

**COPYRIGHT AND ORPHAN WORKS**

**A PAPER PREPARED FOR THE GOWERS  
REVIEW BY THE BRITISH SCREEN  
ADVISORY COUNCIL**

**31 AUGUST 2006**

INTRODUCTION .....	3
THE PROBLEM .....	4
Definition of an orphan work.....	4
Why works become orphan works.....	4
Current use of orphan works.....	6
(a) Restricting “use” to that outside the scope of restricted acts.....	6
(b) Using existing exceptions.....	7
(c) Accepting liability for infringement.....	7
(d) Provision relating to rights in performances .....	8
The reasons for solving the problem of orphan works .....	8
SOLUTIONS IN OTHER COUNTRIES .....	10
Canada.....	10
United States of America .....	11
POSSIBLE SOLUTIONS .....	13
Copyright registration .....	13
Copyright exception with no remuneration .....	14
Copyright exception with remuneration/compulsory licence .....	15
Limitation on remedies for infringement.....	16
Adjusting the limitation period .....	16
INTERNATIONAL LAW .....	17
International conventions.....	17
EU Copyright Directives.....	18
BSAC’S PREFERRED SOLUTION.....	19
Possible problems with the preferred solution.....	19
Details of the preferred solution .....	20
Genuine orphan works .....	20
Works of joint authorship/ownership and works comprising other works .....	20
Types of copyright work covered .....	21
Published and unpublished works.....	21
Exception or relief from remedies for infringement .....	22
Tracing the copyright owner.....	23
Searches by new users .....	27
Permitted user and permitted uses .....	28
Payment for use.....	28
Proof of search for the copyright owner .....	30
Burden of proof of copyright ownership .....	30
Attribution.....	30
Moral rights.....	31
Safeguards for users.....	31
Use after a copyright owner has emerged.....	33
Infringing copies .....	34
Foreign works .....	35
Other provision not included .....	35
SUMMARY OF BSAC’S PREFERRED SOLUTION .....	37

## **INTRODUCTION**

1. In its response to the Gowers Review call for evidence, the British Screen Advisory Council (BSAC), the umbrella group for the audiovisual industry, acknowledged the desirability of making provision in UK law which would permit use of orphan works in certain circumstances. We had not, though, at that time reached a consensus on the precise form that provision should take. We are, however, particularly well placed to consider issues such as this as our Members represent a wide cross-section of interests in the audiovisual sector, including major right holders, small right holders, those who use other people's copyright material and those who have an interest in preserving audiovisual material in the public interest. In many cases, of course, those who create and own rights in copyright material are also users of other people's copyright material which makes the views we express more balanced than might otherwise be the case.

2. As a result of a request from the Gowers Review Team to prepare a paper setting out our views in more detail on the issue of copyright and orphan works, we have tried to reach a consensus on fully elaborated proposals for a provision in UK law. We have also as far as possible tried to highlight any problems as well as suggesting solutions. We are pleased to have been asked to undertake this challenging task and would be happy to discuss this issue further if that would be helpful. A provision that would permit legal use of orphan works would benefit many people, from writers, film makers and artists to researchers and historians, as well as librarians, archivists and curators with the mission of making culturally significant material available to the public. Addressing this issue is therefore, in our view, very much in the public interest.

## THE PROBLEM

### *Definition of an orphan work*

3. An orphan work is one where the copyright owner is either unknown completely or his name is known but he cannot be traced. When it is impossible to find the copyright owner, it is impossible to seek permission to undertake any of the acts restricted by copyright in that work. If activity that would infringe those restricted acts is to take place, this can then only be undertaken illegally.

4. There are undoubtedly other situations where a person would like to use a copyright work but is unable to do so legally, for example where the copyright owner fails to reply to enquiries from the potential user or where the potential user is unable to afford the royalty demanded by the copyright owner. But these situations are not ones that should be addressed by a legislative solution as to do so would undermine one of the principles of copyright, namely that a copyright owner can exercise his exclusive rights at any particular time by undertaking activity falling within the scope of those rights himself and/or by licensing other people to exercise those rights or by doing neither. Where a copyright owner is known, it would, therefore, in general be wrong to interfere with his ability to set whatever terms he likes for use of his work by others, or deny such use altogether<sup>1</sup>.

5. All the references to “orphan works” in this paper are therefore to be construed narrowly as only applying to the situation where the copyright owner is still unknown or cannot be traced after attempts to identify and/or find the copyright owner have been unsuccessful. The nature and extent of the efforts that must be tried and have failed will need to be defined in some way, and how this might be done is discussed further below where we suggest our preferred solution to the difficulties encountered by those trying to use orphan works.

### *Why works become orphan works*

6. There is no one reason why some works fall into the category of orphan works. Orphan works can, of course, occur in any sector and their nature may be different in different sectors. For example, for some types of copyright work orphan works might be predominantly unpublished material such as private letters and diaries held by libraries and archives, and professionally taken old family photographs owned by individuals. But even for these types of copyright work, there are likely to be items that have been published where it is impossible to identify and/or trace the copyright owner, or one of the copyright owners.

---

<sup>1</sup> Exceptions to rights do, of course, limit rights in certain limited and special circumstances. There are other situations where the rights of copyright owners are modified for good reasons. For example, where copyright owners have opted to collectively license their rights, then in appropriate circumstances it is possible to seek independent adjudication on both terms and conditions of licences and refusal to grant licences. Also, the way in which copyright is exercised can in certain circumstances be challenged as contrary to competition law. We do not want to suggest that provisions such as these which already apply should not continue.

7. Given our status as an audiovisual umbrella group, BSAC is not able to offer detailed insights to all the situations that might arise in other sectors though, so we mention examples of this sort only in passing. By considering the issue of orphan works from the perspective of the audiovisual industry, we do not, however, want to suggest that this is only an issue for audiovisual material. Indeed, the audiovisual industry itself may use many other types of copyright material in its productions, as well as older audiovisual material. For example, it is quite possible that a producer might like to make a film adaptation from a story first published in a book many years before only to find that it is not possible to find one of the people who still owns rights in that literary material. As an audio-visual work itself is, moreover, a work that invariably has layers of copyright in all the underlying individual items of content, such as music, screenplay and artistic design, as well as performers' rights in their performances, an older audiovisual work may be an orphan work which cannot be used legally because just one of the owners of rights in either the overlying film or broadcast or any one of the items of content cannot be traced.

6. The reasons why it can be difficult to trace a copyright owner can be various, but some of the underlying problems that could arise are as follows:

- the original copy of the work has no, or insufficient, information identifying the copyright owner associated with it;
- the original owner of copyright can no longer be located at the original address and there are no records of any new address;
- copyright ownership has been assigned to a new owner, possibly more than once or even many times, and at some point along the trail there is insufficient information available about either the new owner's name and/or location;
- the copyright owner has died and information about what happened to rights on his death is impossible to find; and
- where the copyright owner is a business, the business ceased to exist and it is impossible to find out what happened to the copyright which was one of the business assets.

7. Regarding rights in audiovisual material, we do not, though, think it likely that films produced by the major studios would ever fall into the category of orphan works. However, other parts of the audiovisual sector may not be, or have not been in the past, so well organised. It is not unknown for a production company to only have existed for the making of a single film for example and it may not always be clear what has happened to rights in that film as a result of the company's disappearance. Also, much of the older cultural heritage of the audiovisual industry held in the National Film and Television Archive of the British Film Institute (BFI) has been acquired other than directly from right holders, which makes the establishment and maintenance of accurate records of those right holders more difficult. For example, the BFI has had many donations from film labs clearing out space and from individuals who hold old copies of audiovisual material. In many cases the material that has been acquired this way is the only copy of that material which now exists as, even if the original production company

is still in business, it often did not keep a copy itself. But fully accurate, comprehensive and up-to-date records about rights in material that has been acquired in odd ways, i.e. not directly from right holders, is unlikely to be acquired with the material.

8. Not all the material is, however, necessarily in the category of orphan works as a result of these acquisitions by odd routes. A huge catalogue of data about moving image material is held by the National Film Theatre and the data held by the BFI National Library is another source of useful information. These sources are used for identifying right holders by the BFI itself with respect to audiovisual material it holds, and by those wishing to use other audiovisual material. But despite these efforts to keep records about rights and right holders, the BFI has considerable experience of the shortcomings in available data about rights so that it may sometimes be difficult or impossible to trace the holders of rights in older audiovisual material in order to seek permission to use it.

### ***Current use of orphan works***

9. Orphan works can be, and are, used at the moment in certain circumstances. We believe that for copyright works this use falls under three headings:

- (a) use that does not conflict with the acts restricted by copyright;
- (b) use that falls within the scope of exceptions to copyright; and
- (c) use outside the scope of exceptions which would give rise to liability for infringement of copyright where the copyright owner turns up.

These are examined in more detail below, but our conclusion is that they provide neither individually nor collectively a satisfactory and complete solution to the inability to clear rights in orphan works. There is, though, a final provision applying to rights related to copyright, that is the rights in a performance. This is perhaps closer to a useful orphan work provision than those we have identified for copyright in that it clearly has the difficulty of finding the person able to clear rights in mind. But in practice its scope is very limited and will rarely help when people wish to use an orphan work.

#### **(a) Restricting “use” to that outside the scope of restricted acts**

10. As we have already indicated, copyright does not prevent a person being inspired by earlier material to create their own material that copies only the underlying idea behind that earlier material and none of the expression. But in some cases being able to do this will clearly be irrelevant, for example where a documentary is being made where it is desired to use old newsreel clips to highlight the issue being examined and there is no alternative to that newsreel. There may be some situations, however, where an alternative to the orphan work could be used. Where a new production is planned using an orphan work, when it becomes impossible to clear rights in that work, it might be possible to replace the desired use of the orphan work by similar material where rights can be cleared. Also, for some types of copyright material, copyright is only infringed by taking a substantial part of the work, and copying of any orphan work which is less than this extent would not require any permission. In practice, though, the test of substantiality looks at both qualitative and quantitative criteria, and it is often said that anything that is worth copying is likely to be a substantial part, so very little use of an orphan work is likely to be possible under this criterion.

