
SETTING THE ORPHANS FREE

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Matt Dawes, 'Setting the Orphans Free', Australian Law Librarian, Vol 18 No 4 2010, 289

INTRODUCTION

The scale and impact of the issues posed by orphan works is immense, reaching prominence in recent times because unbalanced copyright protection is frustrating the growing public expectation that cultural institutions should use digital technologies to make orphan works widely available.

An orphan work is material that is protected by copyright, but the copyright holder is unknown or unlocatable after reasonable enquiries, hence the work is thought of as 'orphaned'. The copyright holder could be the long dead creator of the work, the creator's heirs, a since defunct company and so on.

Orphan works may be published or unpublished, and cover both works and other subject matter, including: letters, photographs, diaries, books, audio histories and home movies. They are commonly understood to be part of collections that contain older, unpublished or one-off items. Although, there is a growing body of 'modern' orphans that are published, but are nonmainstream, noncommercial or are distributed online, outside the realm of traditional publishing. Such works can become orphaned over the passage of just 10 years.

Orphan works cover the breadth of human innovation, and although they may have little commercial value they are of great public value to education, scholarship and creativity. The British Library estimates that over 40 percent of all copyright material in existence is orphaned.¹ Unfortunately orphan works are left to languish, locked up by copyright, in the archives of cultural institutions. This situation creates a 'copyright conundrum' because access to orphan works is restricted, even though releasing them would create significant public benefits without unreasonably prejudicing any copyright holders.

The flexible dealing exception² has significant untapped potential to provide access to orphan works. As an open-ended copyright exception, libraries and other cultural institutions should increase their reliance on flexible dealing and apply it confidently by developing an industry best practice for reasonable enquiries to ascertain that a work is an orphan and by using a scalable search to presume that a collection with a reasonable portion of orphan works consists entirely of orphan works. They can implement a de facto orphan works exception within the ambit of flexible dealing, albeit without the

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¹ The British Library, 'Orphan Works and Mass Digitisation', at 1, <<http://www.bl.uk/ip/pdf/orphanworks.pdf>>.

² *Copyright Act 1968*, section 200AB.

legal security of any legislative limitation to liability for using orphan works on the basis of reasonable enquiries.

THE ORPHAN WORKS COPYRIGHT CONUNDRUM

Causal Factors

Works become 'orphaned' because of the loss of provenance information over time or because of the lack of any provenance information to begin with.³ The copyright holder may be unlocatable or unknown owing to:

- inadequate information to identify the creator or copyright holder on a particular copy of the work;
- inadequate information on the chain of title following death, assignment or other changes to the copyright holder's circumstances such as contact details; and
- the difficulties of the individual user researching the copyright information.

Absent a legal mechanism to reduce risk, the vast bulk of orphan works cannot be used because the material is protected by copyright but the administrative burden of locating any copyright holders and obtaining permission is prohibitively costly. Seeking permission for unpublished or commercially unavailable works is an onerous and frequently fruitless process, and requires effort and expense beyond what would be reasonably expected.

The other contributing factor to the orphan works problem is the perpetual copyright protection of unpublished works, sound recordings and films. The key tenant of copyright is that it only exists for a limited period of 70 years after a catalysing event occurs. The technicality which allows for the perpetual protection of unpublished works is a dam that prevents future creativity by blocking them from flowing into the public domain. The majority of orphan works are either unpublished at the date of the author's death, or do not have a known author from which to calculate a date of death.⁴ For this category of works, the catalysing event which triggers the countdown to the expiration of copyright is the date of the first publication, performance or broadcast.⁵ These orphan works are subject to the absurdity of perpetual copyright protection because owing to their orphan status, there is no available copyright holder with the authority to publish the work and trigger the expiration of copyright.

Public Value not Commercial Value

By their very nature, it may be assumed that orphan works are necessarily of either no commercial value or are not commercially viable. If there is no copyright holder exercising a material interest in a work, then it follows that there is either no financial benefit in doing so or no copyright holder

³ Joint Information Systems Committee, 'In from the Cold', Strategic Content Alliance, April 2009, at 6, <<http://www.jisc.ac.uk/media/documents/publications/infromthecoldv1.pdf>>.

⁴ Note: some orphan works are not subject to perpetual copyright where they published and have a known author, but the current copyright holder is unlocatable.

