



*Illustrators Partnership
of America*
845 Moraine St.
Marshfield, MA 02050
781-837-9152

A R S
ARTISTS RIGHTS SOCIETY

Artists Rights Society
536 Broadway
5th Floor
New York, NY 10012
212-420-9160



ADVERTISING
PHOTOGRAPHERS
OF AMERICA

*Advertising Photographers
of America*
31 Mamaroneck Ave, Suite 514
White Plains, NY 10601
646-216-8754

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**Suggested Amendments to H.R. 5889
The Orphan Works Act of 2008**

Submitted on Behalf of
**The Illustrators' Partnership of America
Artists Rights Society
Advertising Photographers of America**

To the
**Committee on the Judiciary
U.S. House of Representatives**

By
**Brad Holland, Co-Founder & Director and Cynthia Turner, Director
Illustrators' Partnership of America**

**Dr. Theodore Feder, President
Artists Rights Society**

**Constance Evans, National Executive Director
Advertising Photographers of America**

Amendments to H.R.5889 **The Orphan Works Act of 2008**

Amendment 1: Limitation on Scope of Use of Orphan Works and Qualifying Users of Orphan Works

This act shall only apply to the usage by the cultural heritage sector for the express purpose of digitization, online access, preservation, education and other noncommercial purposes of orphan works contained within the collections of not for profit libraries, archives or museums that have been accredited by a recognized national authority and approved by the Register of Copyrights.

Recommended as an amendment to USC, Title 17, § 108: Limitations on exclusive rights: Reproduction by libraries and archives. This amendment clarifies U.S. Orphan Works legislation to preserve and access cultural heritage, recognizing that in particular older material may include works whose rightsholders are not identifiable or, if they are identifiable, can no longer be located while emphasizing respect for copyright, exclusive rights, related rights and economic rights regarding the use of orphan works.

It emphasizes the need for adequate certainty when cultural institutions deal with orphan works, with respect to their digitization and online accessibility within the framework of the libraries, museums and archives for the lawful use of orphan works. It harmonizes S. 2913 with the June 4, 2008 i2010 European Union Digital Libraries Initiative: Agreement between Cultural Institutions and Rightsholders on Orphan Works.

It preserves contemporary commercial markets and the exclusive rights of contemporary creators who are alive, in business and managing their copyrights by “confining limitations and exceptions to exclusive rights to certain special cases, which do not conflict with a normal exploitation of the work, and do not unreasonably prejudice the legitimate interests of the rights holder” in accordance with the TRI’s 3-Step test. It makes S.2913 compliant with the Berne Convention for the Protection of Literary and Artistic Works and its prohibition on registries.

Amendment 2: Parity for Visual Artists and Textile Designers

(Version 1) On Page 14, line 23, after “in or on a useful article” and before “that is offered for sale or other distribution to the public” insert: “or, in the case of a work of visual art, in or as part of a collective work,”.

(Version 2) On page 14, line 14, after “in or on a useful article” and before “that is offered for sale or other distribution to the public” insert “or in the case of a work of visual art, in or as part of a collective work or standing alone.” (Underlining is provided for the purpose of highlighting the differences with version one.)

This amendment extends to illustrators and other creators of visual images the same protection afforded by the bill to authors of designs – such as textile designs – that are included in other works. Version one is limited to works of art that are included in

another – larger work – and, therefore is most parallel to the provision regarding works that are included in useful articles. Version 2 expands the amendment to include free standing works, such as works of fine art that often are included in collective works following their creation.

Amendment 3: The Copyright Office is Best Able to Maintain the Database

On page 15, lines 15 and 16 delete “undertake a certification process for the establishment of” and insert “create”.

On page 15, delete lines 20 through 25, and insert the following:

“(2) STANDARDS FOR THE COPYRIGHT OFFICE DATABASE – The electronic database created pursuant to subsection (a) (1) of this section shall contain – ”

On page 17, delete all after “shall” on line 11 through line 22 and insert “not take effect until the Copyright Office has made available to the public, online and at no cost to authors, the database created pursuant to subsection (a) (1) of Section 3.

This amendment requires the Copyright Office to create a publicly searchable electronic database of works of visual art that can serve as a basis for conducting searches involving such works under this bill. The Copyright Office and the Library of Congress are more capable of creating such a database than any private sector organization due to the fact that the copies of all visual images that have been registered with the Copyright Office already are archived in the Library of Congress and the Library is in the process of digitizing these images through its “digital library” project. This leverages the existing registration system to support the objectives of this bill and relieves visual artists – who are in almost all cases individuals with limited financial resources – of any requirement to establish the means to protect themselves against infringement of their works.