11. Some activity after having identified an orphan work that stays outside the bounds of acts restricted by copyright might therefore be possible, but there will be many more cases where the desired use goes beyond this and clearly falls within the scope of the restricted acts.

### **(b) Using existing exceptions**

12. Some uses of orphan works can, of course, fall within the scope of one or more of the existing exceptions to copyright in the Copyright, Designs and Patents Act 1988 (the 1988 Act). Some of the exceptions that BSAC Members may rely upon from time to time for use of copyright works in general in the audiovisual area are as follows:

- Section 30 permitting fair dealing with a work for the purposes of criticism, review and news reporting
- Section 31 permitting incidental inclusion of copyright material
- Sections 57 and 66A permitting use of certain works where the person/people relevant to determining the term of copyright cannot be identified and it is reasonable to assume copyright has expired
- Section 68 permitting incidental recording for the purposes of making a broadcast
- Section 75 permitting recording of broadcasts for the purposes of placing them in an archive

Other exceptions in addition to these may be relevant to certain activity relating to orphan works in areas other than the audiovisual sector, such as those relating to libraries, including preservation activities in libraries and archives. Indeed, some of the problems relating to use of orphan works in the audiovisual sector could be addressed by ensuring that appropriately limited preservation activities can be taken with respect to audiovisual material in general as the current preservation exception to copyright does not cover audiovisual material.

13. However, even collectively these specific exceptions would not permit that much activity to be undertaken with orphan works. For example, it is extremely unlikely that using the whole of an orphan work in a new commercial audiovisual production could ever fall within the scope of any of these exceptions.

### **(c) Accepting liability for infringement**

14. BSAC's Members are divided on what they would do where it has not been possible to clear rights due to untraceable right holders, but some admit that they would still use protected material if exhaustive searches have not led to finding the copyright owner. However, some who have used material with uncleared rights have faced big claims against them when a right holder has eventually emerged, and so acting in this way gives rise to the risk of having to pay substantial damages in addition to the licence fee that might have been agreed if the right holder had been found earlier. This potential liability is, of course, likely to be more of a deterrent against using orphan works for smaller businesses and is an important, if not the most important, reason behind decisions not to use the material in the first place. This is especially true as it is increasingly difficult to get insurance cover where it is not possible to demonstrate that all rights have been cleared.

15. Choosing not to use older material where rights cannot be cleared is, however, no more satisfactory a solution than using the material and being prepared to accept the possibility of being sued for infringement. Where orphan works are not used, the public is denied access to new innovative products derived from a significant part of the country's cultural heritage. It is also possible that in some cases older material may simply disappear due to deterioration as it is impossible legally to undertake preservation work. There may also be insufficient investment in setting up and maintaining archives if it is not possible to clear rights to use the material so collected and stored in new productions.

#### **(d) Provision relating to rights in performances**

16. Section 190 of the 1988 Act allows a person wishing to make a copy of a recording of a performance to apply to the Copyright Tribunal for consent to do so in a case where the identity or whereabouts of the person entitled to the reproduction right cannot be ascertained by reasonable inquiry. This provision has been amended since the 1988 Act was first enacted by removing its application to the additional situation where a performer unreasonably withholds his consent. But more importantly, the nature of performers' rights has been changed considerably since 1988 and we would argue that this has made the provision much less useful now. For example, performers now have a clear property right to authorise distribution of copies of recordings of their performances so the ability to get consent from the Copyright Tribunal to make a reproduction where a performer who has the right to authorise this cannot be found would seem to still leave a person unable to actually let the public have copies made with that consent. As far as we are aware, section 190 has only ever been invoked on two occasions.

#### ***The reasons for solving the problem of orphan works***

17. Given that we accept that it is consistent with the basic tenets of copyright for a copyright owner to be able to refuse permission to use his work, or refuse to negotiate what the user thinks is a reasonable licence fee for such use, it may not seem entirely logical that we accept that there is a problem where an orphan work cannot be used because a copyright owner is unknown or cannot be found. Cases where it is impossible to use a copyright work because the copyright owner does not want that use to take place can and do exist and we do believe that it must remain possible for a copyright owner to be able to continue to exercise his exclusive rights in this way.

18. Copyright has, of course, only ever given protection for the particular expression of an idea, so it has always been possible for later creators to be inspired by earlier creations, including by copying an underlying idea and giving it their own expression. And in addition, copyright is not a monopoly right and so in no way prevents independent creation of something very similar to what has been done before. Copyright protection, including copyright in orphan works, does not, therefore, stifle creativity and innovation as can be seen from the wealth of new copyright content that becomes available each year.

19. Although original creativity not dependent on use of earlier copyright material is undoubtedly a major part of the innovative activity taking place in the audiovisual and,

we believe, other creative industry sectors, there are, however, many productions which are enhanced by use of earlier protected material. And the reality is that copyright owners are very often willing to agree reasonable licence terms for use of their protected material, especially where the material is older, that is, the new use by another person is to take place beyond the period of time where the copyright owner might prefer to exercise the exclusive rights he is granted himself or grant rights only to an exclusive licensee. But in the case of orphan works, it is impossible to use the earlier material with legal certainty, because the copyright owner cannot be traced, even though the reality is that in the vast majority of cases it is likely that the copyright owner either no longer exists or does not have any interest in restraining use of his work.

20. In addition to use of older material in commercial productions, the inability to clear rights in orphan works can also give rise to problems in libraries and archives and for researchers. The BFI holds the largest collection in the world of moving image material in the National Film and Television Archive. The range of material held by the BFI Archive is enormous, ranging from feature films to early newsreels and including animated films and documentaries. The BFI is charged with preserving this cultural heritage and undertakes restoration work to ensure continued access in appropriate and user-friendly formats.

21. There is, therefore, a wealth of material for anyone who needs access to the world of the moving image. As discussed above, the BFI is, therefore, well placed to understand the difficulties of tracing right holders in what has often been a rather disorganised and fragmented British film industry. These difficulties can mean that the BFI is unable to use the uncleared material in its own activities, including ensuring preservation of the material in the archives and the most helpful types of access for researchers. The BFI is, in addition, frequently used as a resource by commercial producers and, where rights cannot be cleared, is unable to release clips from this cultural heritage for use by others developing new products in the audiovisual sector. The inability to clear rights in orphan works therefore denies the public access to this material in various ways and a solution to the problem would be in the public interest.

22. It is possible that in the future it will be easier to ensure that records about rights and right holders are more comprehensive. Digital copies can, of course, include rights management information which may be more reliable than more traditional methods of marking copies. More understanding about the importance of managing rights and greater availability of electronic databases of rights may also in the future reduce the incidence of orphan works. But copyright still subsists, and is likely to do so for some time, in much of the audiovisual material produced in the last century even though for some of the older material right holders can no longer be traced. Waiting for this material to fall out of copyright could continue to deny public access to much valuable and interesting material for a very long time.

## SOLUTIONS IN OTHER COUNTRIES

### *Canada*

23. Canada is the only country we are aware of that has a provision in copyright law relating to orphan works that is in force. Our understanding of the provision in Canada relating to orphan works is as follows:

Where the copyright owner of a published work cannot be located, section 77 of the Copyright Act in Canada permits a person who wishes to use that work to apply to the Copyright Board for a licence. The Board must be satisfied that the person has made reasonable efforts to locate the copyright owner but it has still not been possible to locate the copyright owner. If the Board is satisfied about this, it can issue a non-exclusive licence authorising the person to do what they wish. Such a licence will say what use is permitted, when the licence will expire and will include a licence fee and any other terms and conditions that the Board considers appropriate. The licence fee is usually required to be paid to a copyright collective society which would normally represent the unlocatable copyright owner. That society is then liable to reimburse with the licence fee anyone who establishes ownership of copyright within five years of the expiry of the licence, but the collecting society is permitted to dispose of the royalties it receives under this procedure in the meantime as it sees fit for the benefit of its members.

24. This provision is not presented in Canadian law as an exception to rights, but its effect is to deny the copyright owner the ability to decide whether or not to licence use of his work, merely providing him with a royalty. Its effect does, therefore, appear to be of the nature of an exception coupled with remuneration, or a compulsory licence. The first licence under this provision seems to have been issued by the Copyright Board in 1990 and the 184<sup>th</sup> licence was apparently issued on 26 June 2006 being the 13<sup>th</sup> licence issued this year following 25 licences issued in 2005, 18 in 2004 and 16 in 2003 but only 1 in 1990, 4 in 1991 and 9 in 1992<sup>2</sup>. These figures suggest an increase in licence applications over the years, but that the numbers of licences issued are still relatively small (although some of the licences do cover a number of works to be used by the same person).

25. Our belief is, however, that there are likely to be significantly more situations where a person would like to use orphan works than is suggested by these figures so we wonder whether the provision in Canada is as useful to potential users of orphan works as would seem desirable. One reason for the limited number of licences is, of course, the inability of the Copyright Board to grant licences other than for uses in Canada. This will inevitably be a problem with any provision in any country given the national nature of copyright laws. Another problem that can be seen from three of the six requests for a

---

<sup>2</sup> Licences issued to use works where there is an unlocatable copyright owner are listed on the Copyright Board's website at <http://www.cb-cda.gc.ca/unlocatable/licences-e.html>

licence that have been refused by the Copyright Board<sup>3</sup> is that the Canadian provision does not apply to unpublished works, and so it is still not possible to use these in Canada where the copyright owner cannot be traced. But it may be that the Canadian provision is simply seen as too cumbersome for what is needed given that in most cases where a work is truly orphaned the copyright owner is unlikely to ever emerge. In the US Copyright Office Report on Orphan Works<sup>4</sup> it has been noted that the suggestion that users of orphan works pay into an escrow before use, i.e. a solution similar to that in Canada, did not receive much support in that Office's consultation process other than from some individual illustrators, recording artists and photographers.

### *United States of America*

26. Following the US Copyright Office's Report on Orphan Works, a Bill to amend copyright law in the US was introduced into the House of Representatives on 22 May. We have studied the Bill and believe that it would work as described below, but we are not, of course, able to offer expert advice on the interpretation of US law so reference should be made to others as appropriate for any confirmation needed of this interpretation.