⁵ *Copyright Act 1968*: section 33(3) for unpublished works with a known author; section 34(1) for unpublished works with an unknown author; section 93 for unpublished sound recordings; and section 94 for unpublished films.

exists, because if a copyright remains valuable then the holder has a strong incentive to make him or herself known.⁶ This is based on two positions.

First, it is an established principle that the economic value of copyright material declines as it ages – so old works, old orphan works in particular, have negligible commercial value. The value of a copyright as determined by consumer demand and the work's relevance to society falls with time. It has been found that only 2% of material aged between 55 and 75 years retains any commercial value, while the ultimate value of material aged over 75 years is nil.⁷ For example, of the books published in 1930 in the United States, after 70 years only 1% were still in print.⁸ There is no way to determine the market value of a work that has never been published or may have been out of circulation for decades.

Second, most orphan works are not created to be commercially or professionally exploited, or the copyright holder is not even aware of the subsistence of copyright in the material. They tend to be created for family or personal purposes, such as the private diaries of CEW Bean,⁹ although, even relatively new material with creative merit and commercial value at the time of its creation can become orphaned. The experience of ADA members is that few copyright holders are located or come forward to claim orphans and those that do only want attribution and are not interested in receiving payment for noncommercial uses by cultural institutions.¹⁰

Unlike commercial value, the public value of orphan works in terms of cultural, academic and social significance tends to appreciate over time, leading to the conclusion that the predominant value of orphan works is public not commercial.¹¹

A Copyright Conundrum

Locking up orphan works with copyright restrictions is contrary to the 'high objective' of copyright law, which is to encourage both the creation and subsequent use of knowledge. This requires striking a balance between providing reasonable incentives for creativity on the one hand, and the wider public interest in ensuring that the resulting creations are available for the advancement of learning, innovation, research and knowledge on the other.

⁶ British Academy, 'The Work and Operation of the Copyright Tribunal', 17 January 2008, at 4, <<http://www.britac.ac.uk/policy/copyright/tribunal/reponse.cfm>>.

⁷ *Eric Eldred, et al., Petitioners v John D. Ashcroft, Attorney General*, 537 U.S. (2003), per Justice Breyer, at paras 7, 13, 28, in part, citing a report of the Congressional Research Service. This case concerned a constitutional challenge in the United States Supreme Court against the extension of the copyright term from 50 to 70 years; see also HM Treasury, 'Gowers Review of Intellectual Property', November 2006, at 69.

⁸ R. Posner and W. Landes, *The Economic Structure of Intellectual Property Law*, 2003, Source: American Library Annual and Book Trade Almanac for 1872–1957.

⁹ See the experience of the Australian War Memorial using section 200AB to digitise the notebooks and diaries of CEW Bean to make them available online: Robyn van Dyk, 'Digital preservation', VALA 2010 <http://www.vala.org.au/vala2010/papers2010/VALA2010_77_van_Dyk_Final.pdf>.

¹⁰ This is supported by anecdotal evidence received at the 2006 Orphan Works Forum held by the ADA and ALCC at the National Library of Australia. For example, when administering the *australianscreen* online website the National Film and Sound Archive found that most copyright holders do not wish to charge a licence fee for noncommercial uses <<http://aso.gov.au/>>.

¹¹ See *In From the Cold*, above n 3, at 6, 20, 22, citing a comprehensive survey of 503 respondents conducted by the Strategic Content Alliance.

The restriction on access to orphan works creates a copyright conundrum because removing it would create a significant public benefit while causing minimal prejudice to the economic and non-economic interests of any copyright holders, should they exist. An appropriately weighted regime would facilitate uses of orphan works in the public interest because there is no discernible benefit from protecting the rights of unknown or unlocatable copyright holders. An unbalanced regime diminishes creativity because it limits the amount of content that is readily available for the innovative process of making new creations, which builds upon the knowledge and use of existing works.

This conundrum defeats the statutory mandate of cultural institutions to manage, preserve and provide access to Australian knowledge and cultural heritage. Cultural institutions uphold copyright law, but need to have the balance between copyright users and copyright holders maintained – not eroded, especially in the digital environment.

FLEXIBLE DEALING WITH ORPHANS

The section 200AB flexible dealing exception was introduced, in part, to address the problems posed by orphan works. However, its practical impact has been limited by the risk averse approach of cultural institutions to uncertainty regarding its legal requirements and its nature as a general exception.

