

HR 5889 IH

110th CONGRESS

2d Session

**H. R. 5889**

To provide a limitation on judicial remedies in copyright infringement cases involving orphan works.

**IN THE HOUSE OF REPRESENTATIVES**

**April 24, 2008**

Mr. BERMAN (for himself, Mr. SMITH of Texas, Mr. CONYERS, and Mr. COBLE) introduced the following bill; which was referred to the Committee on the Judiciary

**A BILL**

To provide a limitation on judicial remedies in copyright infringement cases involving orphan works.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the `Orphan Works Act of 2008'.

**SEC. 2. LIMITATION ON REMEDIES IN CASES INVOLVING ORPHAN WORKS.**

(a) Limitation on Remedies- Chapter 5 of title 17, United States Code, is amended by adding at the end the following:

**` Sec. 514. Limitation on remedies in cases involving orphan works**

`(a) Definitions- In this section, the following definitions shall apply:

`(1) MATERIALS AND STANDARDS- The term `materials and standards' includes--

`(A) the records of the Copyright Office that are relevant to identifying and locating copyright owners;

- ˘ (B) sources of copyright ownership information reasonably available to users, including private databases;
- ˘ (C) industry practices and guidelines of associations and organizations;
- ˘ (D) technology tools and expert assistance, including resources for which a charge or subscription fee is imposed, to the extent that the use of such resources is reasonable for, and relevant to, the scope of the intended use; and
- ˘ (E) electronic databases, including databases that are available to the public through the Internet, that allow for searches of copyrighted works and for the copyright owners of works, including through text, sound, and image recognition tools.

˘ (2) NOTICE OF CLAIM FOR INFRINGEMENT- The term 'notice of the claim for infringement' means, with respect to a claim for copyright infringement, a written notice that includes at a minimum the following:

- ˘ (A) The name of the owner of the infringed copyright.
- ˘ (B) The title of the infringed work, any alternative titles of the infringed work known to the owner of the infringed copyright, or if the work has no title, a description in detail sufficient to identify it.
- ˘ (C) An address and telephone number at which the owner of the infringed copyright may be contacted.
- ˘ (D) Information from which a reasonable person could conclude that the owner of the infringed copyright's claims of ownership and infringement are valid.

˘ (3) OWNER OF THE INFRINGED COPYRIGHT- The 'owner of the infringed copyright' is the legal owner of the exclusive right under section 106 that is applicable to the infringement in question, or any party with the authority to grant or license that right.

˘ (4) REASONABLE COMPENSATION- The term 'reasonable compensation' means, with respect to a claim for infringement, the amount on which a willing buyer and willing seller in the positions of the infringer and the owner of the infringed copyright would have agreed with respect to the infringing use of the work immediately before the infringement began.

˘ (b) Conditions for Eligibility-

˘ (1) CONDITIONS-

^ (A) IN GENERAL- Notwithstanding sections 502 through 505, and subject to subparagraph (B), in a civil action brought under this title for infringement of copyright in a work, the remedies for infringement shall be limited in accordance with subsection (c) if the infringer--

^ (i) proves by a preponderance of the evidence that before the infringement began, the infringer, a person acting on behalf of the infringer, or any person jointly and severally liable with the infringer for the infringement--

^ (I) performed and documented a qualifying search, in good faith, for the owner of the infringed copyright; and

^ (II) was unable to locate the owner of the infringed copyright;

^ (ii) before using the work, filed with the Register of Copyrights a Notice of Use under paragraph (3);

^ (iii) provided attribution, in a manner that is reasonable under the circumstances, to the owner of the infringed copyright, if such owner was known with a reasonable degree of certainty, based on information obtained in performing the qualifying search;

^ (iv) included with the use of the infringing work a symbol or other notice of the use of the infringing work, in a manner prescribed by the Register of Copyrights;

^ (v) asserts in the initial pleading to the civil action the right to claim such limitations;

^ (vi) consents to the jurisdiction of United States district court, or such court holds that the infringer is within the jurisdiction of the court; and

^ (vii) at the time of making the initial discovery disclosures required under Rule 26 of the Federal Rules of Civil Procedure, states with particularity the basis for the right to claim the limitations, including a detailed description and documentation of the search undertaken in accordance with paragraph (2)(A).

