

REGULATION FOR CULTURAL HERITAGE ORPHANS – TIME DOES MATTER.

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Abstract

The regulation of orphan works has stalled in many countries. This is mainly due to the complexity of the issues surrounding these works and the corresponding difficulties of providing a comprehensive legislative solution. Yet the problems created by orphan works affect distinct categories of secondary users: not-for-profit cultural heritage users and commercial users. This paper argues that the impact of the orphan works problem on cultural heritage institutions and researchers is of immediate concern in New Zealand and other net-copyright importing countries (in which the impact of the problem on the domestic economy is less certain). A partial solution for the cultural heritage orphans must, therefore, not be delayed.

As the paper explains, time is of the essence. The alternative is that other secondary users might have the first opportunity to use the orphan works originating from tardier countries.

I INTRODUCTION

Copyright specialists have coined the term ‘orphan work’ to describe a work whose copyright owner cannot be traced by potential secondary users of the work. Since the consent of the copyright owner (‘rights holder’) is required for most secondary uses of copyright works,² the failure to trace the rights holder prevents the use of the work and potentially stifles economic and cultural developments. The problem created by orphan copyright works has been described as ‘...creating a black hole of 20th and 21st century content’.³

The complexity of the orphan works problem stems from both the uncertainties surrounding the legal status of these works in copyright law⁴ and also the location, identity, and wishes of the rights holders.⁵ Potential secondary users fear that the work is protected by copyright and its rights holder or holders have not in fact disappeared permanently, but might reappear at some later stage to assert their legal rights. Hence, commercial users are deterred

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² In New Zealand copyright law for instance, these include the right to copy the work, to issue copies to the public, perform, play, show or communicate the work to the public, to make an adaptation of the work, or to do any of the former acts to an adaptation of the work: Copyright Act 1994 (NZ), s 16.

³ Naomi Korn *In from the Cold: An assessment of the scope of ‘Orphan Works’ and its impact on the delivery of services to the public* (June 2009) 24 at <http://www.jisc.ac.uk/publications/reports/2009/infromthecold.aspx> last accessed 8 March 2010.

⁴ For example if the work is in the public domain, either because it was never protected by copyright in the first place or because the term of protection has expired. There are various reasons why a work might not ever have been protected by copyright - it may not reach prescribed thresholds of substantiality or originality, it might have been copied from another work, the author might have declared it to be freely available, etc.

⁵ Some rights holders might, if contacted, have had no objection to their work being used, others might have required a user licence fee.

from making use of orphan works to create new commercial works and cultural institutions are deterred from digital preservation processes that would require them to duplicate the orphan work more than the one time that is generally permitted under archiving exceptions in copyright law.⁶ Ongoing technological developments, particularly in digital fields, have highlighted the problem of orphan works by providing archivists, professional publishers and amateur enthusiasts alike with different ways of presenting and adapting older copyright works. Frustratingly, in many instances these technological advances cannot be used; not because the rights holder has specifically refused to give their consent (indeed they may well have had no objection to the secondary use) but because they cannot be located to be asked for their consent.

The orphan works problem exists in all countries which have copyright laws and has many features which are common to all countries. This is to be expected, since most developed and developing countries are members of multilateral copyright agreements, including the *Berne Convention for the Protection of Literary and Artistic Works 1886* ('Berne Convention') and the *Agreement on Trade Related Aspects of Intellectual Property Rights 1994* ('TRIPS'), that require them to provide certain standards of copyright protections for the authors of other member countries.⁷ This requirement has influenced the development of domestic copyright law within member countries, in order that foreign authors will not receive more advantageous rights than their own citizens.⁸

The United States Register of Copyrights has warned of the potential economic impact to the country of leaving the orphan works problem unsolved,⁹ while the effect of the problem on the public sector in the United Kingdom has been described as:

[I]n essence locking up culture and other public sector content and preventing organisations from serving the public interest. ... Works of little commercial value but high academic and cultural significance are languishing unused, access to an immense amount of this material essential for education and scholarship is badly constrained and scarce public sector resources are being used up on complex and unreliable compliance.¹⁰

For countries which are net- importers of copyright works the direct economic impact of the orphan works problem is less certain than in the net-copyright exporting countries, such as the

⁶ See for example the Copyright Act 1994 (NZ), ss 55, 191.

⁷ This requirement is called the principle of national treatment and was the basis for the first international copyright agreement, the *Berne Convention for the Protection of Literary and Artistic Works 1886*, now revised several times 'to include a number of minimum standards that each member country must recognize and apply in relation to works emanating from other member countries': Sam Ricketson and Megan Richardson *Intellectual Property: Cases, Materials and Commentary* (3rd ed, 2005) 505. More recent international agreements are the *Agreement on Trade Related Aspects of Intellectual Property Rights 1994*, the *WIPO Copyright Treaty 1996*, the *Performances and Phonograms Treaty 1996*.

⁸ See further, Sam Ricketson and Megan Richardson *Intellectual Property: Cases, Materials and Commentary* (3rd ed, 2005) 506.

⁹ See United States Copyright Office *Report on Orphan Works* (January 2006) <http://www.copyright.gov/orphan/orphan-report-full.pdf> accessed 8 March 2010.

¹⁰ JISC "In from the Cold: An assessment of the scope of 'Orphan Works' and its impact on the delivery of services to the public" April 2009, pg 24 at <http://www.jisc.ac.uk/publications/reports/2009/infromthecold.aspx> accessed 8 March 2010.

United States and the United Kingdom.¹¹ The effect of the orphan works problem on the cultural heritage sector of all countries is, however, likely to be similar. Many cultural entities are protected by copyright and most countries have specific exceptions in their copyright law which permits cultural heritage institutions to make preservation or archival copies of such works.¹² These exceptions tend to be inadequate for the more recent technological developments which facilitate the digital preservation of copyright works. Consequently, if the rights holder cannot be traced to give their consent, the institution cannot make use of the most efficient and effective means of preservation.¹³

Many scholars have made suggestions for addressing the orphan works problem in their domestic legislation. These include the establishment of a voluntary register of rights holders,¹⁴ a specific extension to the fair use or fair dealing regimes,¹⁵ and state licensing bodies, coupled with the requirement for users to establish a prior reasonable search for the rights holders.¹⁶ Other scholars have argued for an international regulatory regime for orphan works.¹⁷ Despite these arguments, as well as incontrovertible evidence of the growing numbers of orphan works and the extent of the problems they cause, the issue of new regulation that would free them for lawful use remains somewhat contentious and the legislatures of many countries have delayed its consideration.¹⁸ Even the United States and the United Kingdom, where the economic impact of the problem is likely to be greatest, have as yet produced only draft legislation and policy proposals.¹⁹

¹¹ Although the use of foreign orphan works is also prevented by current laws and this is likely to cause some economic impact on net importing countries.