27. The US Bill would make provision to limit remedies for infringement in cases involving orphan works. Thus, use of orphan works would still constitute an infringement of copyright (unless within the scope of other exceptions to copyright or otherwise permitted by law). In order to benefit from the limitation on the remedies for infringement imposed on the copyright owner, the potential user of a work must conduct a reasonably diligent search and be unable as a result to locate the copyright owner, and must also attribute the author and copyright owner, if known, of the work used. The limitations on remedies for infringement available to the copyright owner should he eventually turn up relate to monetary and injunctive relief as follows:

- The only monetary relief possible is reasonable compensation for use of the infringed work, and, where the infringer fails to negotiate in good faith with the copyright owner regarding the amount of this compensation, there is also the possibility of a costs award against the infringer. Even reasonable compensation may not be payable in some cases where the infringement has no commercial advantage and ceases as soon as the copyright owner makes a claim of infringement.
- Any injunctive relief must take account of harm on an infringer who has acted after not being able to find the copyright owner after a reasonably diligent search and injunctive relief must not stop an infringer's continued preparation and use of

---

<sup>3</sup> Licences that have been refused are listed on the Copyright Board's website at <http://www.cb-cda.gc.ca/unlocatable/otherdecisions-e.html>. As well as three cases where the material was, or appeared to be, unpublished, there was one case where it was concluded that the material in question was already out of copyright, one where litigation of copyright ownership made it impossible to tell at that time whether or not the copyright owner could not be located and one where the amount of the protected material that was to be used was insufficient to infringe copyright in any case.

<sup>4</sup> The US Copyright Office's Report on Orphan Works was published in January 2006 – see <http://www.copyright.gov/orphan/orphan-report.pdf>

a new derivative work that incorporates the copyright owner's work, so long as the infringer pays reasonable compensation and attributes the copyright owner. In addition, the provision in the Bill sets out in some detail how a reasonably diligent search is to be interpreted and in this respect in particular varies from the final recommendation in the Copyright Office's Report which did not include any interpretation.

28. Our understanding of the US Copyright Office's recommendation for legislative action on orphan works as published in their report in January is that it received widespread support, from a wide cross-section of interests, including both copyright owner and user communities. But there has been significant opposition from one particular area. Photographers, illustrators and those who represent them seem to be very concerned that the effect of the proposed legislation in the US would be to make many photographs and illustrations orphan works even though they are works where the right holders still exist and very much want to enforce their rights in those works, or more importantly, be paid for use. The problem seems to be that many photographs and illustrations are published without any information identifying the author or copyright owner. Databases that might exist in this area are very difficult to search, especially where the author's name is not known. These right holders therefore seem to fear that many of their valuable works will too easily fall within the scope of the proposed orphan works provision. A potential user will be able to claim that they have not been able to locate the copyright owner after a reasonably diligent search where they wish to use an un-credited photograph or illustration and then the onus would be on the copyright owner to bring a case against the user for infringement in order to seek reasonable compensation. Photographers and illustrators believe that is an unacceptable burden on them, especially given the high costs of bringing any case for infringement before the courts.

29. Photographers and illustrators in the US do not, however, seem to be opposed entirely to a solution to the issue of orphan works. Their preference seems to be that any use permitted by law should result in payment into an escrow fund, i.e. more like the model in Canada. It is therefore possible that the added details in the Bill that was introduced into the House of Representatives on 22 May about the criteria against which a reasonably diligent search for the copyright owner is to be judged are in part included to address the concerns of photographers. For example, the Bill makes it clear that a search is not reasonably diligent solely by reference to the lack of identifying information with respect to copyright on the copy of the work. We are not certain whether this Bill is likely to succeed or is stalled as a result of the opposition or otherwise.

## POSSIBLE SOLUTIONS

### *Copyright registration*

30. Official and compulsory registration of copyright both initially and whenever rights are transferred to another person, would make it much easier to trace right holders. However, this is not something that BSAC endorses in any way. It would, of course, be contrary to international conventions that the UK is a party to, but, as it is an obvious solution to the difficulty of clearing rights in orphan works, we believe it is right to rehearse the reasons why this should provide no part of any solution.

31. One of the benefits of copyright protection is its automatic nature, namely that copyright subsists as soon as the protected material exists in a material form, with this automatic protection arising not only in the UK, but also most of the rest of the world. The absence of any registration requirement both initially and later on for copyright to continue to subsist make acquisition and maintenance of copyright easy for everyone. There is no bureaucracy to negotiate, no official fees to pay and no time limits that if missed mean loss of rights. Official registration requirements would on the other hand lead to traps for the unwary and could lead to loss of valuable copyrights. In order to solve any problem with orphan works there would be little point in a system that involved just initial registration as the real problem is knowing who owns rights many years after that point, something that would only be helped significantly by copyright renewal registration from time to time during the term of protection.

32. The best evidence that copyright registration would lead to unacceptable problems can be found in the US which in 1976 started the process of removing the compulsory registration requirements which did exist in the US by the removal of the renewal registration requirement after 28 years. The US has, of course, subsequently removed any mandatory registration requirement, but, although the US Copyright Office's Report on Orphan Works has admitted that these legislative changes have exacerbated the orphan work issue in the US, there is no proposal there that mandatory registration of copyright owner information should provide any part of the solution. The US, which has relatively recent experience of the benefits of and problems with compulsory registration requirements, but even more recent experience of the benefits of automatic copyright with no renewal registrations, has not proposed a return to its earlier provision as an option. If the US in the light of this experience is not tempted to go down this path, then it would seem to us as strange indeed for the UK to want to explore this further as an option.

33. We do, though, believe that it is worth pursuing non-legislative means to try and reduce the problem of the time wasted seeking right holders who are difficult to trace. The audiovisual sector, like other creative industry sectors, already has access to various sources of data about rights in moving image material. We accept that our sector could do more to further improve voluntary stakeholder registration of rights in the future and other sectors could be encouraged to do the same. It is unlikely that this could provide any solution to the problem of tracing rights owners of orphan works now, as realistically any new system would only be rolled out initially for new works. As with the Land

Registry model which only required registration when land changed hands, it might, though, be possible to add works to any database when they are traded. This could build on work that some of our Members are already undertaking, for example PACT is already working with the International Standards Group (ISAN) on a possible code for independent producers. Government could take action to encourage and support any voluntary registration initiatives.

### ***Copyright exception with no remuneration***

34. Orphan works will be of many different types and the types of uses that people would wish to undertake with such works will be just as varied. At one end of the spectrum, an orphan work might be re-released or re-published by a commercial undertaking who charges the public for the access this gives to an orphan work. At the other end of the spectrum an orphan work held in an archive such as the BFI National Film and Television Archive might be shown without charge to a large audience visiting those premises. Neither of these would be possible without infringing copyright unless either the rights can be cleared or there is legislative provision legalising the activity. An exception to copyright that permits the activity is one type of possible legislative provision and, as with other exceptions, it can take one of the following general forms regarding whether or not there is the possibility of remuneration for right holders:

- (a) It can be a pure exception to copyright specifying activity which does not infringe copyright and making no provision for any remuneration to right holders. It would be an exception to both the copyright owner's ability to decide whether or not the specified restricted acts can be undertaken by another person and the copyright owner's ability to seek payment for the doing of those acts.
- (b) It can be an exception to copyright only to the extent that the copyright owner cannot decide whether or not the specified restricted acts can be undertaken by another person, but include a mechanism by which a royalty type payment for that use must always be made to the right holder or his representative such as a collecting society. It is in effect a compulsory licence.
- (c) It can be an exception to copyright to the extent that the copyright owner cannot decide whether or not the specified restricted acts can be undertaken by another person and include a mechanism under which the copyright owner is able to seek payment if he chooses to do so. It is in effect a hybrid between (a) and (b). The onus is put on the copyright owner in some way to take action if he wants the exception to be coupled with remuneration to him but if he does nothing there is no requirement to pay for use.

35. For activity of a commercial nature with an orphan work which can continue after a copyright owner has emerged, we do not believe that an exception which does not provide for remuneration to be paid to the copyright owner at this point can ever be justified. Where the copyright owner has come forward after use of his work has begun, he should be in no worse a position regarding payment for use of his material than if he had been able to negotiate a payment from the beginning, although there may be a need to provide a mechanism for adjudicating on how much is paid in these unusual circumstances. Failure to provide remuneration to right holders in these circumstances

would also be extremely unlikely to be compatible with international conventions. Thus, an exception of type (a) would not be acceptable.

36. However, there may be some limited and/or non-commercial uses of an orphan work, particularly uses which do not continue after the copyright owner has become known, where it would be reasonable for there to be no remuneration. Such uses could include the single public performance of the material to an audience in a non-commercial setting as indicated above and activities that have been undertaken to preserve the material, without the latter of which the orphan work might have disappeared in any case so that no-one, not even the copyright owner, is able to benefit from its use in the future. But in our view a non-remunerated exception can and should only ever provide a part, and probably a relatively small part, of a reasonable solution to the problem of orphan works.

### ***Copyright exception with remuneration/compulsory licence***

37. An exception of the type identified in (b) or (c) above would involve at least the possibility of payment to the copyright owner. The provision in Canada and that proposed in the US both include the possibility of remuneration, the Canadian provision being more like the situation in (b), i.e. a compulsory licence, and the provision in the US being more like the situation in (c), i.e. where the right holder can, but may not, seek payment, although in neither case is the provision actually presented as an exception to copyright. For example, the US proposal seems to be presented as a limitation on remedies for infringement, i.e. not an exception at all.

38. After an initial debate at the time of submitting our response to the Gowers Review call for evidence we were unable to reach a consensus on which type of provision, i.e. more like (b) above or more like (c), would be preferable. We did, however, agree that there should be some way of providing for the payment of a reasonable royalty for the use of an orphan work, should the copyright owner emerge after use has begun. Some of our Members preferred to pay nothing unless and until a copyright owner turns up whilst others found the idea of always paying into a central fund attractive, and possibly eventually using unclaimed royalties in that fund to support the industry in some way, assist with archival activity or something else. We have now had more time for further debate and have reached a consensus on an approach more like that in (c), but we have various additional ideas, as explained below, which may also deliver some of the benefits of (b).

