

will be distributed on or about January 1, 2013.

This notice is issued pursuant to 42 U.S.C. 2996f(f). Comments and recommendations concerning potential grantees are invited, and should be delivered to LSC within thirty (30) days from the date of publication of this notice.

**Victor M. Fortuno,**

*Vice President & General Counsel.*

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## LIBRARY OF CONGRESS

### Copyright Office

[Docket No. 2012-12]

### Orphan Works and Mass Digitization

**AGENCY:** Copyright Office, Library of Congress.

**ACTION:** Notice of inquiry.

**SUMMARY:** The U.S. Copyright Office is reviewing the problem of orphan works under U.S. copyright law in continuation of its previous work on the subject and in order to advise Congress as to possible next steps for the United States. The Office has long shared the concern with many in the copyright community that the uncertainty surrounding the ownership status of orphan works does not serve the objectives of the copyright system. For good faith users, orphan works are a frustration, a liability risk, and a major cause of gridlock in the digital marketplace. The issue is not contained to the United States. Indeed, in recent months, the European Commission has adopted measures that would begin to resolve the issue in certain contexts and a number of foreign governments are reviewing or proposing solutions. The Copyright Office seeks comments regarding the current state of play for orphan works. It is interested in what has changed in the legal and business environments during the past few years that might be relevant to a resolution of the problem and what additional legislative, regulatory, or voluntary solutions deserve deliberation. This is a general inquiry and the Office will likely publish additional notices on this topic.

**DATES:** Comments are due by 5:00 p.m. EST on January 4, 2013. Reply comments are due by 5:00 p.m. EST on February 4, 2013.

**ADDRESSES:** All comments shall be submitted electronically. A comment page containing a comment form is posted on the Copyright Office Web site

at <http://www.copyright.gov/orphan/comment-submission>. The Web site interface requires commenting parties to complete a form specifying name and organization, as applicable, and to upload comments as an attachment via a browser button. To meet accessibility standards, commenting parties must upload comments in a single file not to exceed six megabytes (“MB”) in one of the following formats: the Adobe Portable Document File (“PDF”) format that contains searchable, accessible text (not an image); Microsoft Word; WordPerfect; Rich Text Format (“RTF”); or ASCII text file format (not a scanned document). The form and face of the comments must include both the name of the submitter and organization. The Copyright Office will post all comments publicly on the Copyright Office’s Web site exactly as they are received, along with names and organizations. If electronic submission of comments is not feasible, please contact the Copyright Office at 202-707-8350 for special instructions.

#### FOR FURTHER INFORMATION CONTACT:

Karyn Temple Claggett, Senior Counsel, Office of Policy and International Affairs, by email at [kacl@loc.gov](mailto:kacl@loc.gov); or Catherine Rowland, Senior Counsel, Office of Policy and International Affairs, by email at [crowland@loc.gov](mailto:crowland@loc.gov); or contact the Copyright Office by telephone, at 202-707-8350.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

An “orphan work” is an original work of authorship for which a good faith, prospective user cannot readily identify and/or locate the copyright owner(s) in a situation where permission from the copyright owner(s) is necessary as a matter of law.<sup>1</sup> Under current law, anyone who uses an orphan work without permission runs the risk that the copyright owner(s) may bring an infringement lawsuit for substantial damages, attorneys’ fees, and/or injunctive relief unless a specific exception or limitation to copyright applies.<sup>2</sup> In such a situation, a productive and beneficial use of the work may be inhibited—not because the

<sup>1</sup> See United States Copyright Office, Report on Orphan Works (2006) (“Orphan Works Report” or “Report,” at 1, available at <http://www.copyright.gov/orphan/orphan-report.pdf>.

<sup>2</sup> The Copyright Act, 17 U.S.C. § 101 *et seq.*, includes several exceptions and limitations that would allow use of orphan works under certain circumstances, such as § 107 (fair use), § 108(h) (use by libraries during the last twenty years of the copyright term), and § 115(b) (statutory license to distribute phonorecords). The Office concluded in its Orphan Works Report, however, that existing provisions would not address many orphan works situations. See Orphan Works Report at 7.

copyright owner has asserted his exclusive rights in the work, or because the user and owner cannot agree on the terms of a license—but merely because the user cannot identify and/or locate the owner and therefore cannot determine whether, or under what conditions, he or she may make use of the work. This outcome is difficult if not impossible to reconcile with the objectives of the copyright system and may unduly restrict access to millions of works that might otherwise be available to the public (e.g., for use in research, education, mainstream books, or documentary films). Accordingly, finding a fair solution to the orphan works problem remains a major goal of Congress and a top priority for the Copyright Office.

##### A. 2006 Report on Orphan Works

The Copyright Office published its Orphan Works Report (“Report”) in January 2006, after conducting a comprehensive study at the request of Congress. The Report documented the experiences of users who are unable to find copyright owners, the kinds of works at issue, and the kinds of projects that may be forestalled. It analyzed the legal issues, including the application of statutory damages in the orphan works context, and discussed a variety of possible solutions. In preparing the Report, the Office conducted an extensive public outreach process, including a series of roundtables in New York City and Washington, DC and a public comment period that yielded over 850 written comments from a variety of stakeholders. In short, the Office concluded that the problem of orphan works is pervasive; it affects a broad cross-section of stakeholders including members of the general public, archives, publishers, and filmmakers.