¹² See for example the Copyright Act 1994 (NZ) ss 55, 191; the Copyright Act 1968 (Cth) ss 51AA – 51B, 110A-110BA; and 17 U.S.C. § 108 (2000), amended by Pub.L. No. 109-9, § 402, 119 Stat. 218, 227 (2005).

¹³ See Diane Leenheer Zimmerman “Can Our Culture be Saved? The Future of Digital Archiving” (2006-2007) 91 *Minnesota Law Review* 989, 1004. For the inadequacy of the archiving provisions in the Copyright Act 1994 (NZ), see Susan Corbett ‘Digital Heritage: Legal Barriers to Conserving New Zealand’s Early Video Games’ (2007) 13(5) *New Zealand Business Law Quarterly* 48, 66.

¹⁴ Joshua O Mausner ‘Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency’ (2007) 12 *Journal of Technology Law and Policy* 395, 417.

¹⁵ William F Patry and Richard A Posner ‘Fair Use and Statutory Reform in the Wake of Eldred’ (2004) 92 *Californian Law Review* 1639, 1660.

¹⁶ Orphan works regulation implementing the use of a state licensing body with prior evidence of a reasonable search applies to Canadian domestic orphan works: see the Copyright Act 1985, s 77 (Ca). Apparently it has not been much used - perhaps because the pre-clearance of orphan works by a public authority is expensive and lengthy or for other factors such as the inability of the Copyright Board to grant licences other than for uses in Canada: see Stef Van Gompel “Unlocking the Potential of Pre-Existing Content: How to Address the Issue of Orphan Works in Europe?” (2007) 38, 6 *IIC* 669, 694.

¹⁷ JISC *In from the Cold: An assessment of the scope of ‘Orphan Works’ and its impact on the delivery of services to the public* April 2009, pg 25 at <http://www.jisc.ac.uk/publications/reports/2009/infromthecold.aspx> last accessed 8 March 2010.

¹⁸ Canada, Denmark, and Hungary remain the only countries to have partial legislative solutions to orphan works (the Danish solution is based on extended collective licences and the Hungarian one on licences issued by a public body).

¹⁹ In the United Kingdom, proposed legislation could authorize designated bodies to grant licences to use orphan works following a ‘diligent search’ to find the rights holders and with payment being held for the rights holders should they subsequently come forward: See Intellectual Property Office, Orphan Works (2009) <http://www.ipo.gov.uk/pro-types/pro-copy/c-policy/c-policy-orphanworks.htm> at 22 January 2010. The 2008 House

Rights holders have argued that orphan works legislation will circumvent their specific rights under copyright laws by, for example, allowing potential users to make unauthorized use of their copyright works after cursory searches and less than thorough investigation.²⁰ The lack of hard data as to the precise extent of the orphan works problem is also cited as a reason for not passing specific regulation.²¹ Rights holders also argue that a digitised work can readily be manipulated and restructured by others and made to appear as though there was no identifiable author; in other words, a fake orphan.²² Orphan works legislation might then be used to the advantage of the unscrupulous manipulator and at a corresponding loss to the true rights holder. These arguments have proved persuasive and have prevailed in many countries, despite pressure from heritage institutions and commercial users for specific regulation for orphan works to be put in place without delay.

This article suggests that the compromise of a partial solution is better than doing nothing. While it does not suggest a comprehensive solution to the orphan works problem, it argues that in net-copyright importing countries like New Zealand it is the impact of the problem on its cultural heritage institutions which is of most immediate concern. A solution for the cultural heritage orphans should, therefore, not be delayed. Appropriate regulation for cultural heritage orphans should also acknowledge the place of new technologies in 21st century cultural heritage institutions and must provide for the requirements of technology researchers in the field. Time is of the essence. The alternative is that other secondary users might have the first opportunity to use the orphan works originating from tardier countries. For example, online databases of digitised cultural heritage entities originating from one country might well achieve separate copyright protection in the country which has produced the online database. Furthermore, in the absence of effective state regulation, it is likely that privately negotiated commercial ‘solutions’ (which incidentally also push against the boundaries of competition law) may prevail.²³ It is not at all clear that the outcomes of these private arrangements will be in accord with policymakers’ intentions and public wishes, as they would be if proper parliamentary procedures had been followed in respect of regulating the orphan works problem.

The following two parts of this article explain the background to the orphan works problem in general and present three New Zealand case studies which illustrate the orphan works

Orphan Works Bill (US) proposes that “a search is qualifying [for limited remedies for copyright infringement] if the infringer undertakes a diligent effort to locate the holder of the infringed copyright”: for analysis see Jane Ginsburg “Recent Developments in US Copyright Law: Part I- ‘Orphan’ Works” 2008, Columbia Public Law & Legal Theory Working Papers, at http://lsr.nellco.org/columbia_pllt/08152

²⁰ See, for example, Copyright Action for Photographers and Photograph Users *Orphan Storm Warning* (2009) <<http://copyrightaction.com/forum/orphan-storm-warning>> at

²¹ Olive Huang ‘US Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans’ (2006) 21 *Berkeley Technology Law Journal* 265, 266.

²² Jane Ginsburg “Contracts, Orphan Works and Copyright Norms: What Role for Berne and TRIPS?” (2009) Columbia Public Law & Legal Theory Working Papers, 14 at http://lsr.nellco.org/Columbia_pllt/09162

²³ One such ‘solution’ is the proposed Google Book Search Settlement Agreement (GBS). The US Government has recently rejected the Amended GBS, stating that it fails to satisfy the requirements of the class-action procedure and is anti-competitive: see *The Authors Guild Inc. et al v. Google Inc.* 05 Civ.8136 (DC) Statement of Interest of the United States of America regarding proposed Amended Settlement Agreement, 4 February 2010 (http://thepublicindex.org/docs/amended_settlement/usa.pdf).

problem in practice. Existing exceptions in New Zealand copyright law which are relevant to the problem, but by no means a solution are next described. The article then explains how copyright law might provide solutions to the domestic cultural heritage orphans while at the same time remaining in compliance with international copyright provisions. Finally the article applies this analysis to some recommendations for partial regulation of orphan works that it recommends for New Zealand and for other copyright importing countries.