39. With any provision that involves the payment of a royalty, either that payment needs to be fixed at a certain amount whatever the use, or there will need to be a mechanism for setting the level of that royalty in each case dependent on the actual use where it cannot be agreed by negotiation. Given the very large number of different types of use that could be undertaken with an orphan work, and the very different levels of public exposure for the work this could lead to, it is hard to imagine that a fixed royalty could deliver a solution that is fair to anyone. We therefore prefer a royalty that is defined in a flexible way. It would be consistent with provision that already exists in UK law in a number of places to require the payment to be a “reasonable royalty”. In the UK

there is an independent body, the Copyright Tribunal, which already has the role in a number of other areas to decide the level of a royalty that is reasonable in the circumstances. We therefore believe that the Copyright Tribunal should have the role of deciding on a reasonable royalty whatever solution is used to permit use of orphan works.

### ***Limitation on remedies for infringement***

40. As an alternative to an exception, it would be possible to consider adopting an approach similar to that proposed in the US. This is not presented as an exception to rights, but, rather, limits the remedies for infringement available to a copyright owner where a person uses an orphan work. The use does, therefore, constitute an infringement of copyright, but the user who acts in accordance with the requirements to search for the copyright owner and so on is not liable for damages as he would normally be for that infringement. Rather, his liability is limited to payment of reasonable compensation only. Injunctive relief is still possible, but this is limited where it would be unfair and difficult for the user of the orphan work to stop that use.

41. There could obviously be variations on the precise way in which remedies for infringement are limited. But this mechanism has no advantage over an exception of type (c) above in at least one important respect in that there must still be an independent way of settling the amount of the reasonable compensation to be paid by the user/infringer where that cannot be agreed between the user/infringer and copyright owner. We are also not certain that requiring matters such as this to be settled in the context of litigation for infringement of rights is the best way of delivering a solution that would keep costs down. We are aware of the criticisms from some smaller right holders in the US that they would not be able to afford the costs of pursuing a case for infringement of copyright where their work has been used in the belief that it was an orphan work. The main advantage of this approach seems to be a belief that it is more compatible with international conventions than an approach delivering an exception to copyright, but we are not convinced that this is true in any case. Overall we therefore believe that an approach that imposes a limitation on remedies for infringement is not the best way to proceed.

### ***Adjusting the limitation period***

42. An alternative or additional legislative solution might be to stipulate that the limitation period for being sued for infringement is only 6 years measured from the date of first broadcast or other dissemination of the production including the orphan work. This would permit those who have used an orphan work without clearance to at least have protection from litigation after 6 years. It may, however, be that it would be better to build in some kind of limitation period to a specific exception provision for use of orphan works rather than try and address the difficult issue of limitation periods for infringement actions which probably has far reaching consequences beyond the area of copyright.

## **INTERNATIONAL LAW**

43. Any solution would, of course, need to be tested for compatibility with the UK's obligations under international conventions and treaties on the one hand and EU legislation on the other. However, even where there are problems, we do not necessarily believe that these should simply stop provision being made. Use of orphan works in many ways needs an international solution in any case as it will often be the case that material that has been made in reliance on an orphan work provision in one country will be traded internationally. This will be problematical where the orphan rights have not been cleared, or there is no exception or other provision to rely upon, in other countries. The better approach is to try and reach agreement at international or EU level on appropriate solutions.

44. Confirming compliance with international or EU law is not something that we feel BSAC can, or should, offer definitive advice about, but it may nevertheless be helpful to set out our views. If the Government concludes that international or EU law presents difficulties for introducing the right kind of provision in the UK in respect of orphan works, then we would urge it to take appropriate action so that provision can be made.

### ***International conventions***

45. As far as international conventions are concerned, the recent Report on Orphan Works by the US Copyright Office has looked carefully at the allowability of different types of provision with respect to the Berne Convention, the WTO TRIPS Agreement, the WIPO Copyright Treaty (the WCT) and the WIPO Performances and Phonograms Treaty (the WPPT). For the UK, it is necessary to consider the Rome Convention as well. What provision in these international conventions and treaties is relevant depends on the type of provision that is being contemplated. The US Copyright Office considered:

- (a) provision which might amount to initial or later registration requirements by copyright owners;
- (b) exceptions to rights; and
- (c) restrictions on remedies for infringement of rights.

46. We agree with the US Copyright Office conclusions that any provision under (a) would not be compatible with the Berne Convention.

47. It is less clear to what extent provision that amounts to an exception to rights might be permissible. It depends in part what acts restricted by copyright any exception to rights would apply to and the treaty provision that is relevant is complicated. The study prepared for WIPO in 2003 by Professor Sam Ricketson<sup>5</sup>, which we do not necessarily agree with entirely, illustrates the complexity of the analysis that will be required. However, compliance with the three-step test, which was originally applied to

---

<sup>5</sup> See SCCR/9/7 of 5 April 2003 for the WIPO Study on Limitations and Exceptions to Copyright and Related Rights in the Digital Environment, which is available at [http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=16805](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=16805)

the reproduction right in the Berne Convention, and is applied more generally by the TRIPS Agreement and the WCT and WPPT, is certainly going to be relevant. As the US Copyright Office report discusses, it is not easy to construe the steps with respect to an exception permitting use of orphan works, but we do not believe that it is clearly impossible to have such an exception that is compatible with the three-step test.

48. Regarding provision under (c), we have not been able to ascertain in detail how the US proposal is argued to be, for example, compatible with the requirements in Article 45 of the TRIPS Agreement relating to the award of damages for infringement. The US has made a comparison with existing provision in its law where a damages award is limited where a person does not know the use of a work is infringing. It is not clear to us that this is really comparable to use of an orphan work where it would be known that the use is infringing, albeit it has not been possible to find the person able to authorise that activity.

### ***EU Copyright Directives***

49. EU Directives appear to be more of a problem for an orphan work provision. Provision requiring registration as in (a) above is still ruled out. However, provision of the type in (b) or (c) would also appear to be difficult. Regarding exceptions to rights, there is no harmonisation of exceptions across the EU except in a few special cases, but the Copyright Directive<sup>6</sup> does include provision in Article 5 that limits those areas for which exceptions can be provided. There does not appear to be any provision that would permit a general exception for use of orphan works.

50. Regarding a limitation on remedies, it seems unlikely to us that this would be consistent with the requirements of the Directive on enforcement of intellectual property rights<sup>7</sup>. This Directive includes even more specific and detailed provision on remedies for infringement than the TRIPS Agreement.

---

<sup>6</sup> Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society

<sup>7</sup> Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property right

## **BSAC'S PREFERRED SOLUTION**

### ***Possible problems with the preferred solution***

51. Our preferred solution that would permit the use of orphan works is an exception to copyright coupled with the possibility for copyright owners who later emerge of seeking compensation for that use. We have set out in more detail how it might work below, but there are possible problems with this solution, although we hope they are not ones that cannot be either resolved, or dismissed, after further study.

52. The first problem is whether our proposal is compatible with international treaties and conventions. The US may well have decided not to adopt an exception approach to the issue of orphan works because of concerns that to do so would not be compatible with convention obligations. However, as far as we are aware, the US has not authoritatively concluded beyond doubt that an exception is not possible. Moreover, the Canadian provision is in many respects equivalent to a remunerated exception to rights. Although it is not presented as an exception, it is in effect a State-granted compulsory licence and, although the right holders are paid if they later turn up, the right holders are nevertheless prevented from exercising their right to decide whether or not other people might undertake activity within the scope of the acts restricted by copyright. This is exactly the same situation that would arise in a provision presented as an exception but with a mechanism for allocating royalty payments to right holders. We do not, therefore, believe that an exception to rights to deal with the problem of orphan works is necessarily one that is contrary to the UK's obligations under international treaties and conventions.

53. The second problem is whether putting in place a carefully drafted and fairly balanced new exception to rights to permit use of orphan works might encourage other countries to follow suit and put in place less carefully drafted and less fairly balanced exceptions to rights, including ones that deal with situations that are not properly orphan works, such as where a copyright owner is known and locatable but does not engage in any discussion about licensing his rights. If the UK chose not to act where it thought it justified and legitimate to do so on the basis that others might "copy" this behaviour but in a more cavalier manner, then there would probably be many useful provisions in UK law that would not exist. We are therefore not convinced that this should therefore be seen as a problem, but the UK should, of course, be very careful to make sure that everyone understands both the benefits of any provision that is delivered as well as how it delivers a fair but limited solution to a very special case.

54. The third problem is whether or not a new exception would be compatible with the UK's obligations under EU law. As indicated above, this is not one where we are currently convinced that arguments could be made in favour of compatibility with the sort of exception we are proposing. It does not seem to us that an exception that could permit, as we suggest, any use of an orphan work would fall within the scope of any of the specified areas in Article 5 of the Copyright Directive. However, rather than reject the possibility of introducing an exception in the UK, or making an exception unnecessarily restrictive, for example so as only to permit use for non-commercial

research purposes, which could be possible under Article 5(3)(a) of the Copyright Directive, we would urge the Government to ensure that the need to provide comprehensive solutions to the issue of orphan works is solved across the EU as part of the current review of that Directive.

### ***Details of the preferred solution***

#### **Genuine orphan works**

55. We have already discussed above what we believe are orphan works. Any exception should only apply to these, that is to works where copyright owners still cannot be traced after efforts have been made to the level specified in the exception. The exception should not apply where a copyright owner's location is known, but he fails to reply to enquiries about licences, or where a user thinks the terms being asked by the copyright owner are unreasonable.

#### **Works of joint authorship/ownership and works comprising other works**

56. There may be works which are only partly orphan works. This can arise where a work is of joint authorship and the joint authors are joint first owners of copyright and it subsequently becomes impossible to locate only one of the copyright owners. Joint owners of copyright could, of course, have transferred their interests in that copyright to different people at some point, and any single author and first owner of copyright could have passed a share of the copyright to be owned jointly by more than one person. Where copyright is first owned by an employer, that person too could have passed copyright ownership into the hands of two people acting jointly. For films, the default provision in UK law is that it is a work of joint authorship between the producer and principal director, unless they are the same person or the rules on first ownership of copyright for employees apply.