Flexible dealing is intended to allow uses of copyright material for 'socially useful purposes'¹² that 'benefit the broader Australian community'.¹³ Only libraries, archives, educational institutions, and people and institutions assisting those with a disability may use the exception. It is available where the use is noncommercial, is not allowed by other sections of the *Copyright Act*, and meets the requirements of the 'three step test' from international law, which require that the use:¹⁴

- will not conflict with the normal exploitation of the work;
- will not unreasonably prejudice the copyright holder; and
- is a special case.

Exception within an Exception

The direct incorporation of the three step test into domestic legislation has created uncertainty regarding the ambit of flexible dealing because the test outlines parameters to help governments draft the legislation for exceptions.¹⁵ It was not envisioned to help copyright users assess whether an activity is permitted by an exception and there is no guidance on interpreting its requirements when it is used in this manner.¹⁶

¹² Explanatory Memorandum, Copyright Amendment Bill 2006 (Cth), 6.53.

¹³ Attorney-General's Department, 'Use of Copyright Material for Certain 'Special' Purposes', Fact Sheet, <<http://www.ag.gov.au/www/agd/agd.nsf/AllDocs/74D4B30A63F5EDD3CA2572830080A60E?OpenDocument>>.

¹⁴ See *Berne Convention for the Protection of Literary and Artistic Works*, article 9(2); *Agreement on Trade-Related Aspects of Intellectual Property Rights*, article 13.

¹⁵ See Nicolas Suzor, Paul Harpur and Dilan Thampapillai, 'Digital Copyright and Disability Discrimination', (2008) 13 *Media and Arts Law Review* 1 at 8.

¹⁶ Emily Hudson, 'The Copyright Amendment Act 2006: The Scope and Likely Impact of New Library Exceptions', (2006) 14(4) *Australian Law Librarian* at 25-37; see also blogs by Kim Weatherall: 'The (New Australian) "Flexible Dealings"

Flexible dealing is an exception within an exception because it contains the three step test. It is arguable that Australia can implement a de facto orphan works exception within the ambit of flexible dealing because: the three step test is designed to provide guidance on how to draft exceptions; other countries have developed proposals for orphan works exceptions that meet the three step test; and, flexible dealing incorporates the three step test directly. Put another way, if organisations in other countries such as the United Kingdom and United States can draft proposals for specific orphan works exceptions that meet the requirements of the three step test – then Australia can implement those proposals as flexible dealing.

The two main stumbling blocks to using flexible dealing for orphan works are the process for ascertaining whether a work is orphaned in order to assess normal exploitation and unreasonable prejudice, and whether the special case requirement permits large scale uses of specific collections. The following two proposals outline how cultural institutions can overcome these barriers and exercise judgment to exploit flexible dealing to the fullest extent possible for the low risk category of orphan works.¹⁷

Reasonable Enquiries Best Practice

The first stumbling block is the lack of guidance on the extent of enquiries that must be conducted in order to ascertain that a work is an orphan, which is crucial to assessing the normal exploitation and unreasonable prejudice requirements of the three step test. This should be overcome by developing an industry best practice for reasonable enquiries which cultural institutions may rely on.

Determining the extent of reasonable enquiries is crucial because it follows that if a work is an orphan then digitising it and making it available online¹⁸ will meet the three step test.

Normal Exploitation and Unreasonable Prejudice

Using an orphan work will not conflict with the normal exploitation of the work because it will not compete with how any copyright holder would normally extract an economic return from the work, as there is no market for it because it is not being actively used. Thus, there is no potential to deprive any copyright holder of a tangible commercial gain both at the time of use or in the future – it would be unreasonable for any copyright holder to expect to earn a future return on a work they are unaware of. And, most importantly, orphan works have significant public value and are highly unlikely to have any commercial value.

Using an orphan work will not unreasonably prejudice any copyright holder's economic or non-economic interests. The cultural institution need only take steps to limit the potential for any

Exception to Copyright', 5 July 2006; 'An Analysis of the Copyright Exceptions Exposure Draft', 5 October 2006, available at <<http://weatherall.blogspot.com>>.