II BACKGROUND

Four specific features of copyright law contribute to the orphan works problem. The first of these is the ever-lengthening term of protection for copyright works, during which time one or more of a number of events may have occurred that make it difficult or impossible to trace the rights holders. The Berne Convention provides that the minimum term of protection for a copyright work is the life of the author plus 50 years.²⁴ This is the term of protection for New Zealand copyright works²⁵ and is relatively short, compared with the term of protection afforded to copyright works in many overseas jurisdictions. Nevertheless, even the shorter term of years in New Zealand provides ample time during which rights holders can ‘disappear’. For example, the original rights holder may have licensed or assigned the copyright in their work, changed their name, moved addresses within their home country, emigrated to another country, or died and the copyright passed to their heirs who may be equally difficult to trace.²⁶

The second feature is the Berne Convention requirement that member States may not require any formalities from foreign authors before granting copyright protection to their works.²⁷ As explained above,²⁸ this has led most countries to remove the need for formalities before copyright protection can be granted to their own citizens. Thus, there is no State record of copyright holders or transferees to refer to when tracing the rights holders in a work as there is for other intellectual property rights such as patents and registered designs.²⁹

The third feature is the transmissibility of copyright in a work. Copyright is personal property and, as such, can be transmitted by assignment, by testamentary disposition or by operation of law.³⁰ Although assignments of copyright are required to be in writing, and bequests by their nature will generally also be in writing, there is no formal register of copyright transmissions to assist potential users with tracing the rights holders of a work.

²⁴ See *Berne Convention for the Protection of Literary and Artistic Works 1886* art 7.

²⁵: *Copyright Act 1994* (NZ), s 22(1) whereas in the UK and Australia it is the life of the author plus 70 years: See, respectively, the *Copyright, Designs and Patents Act 1988* (UK) s 12 and the *Copyright Act 1968* (Cth) s 33(2).

²⁶ For discussion of the increased orphan works problem created in the United States by the extension of the term of copyright by the *Sonny Bono Copyright Term Extension Act of 1998*, Pub. L. No. 105-298, § 102(b), (d), 112 Stat. 2827-28 (amending 17 USC §§ 302, 304 (1976)) see William F Patry and Richard A Posner ‘Fair Use and Statutory Reform in the Wake of *Eldred*’ (2004) 92 *California Law Review* 1639, 1640.

²⁷ *Berne Convention for the Protection of Literary and Artistic Works 1886* art 5.

²⁸ See above n 8 and accompanying text.

²⁹ See however the website run by Columbia University www.KeepYourCopyrights.org at xxxxx which advises United States authors that they may voluntarily register their copyright with US Copyrights Office as a precautionary measure.

³⁰ See the *Copyright Act 1994* (NZ), s 113, and the *Copyright Act 1968* (Cth) s 196.

The numbers of different copyrights in works such as films and multimedia works is the fourth feature that contributes to the plethora of copyright orphans. For example, there are likely to be several different holders of the copyrights in the music tracks of a film, the script writer or writers will own the literary copyright, while the actors will have performance rights in their work, etc. The rights holder or their heirs have the ability to license the entire copyright in a work to another entity, to divide the copyright for instance in a multimedia work and license the music copyright separately from the literary copyright. Alternatively, they may have assigned their copyright absolutely to another rights holder such as a company, long since wound up.³¹ All copyright licensees and rights holders in such a work have to be traced for their consent before that work may be used by a secondary user.

All categories of copyright works have the potential to be orphaned.³² They could include works that have previously been published, but are now out of publication,³³ works that have never been published but have been ‘disclosed to the public’ by their authors, for instance dramatic works that have been performed in public but not published in written form,³⁴ and works that have never been released or disclosed in public, such as diaries and letters.³⁵ There is a particularly urgent need for regulation for orphan films and early software, since their physical platforms are likely to decay well before their copyright protection expires.³⁶ If they cannot be preserved in some alternative form before their physical state deteriorates beyond repair they will be permanently lost.³⁷

Within each of these groups are works which have a named author, and works which are anonymous or pseudonymous works.³⁸ Even in a seemingly straightforward situation where a work was previously published or revealed in public and has a named author, there are numerous potential difficulties for secondary users. For instance the original author or joint authors may have died intestate, or in another jurisdiction. Although intestacy laws prescribe the heirs in such

³¹ For further discussion of the transmissibility and divisibility of copyrights see Anne Kogler ‘Orphan Works’ in *New Zealand- A Civilian View* (LLM Research Paper, Victoria University of Wellington, 2007).

³² These categories are set out in the *Copyright Act 1994* (NZ) s 14 as follows; (a) literary, dramatic, musical, or artistic works, (b) sound recordings, (c) films, (d) communication works, and (e) typographical arrangements of published editions. See also the *Copyright Act 1968* (Cth) ss 31, 85-88.

³³ This fact alone does not necessarily, of course, render them an orphan work, but the fact they are out of publication often indicates it is likely to be even more difficult to track down their rights holder.

³⁴ See Vigdis Bronder ‘Saving the Right Orphans: The Special Case of Unpublished Orphan Works’ (2007-2008), 31 *Columbia Journal of Law and Arts* 409, 416.

³⁵ For analysis of the different treatment of these categories of works by the Berne Convention for the Protection of Literary and Artistic Works, see Vigdis Bronder ‘Saving the Right Orphans: The Special Case of Unpublished Orphan Works’ (2007-2008), 31 *Columbia Journal of Law and Arts* 409, 413.

³⁶ See in relation to orphan films, Center for the Study of the Public Domain, Duke Law School Access to Orphan Films: Submission to the Copyright Office (March 2005) < <http://www.law.duke.edu/cspd/pdf/cspdorphanfilm.pdf>.> at 28 February 2010. In relation to orphan software see Susan Corbett ‘Digital Heritage: Legal Barriers to Conserving New Zealand’s Early Video Games’ (2007) 13(5) *New Zealand Business Law Quarterly* 48.

³⁷ A related problem is caused by ‘abandonware’, a term describing copyrighted software that has been supplanted by an upgraded or newer version and, for commercially strategic reasons, is no longer supported by the company that produced it: see Dennis W K Khong ‘Orphan Works, Abandonware and the Missing Market for Copyrighted Goods’ (2007) 15(1) *International Journal of Law and Information Technology* 54.

³⁸ Specific provisions in the *Copyright Act 1994* (NZ) and the *Copyright Act 1968* (Cth) for pseudonymous and anonymous works are discussed in Part XX post.

cases, it nevertheless is unlikely to be an easy task to physically locate these persons. Certainly it is likely to be at least as difficult as it has proved to be to locate the many (presumed) living rights holders whom, as experience has shown, often appear to have vanished without trace.³⁹ Additional complexity is introduced by changes in national borders over the years, particularly those in Europe.⁴⁰

The orphan works problem for all digital works is already accentuated by the online environment, where digital mash-ups and sampling of all kinds of copyright works by both amateur and professional authors abound. Unless technological measures are employed as a matter of course, such as the embedding of authorial information into digital works,⁴¹ there will be little chance of tracking down the rights holders of each part of such a work in, say, 30 years time.