The orphan works problem was exacerbated by a series of changes in U.S. copyright law over the past thirty-plus years. These changes slowly but surely relaxed the obligations of copyright owners to assert and manage their rights and removed formalities in the law that had served in part to provide users with readily accessible copyright information. Significant among those changes were the elimination of the registration and notice requirements, which resulted in less accurate and incomplete identifying information on works, and the automatic renewal of copyrighted works that were registered before the effective

date of the 1976 Copyright Act.<sup>3</sup> Subsequent amendments, such as the Sonny Bono Copyright Term Extension Act of 2008, extended the duration of copyright and increased the likelihood that some copyright owners would become unlocatable. To be clear, Congress amended the law for sound reasons, primarily to protect authors from technical traps in the law and to ensure U. S. compliance with international conventions. However, “the net result of these amendments has been that more and more copyright owners may go missing.”<sup>4</sup>

As reflected in the Report, all kinds of works are potentially at issue, from music to books to film clips. That said, the Report also reflects that a significant percentage of the problem, if not the lion’s share, involves orphan photographs. Photographs are particularly challenging because they affect a vast variety of images, from historically important archival photographs residing in archives to contemporary photographs for which there may or may not be a living copyright owner. Photographs of all kinds also frequently lack or may become divorced from ownership information; that is, no label or caption is affixed to the photographs themselves. As a result, potential users of photographic works often lack the most basic information to begin a search. The Office received many comments focused on the difficulty of obtaining information about the author or copyright owner of individual photographs, and the numerous situations where photographs could not be used because the potential user could not discern a search path, let alone ownership.

After reviewing a number of possible legislative solutions, the Office recommended a limitation on remedies, with some caveats. In general, the Office recommended that Congress amend the Copyright Act to limit the remedies available against good faith users of orphan works after the user had performed a “reasonably diligent search” for the owner of that work and conditional upon the user providing attribution to the author and owner of the work wherever possible.<sup>5</sup> Notably, the Office did not at this early stage recommend specific statutory or

regulatory guidelines for determining a reasonably diligent search, but “favor[ed] the development of guidelines or even binding criteria” by users and stakeholders.<sup>6</sup> If a user satisfied the statutory requirements, the Office recommended that Congress limit the remedies that the copyright owner could seek against the good faith user of an orphan work to injunctive relief and “reasonable compensation” for the use of the work.<sup>7</sup> The Office also recommended a “take-down” option for certain noncommercial users engaged in noncommercial activities.

#### B. 2008 Proposed Legislation

Both the 109th and the 110th Congresses considered the orphan works problem, in each case introducing legislation that built upon many of the Copyright Office’s recommendations.<sup>8</sup> The proposed legislation would have: (1) Limited remedies available under the Copyright Act when a user is unable to locate the copyright owner or other appropriate rights holder after conducting a good faith reasonably diligent search; (2) been applicable on a case-by-case basis, meaning that users could not assume that an orphan work would retain its orphan status indefinitely; and (3) permitted the copyright owner or other rights holder later to collect reasonable compensation from the user, but not statutory damages or attorneys’ fees. In other words, the proposed legislation did not create an exception or limitation of general applicability, but rather placed a limitation on the remedies that might be imposed in a particular circumstance with respect to a particular user. The legislation also provided a special provision for noncommercial actors engaged in noncommercial activities, with some conditions.

Photographs proved to be a particularly complex and difficult area to resolve. As cited in the Report and the congressional deliberations that followed, the problem of orphan photographs is well documented. At the same time, Congress wrestled with how best to protect photographers who are the victims of accidental or nefarious acts, including purposeful deletion of bylines, captions, or digital watermarks. The 2008 bills built upon the foundation of the 2006 bill and included a number of proposals designed with

photographers in mind, such as: A provision in both the House and the Senate drafts that required users to promptly compensate copyright owners should they appear (including for example, where the amount of payment might be too small to make litigation to collect it worthwhile); provisions in both drafts that would have excluded infringements resulting from fixation of a pictorial, graphic, or sculptural work in or on a useful article that is offered for sale or other commercial distribution to the public (e.g., the use of photographs on tote bags or similar mass merchandise); and a provision in the House draft that required a user to file search information and related evidence with the Copyright Office under fees to be set by regulation. Moreover, the 2008 bills would have delayed the effective date of legislation until such time as the Copyright Office could confirm the availability of two “separate and independent searchable, comprehensive electronic databases, that allow for searches of copyrighted works that are pictorial, graphic, and sculptural works[.]”<sup>9</sup>

Search criteria also became a major focus in both the House and the Senate, and stakeholders with a variety of perspectives engaged in discussions and refinement of the bills throughout the 2008 deliberations. Ultimately, Congress settled upon an innovative mix of mandatory and voluntary requirements that served to provide meaningful guidance to users, and incentives to copyright owners to make themselves locatable (including through investment in registries and search tools that might connect users to them). For example, the bills set forth certain baseline requirements (such as searching the online records of the Copyright Office), but also would have required users to consult the best practices applicable to the work at issue (e.g., practices for finding photographers or filmmakers), which would be developed through the participation of both copyright owners and copyright users and coordinated by the Register of Copyrights.

Congress came very close to adopting a consensus bill shortly before the presidential election in 2008, but did not enact orphan works legislation before adjourning.

<sup>3</sup> These changes, as well as other changes in the 1976 Act and in the Berne Convention Implementation Act of 1988, were important steps toward harmonizing U.S. copyright law with international treaties.

<sup>4</sup> Letter of Marybeth Peters, Register of Copyrights, U.S. Copyright Office (Sept. 25, 2008), available at <http://www.copyright.gov/orphan/>.

<sup>5</sup> See Orphan Works Report at 93–120.

<sup>6</sup> *Id.* at 108–10.

<sup>7</sup> *Id.* at 115–21.

<sup>8</sup> Proposed bills included: The Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. (2008), which was passed by the Senate; the Orphan Works Act of 2008, H.R. 5889, 110th Cong. (2008); and the Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006).