57. There are therefore many situations where there may be more than one person who owns the copyright in a particular work and, unless other arrangements have been made by these joint owners, then it will be necessary for both to give permission for the work to be used. In any case where there are joint owners of copyright, it is, though, always possible that they have agreed between themselves who is able to authorise what activity, in which case, a work would only be an orphan work if it is not possible to locate the person who has the right to authorise use by others.

58. Not all works of joint ownership of copyright will therefore be orphan works where it is impossible to trace one of the owners. But, if there is more than one copyright owner for a particular work, and the ones that can be traced are not able to give consent on behalf of any owners that cannot be traced, we believe that the exception should apply to any untraceable copyright owner for the work. However, if one of the known and traceable joint copyright owners refuses permission for use of the work and he has the right to do this, then the work should not be used even if it would be possible to invoke the exception provision in respect of an untraceable joint copyright owner.

59. In the above we are not referring to the situation where something like a film, which is a copyright work in its own right, also comprises a number of other different copyright works. In such a situation, there is not a single copyright work with joint owners of copyright. Rather there is a collection of copyright works and each copyright work might have a different copyright owner. Nevertheless, use of the film would require all the rights in all the different works to be cleared, although in many cases at least some of these rights are likely to have been transferred to the person who owns the rights in the film itself for the purposes of at least some downstream uses of the film. However, similar considerations should apply where, in order to use the film, more than one person owns relevant rights that need to be cleared. The orphan works provision should only be invoked where all traceable right holders have given permission for a use but there is still an untraceable right holder.

### **Types of copyright work covered**

60. It may be that some types of copyright work are more likely to become orphan works than others. For example, given the long history of collective administration for public performance of musical works it may be that records of right holders in this area are better than some other areas. There may also be more of a problem ensuring that use of orphan works is fair for some types of work, such as has been argued strongly recently in the US with respect to photographs and illustrations which are frequently used without the inclusion of any attribution of the copyright owner. However, we are not convinced that it would be right to limit the scope of any orphan work provision to only some types of copyright work. A genuine orphan work could arise in any area and we can see no reason why a provision should not then apply to it. If there are particular characteristics that make any area different, then this might be a justification for shaping the details of how the orphan work provision operates, but not for excluding that area altogether.

61. In much of this paper we have referred to “copyright” and “works”. However, this is generally done as convenient shorthand. We would not want to see material protected by rights related to copyright excluded from any new provision, and in particular the provision should extend to recordings of performances in which performers’ rights exist.

### **Published and unpublished works**

62. As well as type of copyright work, it is necessary to decide whether the provision should apply only to works that have been published or otherwise made available to the public, or whether unpublished works should be covered too. In the US, there was some concern that permitting use of unpublished works could undermine people’s right to privacy. However, a provision enabling use of an orphan work does not require any person who is in possession of the only copy of that work to hand it over to others to be used, so material in their possession that is private can remain so. Unpublished works that fall into the category of orphan works that might be used are therefore most likely to already be in some publicly accessible collection, such as in an archive, and could well be of great interest to the public. We are not aware that concerns about privacy are a big issue in such a situation. In addition, because a work is an orphan work, it may be sometimes very difficult to know whether the work was ever published or otherwise

made available to the public so a provision that depended on knowing this would give rise to uncertainty.

63. We therefore agree with the US approach on this issue, i.e. not to exclude unpublished material from the scope of the orphan work provision. We note that, where material really is unpublished and then used under an orphan work provision, some thought may need to be given to what the implications are for publication right. But we have not given this any detailed thought, not least because our understanding is that, due to preserved terms of protection for unpublished works, there is no possibility in the UK of anyone being entitled to publication right in a work until at least the end of the year 2039.

### **Exception or relief from remedies for infringement**

64. The US proposal has been criticized by some because, where a copyright owner eventually emerges, it puts the onus on him to claim infringement of his copyright, but he is then limited in the remedies he is able to claim for infringement. As we have already suggested, it may be in part that this type of provision has been chosen because of concerns about a wide exception's compatibility with international conventions. However, the Canadian provision also permits a wide range of use and, although not presented as an exception, seems to us to be closer to such a provision than a limitation on remedies and presumably is believed to be compatible with international conventions. We are concerned that the US proposal seems to be an artificially cumbersome approach when a simple exception might be less burdensome on everyone. As has been indicated by some in the US, a copyright owner could face considerable expense where he must pursue a case for infringement of his rights when his apparently orphan work is used. He may well get a satisfactory award to cover his costs in the end, but the initial costs could be a considerable disincentive to start the process, especially as he will only get a compensatory award equivalent to a royalty and no damages due to the relief from remedies for infringement the orphan work user is able to claim.

65. A better way in our view is therefore to make the use of an orphan work, subject to meeting all the conditions such as having tried and failed to locate the copyright owner, an act that does not infringe copyright, i.e. make the use of an orphan work an exception to copyright. However, it is important that a copyright owner who does turn up at a later time knows that someone has relied on this provision rather than, for example, has not even bothered to try and find the copyright owner and so is simply infringing copyright. The owner of copyright would not want to start a claim for copyright infringement if someone has effectively already admitted they are relying on the exception, i.e. that they know they are using the work without the authorisation of the copyright owner. Thus, we suggest that a person making use of the orphan work exception should be required to mark any copies of that work that are made, issued to the public, communicated to the public and so on as used under the exception. The right holder will then know that he can invoke the mechanism devised for paying him a royalty, rather than sue for infringement, and we would expect the former to be a less expensive process for him.

## **Tracing the copyright owner**

66. The key to deciding whether or not a work is an orphan work is whether or not the copyright owner(s) can be found. However, this is not an absolute test as it will never be possible to be completely certain that it is impossible to find the copyright owner. There will, therefore, need to be a test of what steps a person wishing to use an orphan work must take in order to be able to conclude that the copyright owner cannot be traced and use of the work can go ahead.

67. There are already some provisions in the 1988 Act and related legislation which require an inquiry as to the author or copyright owner to be made, the most relevant ones being as follows:

- (a) section 9(5) of the 1988 Act which stipulates that an author can only be regarded as unknown if it is not possible for a person by reasonable inquiry to ascertain the identity of the author. Where an author is unknown, there may then be an effect on the duration of copyright as defined in section 12 for literary, dramatic, musical or artistic works and section 13B for films. The term of protection could be, but will not necessarily be, shorter than where the author is known;
- (b) section 41(2) of the 1988 Act which prevents a librarian supplying copies of articles in periodicals, or the whole or part of a published edition of a literary, dramatic or musical work to another library where the librarian could by reasonable inquiry ascertain the name and address of the person entitled to authorise this;
- (c) sections 57 and 66A of the 1988 Act which permit works to be used on assumptions as to the expiry of copyright, or the specified number of years having passed from the death of the person or people from whom the duration of copyright is measured, but only where it is not possible by reasonable inquiry to ascertain the identity of that person or those people;
- (d) section 190 of the 1988 Act which permits an application to be made to the Copyright Tribunal for consent to make a copy of a recording of a performance where the identity or whereabouts of the person entitled to the reproduction right cannot be ascertained by reasonable inquiry; and
- (e) paragraphs 23(4) and 33(4) of the Duration of Copyright and Rights in Performances Regulations 1995 (SI 1995 No. 3297) which provide that revived rights, as a result of any additional term of protection as provided by those Regulations for material that had already fallen into the public domain, are not infringed by use of that material where the name and address of a person entitled to authorise it cannot by reasonable inquiry be ascertained.

In each of these cases, the test for the search that must be made for the relevant person is “reasonable inquiry”.

68. In all of the situations identified in (a) to (e) above, the outcome could lead to use of protected material without permission from the right holder where there is difficulty tracing a relevant person. In the case of (a), this would be because copyright protection simply ceases to exist earlier than where the author is known, but no use for this reason would be possible until the work is at least 70 years old. In the case of (b), use to supply

another library with a copy could take place at any time, but in practice is most unlikely until some considerable time has passed since the material was published as it is hard to imagine the person able to authorise copying being untraceable close to publication, and, moreover, the use that is possible is very limited indeed.

69. The situation in (c) above is the only provision clearly permitting any use of the works covered, but it is not really directed at orphan works in that it does not apply where the person who owns the rights in the work is untraceable. It is, rather, directed at the ability to trace or not the person or people from which the duration of copyright is measured. Even if such a person or people did own the rights when the work was created and did not transfer them to another person during their lifetime, they will not own rights at the time this provision can apply as they must have died before then. Indeed, as one of the conditions is that it must be reasonable to assume that copyright has expired, or 70 years has passed after the death of those people from which the life plus 70 year term of copyright is measured (which seems to be a very similar test to an assumption that copyright has expired), then this provision is of very little use at all as copyright almost certainly really has expired. It is also important to note that the person or people from whom the term of copyright is measured must be unknown, and not just untraceable. Thus, where there is an author's name on a copyright work, even if after many efforts it has been impossible to find that person, the provision does not seem to apply.

70. In the case of (d) above, this may at the time of its introduction have been quite a useful provision relating to rights in one particular type of orphan material, that is recordings of performances in which performers have rights. In some ways, therefore, it might be the most appropriate model for devising new provision now, but, as we have already indicated, its utility now looks very limited and its lack of use makes it difficult to assess so we are not convinced that it should provide a general model. The situation in (e) above does permit any use and there certainly would have been a significant number of works in which copyright would have been revived in 1996. However, we have not been able to assess how much this provision has been relied upon and it may be that a mechanism that is fair for the very special situation where copyright had already expired and was then revived is not wholly appropriate where copyright has never ceased to exist.

71. From the above we are not, therefore, wholly convinced that the test for searching for the copyright owner should be simply modelled on existing provision in the 1988 Act by using the term "reasonable inquiry" with no further explanation. It is interesting to note that the test in the Canadian provision is very similar in that a person must have made "reasonable efforts" to locate the owner of copyright, but it may be that such a test is justified where those efforts will be examined and assessed by the Copyright Board. Despite the fact that this is similar to the limited orphan material provision in (d) above where the UK Copyright Tribunal must assess whether or not the person who is entitled to the reproduction right can be found by reasonable inquiry, for reasons explained further below we do not think a more general orphan work provision in the UK should be modelled on a licence or consent issued by a body such as the Copyright Tribunal.