As already occurs in certain other areas of copyright,⁴² practice does not always accord with the letter of the law. Some secondary users of orphan works proceed to do so after documenting their attempts to track down the rights holders. These users hope that the rights holder, should he or she appear at a later stage, is likely to acknowledge the efforts made to locate them and in any subsequent court action the same efforts would be taken into account by the court and would mitigate any claim for additional damages. Sometimes the secondary user publishes a ‘good faith’ notice with the used orphan work, that confirms all reasonable steps were taken to identify the rights holder(s) and that if any right holder whose work has been used without permission makes contact, the user will negotiate in good faith to settle the claim.⁴³

Such a “solution” is however far from the norm, as Ian McDonald explains:

[I]n other cases such as the film industry the use of an orphan work may be avoided because of a concern that later exploitation of the film could be inhibited by an outstanding copyright claim, or that a claimant could unreasonably delay production and/or distribution, or could ask an exorbitantly high amount of money by way of compensation and/or ongoing licence fees.⁴⁴

Similarly, most public cultural institutions, conscious of their vulnerability as state funded institutions, would be wary of taking such a risk, and prefer to abandon any proposed use of the orphan work.⁴⁵ University researchers, employed by a state funded university and in receipt of publicly funded research grants, also tend to be wary of using orphan works. Nevertheless, as the first case study in the next part of this article describes, at least one university project has chosen to take that risk and has, to date, experienced no adverse outcome. The two subsequent case studies describe research at the same university where research projects were halted or left incomplete due to the orphan works problem.

³⁹ See case studies in Part XX post

⁴⁰ Jane C Ginsburg ‘Recent Developments in US Copyright Law: Part I- “Orphan” Works’ (Columbia Public Law & Legal Theory Working Papers, Columbia Law School, 2008) 3 fn 9, <http://lsr.nellco.org/columbia_pllt/08152> at

⁴¹ The author is indebted to Professor Jane Ginsburg for this suggestion. It could of course also raise privacy issues.

⁴² File sharing and music sampling are two prominent examples.

⁴³ See Ian McDonald “Some Thoughts on Orphan Works”(2006) 24, 3 Copyright Reporter 152, 156.

⁴⁴ Ian McDonald “Some Thoughts on Orphan Works”(2006) 24, 3 Copyright Reporter 152, 157.

⁴⁵ Ian McDonald “Some Thoughts on Orphan Works”(2006) 24, 3 Copyright Reporter 152, 156.

III THE ORPHAN WORK PROBLEM IN PRACTICE – THREE NEW ZEALAND CASE STUDIES

A Case Study 1: *The Great War Texts*

The first two case studies described in this Part are projects of the New Zealand Electronic Text Centre ('NZETC'), a not-for-profit centre which is part of the library at Victoria University of Wellington. The objective of NZETC is to republish New Zealand texts, which are mainly, out-of-print, historical texts, in electronic form via its website.⁴⁶

In 2009 the NZETC decided to publish in electronic form a series of literary texts which cover New Zealand's participation in the First World War. The NZETC was aware that many of the texts were now difficult to locate in their physical form and it had received numerous requests over the years to make the texts available online.⁴⁷ All the texts were written in the years following the First World War, although some were published as late as the 1920s and 1930s. Under current New Zealand copyright law there is now no publisher's copyright in works published before 1 April 1963.⁴⁸ The authors' copyright in their texts however will survive for 50 years after their deaths.⁴⁹

The NZETC could be confident that the authors of most of the texts, if not all, had since died. However it was aware that some authors had died relatively recently, thus leaving their works still within the prescribed term of copyright protection. In other instances, the date of death of the author or joint authors was unknown and there was uncertainty as to whether or not the work itself was still protected by copyright.⁵⁰ Aware that some sectors of the cultural heritage sector argue that cultural heritage institutions should be less risk averse in regard to the use of orphan works for digital cultural heritage purposes, the NZETC decided to 'test the waters'.⁵¹ '...[W]e hoped that the copyright complications were outweighed by the social benefit from having these texts freely available online.'⁵²

⁴⁶ < <http://www.nzetc.org.nz> > at 22 February 2010.

⁴⁷ Jason Darwin, Project Manager of NZETC, Report of NZETC process in regard to historical texts which cover New Zealand's participation in the First World War, published to mailing list for organizations involved in digitization.

⁴⁸ *Copyright Act 1994* (NZ) s 235, Sch 1 cl 6.

⁴⁹ *Copyright Act 1994* (NZ) Sch 1 cl 4.

⁵⁰ Jason Darwin, Project Manager of NZETC, Report of NZETC process in regard to historical texts which cover New Zealand's participation in the First World War, published to mailing list for organizations involved in digitization.

⁵¹ The call for NZ cultural institutions to be more engaged with orphan works has come from the conferences of the National Digital Forum, a body originally set up by the National Library to foster digitisation efforts in New Zealand: <http://ndf.natlib.govt.nz/>

⁵² Jason Darwin, Project Manager of NZETC, Report of NZETC process in regard to historical texts which cover New Zealand's participation in the First World War, published to mailing list for organizations involved in digitization.

Accordingly, on two consecutive Wednesdays in June 2009 the NZETC published newspaper advertisements in the public notices section of the Wellington Dominion Post newspaper, stating its intention to make the listed works available online and seeking responses from family members of the original authors. No such responses were received. The NZETC then proceeded to reproduce the texts online with the following disclaimer:

We have made some of these works available on the basis that they are orphan works. The works concerned are still technically in copyright, though the author may have died many years previously and therefore cannot be contacted in order to provide permission for online republication of their material. We make the presumption that the author would have wanted their work to be made available online, as they did in print. However, if any person related to the author know this not to be so, please contact us and we will remove the particular work from this collection.

A report of the NZETC's process was sent to a mailing list for organisations involved in digitisation for their comments. Although many organisations supported the stance taken by NZETC, one critic warned that the works are not 'technically in copyright', as stated in NZETC's disclaimer, many of them are in fact legally protected by copyright. A more accurate statement, the critic suggested, would also serve to warn users that adaptation of the works is not necessarily permitted without further investigation to ascertain the holder of the copyrights.