<sup>9</sup> See H.R. 5889, at Section 4(b)(1) (delaying effective date of legislation for pictorial, graphic, and sculptural works until January 2013 or the Copyright Office could confirm the availability of searchable databases); see also S. 2913, at Section 2 (delaying effective date of entire legislation until January 2013 or the Copyright Office could confirm the availability of searchable databases for certain pictorial, graphic, and sculptural works).

### C. Ongoing Litigation

Recent high-profile litigation in the United States raised additional questions and concerns regarding orphan works, particularly in the context of mass digitization. The possibility of mass digitization was not squarely addressed by parties responding to the Copyright Office in 2005–2006, is not a focus of the Orphan Works Report, and was not addressed by Congress in its proposed legislation. The Report does reflect some limited discussion of the increased risk of institutions that might want to use more than one orphan work in a single project, such as an archive posting multiple historic images to its Web site. This discussion informed and led to the special provisions for noncommercial actors addressed above, but it did not address situations where works might be digitized systematically, including for preservation purposes, or situations where collections of works might be reproduced en masse, including through public-private partnerships. Ultimately, the issues at the heart of mass digitization are policy issues of a different nature: the works may in fact have copyright owners, but it may be too labor-intensive and too expensive to search for them, or it may be factually impossible to draw definitive conclusions about who the copyright owners are or what rights they actually own.

#### (1) Google Books Search Litigation

In 2004, Google began an ambitious project to scan and digitize millions of books held in several major academic libraries, including many books still protected by copyright. As part of its “Google Books” project, Google provided digital copies of the scanned books to partner libraries and made text of the books available for online searching. Users were permitted to view “snippets” of scanned books that were still protected by copyright and to download full copies of books that were in the public domain. Google did not, however, obtain permission from the relevant copyright owners for the project. In 2005, a group of authors and publishers filed a class action lawsuit in federal district court asserting that the Google Books project amounted to willful copyright infringement.<sup>10</sup>

The parties filed a proposed settlement with the district court on

<sup>10</sup> For a discussion of the background of the case, see *Authors Guild, Inc. v. Google Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011). A group of photographers and illustrators filed a related suit in 2010. See *Am. Soc’y of Media Photographers, Inc. v. Google Inc.*, No. 10–2977 (S.D.N.Y. 2010).

October 28, 2008. After significant objections from various individual authors, groups, and foreign governments, the parties filed an amended settlement agreement on November 13, 2009. Under the terms of the amended settlement, copyright owners of out-of-print books were required to “opt out” of the settlement or their works could be scanned, digitized, and exploited by Google through a number of new business arrangements. These business arrangements included online access, use of the books in subscription databases, and use of advertisements in connection with these services. The settlement also proposed to establish a “Book Rights Registry” (the “Registry”) that would maintain a database of rights holders and administer distribution of revenues from exploitation of the scanned books. Google would provide payments to the Registry on behalf of rights holders and, in turn, the Registry would distribute the funds to registered rights holders. If no rights holder came forward to claim the funds after a certain amount of time, the funds could be used to cover the expense of searching for copyright owners or donated to literary-based charities.<sup>11</sup>

The Department of Justice (“DOJ”) filed two statements of interest in the case on behalf of the United States. DOJ acknowledged that “[b]reathing life into millions of works that are now effectively dormant” and increasing public access to those works is a “worthy objective[.]”<sup>12</sup> At the same time, DOJ expressed concern that the settlement could conflict with core principles of the Copyright Act and also confer a “significant and possibly anticompetitive advantage” on Google.<sup>13</sup>

On March 22, 2011, Judge Chin of the United States District Court for the Southern District of New York rejected the amended settlement agreement filed in the case.<sup>14</sup> The opinion acknowledged that “the benefits of Google’s book project are many.”<sup>15</sup> The court, however, also expressed concern about the potential reach of the parties’ proposal. Ultimately, the court concluded that the proposed settlement would inappropriately implement a

<sup>11</sup> See *Authors Guild, Inc.*, 770 F. Supp. 2d at 670–71.

<sup>12</sup> Statement of Interest of the United States of America Regarding Proposed Amended Settlement Agreement, *Authors Guild, Inc. v. Google, Inc.*, No. 05–8136 (S.D.N.Y. Feb. 4, 2010) at 1, available at <http://www.justice.gov/atr/cases/f255000/255012.pdf>.

<sup>13</sup> *Id.* at 2.

<sup>14</sup> See *Authors Guild, Inc.*, 770 F. Supp. 2d 666.

<sup>15</sup> *Id.* at 670.

forward-looking business arrangement granting Google significant rights to exploit entire books without permission from copyright owners, while at the same time releasing claims well beyond those presented in the dispute.<sup>16</sup> The court noted that the settlement would give Google—and Google alone—the ability to control the digital commercialization of millions of books as it would require authors and other rights holders of out-of-print books to “opt out” of the settlement by objecting to the reproduction, distribution, and display of their works.

The court rejected the settlement in part because of the settlement’s treatment of orphan works. The court expressly deferred to Congress on orphan works-related issues, stating that the “questions of who should be entrusted with guardianship over orphan books, under what terms, and with what safeguards, are matters more appropriately decided by Congress than through an agreement among private, self-interested parties.”<sup>17</sup> Citing Supreme Court precedent, the court also affirmed that it is “Congress’s responsibility to adapt the copyright laws in response to changes in technology.”<sup>18</sup> Finally, the court asserted that the settlement agreement would raise international concerns and thus for that reason as well, “the matter is better left for Congress.”<sup>19</sup>

The Second Circuit recently stayed the case pending Google’s appeal of class certification. On October 4, 2012, the five major publisher plaintiffs settled with Google. According to public statements about the settlement, the publisher plaintiffs will be permitted to choose whether or not to include digitized books in the Google Books project.<sup>20</sup> Further details of the settlement have not been made public. Notably, the settlement does not appear to require formal court approval because it only resolves the claims of the specific publisher plaintiffs. The settlement does not affect claims made by the Authors Guild or non-parties to the lawsuit. Therefore, the settlement would not address claims over orphan works.