72. In the US, by contrast, there is no intervention at the time of use of an orphan work in this way, although should a copyright owner subsequently turn up then the courts would no doubt be able to assess the search that was made for that person as this will make a difference to whether or not remedies for infringement are limited. The US Copyright Office's original recommendation for the search for the copyright owner was that it be "reasonably diligent". However, as explained above, it seems that the most recent proposal in the Bill introduced into the House of Representatives elaborates on what this means in some detail<sup>8</sup>. Of particular interest is the need to review the information maintained by the Register of Copyrights. The Register is in turn obliged to receive, maintain and make available to the public information from authoritative sources.

73. Having considered all the possible models that currently exist or are proposed in this country or others, we are not convinced that any model is entirely appropriate. An orphan work provision that would permit any use of the work and involves no independent body authorising or giving consent to that use in advance, which is what we are recommending for the reasons explained further below, needs to impose a level of search for the copyright owner that is not too easily satisfied, but is also not impossible to achieve. We are not convinced that requiring a person to undertake a "reasonable inquiry" is a very demanding test, especially if it is left entirely up to that person to decide what is "reasonable" and given that failure to find a copyright owner could permit commercial as well as non-commercial uses. It could lead too easily to the same concerns that have been raised by photographers and illustrators in the US where copyright works are published without any information identifying the right holders. It is difficult to know for certain how the courts in the UK might eventually interpret a test of "reasonable inquiry", but it would seem similar in some respects to the test of "reasonable endeavours" of which there is considerably more discussion outside the area of copyright and some case law<sup>9</sup>.

74. Knowing that "reasonable endeavours" is less than "best endeavours" is not necessarily that helpful, but there is more case law in non copyright areas relevant to the second term where it is clear that this is not an absolute, unqualified obligation. Possibly the most helpful interpretation of this term was given in a case concerning the sale of land and a requirement to obtain planning permission where the court said that "best endeavours" is "an obligation to take all those reasonable steps which a prudent and determined man, acting in his own interests and anxious to achieve the desired objective, would have taken"<sup>10</sup>. We are inclined to believe that a test to this standard sounds more appropriate for trying to find the copyright owner of an orphan work; a test of less than "best endeavours" could be too easy to satisfy.

---

<sup>8</sup> The requirements for searches are set out in the Definitions paragraph of subsection (a) of section 514 proposed to be added to Chapter 5 of title 17 of the US Code by Bill H.R.5439 – see <http://thomas.loc.gov/cgi-bin/query/z?c109:H.R.5439>:

<sup>9</sup> In *(Mechanical Services) Ltd v. Standard Life Assurance Company*, *The Times*, 13 November 1986 the court described "reasonable endeavours" as being "appreciably less than best endeavours". The case was between a landlord and a tenant concerning a term in a lease.

<sup>10</sup> See *IBM UK v. Rockware Glass* 1980 FSR 335

75. Our main concern with such a test would, however, be that it could be too onerous where very limited non-commercial use of an orphan work is contemplated and the user has few resources at his disposal to identify and track down a copyright owner. Such a user must still be expected to try and locate the copyright owner, but it may be reasonable for a big commercial user to undertake a much more rigorous search. In this respect it is interesting to note that a test of “best endeavours” was introduced into UK patents law in 2004 by an amendment to the threats’ provision. This gives a patent holder protection from an accusation of unjustified threats where he approaches an alleged secondary infringer (such as a retailer) after failing as a result of using his “best endeavours” to find the alleged primary infringer (such as a manufacturer). Lord Sainsbury set out the Government’s interpretation of the term “best endeavours” during consideration of that legislation in the House of Lords as follows:

“It does not measure his best against an absolute standard. Instead, the standard that he must attain is to make the efforts that a prudent, determined and reasonable person in his position would make. Since this is the case, the circumstances in which he finds himself—that includes the resources that are available to him—are an important consideration.”<sup>11</sup>

This interpretation suggests to us that using a test of “best endeavours” would ensure that what should be done to search for the copyright owner would be tested and judged against the particular circumstances of the case in a flexible way.

76. Setting out in legislation in some detail how to interpret “reasonable inquiry”, “reasonably diligent search” or “best endeavours” in order to try and remove problems of what the term means could, of course, help. This, as we have already said, appears to be the approach in the US, but this approach arguably risks making the provision too inflexible. For example, it might be that different criteria would be appropriate for a very old work nearing the end of the copyright term which has no identifying information on it compared to a more recent work where the name of the copyright owner is known. We therefore currently prefer to use a test of “best endeavours” without qualification except in one respect.

77. As we have already said, copyright owners generally wish their protected material to be used, so long as they obtain a reasonable royalty for the use, and possibly after an initial period of exclusivity has passed. It is therefore in the interests of all creative industry sectors to play a part in facilitating interactions between right holders and potential users of protected material. Copyright collecting societies in many areas do, of course, do exactly that, and voluntary, industry-led registration initiatives are also helpful. However, we have already acknowledged that more could probably be done in the audiovisual sector to improve records of who owns rights, and more could almost

---

<sup>11</sup> See Column 671 of Lords Hansard for 23 March 2004 - [http://www.publications.parliament.uk/cgi-bin/newhtml\\_hl?DB=semukparl&STEMMER=en&WORDS=patent%20bill%20best%20endeavours&ALL=Patents%20Bill&ANY=&PHRASE=%22best%20endeavours%20%22&CATEGORIES=&SIMPLE=&SPEAKER=&COLOUR=red&STYLE=s&ANCHOR=40323-22\\_spnew3&URL=/pa/ld200304/ldhansrd/vo040323/text/40323-22.htm#40323-22\\_spnew3](http://www.publications.parliament.uk/cgi-bin/newhtml_hl?DB=semukparl&STEMMER=en&WORDS=patent%20bill%20best%20endeavours&ALL=Patents%20Bill&ANY=&PHRASE=%22best%20endeavours%20%22&CATEGORIES=&SIMPLE=&SPEAKER=&COLOUR=red&STYLE=s&ANCHOR=40323-22_spnew3&URL=/pa/ld200304/ldhansrd/vo040323/text/40323-22.htm#40323-22_spnew3)

certainly be done in other sectors too. Where there are special problems, such as in the area of photography where works are used without attribution, then those sectors perhaps need to identify other ways in which potential users and right holders can interact to clear rights. It would not, however, be right for us to suggest what solutions might be appropriate in any one area.

78. The provision on orphan works could, however, be used to encourage everyone to work towards better ways of identifying right holders to clear rights, which would then mean that there would be fewer truly orphan works. We therefore find a provision similar to that proposed in the US attractive. That provision puts an obligation on the Register of Copyrights to make information that could assist with the search for a copyright owner available to the public. A similar obligation could be put on the Secretary of State who could keep the information up to date about what steps might be reasonable to take to meet the requirement to conduct a search to the required standard. It could be coupled with an obligation on trade bodies and similar organisations to make information relevant to mechanisms for identifying copyright owners available to the Secretary of State. The requirement that the search for the copyright owner should involve the person using his best endeavours could then be qualified by saying that this must be judged, amongst other things, with regard to the information made available to the public by the Secretary of State.

79. The result of this test for the search to be undertaken could mean that the search is neither quick nor necessarily without cost. However, we do not think that it is necessary to have an exception to rights in respect of orphan works that must be quick and very cheap to use. Even where it is easy to find the copyright owner, negotiations over use often take time and involve costs. This is simply how copyright works. The orphan work exception would, though, not need to be invoked for every use of an orphan work. Many of the other exceptions to copyright can, and should, continue to apply to orphan works in appropriate circumstances. Thus, where any copyright work (other than a photograph), including an orphan work, needs to be used at short notice for the purposes of reporting current events, users should be able to continue to rely upon the fair dealing exception in section 30 of the 1988 Act.

### **Searches by new users**

80. Where a person has conducted a search to try and find the copyright owner of a work without success and believes that his search is sufficiently thorough to enable him to satisfy the requirements to use the work without infringing copyright, he is, of course, free to tell anyone else who might also want to use that work what he has done. Those other people could then rely upon the first person's failed search to use the orphan work themselves. However, we do not think that there should be any provision in law permitting subsequent users to rely on what earlier users have done. A subsequent user must decide for himself whether there is anything else he should do to satisfy the level of search required by the orphan work exception. This could be particularly important because developments over time could lead to an improvement in the available data about right holders. Thus, a later user's efforts need to be judged against the circumstances at the time of his use.

81. We believe that this need for each user to satisfy themselves as to the search should even apply where the second user is actually a downstream user of material made by the first user incorporating the orphan work. If the second user has a contractual agreement with the first user about that downstream use, it would, of course, be possible for him to seek indemnification from the first user regarding liability with respect to the orphan work. But regardless of whether this happens, copyright law should not remove liability from this downstream user as in this case too by the time of the downstream use there may be changed circumstances which no longer justify treating the work as an orphan work.

### **Permitted user and permitted uses**

82. To be truly useful we believe that an orphan work provision should apply to all types of potential user undertaking any of the acts restricted by copyright. A provision which attempted to stipulate those users and uses that seemed most likely would not only be very complicated, but almost certainly would lead to the omission of users and uses that should be covered. It should be the role of other provisions in the exception to deliver appropriate and necessary restrictions on how the activity can be undertaken.

83. There may be some concern that a provision that potentially applies to any use by any user is very broad and in no way a special case as required by the three-step test in international and EU law limiting the scope of exceptions. However, the special case is that the copyright owner cannot be traced and this is the case in only a small minority of cases of copyright works that are of interest to the public and so likely to be used. In general those who own copyright in valuable creations are careful to ensure that they can be identified with the work as otherwise they would not be able to realise an economic return from the investment in that creation.