Another critic suggested (wrongly) that the *Copyright Act 1994* (NZ) permits the user of a copyright work to make "reasonable assumptions" about the death of its author. That is, so this critic advised, if it is reasonable to assume the author died more than 50 years ago then you can assume the work is out of copyright. This advice is unfortunately incorrect. No specific provision was cited in the advice, but one can assume the writer was taking their stance from a misinterpretation of s 67.⁵³

At the date of writing this article, NZETC had not been contacted by a single rights holder in relation to the online World War I texts although the website was recording high rates of attention - over the month of February 2010, for example, NZETC had 7408 visitors to its website, looking at 1,529 World War I pages 10,490 times.⁵⁴ The statistics confirm the potential historical and cultural value of these orphan works and reinforce the need for adequate regulation.

B Case Study 2: *The Recent Literary Journal*

Another project of the NZETC which has been significantly affected by the orphan works problem is its endeavour to place online all issues of *Sport*, a New Zealand literary journal which was first published only about 10 years ago. (One could presume therefore that most of the authors would be locatable). An initial attempt was made to contact all authors with a description of the proposal and asking them to contact NZETC if they objected to their work being published

⁵³ See below for analysis of the *Copyright Act 1994* (NZ) s 67. The unnecessary complexity of the equivalent provision to s 67 in the *Copyright Designs and Patents Act 1988* (UK) s 57 led in 2003 to the repeal of all transitional provisions affecting that provision.

⁵⁴ Statistics provided to the author by Jason Darwin, Project Manager of NZETC, 3 March 2010.

in an online version of the journal. No objections were received, although many authors failed to respond at all. NZETC then placed the issues online with a copyright notice including provision that no use could be made of the online material without first seeking permission via NZETC. Some two years later NZETC received a warning notice in the form of a reminder from Copyright Licensing Limited ('CLL'), the New Zealand authorized licensing body for publishers of literary works, that it was publishing copyright works on its website without authorisation from the copyright holders. This advice was correct, but it was not helpful. Rather, it smacks of 'sour grapes', since CLL itself is not authorized to publish orphan works. Nevertheless, NZETC removed all online versions of *Sport* and wrote again to all authors seeking written formal consent for online publication. Although the articles and poetry published in *Sport* are at most 10 years old, NZETC has been unable to contact around a third of the 400 or so authors involved, and therefore cannot publish their material.⁵⁵

C Case Study 3: Early Digital Works

The NZTronix research project ('NZTronix') involved a team of academic researchers at Victoria University of Wellington which sought to archive New Zealand's earliest computer games as part of its digital cultural heritage.⁵⁶ The research was carried out with the assistance of a grant from the Victoria University of Wellington research fund. For that reason, the researchers had agreed that a legally risk-averse approach would be taken. Furthermore, the team had agreed that an important part of the project would be to ascertain how supportive the legal environment was to the archiving of early New Zealand digital cultural heritage.

The earliest New Zealand-authored software emanates from the late 1970s and early 1980s and thus remains protected by copyright.⁵⁷ Archiving software involves multiple copying of the copyright software, hence the rights holders' consents were required before the project could begin.⁵⁸ The following extracts from the student research assistant's report on the search for the rights holders highlight the difficulties encountered and the ultimate futility (and expense) of the searches:⁵⁹

The pilot study focused on three games: *Dungeons Beneath Cairo* written by David Harvey and published by Scorpion Software (sometimes also referred to as Flexisoft), *City Lander* written by John Perry and published by Grandstand Leisure Ltd, and *Poker* written by T.R. Spiers and

⁵⁵ The actual figures for Sport are:

** Permission granted ("yes"): 284

** Permission not granted ("no"): 11

** Permission unknown ("indeterminate", i.e. we haven't had a reply from the mailout, or had no address): 133

⁵⁶ < <http://www.nztronix.org.nz> > at 22 February 2010. See also Susan Corbett 'Digital Heritage: Legal Barriers to Conserving New Zealand's Early Video Games' *New Zealand Business Law Quarterly* (2007) 13(5) 48

⁵⁷ Computer games are 'literary works' in copyright law and as such are protected by copyright in New Zealand for the life of their author and a further 50 years *Copyright Act 1994* (NZ) ss 2 and 22.

⁵⁸ *Copyright Act 1994* (NZ) ss 2 and 22. In Australia, computer games are protected for the life of their author and a further 70 years: *Copyright Act 1968* (Cth) ss 10, 33.

⁵⁹ Extracts from Evealyn O'Connor 'Research assistant's report for NZTronix Project', 2007, Unpublished.

published by Poseidon. The company we uncovered the most information about is Grandstand Leisure Ltd. Grandstand was the only company out of the three to register with the Companies Office. Neither Scorpion Software, Flexisoft, nor Poseidon was ever a registered company.

1 Grandstand Leisure Ltd The Companies Office was eventually able to provide us with details of the documentation that Grandstand filed with it over an 18 year period from February 1982, ending with Grandstand being struck off in June 2000 for failing to file annual returns. This means that they are automatically struck off the register. As this is automatic, it doesn't tell us whether it was compulsory or voluntary and brings us no closer to what must have happened to the assets, including any copyright Grandstand may have owned in the video game. The Companies Office gave us the names of all the accountants and solicitors who acted for the company in this capacity. I then contacted those mentioned in case someone who may have once acted for Grandstand would know how the company was wound up.

However although they had acted for Grandstand, several of the accountants have now been bought out by larger accounting firms. On the occasion that I did manage to find who they had been subsumed by, and even the actual people who had represented Grandstand, no one was able to recall anything about the copyright. One or two of the accountants vaguely remembered acting for the company, but were unable to provide me with any other information. I was told that the usual time for keeping records for former clients is about seven years. After this time the records are destroyed. Despite being given some other names, I did not find any more information about Grandstand. Further emails and phone calls also failed to reveal anything else.

At present I am still awaiting confirmation of some of the details regarding a solicitor that according to Companies Office records acted for Grandstand. As none of the district law societies have even heard of the solicitor that is mentioned, I have been trying to confirm the name with the Companies Office. However, repeated phone calls to the office have not come up with anything yet.

The former director of Grandstand cannot recall any paperwork or documentation regarding the games and who owns the copyright in them. He has suggested that we get in touch with another former director but that proved impossible. Susan has been in touch with the author who wrote the game when he was 13, and remembered signing over his rights to the games at the time.⁶⁰

2. Scorpion Software/Flexisoft. As noted above this company was never registered, so information on it that is publicly available would be limited at best. Despite the former director having a relatively uncommon name, none of the persons found in the New Zealand phone book with that name was the right person.

3. Poseidon. This company also was not registered, meaning that there is limited information available on it. Internet searches have not come up with anything, and I could not find T R Spiers, the author of the game, *Poker*, in the New Zealand phone book.

