



RESPONSE OF THE LIBRARY COPYRIGHT ALLIANCE TO THE COPYRIGHT OFFICE’S ORPHAN WORKS REPORT

In its recently released report on orphan works, the Copyright Office misunderstands the position of the Library Copyright Alliance (LCA)¹ on the utility of fair use, and the fair use best practices, in addressing the orphan works problem. This response clarifying the LCA position should prove helpful if orphan works legislation proceeds. In particular:

- LCA does not oppose orphan works legislation. Rather, LCA takes the more nuanced position that *libraries’* need for orphan works legislation has diminished.
- LCA bases its fair use analysis related to the digitization of special collections not only on *Authors Guild v. Google* and *Authors Guild v. HathiTrust*, but also on many other fair use determinations.
- LCA’s assessment of the changed legal environment goes beyond the evolving fair use jurisprudence to include changes in the law relating to injunctions, the widespread industry practice of website archiving, and library experience with mass digitization.
- The best practices in fair use for libraries and archives do not create a blanket solution that removes from the copyright owner the ability to recover reasonable compensation in all cases. To the contrary, they provide specific guidance for libraries on how to apply the fair use doctrine to the digitization of special collections.

Moreover, as the Copyright Office concedes, the orphan works legislation it proposes would be of little benefit to libraries because it is a mechanism for isolated uses of orphan works. For digitization of special collections, the Copyright Office instead suggests its proposed extended collective licensing (ECL) framework. However, this framework would not apply to many items in special collections, such as unpublished works and ephemera. Additionally, the Office itself believes that an ECL for orphan works “would end up ultimately as a system to collect fees, but with no one to distribute them to.”²

In short, the Copyright Office questions libraries’ reliance on fair use to digitize their special collections, but offers no viable alternative. While LCA continues to believe

¹ LCA consists of the American Library Association, the Association of College and Research Libraries, and the Association of Research Libraries.

² LCA will respond separately to the Copyright Office’s Notice of Inquiry concerning a mass digitization pilot program.

that fair use provides libraries with sufficient flexibility to digitize their special collections, it understands that other communities may not feel as comfortable relying on fair use. To address these communities' concerns, LCA would support a simple one sentence amendment to 17 U.S.C. § 504(c)(2) that grants courts the discretion to reduce or remit statutory damages if the user conducted a reasonably diligent search prior to the use.

Orphan Works and Fair Use

The Copyright Office asserts that although LCA supported the Shawn Bentley Orphan Works Act in 2008, LCA now “opposes any orphan works legislation.” Report at 70. In fact, the LCA is not *per se* opposed to orphan works legislation. Rather, LCA takes the narrower position that the need of *libraries* for orphan works legislation has diminished. To be sure, other communities may still benefit from properly drafted orphan works legislation. LCA's point is that *libraries* no longer need legislative relief to the extent they previously did.

The Copyright Office attributes LCA's changed position to the fair use decisions in *Authors Guild v. Google*, 954 F. Supp. 282 (S.D.N.Y. 2013) and *Authors Guild v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014). Once again, the Copyright Office misreads LCA's position. In its comments to the Copyright Office, LCA described a changed copyright landscape, which included, but was not limited to, evolving fair use case law. In addition to the two *Authors Guild* cases, LCA cited numerous other relevant fair use decisions involving transformative uses, educational use, or mass digitization.³ LCA also cited an opinion by the general counsel of the U.S. Patent and Trademark Office that the copying of technical articles by the USPTO and patent applicants during the course of patent examinations constituted fair use.⁴

Other fair use decisions decided after LCA's submissions, such as *White v. West Publishing Corp.*, 1:12-cv-01340-JSR (S.D.N.Y. July 3, 2014), and *Fox News v. TVEyes*, No. 13 Civ. 5315 (AKH) (S.D.N.Y. Sept. 9, 2014), further support LCA's perspective on evolving fair use case law.

³ *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir. 2006); *Perfect 10 v. Amazon.com*, 508 F.3d 1146 (9th Cir. 2007); *A.V. v. iParadigm*, 562 F.3d 630, 639 (4th Cir. 2009); *Cambridge Univ. Press v. Becker*, 769 F.3d 1232 (11th Cir. 2014); *Ass'n for Info. Media and Equip. v. Regents of the Univ. of California*, No. CV 10-9378 CBM (MANx), 2011 WL 7447148 (C.D.Cal. Oct. 3, 2011); *Ass'n for Info. Media and Equip. v. Regents of the Univ. of California*, No. CV 10-9378 CBM (MANx) (C.D.Cal. Nov. 20, 2012).

⁴ Bernard Knight, USPTO General Counsel, *USPTO Position on Fair Use NPL Copies of Made in Patent Examination* (January 19, 2012) http://www.uspto.gov/about/offices/ogc/USPTOPositiononFairUse_of_CopiesofNPLMadeinPatentExamination.pdf.