#### (2) HathiTrust Litigation

On September 12, 2011, the Authors Guild, along with two foreign authors’ groups and a number of individual

<sup>16</sup> *Id.* at 677.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 678.

<sup>20</sup> See Statement of the Ass’n of Am. Publishers, *Publishers and Google Reach Settlement* (Oct. 4, 2012), available at <http://www.publishers.org/press/85/>.

authors, sued an online digital repository known as the HathiTrust Digital Library (“HathiTrust”) and its five major university partners.<sup>21</sup> The suit challenged HathiTrust’s digitization efforts and its plan to digitize and make available orphan works to faculty, students, and library patrons (the “Orphan Works Project”). In addition to its overarching claim of copyright infringement, the complaint alleged, *inter alia*, that the Authors Guild was easily able to locate several of the authors whose works were deemed orphaned and digitized by the HathiTrust. Thus, the Authors Guild argued that the Orphan Works Project was not actually limited to orphan works. The Authors Guild sought an injunction preventing defendants from “making available any so-called orphan work protected by copyright” and impoundment of “all unauthorized digital copies of works protected by copyright.”<sup>22</sup> Shortly thereafter, HathiTrust suspended the Orphan Works Project indefinitely.

On July 27, 2012, the parties in *Authors Guild, Inc. v. HathiTrust* submitted their final round of briefs connected to their motions for summary judgment.<sup>23</sup> The Authors Guild’s motion asked the court to reject the defendants’ copyright defenses, including fair use. The Authors Guild also urged the court to issue an injunction against the HathiTrust’s suspended Orphan Works Project. The Authors Guild acknowledged in its reply brief that the “issues raised by orphan works \* \* \* are important,” but argued that “[b]y scanning the books without authority, Defendants usurp authors’ rights to control the digital reproduction of their work and expose them to security risks that previously did not exist.”<sup>24</sup>

The HathiTrust and its partner libraries argued in their reply brief that all four factors of a fair use analysis favor the libraries’ activities, even in an environment of rapid technological advancement.<sup>25</sup> “Plaintiffs continue to ask this Court to wait for Congress to

legislate,” the defendants stated, but “[w]here, as here, Congress has not spoken, courts should ‘take the Copyright Act \* \* \* as [they] find it,’ rather than close off publicly beneficial uses made possible by a new technology.”<sup>26</sup>

On October 10, 2012, the district court ruled in favor of the HathiTrust and its partner libraries on issues relating to digitization, preservation, searching,<sup>27</sup> and access for the print-disabled.<sup>28</sup> The court found that these activities are largely transformative and ultimately protected by fair use, further opining that “the underlying rationale of copyright law is enhanced” by the HathiTrust digital library.<sup>29</sup> The court did not reach the merits of the copyright claims with respect to the Orphan Works Project, however, finding instead that the issue is not ripe for adjudication because the contours of the Orphan Works Project have changed and the defendants have suspended the project.<sup>30</sup>

#### D. The Role of the Copyright Office and Private Registries

In October 2011, the Register of Copyrights released a two-year plan of priorities and special projects for the U.S. Copyright Office. The special projects include several technical endeavors designed to update the Office’s record systems, which may help users to locate a copyright owner or confirm the suspicion that no such owner exists.

##### (1) Historic Copyright Records

One such project is the Office’s multiyear effort to digitize the entire inventory of historic copyright records dating back to 1870, many of which are still relevant in determining the copyright status of many works. Since 2008, the Office has digitized more than 22 million of the Office’s approximately 60 million historical records. The Office is also engaged in a variety of investigative endeavors, including crowd sourcing, to determine how best to make the records searchable. This task is no small feat because the records are unique and cannot be destroyed or put at risk during the digitization process. Some historical records date back nearly to the civil war. They range from index cards to large documents, and some are written in pencil. Through

this project, the Office has engaged with a number of experts and the public (through meetings, blogs, and crowd sourcing) to evaluate cost-effective approaches to metadata capture, public display, and how best to make the scanned materials publicly available in a meaningful way as soon as possible.

##### (2) Upgrades to Copyright Registration and Recordation Systems

Alongside the digitization of the Office’s historic records, the Office is also actively pursuing a comprehensive analysis of its electronic registration and recordation systems, not only to enhance the experience for authors and copyright owners, who rely on these services to secure legal rights, but also to develop a plan for improving the nature, accuracy, and searchability of the Office’s public databases. The Office is meeting with a diverse range of business and information technology experts to explore appropriate technical upgrades and enhancements, including exploring the feasibility of connecting the Office’s database of copyright ownership records with private sector data to facilitate licensing and other productive uses of copyrighted works.

Together, these projects lay the foundation necessary to build and maintain a twenty-first century database of copyright ownership information that will enhance public access to information and improve potential users’ ability to investigate the copyright status of works, including the identification and location of copyright owners.

#### E. Discussion of Legal Issues in Mass Digitization

Outside of litigation, the issue of mass digitization has been aired largely through the symposia of academic institutions or professional associations (*i.e.*, bar associations).<sup>31</sup> To further the conversations, the Copyright Office published a Preliminary Analysis and Discussion Document (the “Analysis”)<sup>32</sup> in October 2011, in which it laid out the issues raised by the intersection between copyright law and the mass digitization of books, including

<sup>31</sup> For example, the Berkeley Center for Law and Technology hosted a symposium entitled Orphan Works and Mass Digitization in April 2012. Additionally, the Kernochan Center for Law, Media and the Arts at Columbia Law School, in cooperation with the Copyright Office, will present a public symposium on November 2, 2012, which will include discussions of mass digitization in the context of Section 108.