I have also contacted the New Zealand Computer Society at <http://www.nzcs.org.nz/>. I have written a notice explaining the project and the games we are trying to archive and asking for any rights holders or persons having information about the games to get in touch. It will go in their next monthly newsletter.

No responses were obtained to the insertion in the Computer Society's newsletter. Since the copyright holders of the software could not be located, the plans to archive the earliest New

⁶⁰ It will be noted that the author was a minor (as were many authors of computer games in the early days of the technology) – this raises yet another issue - the enforceability under the *Minors Contracts Act 1969* (NZ) of any contract to transfer a minor's entitlement to copyright.

Zealand software were abandoned. Despite this setback to the research project, the computer scientist members of the NZTronics team successfully worked with public domain and freeware games⁶¹ to develop ways of archiving software that would facilitate their use by the public on traditional platforms. Hence, while the technology is now available, due to the orphan works problem it cannot be used for cultural preservation purposes for the very software that is most at risk.

IV CURRENT EXCEPTIONS TO COPYRIGHT LAWS: DO THEY ADDRESS THE ORPHAN WORKS PROBLEM?

There are permitted exceptions within copyright law for limited ‘public good’ uses of works during the term of copyright protection. These include archiving or preservation for cultural heritage purposes and fair dealing (or fair use as it is called in the United States). Some commentators have suggested that these exceptions might provide adequate solutions to the orphan works problem.⁶² A brief analysis of these two exceptions in the Copyright Act 1994 (the NZ Act), however, reveals that neither is suitable for the range of possible uses required by potential secondary users of cultural heritage orphan works.⁶³

A *The Archiving Exceptions*

Cultural heritage theory maintains that an archived work must be accessible for research and education, as well as for the ongoing public interest in cultural matters. ‘Digital materials cannot be said to be preserved if the means of access have been lost and access becomes impossible.’⁶⁴ Although museums, archives, and libraries now have the technical ability to digitally archive a work for both preservation and accessibility, the law that should underpin the process for more recent works (that is, those that are still protected by copyright) has not kept pace. In essence, many cultural heritage institutions suffer from the dual effect of the orphan works problem and inadequate legislative provisions for digital archiving.

The ‘archiving provisions’ of the Copyright Act 1994 (“the NZ Act”) permit certain institutions to make a digital copy of any item in their collections to replace the original item without infringing copyright, only if the original item is at risk of “loss, damage or destruction”.⁶⁵ The provision applies only to making a “replacement copy”.⁶⁶ This is quite inadequate for the technical process of digital archiving, which involves an ongoing process of

⁶¹ For example see < <http://freeware-game-downloads.com/>> at 16 February 2010.

⁶² See, for example, Vigdis Bronder ‘Saving the Right Orphans: The Special Case of Unpublished Orphan Works’ (2007-2008), 31 *Columbia Journal of Law and Arts* 409, 412

⁶³ In fact, even in the United States

⁶⁴ National Library of Australia, *Guidelines for the Preservation of Digital Heritage*, prepared for Information Society Division, UNESCO, CI-2003/WS/3, March 2003, p 34, <www.unesco.org/webworld/mdm> at 8 March 2007.

⁶⁵ *Copyright Act 1994* (NZ) s 55(3).

⁶⁶ *Copyright Act 1994* (NZ) s 55(3)(b). Strangely, the archiving provision for ‘non-digital’ copying permits such a copied item to be placed in the collection ‘in addition to or in place of’ the original item: *Copyright Act 1994* (NZ) s 55(1)(a).

making multiple copies and adaptations of the original work.⁶⁷ Each separate activity is an infringement of copyright if carried out without the consents of the rights holders.⁶⁸

The accessibility requirement of the archiving process, is also an infringement of copyright unless authorised by the rights holder. The NZ Act permits the ‘communication of a digital copy’ by an institution to certain users provided the digital copy was lawfully obtained.⁶⁹ However without adequate provisions for digital copying in the first place, the lawful obtaining of a digital copy could only take place with the consent of the rights holder.⁷⁰ If, as is likely, the rights holders cannot be traced, the orphan works problem prevents communication of cultural works to the public and stifles the objectives of cultural institutions.

B *Fair Dealing Exceptions*

Similarly to the exceptions to copyright protection for archival preservation, exceptions for fair dealing uses apply to all copyright works. The fair dealing exceptions are very limited in scope in the NZ Act and are limited to specific uses of a copyright work, including criticism, review and news reporting⁷¹ and for research or study.⁷² While some of these uses may meet the objectives of a secondary user of an orphan work, they will not be suitable for all possible secondary uses. A broadening of New Zealand’s exception towards the ‘fair use’ exception in United States copyright law⁷³ is unlikely to be useful for orphan works. Although fair use has a much broader and less prescriptive ambit than the New Zealand ‘fair dealing’ exceptions, as Olive Huang has explained, it is unlikely to cover either the use of all or part of a copyright work for commercial purposes, or the use of an entire copyright work⁷⁴

C *Time to Revisit the Orphan Works Problem?*

It is clear that the existing exceptions in copyright law are far from adequate to provide secondary users of orphan works with the freedom to choose from the range of potential uses of

⁶⁷ See further Susan Corbett ‘Digital Heritage: Legal Barriers to Conserving New Zealand’s Early Video Games’ *New Zealand Business Law Quarterly* (2007) 13(5) 48

⁶⁸ *Copyright Act 1994* (NZ) ss 30, 34.

⁶⁹ *Copyright Act 1994* (NZ) s 56A.

⁷⁰ *Copyright Act 1994* (NZ) s 55(3) n XX above and text.

⁷¹ *Copyright Act 1994* (NZ), s 42, and the *Copyright Act 1968* (Cth) ss 41, 42. Australian law also contains a fair dealing exception for parody or satire: *Copyright Act 1968* (Cth) s 41A .

⁷² Note that in New Zealand the permitted ‘study’ is required to be ‘private’: *Copyright Act 1994* (NZ), s 43 and the *Copyright Act 1968* (Cth) s 40. “Fair use,” as it is called in US copyright law, has a much broader and less prescriptive ambit but is unlikely to cover the use for commercial purposes or the use of an entire work: for discussion see Olive Huang ‘US Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans’ (2006) 21 *Berkeley Technology Law Journal* 265, 273.

⁷³ 17 USC § 107 (2000).

⁷⁴ See Olive Huang ‘US Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans’ (2006) 21 *Berkeley Technology Law Journal* 265, 273. For suggestion that the fair use defence should be interpreted more broadly, see William F Patry and Richard A Posner ‘Fair Use and Statutory Reform in the Wake of *Eldred*’ (2004) 92 *California Law Review* 1639, 1650- 1652.

such works. In short, the orphan copyright works problem is not going to disappear without a regulatory framework being put in place. Both cultural heritage institutions and commercial enterprises alike are wary of possible legal repercussions from using orphan works without such a framework. Consequently there is a loss to potential creativity, heritage and the economy.

