The U.S. Congress is proposing legislation known as the “Orphan Works” bill that would provide a “safe harbor” for anyone who copies or otherwise exploits creative works – including literary works, photography and illustrations, without permission because they are unable to determine the owner of the copyrights of such works. These works have come to be known as “orphan” works, because their parentage is unknown. On September 26, the Senate approved by unanimous consent the Shawn Bentley Orphan Works Act of 2008. The next day, the bill was sent to the House, where a similar bill is pending.

Under the pending legislation, as long as an author or publisher making use of a creative work can prove that it searched for the copyright owner in good faith and with reasonable diligence, it will be exempt from paying the usual damages. Currently the U.S. Copyright Act provides pre-set (“statutory”) damages as high as $150,000 for each infringement (that is, a copy or substantially similar copy) of a creative work, such as a literary work, photography or illustrations.

The proposed legislation would limit recovery for “orphan” works whose authorship/copyright owner cannot be determined to “reasonable compensation.” Moreover, the copyright owner of an “orphan” work will no longer be able to recover attorneys’ fees when the case is successful, standard procedure in a “regular” copyright case. As a result, the incentive to litigate against an infringer will all but disappear since it likely would cost more in attorneys’ fees than could be won in court.

The bill is a double edged sword for those who write and publish. An author or publisher may wish to license creative works on an exclusive basis. The infringer faces minimal downside risk in a court action brought by the copyright owner if the infringer can prove that it could not identify the owner of the copyright of the design. On the other hand, the bill should make it easier for authors and publishers to use the creative works of others if they are unable to determine, after good faith efforts, the copyright owner(s) of the works, and to whom a permission request should be directed.

Works become “orphaned” for a variety of reasons. For example, the copyright owner fails to register copyright with the U.S. Copyright Office. Or the owner sold the rights and the purchaser did not record the transfer with the U.S. Copyright Office.
The Senate bill requires the Copyright Office to establish a searchable certification process for pictorial, graphic and sculptural works. The bill specifies that the processes, standards and technology used for this database, and the requirements for certification, would be governed entirely by the Copyright Office, as long as they complied with the statutory framework.

What are practical measures that copyright owners, authors and publishers alike, can take? Should the Orphan Works bill become law, authors and publishers of out of print works may wish to take steps to protect themselves; likewise, those who wish to take advantage of the new law when they cannot identify the copyright owner of a work they wish to use, should be aware of the following:

- First, register copyrights. Although such registrations are not a prerequisite to copyright protection, they become an essential tool in holding those who copy accountable. The registrations are available on-line to the public and, if the designs have been offered for sale, the works themselves are available at the Library of Congress. Therefore, the copyright owner can argue that those who copy were on notice of the owner’s rights.
- Another smart safeguard would be to create a digital inventory and make it available publicly. The copyright owner could then argue that the infringer should have been able to identify the author or publisher whose work it exploited without permission.
- If a publisher or author wishes to take advantage of the eventual law’s limitations on damages, it should be sure to be very familiar with the recommended practices and searches necessary to qualify for the law; just any search will not do to ensure that the copyright owner of a work cannot be located.

This article was written by Jeanne Hamburg, a member of WNBA’s New York Chapter and a Member at Norris, McLaughlin & Marcus, P.A., in its New York office, who frequently works with authors and publishers. Jeanne is also presenting WNBA workshop on copyright on January 21. If you have any questions regarding the information in this article, please do not hesitate to contact the author, jhamburg@nmmlaw.com.

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