<sup>32</sup> United States Copyright Office, Legal Issues in Mass Digitization: A Preliminary Analysis and Discussion Document (2011), available at [http://www.copyright.gov/docs/massdigitization/USCOMassDigitization\\_October2011.pdf](http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf).

<sup>21</sup> *Authors Guild, Inc. v. HathiTrust*, No. 11–6351 (S.D.N.Y. filed Sept. 12, 2011).

<sup>22</sup> First Am. Compl. at page 28, *Authors Guild, Inc. v. HathiTrust*, No. 11–6351 (S.D.N.Y. 2011).

<sup>23</sup> A third motion, in support of the HathiTrust, was filed by the National Federation of the Blind. See Def. Intervenor’s Reply in Supp. of Mot. for Summ. J., *Authors Guild, Inc. v. HathiTrust*, No. 11–6351 (S.D.N.Y. filed July 27, 2012).

<sup>24</sup> See Reply Mem. of Law in Further Supp. of Pls.’ Mot. for Summ. J. at 1, 2, *Authors Guild, Inc. v. HathiTrust*, No. 11–6351 (July 27, 2012).

<sup>25</sup> See Reply Mem. in Supp. of the Libraries’ Mot. for Summ. J. on Fair Use and Lack of Infringement Under Section 106 of the Copyright Act, *Authors Guild, Inc. v. HathiTrust*, No. 11–6351 (S.D.N.Y. July 27, 2012).

<sup>26</sup> *Id.* at 1 (citations omitted).

<sup>27</sup> The court took care to note that the searching function did not reveal any copyrighted material. See *Authors Guild, Inc. v. HathiTrust*, No. 11–CV–6351, 2012 WL 4808939 (S.D.N.Y. Oct. 10, 2012).

<sup>28</sup> See *id.*

<sup>29</sup> *Id.* at \*14.

<sup>30</sup> *Id.* at \*7–8.

some of the issues raised by the Google Books and HathiTrust cases. The Office identified a number of key legal and policy questions to explore when assessing mass digitization, including the objectives and public policy goals of mass digitization projects, the interplay among library exceptions, fair use, and licensing, and the ability of public and private actors to work together.

In the Analysis, the Office observed that under current law the issues of mass digitization and orphan works cannot reasonably be separated from the issue of licensing because the premise of an orphan works situation is that a good faith user has tried to, or would like to, locate the copyright owner but cannot. The Office described existing licensing options (direct licensing and voluntary collective licensing), as well as two licensing models (extended collective licensing and statutory licensing) that might operate as potential if not partial solutions for the orphan works problem, particularly in the mass digitization context.<sup>33</sup>

The Office noted that while the United States has not adopted extended collective licensing, these regimes exist in a number of Nordic countries.<sup>34</sup> Typically, this model operates something like a class action settlement, in the sense that representatives of copyright owners and representatives of users negotiate terms that are binding on all members of the group by operation of law (e.g., all textbook publishers), unless a particular copyright owner opts out. The government or a trusted designee administers payments. It is not quite compulsory licensing in that the parties (rather than the government) negotiate the rates, but it requires a legislative framework and often involves some degree of government oversight. Finally, the Office discussed the potential use of statutory licenses created by Congress. Statutory licenses provide users with access to certain types of works, under certain circumstances, in exchange for a statutorily or administratively set fee. The Office has traditionally viewed statutory licenses as a mechanism of last resort that must be narrowly tailored to

<sup>33</sup> In the context of voluntary collective licensing of books, the most experienced organization is the Copyright Clearance Center (“CCC”). The CCC was started by publishers in the age of photocopying and has since evolved to handle certain kinds of digital licenses. Voluntary collective licensing, however, does not provide solutions for orphan works where the authors are unknown and have not joined the collecting society.

<sup>34</sup> See Analysis at App. F (listing countries that follow this approach and providing an overview of the laws).

address a specific failure in a specifically defined market.

#### F. International Developments

Foreign countries are also renewing their focus on the orphan works problem. The European Union and various other countries have recently proposed or adopted a number of legislative approaches to the orphan works issue.

##### (1) Recent and Proposed Legislation

Like the United States, the European Union has been grappling with the issue of orphan works for many years. In 2011, the European Commission issued a draft proposal for an orphan works directive along with a working paper entitled “Impact Assessment on the Cross Border Online Access to Orphan Works.”<sup>35</sup> The Commission acknowledged the difficulties caused by orphan works and noted that a solution in the European Union was particularly urgent to avoid a “knowledge gap” with the United States if the then-pending Google Books Settlement was approved. The Commission identified several policy options for handling orphan works and assessed the economic and social impacts of each. Among the policy options the Commission considered was a statutory exception, extended collective licensing, and a specific orphan works license.

The European Council formally approved the proposed orphan works directive (“Directive”) on October 4, 2012.<sup>36</sup> The Directive requires Member States to establish an exception and limitation to the rights of reproduction and “making available” for certain permitted uses of orphan works. The Directive excludes photographs unless embedded in other works, and limits the use of orphan works to “libraries, educational establishments or museums \* \* \* archives, film or audio heritage institutions and public service broadcasting organizations” that are located in Member States and that have public service missions.<sup>37</sup> A public

<sup>35</sup> European Commission, Commission Staff Working Paper Impact Assessment on the Cross-Border Online Access to Orphan Works Accompanying the Proposal for a Directive of the European Parliament and of the Council on Certain Permitted Uses of Orphan Works, COM (2011) 289 final (May 24, 2011), available at [http://ec.europa.eu/governance/impact/ia\\_carried\\_out/docs/ia\\_2011/sec\\_2011\\_0615\\_en.pdf](http://ec.europa.eu/governance/impact/ia_carried_out/docs/ia_2011/sec_2011_0615_en.pdf).