¹⁷ In *From the Cold*, above n 3, at 22, found that 60% of respondents considered uses of orphan works to be low risk after reasonable enquiries and the negligible commercial value of the works; In *From the Cold*, above n 3, at 6 also found that 60% of respondents adopted a risk management approach to using orphan works.

¹⁸ Note: flexible dealing allows the making of publicly accessible reproductions and communications of orphan works as part of 'providing services to users' Explanatory Memorandum, Copyright Amendment Act 2006 (Cth) at [6.55]. It has the potential to accomplish the unachieved goals of the *Digital Agenda Act* to enable cultural institutions to 'access, and promote access to, copyright material in the online environment on reasonable terms, including having regard to the benefits of public access to the material and the provision of adequate remuneration to creators and investors': *Copyright Amendment (Digital Agenda) Act 2000* (Cth) s 3(d). See Hudson, above n 16, citing Andrew T Kenyon and Emily Hudson, *Copyright Amendment Bill 2006: Submission to the Senate Standing Committee on Legal and Constitutional Affairs* (October 2006).

illegitimate use of the work and respect the creator's moral rights by providing attribution where possible. It should also ensure that appropriate attention is paid to personal or indigenous material. The cultural institution should implement a takedown procedure to promptly remove access to an orphan work if the copyright holder later emerges.

Effort Required for a Reasonable Enquiry

Because of the wide variety of orphan works, the question of what is a reasonable enquiry should be a matter of fact and degree with regard to the nature of the work, the proposed use and in accordance with industry standards at the time. The following non-exclusive factors should be taken into account to determine the effort required:

- The nature of the work—commercial or noncommercial.¹⁹
- The age of the work by date of creation or publication—old or recent.²⁰
- The distribution of the work—published or unpublished.²¹
- Any potential concerns of the creator—dead, alive or the estate.
- The extent of the planned use—important or unimportant.²²
- Common sense—follow additional steps if it is reasonable to do so.²³
- The reasonable enquires of others—rely on the search efforts of others if it is reasonable to do so.²⁴

Best Practice Procedure

The first stage is to identify the creator of the material, frequently such information is missing from orphan works. The second stage is to identify the current copyright holder, who is not necessarily the creator or may not even exist. The third and final stage is to establish contact information for the current copyright holder, identified in the previous stage.

Document Search

The user should always document the searches undertaken to satisfy any copyright holder who emerges that a reasonable search was conducted. This is not a requirement of flexible dealing, however, it is a good risk management strategy.

¹⁹ United States Copyright Office, 'Report on Orphan Works', a Report of the Register of Copyrights, January 2006, at 107-108.

²⁰ Ibid, at 102-103.

²¹ Ibid, at 100-102.

²² Ibid, at 107-108.

²³ Society of American Archivists, 'Orphan Works: Statement of Best Practices', Rev 17 June 2009, at 3; Marybeth Peters, 'Statement of Marybeth Peters: Subcommittee on Courts, the Internet, and Intellectual Property', U.S. House of Reps., 110th Congress, 2nd Session, 13 March 2008 <<http://www.copyright.gov/docs/regstat031308.html>>.

²⁴ United States Copyright Office, 'Report on Orphan Works', a Report of the Register of Copyrights, January 2006, at 96-97.

Large Scale Special Case Uses

The second main stumbling block to using flexible dealing for orphan works is the 'special case' requirement of the three step test and the perception that it only permits small scale uses. In the context of drafting legislation, the term has been held to require that exceptions must have a narrow qualitative objective as well as a narrow quantitative scope.²⁵ The large scale use of distinct collections held by cultural institutions that are comprised entirely of orphan works, or specific collections that contain orphan works, is a special case on the basis of the narrow qualitative objective of providing access for the public good and the narrow quantitative scope of using a collection of works assessed on the basis of reasonable enquires to be predominantly orphans.

Objective of the Use

The distinct objective of a cultural institution using a collection of orphan works for a noncommercial purpose is the public good from providing broad access to their immense cultural value. This is a clear and well-founded justification for risking potential damage to the interests of unknown or unlocatable copyright holders with sound legal and political principles.²⁶

Scope of the Use

The narrow quantitative scope of a cultural institution using a collection is that the collection consists predominantly of orphan works. The steps that must be taken to conclude that a work is an orphan work ensures that the use of an entire distinct collection is minimal will not have a general impact.²⁷ The assessment of every individual work in a collection would be an irresponsible use of public funds because most collections contain extremely high levels of orphan works.²⁸ The British Library and United Kingdom Libraries and Archives Copyright Alliance have outlined the necessity of allowing uses under a scalable search, which allows the user to make a presumption that a collection of works consist entirely of orphans after conducting reasonable enquiries on a proportion of the collection.²⁹ A scalable search is balanced and achieves the objectives of a reasonable administrative burden for users while ensuring that the interests, economic or otherwise, of any possible copyright holders will not suffer.