^ (B) EXCEPTION- Subparagraph (A) does not apply if, after receiving notice of the claim for infringement and having an opportunity to conduct an expeditious good faith investigation of the claim, the infringer--

^ (i) fails to negotiate reasonable compensation in good faith with the owner of the infringed copyright; or

^ (ii) fails to render payment of reasonable compensation in a reasonably timely manner.

^ (2) REQUIREMENTS FOR SEARCHES-

^ (A) REQUIREMENTS FOR QUALIFYING SEARCHES-

^ (i) IN GENERAL- For purposes of paragraph (1)(A)(i)(I), a search is qualifying if the infringer undertakes a diligent effort to locate the owner of the infringed copyright.

^ (ii) DETERMINATION OF DILIGENT EFFORT- In determining whether a search is diligent under this subparagraph, a court shall consider whether--

^ (I) the actions taken in performing that search are reasonable and appropriate under the facts relevant to that search, including whether the infringer took actions based on facts uncovered by the search itself;

^ (II) the infringer employed the applicable best practices maintained by the Register of Copyrights under subparagraph (B); and

^ (III) the infringer performed the search before using the work and at a time that was reasonably proximate to the commencement of the infringement.

^ (iii) LACK OF IDENTIFYING INFORMATION- The fact that a particular copy or phonorecord lacks identifying information pertaining to the owner of the infringed copyright is not sufficient to meet the conditions under paragraph (1)(A)(i)(I).

^ (B) INFORMATION TO GUIDE SEARCHES; BEST PRACTICES-

^ (i) STATEMENTS OF BEST PRACTICES- The Register of Copyrights shall maintain and make available to the public, including through the Internet, current statements of best practices for conducting and documenting a search under this subsection.

^ (ii) CONSIDERATION OF RELEVANT MATERIALS AND STANDARDS- In maintaining the statements of best practices required under clause (i), the Register of Copyrights shall, from

time to time, consider materials and standards that may be relevant to the requirements for a qualifying search under subparagraph (A).

` (3) NOTICE OF USE ARCHIVE- The Register of Copyrights shall create and maintain an archive to retain the Notice of Use filings under paragraph (1)(A)(i)(III). Such filings shall include--

` (A) the type of work being used, as listed in section 102(a) of this title;

` (B) a description of the work;

` (C) a summary of the search conducted under paragraph (1)(A)(i)(I);

` (D) the owner, author, recognized title, and other available identifying element of the work, to the extent the infringer knows such information with a reasonable degree of certainty;

` (E) a certification that the infringer performed a qualifying search in good faith under this subsection to locate the owner of the infringed copyright; and

` (F) the name of the infringer and how the work will be used.

Notices of Use filings retained under the control of the Copyright Office shall be furnished only under the conditions specified by regulations of the Copyright Office.

` (4) PENALTY FOR FAILURE TO COMPLY- If an infringer fails to comply with any requirement under this subsection, the infringer is subject to all the remedies provided in section 502 through 505, subject to section 412.

` (c) Limitations on Remedies- The limitations on remedies in a civil action for infringement of a copyright to which this section applies are the following:

` (1) MONETARY RELIEF-

` (A) GENERAL RULE- Subject to subparagraph (B), an award for monetary relief (including actual damages, statutory damages, costs, and attorney's fees) may not be made other than an order requiring the infringer to pay reasonable compensation to the legal or beneficial owner of the exclusive right under the infringed copyright for the use of the infringed work.