<sup>36</sup> The European Council’s approval marked the last step in the legislative process. See Press Release, Council of the European Union, Intellectual Property: New EU Rules for Orphan Works (Oct. 4, 2012), available at [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/intm/132721.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/132721.pdf).

<sup>37</sup> See Directive of the European Parliament and of the Council on Certain Permitted Uses of Orphan

organization that falls under the Directive may partner with a private organization and “generate revenues in relation to their use of orphan works” if that use is consistent with the public organization’s mission.<sup>38</sup> The private partner, however, will not be permitted to use the works directly. The Directive requires a diligent search and provides that once a work is deemed orphaned in one Member State, it is deemed orphan in all Member States and “may be used and accessed” in all Member States. The Directive also calls for a single registry to maintain data on all works deemed orphan. A rights holder who later resurfaces may reclaim ownership of a work once deemed orphan and claim fair compensation for the use of the work as provided by individual Member States’ laws. Member States have two years to implement the Directive in national legislation.

The European Commission also recently assisted private parties in negotiating a Memorandum of Understanding (“Memorandum”) to encourage voluntary collective licensing for “out-of-commerce” books and journals.<sup>39</sup> “Out-of-commerce” works are works that are no longer commercially available because authors and publishers have chosen not to publish new editions or sell copies through the customary channels of commerce. The Memorandum expresses several principles that libraries, publishers, authors, and their collecting societies should follow in order to license the digitization and making available of books or journals that are out-of-commerce. The European Commission views the Memorandum as complementary to its legislative proposals for orphan works, and part of a two-pronged approach to facilitate the development of digital libraries in Europe.

Additionally, the United Kingdom issued proposed legislation<sup>40</sup> in 2012 that would amend the Copyright, Designs and Patents Act of 1988 to permit the commercial and non-commercial use of orphan works under a licensing scheme that would include both individual licensing of orphan works as well as a form of voluntary

Works, Art. 1(1), available at <http://register.consilium.europa.eu/pdf/en/12/pe00/pe00036.en12.pdf>.

<sup>38</sup> *Id.* at p. 13, ¶ 21.

<sup>39</sup> Memorandum of Understanding, *Key Principles of the Digitisation and Making Available of Out-of-Commerce Works* (Sept. 20, 2011), available at [http://ec.europa.eu/internal\\_market/copyright/docs/copyright-infso/20110920-mou\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/copyright-infso/20110920-mou_en.pdf).

<sup>40</sup> Enterprise and Regulatory Reform Bill, 2012–13, (HC Bill 61), cl. 59, available at [http://www.publications.parliament.uk/pa/bills/cbill/2012-2013/0061/cbill\\_2012-20130061\\_en\\_1.htm](http://www.publications.parliament.uk/pa/bills/cbill/2012-2013/0061/cbill_2012-20130061_en_1.htm).

extended collective licensing. The scheme would require a diligent search, the results of which would be verified by “an independent authorising body.”<sup>41</sup> The proposal would also establish an orphan works registry and, if the name of the rights holder is unknown (and therefore cannot be credited), any licensed use of the work would have to include a notice that refers back to the registry.<sup>42</sup> The potential scheme is described as one in which rights holders will always reserve the right to opt out.<sup>43</sup>

## (2) Existing Laws

Several countries already have adopted forms of orphan works solutions in national law. The Canadian Copyright Act (Section 77) permits users to file applications with the Copyright Board of Canada for the use of certain types of orphan works on a case-by-case basis. If an applicant demonstrates that it made a reasonable effort to locate the rights holder and the rights holder cannot be located, the Board will approve the request and issue a conditional non-exclusive license.<sup>44</sup> Pursuant to the Canada Copyright Act, the Copyright Board may issue licenses permitting uses including reproduction, publication, performance, and distribution. In June 2012, Canada passed amendments to its Copyright Bill that included an expansion of the exception for nonprofit organizations acting for the benefit of persons with perceptual disabilities to cover cross-border exchanges of orphan works that have been translated into a print disabled format.<sup>45</sup> The 2006 Orphan Works Report identified some of the Canadian system’s burdens, and several studies have noted that it is rarely used.<sup>46</sup>

France passed a law in February 2012 that would make it easier to digitize twentieth century out-of-commerce books, implicating books published in France before January 1, 2001, which

are not currently being commercially distributed or published either in print or digital formats.<sup>47</sup> The scheme is conducted on an opt-out basis and, if an author chooses not to exploit the work within six months of the inscription of the book in the register managed by the French National Library, the digital rights are transferred to a designated collective management organization.<sup>48</sup> If the copyright holder fails to claim rights to works that have been transferred to a designated collective management organization after ten years, libraries and archives will be allowed, with some exceptions, to digitize and provide access to the digitized works free of charge so long as the institution does not pursue a commercial or economic advantage.<sup>49</sup>

Hungary amended its Copyright Act in 2009 to permit the use of orphan works under certain circumstances. Under the amended Act, the Hungarian Patent Office has the right to grant licenses for certain uses of orphan works to applicants who carry out a documented diligent search and pay compensation for such use.<sup>50</sup> These licenses are limited to the territory of Hungary. Japan, Korea, and India have adopted either compulsory or government licensing for some orphan works.<sup>51</sup>