Amendment 4: The Act Should Not Violate U.S. Treaty Obligations with Respect to Article 5 (2) of the Berne Convention on Literary and Artistic Works Prohibiting Registration for Foreign Works

On page 20, after line 19, insert the following new section:

“SEC. 8. Relationship to Foreign Works Protected Under the Berne Convention on Literary and Artistic Works.

This Act shall not apply to works of foreign authors.”

Article 5 (2) of the Berne Convention on Literary and Artistic Works provides that “The exercise of their (authors’) rights shall not be subject to any formality.” Compliance with this provision is required of all countries, including the United States that adhere to the TRIPS Agreement under Article 9 of that treaty.

By requiring that all copyright holders must register their works in electronic databases as a condition of protection against infringement as orphan works H.R. 5889 violates these treaty obligations prohibiting the imposition of formalities on non-U.S. nationals as a pre-condition to enforcement of their copyrights.

The Copyright Act currently requires that works created by U. S. domiciliaries be registered with the Copyright Office and accompanying copies be deposited with the Library of Congress as a pre-condition to bringing an infringement action in a Federal Court. Also, in the case of U.S. domiciliaries registration prior to infringement is a condition of the right to receive statutory damages. Both of these provisions are limited to U.S. –based authors only because to do otherwise would violate Berne Article 5 (2) and TRIPS Article 9. A similar limitation to U.S. domiciliaries is necessary with regard to this legislation to avoid violating the international treaties.

Amendment 5: The Act Should Not Violate U.S. Treaty Obligations Under Article 13 of the TRIPS Agreement relating to Limitations and Exceptions

On page 17, delete all after “shall” on line 11 through line 22 and insert “not take effect until the Register of Copyrights, the Secretary of Commerce and the United States Trade Representative have certified in a joint communication to the President of the Senate and the Speaker of the House of Representatives that this Act does not violate Article 13, regarding limitations and exceptions, of the Agreement on Trade Related Aspects of Intellectual Property Rights.

This amendment assures that this legislation would not violate U.S. treaty obligations with regard to works of visual art under the three step test required of any exceptions and limitations to exclusive rights of copyright owners under Article 13 of the TRIPS Agreement. That Article requires that legislation passed by any signatory state “shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.” (emphasis supplied.) Failure to meet the requirements of TRIPS Article 13 would expose the United States to claims of unfair trading practices under the WTO Treaty and expose U.S. industry to retaliatory actions by signatories to the WTO Treaty and the TRIPS Agreement.

Amendment 6: Impact on Small Business Entities

On page 17, delete all after “shall” on line 11 through line 22 and insert “not take effect until the Small Business Administration has certified in a joint communication to the President of the Senate and Speaker of the House of Representatives that individuals and small businesses will effectively be able to prevent through their own due diligence and at reasonable cost their works from becoming orphaned by complying with the provisions of this Act.”

The bill contemplates a system of private registries that must be used by copyright owners to provide a means of searching for ownership information regarding their works. If an artist or other copyright owner fails to use the services of one of these registries an infringer who uses such a registry to meet the “reasonable search”

obligation will be able to do so with no possibility of locating the rights holder. In such a situation the rights holder's work will automatically be orphaned.

The cost and complexity of using the services of these private – presumably for-profit – registries is unknown. However, the Copyright Office has testified that that the cost and complexity of its maintaining such a registry is too great for it to manage. The Copyright Office has taken this position even though it operates on a budget of over \$300 million and already maintains a digitized database of the works registered with it and the Library of Congress maintains an archive of deposits of best copies that must accompany copyright registration.

All visual artists are small businesses or sole proprietorships. Before placing a financial and administrative burden on them that they may not be able to meet, the Congress should have the advice of the government agency responsible for the well being of such small businesses and sole proprietorships.

Amendments 7: “Best Practices”

On page 8, line 17 delete “(ii) and insert (iii).

On page 8, after line 16 insert the following new subsection (B) (ii):

“(ii) BEST PRACTICES. – The best practices maintained by the Register of Copyrights shall:

(1) include only practices recommended either by authors or organizations representing solely authors of the class of works addressed by the best practices;

(2) require use of existing identification systems, including all databases currently maintained by the Library of Congress;

(3) include the name or names of any identifiable person including the publisher, distributor, artist, designer, and art director associated with the work or the use of the work;

(4) may not include best practices recommended by non rights holders or any other databases owned, maintained, or financed directly or indirectly by infringers.