Although LCA's fair use analysis of orphan works relies on more than *HathiTrust* and *Google*, *HathiTrust* unquestionably is central to LCA's position. Indeed, the Second Circuit's decision in *HathiTrust*, which was issued after the Office orphan works roundtable, increases libraries' confidence in reliance on fair use. The Copyright Office misunderstands the degree to which *HathiTrust* facilitates full-text access to copyrighted works in special collections. The *HathiTrust* court's endorsement of the "functional transformation" approach (i.e., a use is transformative if the work is used for a significantly different purpose from its original market purpose), combined with its discounting of lost revenue from such transformative uses, provides a library with a solid basis for providing full-text access to its digitized copies of out of print materials when the purpose of providing the access is clearly different from the author's original market purpose. For example, providing full-text access to digitized copies of many materials in special collections and archives is very likely protected by fair use because the research purpose of the access typically is different from the author's purpose in creating the works at issue. Additionally, many classes of materials have time-limited markets. If that period has long since expired, the original market for that work no longer exists and subsequent uses would likely be considered fair and not a market substitution for the original work.

In any event, LCA's perspective on how to deal with orphan works is shaped by more than fair use case law and the fair use best practices, discussed below. The changed copyright landscape LCA discussed in its comments also included the holding in *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010) that an injunction should not issue automatically on a finding of copyright infringement. The *en banc* Ninth Circuit's ruling in *Garcia v. Google*, __ F.3d __ (9th Cir. 2015), underscored the importance of considering all four of the factors traditionally employed to determine whether to enjoin conduct. Abolition of the automatic injunction rule diminishes the probability that a court will enjoin a library's use of an orphan work in the unlikely event that the court finds the use to infringe. The copyright owner correctly bears the burden of proving that the library's use causes irreparable injury to her copyright interests.

Furthermore, LCA in its comments to the Copyright Office stressed that over the past decade mass digitization has become much more common. The leading search engines routinely cache billions of web pages without the copyright owners' permission. This industry practice has faced absolutely no legal challenge in the United States since the *Amazon.com* decision in 2007, cited above. Libraries reasonably believe that a court would favorably evaluate a non-profit library's fair use defense in the context of this industry practice.

In part because of the legal developments and industry practice described above, libraries across the country have begun engaging in the mass digitization of special collections and archives. These special collections digitization projects have proceeded without any conflict with rights holders. The more they engage in these activities, the more confident libraries become with their fair use analysis concerning the mass digitization of presumptively orphan works.

The controversy concerning the HathiTrust Orphan Works Project has not shaken this confidence. The subject matter of library mass digitization projects is completely different from the published books at issue in the *HathiTrust* case. Much, if not all, of these historical records, photographs, and ephemera have never been distributed commercially. The *HathiTrust* litigation, thus, has helped delineate for libraries which orphan works projects will subject them to greater risk of infringement litigation.

Best Practices

The Copyright Office acknowledges that “*some* uses of orphan works by *some* stakeholders” may qualify as fair uses. Report at 44. The library community agrees. The library community certainly does not believe that every use of an orphan work by every person is a fair use. The library community also does not believe that every use of an orphan work by a library is *per se* a fair use. Yet, the Copyright Office implies that the library community, through its best practices, supports a “blanket fair use solution” that would “remov[e] the ability of copyright owners to recover compensation in all instances, and regardless of whether the owner re-emerges and begins to exploit the work herself.” *Id.* at 46.

This statement is a complete distortion of the best practices and LCA’s views. The best practices state that the fair use case for digitizing and providing access to a library’s special collections is enhanced where

- the items to be digitized consist of works such as personal photographs, correspondence, or ephemera, whose owners are not exploiting the material commercially and likely could not be located to seek permission for new uses;
- the library takes appropriate measures to prevent the downloading of the digital files;
- the library provides copyright owners with a simple tool for registering objections to online use, and responds to such objections promptly; and
- the library adds criticism, commentary, metadata and other additional value and context to the collection.

Further, the best practices raise a cautionary flag concerning providing access to published works available in unused copies on the commercial market at reasonable prices. Clearly, this is not a blanket solution that removes from the copyright owner the ability to recover reasonable compensation in all cases.

The Copyright Office’s Legislative Proposal

After mischaracterizing the LCA’s position on orphan works legislation and the substance of the fair use best practices, the Copyright Office offers its legislative proposal. The basic approach is the same as that of the Shawn Bentley Orphan Works Act passed by the Senate in 2008. If a user performs a reasonably diligent but unsuccessful search for the owner prior to commencing the use, then the remedies available against the

user would be limited in the event the owner subsequently emerges and objects to the use. Unfortunately, this approach is of little use to libraries, as the Office itself concedes.

The controversy concerning the HathiTrust Orphan Works Project demonstrates the ultimate futility, for large scale projects, of the “reasonably diligent search” approach embodied by the Copyright Office’s legislative proposal. Using the crowd-sourcing power of the Internet and the publicity of the litigation, the Authors Guild was able to generate more information more quickly than a small team of individuals consulting existing databases and search engines. This shows that a copyright owner will always be able to identify a trail that would have led the user to his doorstep, and the user’s only defense would be that she did not have the resources to explore every fork that she would have encountered along the way.

Moreover, libraries now have far more experience than in 2008 with searching for the copyright owners of material in archives and special collections. These searches are more time consuming, expensive, and inconclusive than we believed in 2008. Thus, a reasonably diligent search approach is not viable for the mass digitization of special collections.

