

## **Orphan Works Out in the Cold For Now**

By: Charles F. Morgan, Esq.

Orphan works legislation was passed by the Senate in September 2008, but the House of Representatives failed to act on it before adjourning. The U.S. Copyright Office has been working on the orphan works issue since 2005, however, and it is expected that Congress will revisit orphan works again this year.

An orphan work is a copyrighted work whose owner cannot be found to negotiate a license for use of the work. The Senate legislation, known as the Shawn Bentley Orphan Works Act of 2008, would have placed limitations on the judicial remedies available to a copyright owner who later resurfaces and demands compensation for the use of his or her work. The user of an orphan work would be required to have exercised good faith in conducting a diligent search for the owner prior to using the work without permission in order to take advantage of the limited remedies proposed in the bill.

The orphan works issue is separate from fair use and public domain. Under certain conditions, it is considered fair use for a copyrighted work to be used without permission, and works that have entered the public domain are generally available for use without the consent of the original owner. Orphan works are not copyrighted works that a copyright owner refuses to license or copyrighted works with a price that a potential licensee is unwilling to pay. Orphan works are works the use of which without permission would be considered copyright infringement. If the owner cannot be found however potential users may abandon productive projects. The Copyright Office considers this situation to be wasteful of many important works and not in furtherance of the objectives of the copyright system.

The number of orphan works is growing as a result of new technology and several amendments to the Copyright Act. In her statement to the House Subcommittee considering orphan works legislation in 2008, the Registrar of Copyrights, Marybeth Peters, cited several examples of the orphan works problem. Old wedding photos may not be reprinted by a commercial photo shop without the permission of the original photographer who is not known or cannot be found many years later. Museums may not be able to use images in their archival collections, and documentary filmmakers may not be able to use old footage in their films, if the copyright owners of such materials cannot be located. Other examples include photographs that cannot be used to illustrate a book, old film scripts that cannot be used for a new movie and songs that cannot be used in an advertising campaign. The challenge of orphan works extends to publishers, filmmakers, museums, libraries, universities and private citizens who would like to use copyrighted works even though the copyright owner cannot be found.

Changes to copyright law are partially responsible for the growth of the orphan works problem. Prior to 1978, registration of a work and a proper copyright notice on published works were necessary for a work to have copyright protection. The Copyright Act of 1976, however, made copyright protection automatic when a work was fixed in a tangible medium of expression, and registration become optional. In 1992, renewals of copyright became automatic. Under prior law, a copyright owner had to file renewal applications with the Copyright Office, and as a

result many copyrighted works fell into the public domain when the original copyright term expired. In 1989, when the United States joined the Berne Convention, the condition that a published work must contain a proper copyright notice was rescinded thereby eliminating a common means of identifying the date of creation and the copyright owner. On top of all these changes to the previously formalistic copyright system, Congress gradually extended the term of copyright protection which for most works now is the life of the author plus 70 years.

Digital technology also has made it easier for a work or part of a work to be published without identifying the copyright owner. There is often no attribution given for example to so-called “samples” in a sound recording. Many photographs have been published without credit lines or copyright notices and often have no metadata or watermarks. Companies that owned copyrights may have gone out of business leaving no record of copyright ownership.

Under current copyright law, the potential user of a copyrighted work must find the copyright owner and negotiate for use of the work. Orphan works legislation would make it possible to use the work, and thereby infringe the copyright, if the owner cannot be found. If the owner resurfaces after the use, he or she would not have available the full range of remedies for an ordinary infringement if the user made a good faith effort to find the owner before using the work. The key to whether the legislation effectively strikes a balance between protecting the copyright owner, and enhancing progress through the use of a work for which the owner cannot be found, depends on the extent to which the user must attempt to locate the owner prior to the infringing use.

The quality of the search for a copyright owner was addressed in the Orphan Works Act of 2008. The user of an orphan work must make a diligent effort that is reasonable under the circumstances to locate the copyright owner. The Copyright Office has agreed to act as a resource for collecting and formulating the “best practices” for a search in each copyright area. For example, the search criteria could differ when searching for the author of a novel, the composer of a song or the photographer of a picture.

The Copyright Office proposal included in the 2008 Senate legislation is that when the copyright owner of an orphan work that has been used comes forward, the user should pay reasonable compensation based on what the user would have agreed to pay to the owner before starting the use. The value of the work and the use would be determined by market conditions and not by a compulsory government license or a statutory rate. Although the copyright in an orphan work has been infringed, the copyright owner would not be able to obtain other monetary relief such as actual damages, statutory damages or attorneys’ fees. As for injunctive relief, the 2008 proposal would allow the copyright owner to enjoin use only if the orphan work has not been transformed such as the use of a photograph in an advertisement. If the orphan work has been transformed, such as making a film based on an orphaned novel, the transformed use could not be enjoined.

The Orphan Works Act of 2008 was characterized by Ms. Peters in her testimony before the House subcommittee as “a framework whereby a legitimate orphan works owner who resurfaces may bring an action for ‘reasonable compensation’ against a qualifying user.” In order for a user to qualify for the benefits of the legislation, a user must have conducted a good

faith, reasonably diligent search for the copyright owner. If the user conducted such a search and failed to discover the owner of the copyright, the owner who resurfaces would be limited to reasonable compensation for the use. There are millions of orphan works that are now precluded from use because the copyright owners cannot be found. It seems likely therefore that Congress will revisit legislation that addresses the orphan works issue in the near future.

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Charles F. Morgan, Esq. is an attorney with the law firm of Astrachan Gunst & Thomas, P.C. in Baltimore, Maryland.