^ (B) FURTHER LIMITATIONS- An order requiring the infringer to pay reasonable compensation for the use of the infringed work may not be made under subparagraph (A) if the infringer is a nonprofit educational institution, library, or archives, or a public broadcasting entity (as defined in subsection (f) of section 118) and the infringer proves by a preponderance of the evidence that--

^ (i) the infringement was performed without any purpose of direct or indirect commercial advantage,

^ (ii) the infringement was primarily educational, religious, or charitable in nature, and

^ (iii) after receiving notice of the claim for infringement, and after conducting an expeditious good faith investigation of the claim, the infringer promptly ceased the infringement,

except that if the legal or beneficial owner of the exclusive right under the infringed copyright proves, and the court finds, that the infringer has earned proceeds directly attributable to the infringement, the portion of such proceeds so attributable may be awarded to such owner.

^ (C) EFFECT OF REGISTRATION ON REASONABLE COMPENSATION- If a work is registered, the court may, in determining reasonable compensation under this paragraph, take into account the value, if any, added to the work by reason of such registration.

^ (2) INJUNCTIVE RELIEF-

^ (A) GENERAL RULE- Subject to subparagraph (B), the court may impose injunctive relief to prevent or restrain any infringement alleged in the civil action.

^ (B) EXCEPTION- In a case in which the infringer has prepared or commenced preparation of a work that recasts, transforms, adapts, or integrates the infringed work with a significant amount of the infringer's original expression, any injunctive relief ordered by the court--

^ (i) may not restrain the infringer's continued preparation or use of that new work;

^ (ii) shall require that the infringer pay reasonable compensation to the legal or beneficial owner of the exclusive right under the infringed copyright for the use of the infringed work; and

^ (iii) shall require that the infringer provide attribution, in a manner that is reasonable under the circumstances, to the owner of the infringed copyright, if requested by such owner.

^ (C) LIMITATIONS- The limitations on injunctive relief under subparagraphs (A) and (B) shall not be available to an infringer if the infringer asserts in the civil action that neither the infringer or any representative of the infringer acting in an official capacity is subject to suit in the courts of the United States for an award of damages to the legal or beneficial owner of the exclusive right under the infringed copyright under section 106, unless the court finds that the infringer--

^ (i) has complied with the requirements of subsection (b); and

^ (ii) has made an enforceable promise to pay reasonable compensation to the legal or beneficial owner of the exclusive right under the infringed copyright.

^ (D) RULE OF CONSTRUCTION- Nothing in subparagraph (C) shall be construed to authorize or require, and no action taken under such subparagraph shall be deemed to constitute, either an award of damages by the court against the infringer or an authorization to sue a State.

^ (E) RIGHTS AND PRIVILEGES NOT WAIVED- No action taken by an infringer under subparagraph (C) shall be deemed to waive any right or privilege that, as a matter of law, protects the infringer from being subject to suit in the courts of the United States for an award of damages to the legal or beneficial owner of the exclusive right under the infringed copyright under section 106.

^ (d) Exclusion for Fixations in or on Useful Articles- The limitations on monetary and injunctive relief under this section shall not be available to an infringer for infringements resulting from fixation of a work in or on a useful article that is offered for sale or other distribution to the public.

^ (e) Preservation of Other Rights, Limitations, and Defenses- This section does not affect any right, limitation, or defense to copyright infringement, including fair use, under this title. If another provision of this title provides for a statutory license that would permit the infringement contemplated by the infringer if the owner of the infringed copyright cannot be located, that provision applies instead of this section.

^ (f) Copyright for Derivative Works and Compilations- Notwithstanding section 103(a), an infringer who qualifies for the limitation on remedies afforded by this section with respect to the use of a copyrighted work shall not be denied

copyright protection in a compilation or derivative work on the basis that such compilation or derivative work employs preexisting material that has been used unlawfully under this section.'

(b) Technical and Conforming Amendment- The table of sections for chapter 5 of title 17, United States Code, is amended by adding at the end the following:

^ 514. Limitation on remedies in cases involving orphan works.'

### **SEC. 3. DATABASE OF PICTORIAL, GRAPHIC, AND SCULPTURAL WORKS.**

(a) Establishment of Database-

(1) IN GENERAL- The Register of Copyrights shall undertake a certification process for the establishment of an electronic database to facilitate the search for pictorial, graphic, and sculptural works that are subject to copyright protection under title 17, United States Code.