Denmark and Finland both adopted extended collective licensing regimes, which allow collective licensing

organizations to license numerous works within a specific field of use, including works owned by rights holders who are not members of the organization and orphan works.<sup>52</sup>

## II. Subject of Inquiry

The Copyright Office seeks comments regarding the current state of play for orphan works, including what has changed in the legal and business environments that might be relevant to a resolution of the problem and what additional legislative, regulatory, or voluntary solutions deserve deliberation at this time. The Office has posed two questions below. In responding to these questions, a party may wish to discuss a number of relevant topics, including for example: The merits of limiting remedies; the interplay between orphan works and fair use, section 108, section 121, or other exceptions and limitations; the role of licensing; the types of orphan works that should be implicated; the types of users who should benefit; the practical or legal hurdles to forming or utilizing registries; international implications; and the relative importance of the Register’s plans to improve the quality and searchability of Copyright Office records. The Office requests that responding parties separately address each of the questions for which a response is submitted and provide as much specificity as possible.

### 1. Orphan Works on an Occasional or Case-by-Case Basis

With respect to the occasional or isolated use of an orphan work, how has the legal landscape or legal thinking evolved in the past four years? The 2008 proposed legislation included several key components: (a) A good faith, reasonably diligent search for the copyright owner; (b) attribution to the author and copyright owner, if possible and appropriate under the circumstances; and (c) a limitation on remedies that would be available if the user proves that he or she conducted a reasonably diligent search. Good faith users were expected to consult the Copyright Office Web site for practices proffered by copyright owners and users alike under the direction and coordination of the Register of Copyrights. The legislation included special provisions for certain noncommercial actors using orphan works in a noncommercial manner, as a further attempt to reduce liability for those perceived to be most risk-averse under current law. Moreover, the

<sup>52</sup> See Consolidated Act on Copyright 2010, No. 202, Art. 50–51 (2010) (Den.); see also Copyright Act, No. 404, §§ 13–14 (2010) (Fin.).

<sup>41</sup> See *Government Policy Statement: Consultation on Modernising Copyright*, at 7 (July 2012), available at <http://www.ipo.gov.uk/response-2011-copyright.pdf>.

<sup>42</sup> *Id.* at 8.

<sup>43</sup> See *id.* at 10; see also The BIS Blog, *Copyright Reform: Orphan Works and Extended Collective Licensing*, Aug. 14, 2012, available at <http://blogs.bis.gov.uk/blog/2012/08/14/copyright-reform-orphan-works-and-extended-collective-licensing> (“The Government’s proposals for ECL are not compulsory nor can they be imposed on a sector. It would be up to a collecting society to apply to use the system and every rights holder would retain the capacity to opt out.”).

<sup>44</sup> Copyright Act, R.S.C., c. C-42, s. 77 (1985) (Can.), available at <http://laws.justice.gc.ca/PDF/C-42.pdf>.

<sup>45</sup> *Id.* at s. 32.

<sup>46</sup> Orphan Works Report at 82–83.

<sup>47</sup> See *Loi n° 2012-287 du 1er mars 2012 relative à l’exploitation numérique des livres indisponibles du xxe siècle* [Law Number 2012-287 of March 1, 2012, on the Digital Exploitation of Unavailable Books] Art. 134–1 (2012) (Fr.) (“Law 2012-287”), available at <http://www.legifrance.gouv.fr/affichTexte.do?sessionId=4D8B77A47AA211DE6E336FD22AA18F60.tpj009v.2?cidTexte=JORFTEXT000025422700&dateTexte=20121016>; see also International Federation of Reproduction Rights Organisations, *French Parliament Passed Law on Out of Commerce Works on 22nd February 2012*, (March 3, 2012), available at <http://www.ifrro.org/content/french-parliament-passed-law-out-commerce-works-22nd-february-2012>.

<sup>48</sup> See Law Number 2012-287, Art. 134–4.

<sup>49</sup> See *id.*, Art. 134–8.

<sup>50</sup> See Government Regulation on the Detailed Rules Related to the Licensing of Certain Use of Orphan Works, Arts. 2(1), 2(2), 3, Decree 100/2009, V. 8 (Hun.), available at [http://www.hipo.gov.hu/English/jogforras/100\\_2009.pdf](http://www.hipo.gov.hu/English/jogforras/100_2009.pdf); see also Mihály Ficsor, *How to Deal with Orphan Works in the Digital World? An Introduction to the New Hungarian Legislation on Orphan Works* (European Parliament Committee on Legal Affairs, eds. 2009), available at [http://www.europarl.europa.eu/RegData/etudes/divers/juri/2009/419607/IPOL-JURI\\_DV\(2009\)419607\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/divers/juri/2009/419607/IPOL-JURI_DV(2009)419607_EN.pdf).

<sup>51</sup> See Chosakuken-Ho [Copyright Law], Law No. 48 of 1970, 2009, art. 67, 74 (Japan), *unofficial translation available at* [http://www.cric.or.jp/cric\\_e/clj/clj.html](http://www.cric.or.jp/cric_e/clj/clj.html); see also Copyright Act of Korea, No. 9785 (2009) (S. Kor.); Copyright (Amendment) Act, 2012, at para. 17 (2012) (India), available at [http://copyright.gov.in/Documents/RACT\\_AMNDMNT\\_2012.pdf](http://copyright.gov.in/Documents/RACT_AMNDMNT_2012.pdf).

legislation would have applied to all kinds of copyrighted works, published or unpublished, from photographs to manuscripts to music and books. Please comment on the continued viability of the above framework in the case of occasional uses of orphan works. If there are other possible approaches, including approaches that might best be described as interim approaches, please explain the benefits and supporting legal authority in sufficient detail.

