on its history and a comparison of changes made to the Bills during the legislative process, at [www.asmp.org/news/spec2008/orphan\\_update.php](http://www.asmp.org/news/spec2008/orphan_update.php). For an outline of the debate amongst photographers, go to [www.pdnonline.com](http://www.pdnonline.com) and search for the article "Photo advocates divided over orphan works".

One of the major issues is whether the criteria for the application of the orphan works provision include sufficient safeguards for copyright owners. The Bills provide for the establishment of electronic databases of artistic works, to be certified by the Register of Copyrights. A user's search would need to include these databases in order to rely on the orphan works provisions. Some commentators have argued that a user would only need to search the electronic databases and find that images are not registered for them to be considered orphaned. This, however, does not appear to be the case.

The Bills require the user to "perform and document a qualifying search, in good faith" for the copyright owner. A "qualifying search" is defined as "a diligent effort", and a number of specific requirements are outlined in the Bills. These include following "Best Practice" guidelines, which would be provided by the US Register of Copyrights. Searching an image database would be necessary, but in our view unlikely to be sufficient, on its own, to meet the requirements of the proposed orphan works provisions.

A further issue concerns the "notice of use". Bill No H.R.5889 requires orphan works' users to file a notice with the Copyright Office, as outlined above; S.2913 includes no such obligation, which would make it harder for a copyright owner to find out about the use and take legal action.

### **What would it mean for Australian copyright owners if similar Bills are passed?**

If an orphan work scheme is introduced in the US, it will affect activities that take place within the US, regardless of where the material was created. This means that someone in the US who wants to use your work, and cannot locate you to get permission, might be able to rely on the orphan works scheme.

Should you panic? Consider the following.

The legislation would not affect activities taking place in Australia.

The legislation would **not**:

- allow anyone to use your work without permission if it were reasonably possible for them to identify and contact you;
- allow anyone to use your work without permission if they contacted you but you refused permission, or asked for a higher licence fee than they were prepared to pay; or
- require you to register your work in order to protect it.

If a Bill similar to H.R.5889 were passed, you'd be able to find out whether someone had used your work in reliance on the "orphan works" provision by checking the "Notices of Use" archive at the US Copyright Office. You could then contact the person and they would have to pay you reasonable compensation. You might also be entitled to take legal action to prevent them making further uses of your work. However, if their use of your work involved incorporating it into a new work, you might not be able to stop such use. Nor would you be able to claim "statutory damages" for infringement (although statutory damages cannot be claimed in any case unless the work has been registered with the US Copyright Office).

If either Bill were passed, a user who could not show he or she had made "diligent" attempts to contact you, or failed to negotiate or pay you compensation, could not rely on the orphan works provisions.

Compare this with the current situation: how would you find out about infringing use of your work in the US? If you found that someone in the US had infringed your copyright, what would you do? Do you currently register your works at the US Copyright Office? (If not, you could not claim statutory damages anyway.) There are practical and legal issues that make it difficult to detect, and take legal action for, copyright infringement in another country. The introduction of an orphan works provision (at least if it included a “notice of use” provision) would be unlikely to make these difficulties significantly worse for Australian copyright owners.

## What can you do to prevent your work from being “orphaned”?

**Put your name on your work.** The most important, but in some ways simplest, way to protect your work is to make sure that anyone with access to it can easily find out who owns the copyright and, ideally, how to contact you. This won’t stop unscrupulous people, of course, but at least it gives people who want to do the right thing a way to identify and contact you. In addition, putting your name on your work makes it easier to prove who owns copyright, including in court, if this is ever in dispute.

**Use the “copyright notice”.** It is a good idea to put your name on your work in the form of a “copyright notice”. The copyright notice is an internationally recognised form of identification. It consists of the symbol © (or the word “copyright”) + the name of copyright owner + the year of first publication (or the year of creation for unpublished works). You may also provide information such as contact details or a website URL.

**Make yourself contactable.** Bear in mind that people trying to find copyright owners may contact professional organisations or collecting societies, so being a member of the relevant ones may help.

**Embed information in digital files.** If your work is in digital form, consider embedding copyright and contact information in the file as well as using the copyright notice. In the case of images, consider using watermarks, captions and meta tags.

**Use access-control or copy-control measures.** Depending on the type of work you create, and how you are using it, you may also want to consider using technological measures, such as password protection, to prevent unauthorised access and/or copying.

**Consider registering your work with government agencies such as the US Copyright Office.** Most countries (including the US) are party to one or more of the major copyright treaties, and must therefore give automatic copyright protection to Australian material. However, some countries, including the US, have government-run registration systems. If your work is distributed in one of these countries, registering it can provide certain benefits (such as statutory damages if you sue for copyright infringement in the US), and can assist with proving ownership of copyright in Australia. Beware, however, of privately-run registration systems: registering with these may provide no benefit.

**Search for and act on infringements.** If your work is widely distributed online, you could also do a periodic internet search for infringing copies. One photographer claimed to have recovered £27,000 after a single night of searching the internet for infringing uses of his work.

## Australian Copyright Council

The Australian Copyright Council is a non-profit organisation whose objectives are to:

- assist creators and other copyright owners to exercise their rights effectively;
- raise awareness in the community about the importance of copyright;
- identify and research areas of copyright law which are inadequate or unfair;
- seek changes to law and practice to enhance the effectiveness and fairness of copyright;
- foster co-operation amongst bodies representing creators and owners of copyright.



Australian Government



*The Australian Copyright Council has been assisted by the Commonwealth Government through the Australia Council, its arts funding and advisory body.*

© Australian Copyright Council 2008