On page 17 delete all after “section 2” through line 22 and insert: “shall take effect only after the date on which the Copyright Office certifies best practices under section 3.”

This amendment provides that the “best practices” that are adopted for databases of works be established by those who know those works the best – the class of authors that has created them. Especially in the case of the visual arts, it is the artists themselves who best understand how to create a workable database. In any event infringers should not be in the position of creating the system that immunizes them from liability for their violation of the copyright law. To do otherwise would be putting the fox in charge of the chicken coop.

Amendment 8: Safe Harbor for Not for Profit Institutions

On page 10, delete all after “if the infringer is” on lines 21 and 21 through line 23 and insert “a not for profit library, archive or museum accredited by a recognized national authority and approved by the Register of Copyrights and the infringer has not used the infringed work for any purpose of direct or indirect commercial advantage such as marketing, promotion of brands, products or services.

This amendment is directed at that provision of the Act that provides a safe harbor that virtually immunizes the infringer from any meaningful liability provided that that infringer is a non profit archive, library or museum. This undoubtedly is directed at institutions such as the National Holocaust Museum, whose representative has testified at hearings that lead to the bill’s introduction. Visual artists recognize the special circumstances associated with such non profit libraries, museums and archives. This amendment will assure that only institutions that legitimately fall into this category receive the benefits of the safe harbor. And, it would assure that such institutions do not unfairly use the safe harbor to compete commercially against the very creators whose works they are dedicated to preserving. Commercial exploitation does not deserve a sweeping safe harbor.

This amendment also removes nonprofit educational institutions from safe harbor infringement protection to prevent the special harm that will be exerted on medical education and the advancement of science. Medical illustrators create critically accurate visualizations for nonprofit organizations, universities and research foundations. § 107 already generously covers scholarship. Any other use by non-profits needs to be licensed according to existing copyright law and protect an artist's exclusive rights, regardless of whether the orphan work user’s use involves a direct or indirect commercial advantage. Adding a new provision that essentially performs the same function as fair use under § 107 may erode that body of established law, while providing no more certainty than applying § 107 and its related case law to the other provisions of the Act.

Amendment 9: Review by the Department of Justice on the Impact on the Judiciary and the Need for a Small Claims Court

On page 17, delete all after “shall” on line 11 through line 22 and insert “not take effect until the Department of Justice has certified in a joint communication to the President of the Senate and Speaker of the House of Representatives that the relief provided under the bill will not be less in most cases than the legal costs – including attorneys’ fees, court costs, and costs of discovery – necessary for a plaintiff effectively to litigate an action for infringement in a United States District Court. The certification by the Department of Justice also shall advise Congress on the impact of the Act on the federal court system and whether an alternative system of administrative litigation should be substituted for the existing system of remedies for copyright infringement.”

On page 16 through page 18 delete lines 16 through 18 and renumber Sec. 7 as Sec. 6.

Section 6 of the bill recognizes that the remedies afforded rights holders by the bill may not be sufficient to support effective enforcement under the current system of infringement litigation in United States District Courts. However, the bill gives the Register of Copyrights the mandate to study this issue and report to Congress on the advisability of a different system of litigation. This is an issue that is within the authority and expertise of the Department of Justice, not the Copyright Office. This amendment gives responsibility for advising Congress on matters relating to the federal court system to the Department of Justice, not the Copyright Office. Further, given the acknowledgment inherent in the study authorized by Section 6 that there is a serious possibility that the judicial remedies provided by the bill will be too expensive for rights holders in relation to the damage awards they will receive, the bill should not go into effect until the Congress has had the expert opinion of the Department of Justice.

Amendment 10: Sunshine for the Notice of Use Archive

On page 9, line 2, after “shall create and maintain an archive” insert “that is publicly accessible without charge through the Internet”.

On Page 9, line 7, before “(A)” insert “Part I”

On page 9, line 21, after “used” insert:

“(G) a best edition copy of the image to be infringed from a commercially available, non-infringing publication or other source;

(H) a precise list of the infringing uses, including the print run, number of copies, geographic of any work that includes the infringed work, and the media such as print, Internet, or broadcast in which the infringed work is being distributed;

(I) the legal name of the infringer and all those associated with the diligent search and the proposed use, such as employers, institutions or corporate entities associated with the infringement;

(J) a working telephone number at which the infringer may be contacted that will be answered by the infringer;

(K) a unique identifying number for the infringing use issued and maintained by the Copyright Office;

(L) and, the Federal ID tax number, or social security number of the infringer or infringing entity.