## 2. Orphan Works in the Context of Mass Digitization

The Office's Orphan Works Report did not analyze the issue of mass digitization in detail, and the subsequent 2008 proposed legislation did not squarely address the possibility of systematic or en masse copying, display, or distribution. Please comment on potential orphan works solutions in the context of mass digitization. How should mass digitization be defined, what are the goals and what, therefore, is an appropriate legal framework that is fair to authors and copyright owners as well as good faith users? What other possible solutions for mass digitization projects should be considered?

If there are any pertinent issues not discussed above, the Office encourages interested parties to raise those matters in their comments. In addition, the Office is considering and hereby provides notice that it may convene one or more roundtables or formal hearings on the matters raised above in 2013. The Office may also publish one or more additional Notices of Inquiry.

Dated: October 17, 2012.

**Maria A. Pallante,**

*Register of Copyrights.*

[FR Doc. 2012-25932 Filed 10-19-12; 8:45 am]

**BILLING CODE 1410-30-P**

## NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice 12-083]

### NASA Advisory Council; Technology and Innovation Committee; Meeting

**AGENCY:** National Aeronautics and Space Administration.

**ACTION:** Notice of meeting.

**SUMMARY:** The National Aeronautics and Space Administration (NASA) announces a meeting of the Technology and Innovation Committee of the NASA Advisory Council (NAC). The meeting will be held for the purpose of reviewing status of the Space Technology programs; status of activities within the Office of the Chief

Technologist; update on the Advance Exploration Systems program; status of the Hypersonic Inflatable Aerodynamic Decelerator project; status of the Space Technology Research Grants program; and a Mars Science Laboratory update.

**DATES:** Thursday, November 15, 2012, 8:00 a.m. to 4:00 p.m., Local Time.

**ADDRESSES:** NASA Headquarters, 300 E Street SW., Room 2E39, Washington, DC 20546.

**FOR FURTHER INFORMATION CONTACT:** Mr. Mike Green, Office of the Chief Technologist, NASA Headquarters, Washington, DC 20546, (202) 358-4710, fax (202) 358-4078, or [g.m.green@nasa.gov](mailto:g.m.green@nasa.gov).

**SUPPLEMENTARY INFORMATION:** The meeting will be open to the public up to the capacity of the room. This meeting is also available telephonically and by WebEx. Any interested person may call the USA toll free conference call number 866-804-6184, pass code 3472886, to participate in this meeting by telephone. The WebEx link is <https://nasa.webex.com/>, the meeting number is 996 249 510, and the password is TICmte@1115.

The agenda for the meeting includes the following topics:

- Office of the Chief Technologist Update
- Status of NASA's Space Technology program
- Briefing and overview of NASA's Advanced Exploration Systems program
- Update on Mars Science Laboratory and role of technology in mission
- Update on Space Technology Research Grants program
- Status of the Hypersonic Inflatable Aerodynamic Decelerator project

It is imperative that the meeting be held on these dates to accommodate the scheduling priorities of the key participants. Attendees will be requested to sign a register and to comply with NASA security requirements, including the presentation of a valid picture ID, before receiving an access badge. U.S. Citizens will need to show a valid, officially-issued picture identification such as a driver's license to enter the NASA Headquarters building (West Lobby—Visitor Control Center) and must state that they are attending the NAC Technology and Innovation Committee meeting in room 2E39 before receiving an access badge. Permanent Residents will need to show residency status (valid green card) and a valid, officially issued picture identification such as a driver's license and must state that they are attending the NAC Technology and

Innovation Committee meeting in Room 2E39 before receiving an access badge. U.S. Citizens and Permanent Residents are requested to submit their names and affiliation 5 working days prior to the meeting to Ms. Anyah Dembling via email at [anyah.b.dembling@nasa.gov](mailto:anyah.b.dembling@nasa.gov) or by telephone at (202) 358-5195. Foreign Nationals must provide to NASA the following information: Full name; gender; date/place of birth; citizenship; social security number; green card information (resident alien number, expiration date); visa information (number, type, expiration date); passport information (number, country of issue, expiration date); employer/affiliation information (name of institution, title/position, address, country of employer, telephone, email address); and the title/position of attendee no less than 8 working days prior to the meeting by contacting Ms. Anyah Dembling via email at [anyah.b.dembling@nasa.gov](mailto:anyah.b.dembling@nasa.gov) or by telephone at (202) 358-5195.

**Patricia D. Rausch,**

*Advisory Committee Management Officer,  
National Aeronautics and Space Administration.*

[FR Doc. 2012-25926 Filed 10-19-12; 8:45 am]

**BILLING CODE 7510-13-P**

## NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

### President's Committee on the Arts and the Humanities: Meeting #68

**AGENCY:** National Endowment for the Arts, National Foundation on the Arts and Humanities.

**ACTION:** Notice of Meeting.

**SUMMARY:** Pursuant to section 10 (a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), as amended, notice is hereby given that a meeting of the President's Committee on the Arts and the Humanities (PCAH) will be held in the Crystal Room, The Willard Intercontinental, 1401 Pennsylvania Avenue NW, Washington, DC 20004. Ending time is approximate.

**DATES:** November 18, 2012 from 4:00 p.m. to 6:00 p.m.

**FOR FURTHER INFORMATION CONTACT:** Lindsey Clark of the President's Committee at (202) 682-5409 or [lclark@pcah.gov](mailto:lclark@pcah.gov).

**SUPPLEMENTARY INFORMATION:** The meeting, on Sunday, November 18th, will begin with welcome, introductions, and announcements. Updates and discussion on recent programs and activities will follow. The meeting also will include a review of PCAH ongoing