### **Payment for use**

84. In general we believe that use of an orphan work should be coupled with payment to the copyright owner should he become known and locatable at a later stage. The use of an orphan work by a commercial undertaking in particular could lead to profits for them from that use and it would be wrong to deny the copyright owner any share of those profits where it becomes possible to locate him.

85. There is, as we have already discussed, already a mechanism in UK law for the Copyright Tribunal to give consent for use of orphan recordings of performances with respect to the person who is entitled to exercise the performer's reproduction right. The Copyright Tribunal is able to make an order as to payment to be given to the right holder as well as give consent and so in this respect the provision is very similar to the more general Canadian provision.

86. Having a mechanism for deciding on a royalty payment to the copyright owner for use of an orphan work before that use commences does have some advantages. It guarantees the right holder, should he emerge later, some payment as money has already been set aside, and he does not face any costs having to argue for or negotiate over that

payment. It also gives some certainty to the user of the orphan work. He knows how much he has to pay and can therefore decide whether or not to go ahead with the use without worrying what his potential liability to the right holder might be. In addition, the payments made in Canada that are not needed to compensate right holders because they never emerge can be used for the benefit of copyright owners more generally.

87. However, there are also disadvantages to paying money in advance of there being a copyright owner to receive it. The first disadvantage is that there must be a mechanism for deciding how much money to allocate for the use and yet possibly the most important person to have views on that, namely the copyright owner, is not present to state his case. Any mechanism will, however, involve some costs to the potential user as well as the cost of the royalty he must pay as it is inconceivable that there is not some sort of independent body such as the Copyright Tribunal that is empowered to set the royalty after considering evidence provided by the user. The potential user will therefore have the costs of presenting what he wants to do and how much he thinks he should pay to the independent body. The search that has been undertaken to try and find the copyright owner will also have to be assessed which will give rise to another cost. If the exception is working properly so that in general it is only being invoked where works are truly orphaned, then all these costs will have been for no useful purpose, and, indeed, the user has paid for exercising rights that the owner of those rights never wanted any payment for.

88. We therefore believe that the simpler approach is for the user of an orphan work to make no payment unless and until the copyright owner makes a claim for payment. In that case, the copyright owner should be entitled to a royalty which is reasonable in the circumstances with the rate set by the Copyright Tribunal where the copyright owner and user are unable to agree what it should be. In order to protect small copyright owners from large users, the Copyright Tribunal should also be required to consider whether the user behaved reasonably during negotiations on the royalty and presentation of the case to the Tribunal, and in addition make an award against the user of all the copyright owner's costs in obtaining payment where it considers the user did not behave reasonably.

89. We would, though, also like to suggest that some of the advantages of a payment in advance of use could be provided on a non-statutory basis. A large user of an orphan work would probably be content to cover any liability for later royalty payment themselves, either by deciding to just pay from their resources at the time the copyright owner emerges should it occur, or by setting aside some money into a fund at the time of use. Smaller users may prefer to consider a collective approach to their liability for use of an orphan work. In the audiovisual area for example, one of the trade bodies might agree to collect payments it decides are reasonable, in the light of rates usually paid in the area, from its members when they use an orphan work and in return indemnify them against liability should the copyright owner turn up later with the copyright owner being paid out of the central fund. Any surplus in the central fund could, of course, be used to benefit the members of the trade body in any way they decide.

### **Proof of search for the copyright owner**

90. In general, by only paying the copyright owner where he turns up and making sure that the copyright owner knows that a person is relying on the orphan work exception by requiring copies to be so marked, it will generally not be necessary for there to be lengthy and expensive arguments or investigations as to whether the user of the orphan work conducted a rigorous enough search before using the work. This is another advantage over the type of provision where an independent body intervenes before use of the orphan work commences. It would be difficult in that situation for the body to set a royalty without also first satisfying itself that it is appropriate to invoke the provision because the copyright owner really cannot be found.

91. That does not mean that there would never be arguments about whether or not the exception has been used appropriately because of concern about the search for the copyright owner. But it may be best if these arguments are not ones that the Copyright Tribunal is expected to solve at the same time as setting a royalty. If a copyright owner really does believe that a user did not conduct a proper search, he is effectively arguing that the user cannot rely on the exception and so is infringing copyright. Determining this matter definitively is therefore probably best left to the courts.

92. It would, though, be reasonable for the copyright owner at least to have an entitlement to information as to what search the user did conduct, so that the copyright owner is able to judge for himself whether it meets the required standard. In most cases it is perhaps unlikely that the copyright owner will want to dispute the search so long as there is a relatively easy way for him to seek a royalty payment. Most copyright owners are happy for their works to be used so long as they get paid fairly. But it might be fair to place an obligation on the user of an orphan work to keep a record of his search for the copyright owner and be required to hand a copy of this to the copyright owner should he later turn up.

### **Burden of proof of copyright ownership**

93. Where a copyright owner emerges after use of an orphan work has started, he may need to demonstrate his ownership of that copyright in a way that satisfies the user that he is indeed the copyright owner. There will probably be cases where there is doubt about a claim to copyright ownership. A user who believes that the person claiming to be the copyright owner is making a false claim will not want to pay that person a royalty. It is probably not appropriate for issues relating to copyright ownership to be decided by the Copyright Tribunal as it has no expertise in this area. Where the parties are not able to reach agreement on the question of copyright ownership, such disputes should probably be referred to the court for a resolution before the Tribunal decides on the royalty for use of an orphan work.

### **Attribution**

94. Proper attribution of their work is sometimes seen as more important by authors than remuneration for exercise of their economic rights in, perhaps, some non-commercial areas. The right to be identified as the author or director is, of course, the first of the moral rights provided in the 1988 Act. We therefore believe that suitable

attribution should be a condition of using a work under an orphan work exception. Where the name of the author is not known, which might be quite common where a work is being used under an orphan work provision as lack of marking on a work is one of the reasons it can be difficult to locate the copyright owner, then it does not make sense to require attribution of the author where the work is used. However, the 1988 Act already includes a requirement for “sufficient acknowledgement” when a number of exceptions to copyright are invoked, such as that permitting fair dealing with a work for the purposes of criticism or review. The definition of “sufficient acknowledgement” in section 178 takes account of difficulties when the author is not known and so should provide an appropriate way of defining what attribution is needed for a new orphan work exception.

### **Moral rights**

95. The second moral right, the right to object to derogatory treatment of a work, is another area that is seen as very important by many authors. The orphan work exception should not, therefore, remove this right from the author. Indeed, given that in some cases an orphan work is likely to be used as the basis for a derivative work, it may be that there should be specific provision in the orphan work exception to ensure it does not permit any activity which would infringe the right not to have the work subjected to derogatory treatment. This would be similar to the provision in section 31F(4)(b) limiting changes that can be made to a copyright work in order to make it accessible to visually impaired people.

### **Safeguards for users**

#### *Minor users/uses*

96. We have considered the US proposal that includes an exception to the possibility that the user might have to pay the copyright owner reasonable compensation where the use, which under the US provision is an infringement, has no commercial purpose, is primarily for a charitable, religious, scholarly or educational purpose and the infringement ceases expeditiously after the user has received notice of the claim for infringement. However, there also seems to be an exception to this exception in that there is no protection from the possibility that the user will be required to pay reasonable compensation where the copyright owner proves to the satisfaction of the court that the user (i.e. the infringer) has earned proceeds directly attributable to the infringement.

97. This does seem to be quite a complicated provision that could lead to expensive arguments before a court rather than a useful way of delivering protection for a non-commercial use. In addition, we are not sure that a non-commercial use is necessarily always deserving of more protection than a commercial use. A non-commercial use could give very significant exposure to a copyright work over a prolonged period whereas some commercial uses might be relatively insignificant. Also, there is always a difficulty in deciding what is actually non-commercial as opposed to a commercial use, including for example whether any uses by a body operated for profit are non-commercial and vice versa.

98. We are not, therefore, inclined to suggest a similar provision in the UK. However, it is clear that some uses of orphan works would be insignificant, such as a

person who makes a copy for private purposes of an old, professionally taken family photograph, or where a library puts on a public viewing as part of a special event of an old newsreel. Activities such as these do not lead to new copies of the orphan work in circulation, or works which are available to download on demand at any time. The infringement of copyright that would take place without any exception to rights is a single event in that once it has happened it is over. In the audiovisual area some of the core activities of the BFI may extend a little beyond a single event, but the activity is still relatively minor. For example, as well as putting on screenings at the National Film Theatre and making material available for viewing by researchers on the premises, the BFI also makes material available for viewing more generally for educational purposes. All of this activity is undertaken non-commercially.

99. We do, therefore, feel that it would be helpful to include some guidance that the Copyright Tribunal should have regard to in determining what royalty is reasonable in the circumstances. In this respect it might be helpful for example to provide something like the following:

- in determining the royalty the Copyright Tribunal should have regard:
  - to the extent to which the activity by the user has led to:-
    - additional permanent copies of the orphan work being made available to the public; or
    - commercial gain for the user;
  - the period of time over which the use has taken place; and
  - whether or not the use is solely for non-commercial, including private and domestic, purposes;
- in appropriate circumstances, the royalty that is reasonable in the circumstances can be zero.

This would not give anyone a guarantee that they do not have to pay any royalty, but it would clearly indicate that the possibility exists and what sort of criteria might be relevant to a decision in favour of a zero or very low royalty. It would not, of course, be very helpful if every case then had to go to the Copyright Tribunal for a decision to be made, but the fact that the Tribunal is empowered in this way should mean that a copyright owner would think very carefully before pursuing a royalty payment for an insignificant use of his work. In addition, it is probably also appropriate for the Copyright Tribunal to have the power to award costs against the copyright owner who is very unreasonable in the way he seeks a royalty payment, as this too would be an extra safeguard for very minor users.

#### *Limitation period*

100. Another area which it may be appropriate to cover is the period of time over which a user may be liable to pay a royalty should the copyright owner turn up. In the Canadian provision, the copyright owner has a maximum period of five years from the issue of the licence by the Copyright Board in which to collect the royalties as fixed by the Board. This time limit presumably permits the copyright collecting society that is usually nominated as the body to which a royalty must be paid to manage their affairs better. The collecting society is better able to judge its liability and when it can safely

decide to allocate unclaimed royalties to other uses. As the US provision would require a copyright owner to make a claim for infringement, presumably this also delivers a limit to the period of time for which a user might have liability as any general rules about time limits for infringement cases probably apply.