Part II, to be completed within 30 days from the infringing use,

(M) a best edition copy of the infringing work.”

This amendment deals with the requirement of the bill that infringers file notice with the Copyright Office prior to infringement. If this requirement is to have any meaning the database of such notices must be easily available to rights holders so that they can effectively use it to make sure that their work is not classified as an orphan and that they can contact the infringer to be in a position to negotiate whether or not to license the work prior to infringement. This bill assures that rights holders will have the access they need to the notices filed with the Copyright Office and the information they need to contact and effectively negotiate with the entity desiring to use their works before that entity becomes an infringer.

Amendment 11: Modify Exclusion for Fixation in or on Useful Articles

On page 14, line 19, after “EXCLUSION FOR” AND BEFORE “FIXATIONS” insert “INFRINGEMENTS PROMOTING COMMERCIAL PRODUCTS OR SERVICES AND FOR”

On page 14, line 22, after “infringements” insert “promoting commercial products or services, or”

On page 14, line 23, after “useful article” and before “that is offered” insert “, or packaging or other media intended to promote such article,”

On page 14, end of line 24, after “public” and before “.” insert “, or where an infringer aggregates copies of orphan works and offers to distribute such copies of orphan works to other persons or organizations in exchange for compensation resulting from sale, subscription, licensing, advertising revenue or other means.”

This amendment expands the scope of the useful objects exclusion and prohibits the aggregation of orphan works for purposes of sale or distribution. The real need for use of orphan works for cultural heritage and preservation purposes does not in any way justify the commercial exploitation of orphan works.

Examples illustrating the primary basis for orphan works legislation invariably include (1) the Holocaust Museum’s inability to make use of photographs and letters in their collection, and (2) a family that has a photograph of a deceased relative, and is unable to contact the photographer, and thus unable to reproduce the image for personal usage. Other examples of course include libraries, archives and other similar organization seeking to use orphan works for cultural heritage or educational purposes, entirely legitimate examples illustrating the need for amending copyright law to allow for such uses. However, never is there an example such as “Advertising agency McCann Erickson could not use a photograph in its worldwide \$20 million advertising campaign for Microsoft because they could not locate the photographer.”

Visual artists have a broad spectrum of tools at their disposal for marketing, distributing, and presenting their works for licensing across the global marketplace. For example, in the world of photography, photographers not only use their own websites, direct mail and email marketing campaigns to market their works and their services, but also use third

party sites, commissioned agents, and publications expressly purposed for such use. In addition, photographers successfully market and distribute their work using stock agencies, where customers can search databases of millions of images, find an image to suit almost any purpose, supplied by any of tens of thousands of photographers, and purchase the right to use the image.

While the need for cultural heritage and preservation use of orphan works is clear, there is no reasonable justification for disrupting the marketplace for commercial usage of works by allowing the usage of orphan works for commercial purposes.

This amendment prohibits commercial services that could aggregate orphan works for sale to third parties. Such transactions would not be labeled as a “sale” or “license” but would likely be masked as subscription fees for qualifying searches. This would result in broad distribution of orphan works on a scale that would frustrate the attempt by any rights holder to secure reasonable compensation from third party users.

Amendment 12: Copyright in Derivative Works

On page 15, on line 10, after “103(a)” and before “an infringer” insert: “but subject to injunctive relief under subsection (c)(2),”

On page 15, line 13, after “copyrighted work” and before “shall not be denied” insert “to which the infringer contributes significant original expression, resulting in a derivative work or compilation, the infringer”

On page 15, at end of line 16 insert: “The infringer’s copyright protection in a derivative work based in whole or in part on a work infringed under this section shall not entitle the infringer to remedies under this Title in the event that the owner of the copyright in the infringed work infringes on such derivative work in the normal course of exploiting the owner’s copyright.”

This proposed amendment establishes a threshold of significant original expression, and ensures the consideration of the previous section regarding injunctive relief. The amendment also enjoins the infringer from copyright claims against the owner, in the event that the owner creates derivatives similar to the infringer’s derivative based on the owner’s work.

In the Bill the threshold for derivative works is very low. The contribution of any original expression to an orphan work results in a derivative, owned by the infringer. The derivative work, no longer an orphan, may be marketed, freely distributed and licensed to third parties by the infringer. Such use by the infringer of the derivative work may not only occur in direct competition with the owner of the orphan on which the derivative is based (without knowledge of the owner), but may otherwise cause market confusion, as competitors acquire and make use of each other’s works.