The Select Committee which reviewed the New Zealand Copyright (New Technologies and Performers' Rights) Amendment Bill (NZ) in 2007⁷⁵ acknowledged the need for appropriate orphan works legislation in New Zealand and recommended that the Ministry of Economic Development should review the possibilities, as a matter of urgency. Since that date however very little has been achieved. By 2009, however, the issue of orphan works had slipped from the agenda; it "has not been identified as one of the priorities of the current government" and no further work is to be carried out at present.⁷⁶ This is unfortunate, particularly given the international concern surrounding the orphan works problem- an area of copyright which should not be overlooked or dismissed as of minor importance.⁷⁷

The following parts of this article suggest some amendments to New Zealand copyright law and policies that appear to be permitted under international copyright law and would alleviate the orphan works problem specifically for cultural heritage institutions and researchers. They may also be useful for other copyright importing countries.⁷⁸ They will provide a partial solution since they do not address the difficulties faced by the potential commercial user of orphan works. Neither do they attempt to address the problem of orphan cultural heritage from other countries that forms part of collections in New Zealand institutions.

V ORPHAN WORKS REGULATION AND COMPLIANCE WITH INTERNATIONAL COPYRIGHT LAW

A *The Three Step Test*

⁷⁵ The Bill was subsequently passed into law as the Copyright (New Technologies) Amendment Act 2008.

⁷⁶ Silke Radde, Acting Manager, Intellectual Property Policy, Ministry of Economic Development: email to Susan Corbett, 8 October 2009. A similar lack of enthusiasm is apparent in Australia, where in 2006 a former government announced that the Commonwealth Attorney-General's Department would conduct an inquiry into orphan works. The next development was in 2008, when the orphan works problem was described as an 'area of responsibility' for the New Technologies Section of the Copyright Law Branch of the Department: See Commonwealth Attorney-General's Department *AGD e-News on Copyright* (2008) 48 <http://www.ag.gov.au/www/agd/agd.nsf/Page/Copyright_e-NewsonCopyright_2008_Issue48-January2008> at 25

⁷⁷ The alternative to countries failing to provide national or international solutions may be anti-competitive commercial 'solutions' such as the proposed Google Booksearch Settlement Agreement: see Pamela Samuelson "Legally Speaking: The Dead Souls of the Google Booksearch Settlement" forthcoming in *52 Communications of the ACM* (July 2009) <<http://ssm.com/abstract=1387782>> at 28 February 2010. It appears however that the US Justice Department has now urged the New York court that is currently considering the proposed settlement to reject it because "there is a significant potential that [the Justice Department] will eventually decide that the settlement broke antitrust law": <<http://www.radionz.co.nz/news/stories/2009/09/19/1245c8199a57>> at 28 February 2010.

⁷⁸ Whilst the suggestions might be equally useful for copyright exporting countries, it may be that regulation that would alleviate the economic effect of orphan works is higher on their agendas.

It is self-evident that, in order to be effective, any orphan works copyright legislation must remove or limit the strict legal rights of the rights holder of a copyright work and provide corresponding rights to a secondary user. Any such legislation must comply with international copyright law,⁷⁹ and in particular the following provision of TRIPS:

Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the rights holder.⁸⁰

This requirement is known as the ‘three-step test’ and is applicable to all permitted uses under member States copyright laws. The disputes panel of the World Trade Organisation (‘WTO’) has ruled that the expression ‘special case’ in the three-step test means that an exception should be clearly defined and limited in its scope and reach.⁸¹ This has resonance for any proposed orphan works legislation but may not present an insuperable barrier, since orphan works are at least more readily defined than the fair use and fair dealing exceptions which, in the copyright laws of most countries, are notoriously uncertain.

In the same ruling, the WTO panel suggested that one way of measuring ‘normal exploitation’ is to consider, in addition to those forms of exploitation that currently generate significant or tangible revenue, those forms of exploitation which, with a certain degree of likelihood and plausibility, could acquire considerable economic or practical importance.⁸² Finally the panel ruled that ‘prejudice to the legitimate interests of rights holders’ reaches an unreasonable level, if an exception or limitation causes or has the potential to cause an unreasonable loss of income to the copyright holder.’⁸³

B *Use of Orphan Works by Heritage Institutions*

In an analogue world, the use of an orphan copyright work by a not-for profit cultural heritage industry for archival and public accessibility purposes within the institution does not conflict with normal exploitation of a work. This is the justification for the current archiving (or

⁷⁹ One criticism of the Canadian orphan works process, which makes use of a statutory licence, is that it is a fundamental change to the nature of copyright, altering an exclusive right to a “mere right of remuneration”, and is contrary to the Berne Convention Copyright Law Review Committee (Aust.)”Simplification of the Copyright Act 1968: Part 2” (1999) Attorney-General’s Department, Canberra, pg 123. Available at www.ag.gov.au/clrc last accessed XXXX

⁸⁰ *Agreement on Trade Related Aspects of Intellectual Property Rights 1994* art 13, which is based on the *Berne Convention for the Protection of Literary and Artistic Works 1886* art 9(2). Conveniently, there are recent dispute rulings which provides guidance as to the meaning of certain provisions of the *Agreement on Trade Related Aspects of Intellectual Property Rights 1994*.

⁸¹ WTO Dispute Panel Decision, *United States- Section 110(5) US Copyright Act* (WT/DS160) (1999-2001), para XX

⁸² WTO Dispute Panel Decision, *United States- Section 110(5) US Copyright Act* (WT/DS160) (1999-2001), paras 6.180.181 (cited in Susy Frankel and Geoff McLay *Intellectual Property in New Zealand* (2002) LexisNexisButterworths, Wellington, 39).

⁸³ WTO Dispute Panel Decision, *United States- Section 110(5) US Copyright Act* (WT/DS160) (1999-2001), para 229.

preservation) exceptions that are provided in most copyright laws. The expansion of those exceptions to permit the use of digital technologies for archival and public accessibility, raises some issues around the second part of the cultural heritage process, ‘public accessibility’.

The digital archiving of a copyright work by a not for profit institution will not, of itself, affect the ‘normal exploitation’ of the work, any more than would copying it for preservation purposes in an analogue process. The law should therefore be amended to allow the making of as many copies as are necessary for the technical process.