The Copyright Office’s current proposal contains a significant procedural feature not present in the bill passed by the Senate in 2008: a requirement that a user file a Notice of Use with the Copyright Office that would describe, *inter alia*, the work, a summary of search conducted, and how the work would be used. The Copyright Office recognizes that “filing a Notice of Use for each use of an orphan work may place a significant burden on users.” Report at 62. The Office adds that this is “true principally with respect to users wishing to digitize a large number of orphan works related to a single project (e.g., the digitization of a library’s entire special collection).” *Id.* The Office then stresses that it “see[s] the Notice of Use as a mechanism for isolated uses.” *Id.*

So if the orphan works legislation as currently formulated by the Office is not appropriate for the digitization of special collections, what is a library to do? The Office directs the library to its mass digitization framework, which would involve an extended collective licensing (ECL) arrangement.

This is problematic both in practice and in principle. In practice, it is problematic because of the ECL’s likely limited coverage. The Office advises against covering unpublished works in the ECL framework because “the administrative costs associated with managing such a vast universe of rights would likely outweigh any benefit.” *Id.* at 84. These burdens “would be compounded by the virtual impossibility of determining reasonable license fees for the use of works for which there has never been a commercial market.” *Id.* at 84-85. Significantly, many of the items in special collections are unpublished, and thus would not be covered by an ECL framework.

Furthermore, many of published works in special collections, such as ephemera (e.g., posters), would not fall within the scope of the pilot program the Office is proposing, which would be limited published literary works, pictorial works embedded in

literary works, and photographs. Thus, libraries would have no way to license much of the material they seek to digitize, even if the ECLs the Office proposes are established.

The Copyright Office identifies a problem of principle more serious than this practical problem of the ECL's limited scope. In rejecting ECL as a solution to the orphan works problem, the Office observes that for an orphan work, "by definition there is no owner to be identifiable or locatable, and thus no one to receive a licensing fee, or to opt out of the CMO altogether." *Id.* at 50. For this reason, the Office believes that an ECL for orphan works "would end up ultimately as a system to collect fees, but with no one to distribute them to." *Id.* Many of the works in special collections—even those that are published—are likely to be orphans. Consider civil rights or anti-war pamphlets created 50 years ago by political organizations that no longer exist. In short, the Copyright Office challenges libraries for relying on fair use to digitize their special collections, but offers no viable alternative.

The Copyright Office orphan works proposal is deeply flawed in two other respects. First, the Notice of Use requirement sets a terrible precedent for other exceptions and limitations. Rights holders can be expected to demand legislation that requires anyone relying on an exception or limitation to file a Notice of Use with the Copyright Office.

Second, the Copyright Office proposes that the limitation on injunctive relief not apply if the rights holder was also the author and the use would be prejudicial to his honor or reputation. Injecting these "moral rights" into the calculus of whether injunctive relief should issue could upset the clear rule articulated in *Garcia v. Google* that only copyright harm should be considered in assessing irreparable injury.

We appreciate the Office's recognition of the importance of a savings clause that this provision does not affect "any limitation or defense to copyright infringement, including fair use."

A Better Approach to Orphan Works

As discussed above, LCA believes that because of the changed legal environment, libraries no longer need orphan works legislation to engage confidently in the mass digitization of their special collections. However, LCA has made clear that it understands that other communities may not feel as comfortable relying on fair use and may find merit in an approach based on limiting remedies if the user performed a reasonably diligent search for the copyright owner prior to the use.

Accordingly, LCA proposed that Congress should consider a simple one sentence amendment to 17 U.S.C. § 504(c)(2) that grants courts the discretion to reduce or remit statutory damages if the user conducted a reasonably diligent search prior to the use. Because courts would simply have the discretion to reduce statutory damages, but would not be required to do so, there would be no need to define precisely what constitutes a reasonably diligent search. That determination would be left to the court.

LCA acknowledged that some users would prefer greater certainty concerning what steps they would need to take to fall within the bill's safe harbor, and that some rights holders would prefer the same procedural certainty to prevent possible abuse. However, the enormous variety of potential works, uses, and users means that greater certainty likely could be achieved only with respect to the types of works, uses, and users specifically addressed by the statements of Recommended Practices the Copyright Office would develop.

Furthermore, the certainty the Recommended Practices would provide would be illusory. Even if a user discovers the name and address of someone who may be the copyright owner, that potential owner might not respond to user inquiries because the potential owner might not know whether she in fact owns the rights. Additionally, the Notice of Use requirement would discourage many potential users, assuming that the Office acquires the technological capability to create and maintain such a Notice of Use archive. Thus, developing the statements of Recommended Practices and the Notice of Use archive may take years and consume enormous resources, and in the end might not provide better results than the one sentence solution proposed above.

In sum, while LCA continues to believe that fair use provides libraries with sufficient flexibility to digitize their special collections, it would support a simple one sentence amendment to 17 U.S.C. § 504(c)(2) that grants courts the discretion to reduce or remit statutory damages if the user conducted a reasonably diligent search prior to the use.

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