This approach is appropriately 'narrow' in scope given the unique attributes of orphan works. First, because the use of an orphan work only curtails the rights of unknown or unlocatable copyright holders, compared to uses of other types works, the quantitative scope of a special case should be comparatively broad. In the context of an exception that allows the commercial use of works which have commercial value and known copyright holders, the scope of the use would have to be quantitatively small. However, in the context of applying flexible dealing for a noncommercial use of

²⁵ See World Trade Organization, *United States – Section 110(5) of the US Copyright Act, Report of the Panel*, 15 June 2000, WTO Doc. No. WT/DS160/R. Note: this is not a legal precedent in Australia, which has not seen any judicial interpretation of flexible dealing.

²⁶ See discussion in Mihály Ficsor, 'Collective Management of Copyright and Related Rights' WIPO Publication, Daniel Gervais (ed) 2003, at 61.

²⁷ Ibid.

²⁸ The British Library, 'Orphan Works and Mass Digitisation: Guidelines for a Reasonable Search', at 2 <<http://www.bl.uk/ip/pdf/orphanworks.pdf>>.

²⁹ Libraries and Archives Copyright Alliance, 'Statement on orphan works', London, 19 December 2007, at 3 <<http://www.cilip.org.uk/sitecollectiondocuments/PDFs/policyadvocacy/laca/LACAorphanworksstatementFINAL19dec07.pdf>>.

works with no commercial value where the copyright holder is unknown or unlocatable, the use can be comparatively quantitatively large.

Second, because of the low value of individual orphan works, the assessment of the special case requirement should be of the collection. Individual orphan works have low value because: they are unimportant to a collection that consists of many works; the user is not reliant on it because the cost of distributing a single work is low compared to the cost of distributing the entire collection; and the work has a low economic value to any copyright holder.³⁰

CONCLUSION

The flexible dealing exception, in accordance with its legislative intention, has significant potential to provide access to orphan works. This would go some way to correcting the copyright conundrum, which currently restricts the use of orphan works to the detriment of access to knowledge but without providing any incentives to creativity. Australian libraries and other cultural institutions should increase their reliance on flexible dealing and apply it confidently by developing an industry best practice to provide that after conducting reasonable enquiries, a user is permitted to conclude that a work is an orphan and that using it will not conflict with a normal exploitation or unreasonably prejudice any copyright holder. Cultural institutions should then apply a scalable search to digitise collections of orphan works on the basis that if after reasonable enquiries a reasonable portion of a collection is found to be orphan works, the collection may be presumed to consist entirely of orphan works. This approach has the potential to create substantial public value by exponentially increasing access to the cultural value of orphan works.

In response to the recent Gov 2.0 Taskforce report, government agreed that the Attorney-General's Department will conduct a review of orphan works with the aim of recommending amendments to remove practical restrictions, to be commenced in late 2010.³¹ In line with the reasoning in this article, worthwhile amendments would be to end the perpetual copyright protection of unpublished works, sound recordings and films, and for flexible dealing:

- Allow reliance on reasonable enquiries to assess normal exploitation and unreasonable prejudice;
- Enshrine the ability to use a scalable search in accordance with the special case requirement; and
- Most importantly, provide the legal security of legislative limitations to liability from using orphan works to indemnify cultural institutions against possible claims for damages in the unlikely event that a copyright holder emerges.

³⁰ United States Copyright Office, above n 19, at 38.

³¹ Government 2.0 Taskforce, 'Engage: Getting on with Government 2.0', Final Report, 22 December 2009, Recommendation 7 <<http://www.finance.gov.au/publications/gov20taskforcereport/index.html>>; Government Response to the report of the Government 2.0 Taskforce – Engage: Getting on with Government 2.0, 22 May 2010 <<http://www.finance.gov.au/publications/govresponse20report/index.html>>.