101. We have already suggested that in some cases industry-led schemes might work in a similar way to the Canadian provision to spread the risk and cost of having to pay a copyright owner should one claim a royalty after use of an orphan work has begun. In order to encourage this, we believe that it would be appropriate for provision in the UK to include a time limit after which the copyright owner cannot claim a royalty. However, the time limit should not be one that runs from the commencement of the use of an orphan work because some uses might last for many months or even years. Rather the time limit should be measured from the end of the use of the orphan work, and is probably most appropriately set at six years after this time. This does mean that users who continue to use an orphan work will not escape the possibility of a request for a royalty, but this in turn should encourage them to review their use from time to time, including to decide whether data has subsequently become available that enables them to trace the copyright owner. It may, though, be reasonable to cap the years for which a royalty can be sought at any time as only the last six years.

#### **Use after a copyright owner has emerged**

102. Many uses of orphan works may not be of a continuing nature so it is not relevant whether or not use can continue after the copyright owner has emerged. However, some uses will have been planned to continue, such as where an orphan work has been made available in a database. Where it is easy to stop the use, such as by removing that particular work from the database, we do not think it is reasonable for the use to continue after the copyright owner has claimed rights in the work so any subsequent use of this sort should only be undertaken by agreement with the copyright owner in the usual way.

103. An exception to this, which has been recognised in the US, is where the orphan work has been included in a derivative work, that is a work which includes material that is the user's own creation and where it is difficult to extract the orphan work without destroying the new work. In such a situation we believe that the user should be entitled to continue to use the orphan work subject to a sufficient acknowledgement and payment of a reasonable royalty to the copyright owner, as settled by the Copyright Tribunal in the absence of agreement.

104. Another exception where some continued use is likely to be fair is where the cessation of use might result in some financial hardship, such as where a large number of copies of a book have already been printed, but not yet sold. Whereas it would be reasonable to prevent further print runs without the copyright owner's agreement once he has turned up, there may have been significant investment in the print run so that it is fair to allow the user to sell copies already made, subject to payment of a royalty.

## **Infringing copies**

105. There is one situation where it might be reasonable to have an exception to the orphan work exception. This is where the copy of the orphan work that a person wants to use comes from an illegal source, i.e. the copy is an infringing copy. The orphan work provision should not facilitate, encourage or legalise an initial acquisition of an infringing copy. In practice, for older material, it may be difficult to know whether or not the material is from a legal source, so any test of whether or not the copy to be used is an infringing copy should probably relate to what knowledge a person has of this fact rather than be an absolute test.

106. In some cases, though, it may be that the only copy of the material that actually exists now is an infringing copy because all the legal copies have been destroyed or have deteriorated beyond use. Indeed, the preservation activity itself may have been what led to an infringing copy being made. Where the only copy is known to be an infringing copy, but it is also the only known source of that material, in such a situation there is perhaps much less harm to permit its use under an orphan work provision, especially if it is known that the work was in the past made available to the public so that any use is not giving rise to the first public exposure of the work. Indeed, should he ever turn up, the copyright owner will actually benefit by getting a royalty when he would not have been able to do so if no-one had undertaken illegal preservation activities with or invested in storage of his copyright work.

107. It may therefore be desirable to disapply the orphan work provision from use of a copy where a person knows or has reason to believe that it is an infringing copy, unless the person knows that work was previously made available to the public but no legal source can be found.

108. A provision of this sort could also be justified where copies have in the past been deposited with certain archives. These may occasionally be infringing copies, although it will often be difficult to be certain about this, but, even if the copy is an infringing copy, which might, as indicated above be because copying was necessary in order to ensure preservation, the copy will often also be the only source of a part of the UK's valuable cultural heritage. It would therefore be desirable to also qualify the disapplication of the orphan work exception from infringing copies so that the exception still applies to a copy of a work that has been deposited with an archive and where no legal source other than the one in the archive can be found.

109. Regarding deposit with an archive, it may be necessary to limit this provision to deposit with only certain archives to prevent anyone setting up an "archive" of infringing copies with the sole purpose of trying to benefit from the orphan work provision at some later stage. Designation by the Secretary of State of appropriate archives might be one approach, such as already happens for those archives able to record off-air (see section 75 of the 1988 Act). Another possibly less bureaucratic approach, in that there would not need to be a process of designation for the benefits of the exception to the provision about infringing copies to apply, would be to define a qualifying archive quite simply, perhaps specifying no more than it must be a body not operated for profit, but give the Secretary

of State the power to exclude any named archive, or any category of archives, from being eligible to benefit from this exception to the provision on infringing copies. The Secretary of State could then act in any cases where an archive, or archives in a particular area, are not sufficiently careful about how their material is collected or used, but the possibility that the Secretary of State could act would probably, in the vast majority of cases, make archives behave responsibly in any case. It may be that neither of these approaches regarding which archives qualify is needed, however, as ruling out any use of an infringing copy under the orphan works exception where a legal source can be found would in itself be very limiting.

### **Foreign works**

110. As the US Copyright Office Report identifies, it could be possible to avoid any conflict with international conventions by not applying an orphan work provision to foreign works. For the UK this would not, however, solve the problem of any conflict with EU law. In any case, as well as sometimes being difficult to be sure of the origin of the work, which could be especially true in the case of orphan works, limiting a provision to only works of UK origin would be a problem for the many audiovisual productions that are the result of input from a number of countries. We therefore believe that any provision should apply to orphan works generally regardless of their country of origin.

### **Other provision not included**

#### *Age of work*

111. We do not think it necessary to make provision regarding the age of a work before it can be considered an orphan work. In practice most orphan works are likely to be fairly or very old, but deciding on a time since creation before which a work cannot be considered an orphan work would be likely to lead sooner or later to cases that should be, but are not, covered. In any case, it may often be difficult to be sure precisely when an orphan work was made as by its very nature it is unlikely to be associated with comprehensive data. Other provisions, especially the requirements relating to the search to find the copyright owner, should be sufficient to ensure that the orphan work provision is not used too easily by those who cannot be bothered to try and find the copyright owner of a recently published work, so there is no need to rule these out by an age criterion.

#### *Commissioned works*

112. Where a work was originally created as a result of a commission and copyright remains with the creator, a work could become an orphan work because the commissioner failed to keep proper records of the commission and so who owns the copyright. It might in such circumstances seem unfair to permit the commissioner at some later stage to benefit from the orphan work provision to enable a new use of the work not agreed at the time of the commission because he no longer knows who the copyright owner is. However, the more likely situation with commissioned works is that, although the name of the copyright owner has been carefully recorded, he cannot be traced at some point in the future because he has failed to tell the commissioner about changes in address and/or transfers of copyright. In these circumstances it would be reasonable for the commissioner to rely on the orphan work provision.

113. It would probably be very complicated to exclude commissioners who have acted in certain ways from benefiting from the provision and include others. Moreover, even where a commissioner who has failed to keep adequate records is then able to use an orphan work, this is arguably not a case that is particularly detrimental to the copyright owner in that he did create the work for that person to use in the first place, albeit that it is now being used beyond the original commissioning agreement. That the copyright owner is able to seek compensation for any new uses is therefore probably an adequate safeguard for him where the work was created as part of a commission.

## **SUMMARY OF BSAC'S PREFERRED SOLUTION**

The details of the exception to copyright to permit use of orphan works that we recommend are as follows:

- The provision should only apply to genuine orphan works, that is where the copyright owner is not known and/or cannot be found
- The provision should apply to works of joint authorship/ownership and works comprising other works but if any of the copyright owners can be traced and refuse permission the works cannot be used
- The provision should apply to all types of copyright work and material protected by rights related to copyright
- The provision should apply to published and unpublished works
- The provision should be an exception to copyright but the work must be marked as used under the exception so a copyright owner knows that the exception has been relied upon
- A work can only be used if it is not possible to trace the copyright owner after the user has used his best endeavours, which are judged having regard amongst other things to information about searching for copyright owners published by the Secretary of State
- Trade bodies and similar organizations are able to notify the Secretary of State about mechanisms for finding right holders in their areas
- Second and subsequent users of the same orphan work must satisfy themselves that the criteria for benefiting from the exception are met at the time they undertake their use
- The exception should not rule out any type of use of an orphan work nor any type of user
- The user should pay any copyright owner who turns up a royalty which is reasonable in the circumstances, which can be set by the Copyright Tribunal in the absence of agreement
- The copyright owner's costs can be ordered by the Tribunal to be paid by the user where the user behaves unreasonably in negotiations over, or Tribunal proceedings to determine, the royalty

- Liability for paying copyright owners could be shared by smaller users if a trade or other body were to establish a non-statutory central fund which users paid into at the time of use
- Disputes about the search for the copyright owner should be resolved by the courts, but the user of an orphan work should be required to supply the copyright owner with information about the search he has undertaken
- Copyright ownership disputes should be resolved by the courts rather than the Copyright Tribunal
- Use must be accompanied by a sufficient acknowledgement
- Use must not infringe the right not to have the work subjected to derogatory treatment
- The Copyright Tribunal should have regard to the limited nature of some uses and be specifically empowered to award a royalty of zero for minor users/uses where appropriate
- The users' costs can be ordered by the Tribunal to be paid by the copyright owner where the copyright owner has behaved unreasonably
- The copyright owner can only seek a royalty for use where he brings a claim within six years after that use stopped, or for the last six years of use of a continuing nature
- Except in certain cases, use cannot continue under the exception after the copyright owner has turned up, but can, of course, continue with the agreement of the copyright owner.
- The cases where use can continue under the exception even after the copyright owner has turned up, subject to payment of a royalty, are where the orphan work is incorporated in a derivative work or where cessation of use might result in financial hardship for the user
- The new exception should not apply to use of a copy that is known to be an infringing copy unless it is known that the work was made available to the public in the past, or the copy to be used is one that has been deposited in an archive, and no legal copies can be found
- Foreign works should be covered by the new exception