(2) PROCESS AND STANDARDS FOR CERTIFICATION- The process and standards for certification of the electronic database required under paragraph (1) shall be established by the Register of Copyrights, except that certification may not be granted if the electronic database does not contain--

(A) the name of all authors of the work, and contact information for any author if the information is readily available;

(B) the name of the copyright owner if different from the author, and contact information of the copyright owner;

(C) the title of the copyrighted work, if such work has a title;

(D) with respect to a copyrighted work that includes a visual image, a visual image of the work, or, if such a visual image is not available, a description sufficient to identify the work;

(E) one or more mechanisms that allow for the search and identification of a work by both text and image; and

(F) security measures that reasonably protect against unauthorized access to, or copying of, the information and content of the electronic database.

(b) Public Availability- The Register of Copyrights--

(1) shall make available to the public through the Internet a list of all

electronic databases that are certified in accordance with this section;  
and

(2) may include any database so certified in a statement of best practices established under section 514(b)(5)(B) of title 17, United States Code.

#### **SEC. 4. EFFECTIVE DATE.**

(a) In General- With respect to works other than pictorial, graphic, and sculptural works, the amendments made by section 2 shall apply to infringements that commence on or after January 1, 2009.

(b) Pictorial, Graphic, and Sculptural Works- With respect to pictorial, graphic, and sculptural works, the amendments made by section 2 shall--

(1) take effect on the earlier of--

(A) the date on which the Copyright Office certifies under section 3 at least 2 separate and independent searchable, comprehensive, electronic databases, that allow for searches of copyrighted works that are pictorial, graphic, and sculptural works, and are available to the public through the Internet; or

(B) January 1, 2013; and

(2) apply to infringing uses that commence on or after that effective date.

(c) Publication in Federal Register- The Register of Copyrights shall publish the effective date described in subsection (b)(1) in the Federal Register, together with a notice that the amendments made by section 2 take effect on that date with respect to pictorial, graphic, and sculptural works.

(d) Definition- In this section, the term 'pictorial, graphic, and sculptural works' has the meaning given that term in section 101 of title 17, United States Code.

#### **SEC. 5. REPORT TO CONGRESS.**

Not later than December 12, 2014, the Register of Copyrights shall report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives on the implementation and effects of the amendments made by section 2, including any recommendations for legislative changes that the Register considers appropriate.

#### **SEC. 6. STUDY ON REMEDIES FOR SMALL COPYRIGHT CLAIMS.**

(a) In General- The Register of Copyrights shall conduct a study with respect to remedies for copyright infringement claims by an individual copyright owner or a related group of copyright owners seeking small amounts of monetary relief, including consideration of alternative means of resolving disputes currently heard in the United States district courts. The study shall cover the infringement claims to which section 514 of title 17, United States Code, apply, and other infringement claims under such title 17.

(b) Procedures- The Register of Copyrights shall publish notice of the study required under subsection (a), providing a period during which interested persons may submit comments on the study, and an opportunity for interested persons to participate in public roundtables on the study. The Register shall hold any such public roundtables at such times as the Register considers appropriate.

(c) Report to Congress- Not later than 2 years after the date of the enactment of this Act, the Register of Copyrights shall prepare and submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report on the study conducted under this section, including such administrative, regulatory, or legislative recommendations that the Register considers appropriate.

## **SEC. 7. STUDY ON COPYRIGHT DEPOSITS.**

(a) In General- The Comptroller General of the United States shall conduct a study examining the function of the deposit requirement in the copyright registration system under section 408 of title 17, United States Code, including--

(1) the historical purpose of the deposit requirement;

(2) the degree to which deposits are made available to the public currently;

(3) the feasibility of making deposits, particularly visual arts deposits, electronically searchable by the public for the purpose of locating copyright owners; and

(4) the impact any change in the deposit requirement would have on the collection of the Library of Congress.

(b) Report- Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report on the study conducted under this section, including such administrative, regulatory, or legislative recommendations that the Register considers appropriate.

*END*

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