The public accessibility requirement is less clear. The copyright laws of some countries limit public access to a digitised entity from the collection of a cultural institution to computer terminals within the institution itself.⁸⁴ Such precautions limit the availability of cultural heritage to persons who can actually visit the physical institution. This seems to be a retrograde step in an era of digital culture. A digitised entity can be readily distributed worldwide over the internet, for example, by email. The common practice of placing digitised collections on the institution’s website is equivalent to such distribution. This could be a potential conflict with the rights holder’s normal exploitation of the work, although it may be that this reasoning will differ, according to whether or not the original item in the institution’s collection is in digital or analogue form and also the unexpired term of copyright that remains.

For example, the rights holder of an analogue work that is approaching the end of its term of copyright protection and that is considered to be of such cultural significance that it is kept in a heritage institution is arguably less likely to object to wider distribution of copies of the work, provided the copies are not used for commercial purposes and the original work remains in the institution. A suitable form of statutory licence should be provided that restricts the use of digital copies from cultural heritage institutions to not-for profit research and educational use. Such regulation would assist the NZETC,⁸⁵ which is a part of the Victoria University of Wellington Library and therefore falls within the definition of ‘prescribed library’ or ‘archive’ in the NZ Act⁸⁶ (these are the only institutions that can make use of the archiving exceptions.)⁸⁷

The question of public accessibility to archived copies of ‘born digital’ orphan works appears at first glance to be more complex. As explained earlier in this article, digital cultural heritage is a relatively recent phenomenon but, failing preservation processes, it is likely to be permanently lost to cultural heritage.⁸⁸ The number of copies required for not for profit digital archiving is, however, not a conflict with the three step test and, as discussed, should be permitted under copyright exceptions.

Permitting public accessibility over the internet to archived copies of the born digital entity requires a twofold solution. If the born digital work is no longer commercially available (if

⁸⁴ For example, see the *Copyright Act 1968* (Cth) ss 51A(3)(3A).

⁸⁵ See Case Study part 1.

⁸⁶ For definitions see the *Copyright Act 1994* (NZ), s 50.

⁸⁷ For argument that the right to use the exceptions should be extended to other not-for profit institutions, see Susan Corbett ‘Digital Heritage: Legal Barriers to Conserving New Zealand’s Early Video Games’ (2007) 13(5) *New Zealand Business Law Quarterly* 48, 66-67.

⁸⁸ Susan Corbett ‘Digital Heritage: Legal Barriers to Conserving New Zealand’s Early Video Games’ (2007) 13(5) *New Zealand Business Law Quarterly* 48.

it were, it would not be orphaned) and certain prescribed steps have been taken to locate any rights holders, distribution with a suitable licence permitting only not for profit uses could not conflict with normal exploitation and should be permitted. (Conversely, if a born digital entity is not orphaned, whilst this will not affect the legality of its archiving under the permitted exceptions, its distribution for public accessibility purposes must be only with the consent of the rights holders.)

Technological Protection Measures

It is not uncommon for ‘born digital’ entities to include technology that is intended to prevent or inhibit the infringement of its copyright. In the NZ Act this is called a Technological Protection Measure (TPM). In order to access the entity to perform any of the actions that are restricted to the rights owner under copyright law,⁸⁹ the controlling technology must be circumvented. Copyright laws support the rights owner’s ability protect their legal rights with their chosen technology and regulate the use of any such circumvention process.⁹⁰ The NZ Act, for example, generally prohibits the activities of making, selling, hiring, offering or exposing for sale or hire, or advertising for sale or hire of a TPM circumvention device,⁹¹ but provides an exception where the prohibited activity is to enable a librarian, archivist, or educational establishment to exercise an act permitted under one of the permitted exceptions to copyright.⁹² The exception to infringing TPM activity also applies where its purpose is to enable a person to undertake encryption research,⁹³ provided the researcher “either obtains permission from the rights owner ... or has taken or will take all reasonable steps to obtain that permission”.⁹⁴ This provision implies that it is the attempt to obtain permission that is the important factor; should the rights owner withhold permission, it appears, the encryption researcher may proceed in any event.

The provision is important because it tacitly acknowledges the significance of research to modern copyright. It provides useful guidance as to how a similar provision for digital technology researchers in the fields of cultural archiving might be inserted into the archiving exception discussed earlier.

Unpublished Works with an Identifiable Author

⁸⁹ See the Copyright Act 1994 (NZ), s 16.

⁹⁰ Such regulation is controversial unless carefully balanced, since the technology protection measures put in place by a rights owner can also prevent the use of permitted exceptions to copyright protection in relation to the copyright work, such as fair dealing: see the Copyright Act 1994 (NZ) s 226E(1) (2) which pays lip service to the use of TPM circumvention devices for the permitted exceptions such as fair dealing but imposes such stringent conditions that the provision is likely to be all but useless in practice.

⁹¹ Copyright Act (NZ) ss 226A-226C.

⁹² Copyright Act (NZ) ss 226D.

⁹³ Copyright Act (NZ) ss 226D(2)(b).

⁹⁴ Copyright Act (NZ) s 226E(3)(b).

International copyright law does not explicitly provide for the situation where a creative work with an identifiable author remains unpublished, although it has been argued that the reference in the three step test to the ‘legitimate interests of the author’⁹⁵ ... ‘almost certainly includes the interest in determining whether her work shall be publicly disclosed’.⁹⁶ The NZ Act, nevertheless, provides that both published and unpublished works may be protected by copyright.⁹⁷ After the usual term of copyright protection, unpublished works with an identifiable author will fall into the public domain.⁹⁸ During the term of copyright protection, copyright performs a quasi- privacy role in preventing any public distribution of the unpublished work.

Where the unpublished authored work is orphaned, there may be a danger in employing copyright rules as a tacit means of representing that the privacy of an author supersedes all other interests. In New Zealand law, for example, the right to privacy is always required to be balanced with other rights and policies, including the right to freedom of information,⁹⁹ the legitimate public interest in the publication of details about those in public life, and legitimate public concern about matters of genuine public interest. In a recent decision the New Zealand Supreme Court observed that legitimate ‘public interest’ (not merely ‘what the public is interested in’) could outweigh the right to privacy.¹⁰⁰ This ruling, I suggest, could be extended to the apparent overriding right afforded by copyright law to keep information unavailable. I suggest that for these works the continuing privacy of the deceased author and their family (which is ensured by ongoing copyright protection) may be outweighed by the public interest.

Without legislative intervention, however (which could nevertheless acknowledge a requirement to balance the privacy interests of identifiable individuals if appropriate) many such works will not be used in New Zealand until their copyright protection expires. In some cases this delay will be of no real significance; in other cases there might conceivably be crucial information on matters such as public health enquiries, where any such delay would be of great significance.

C *Anonymous Works - Permitted Presumptions*

The Berne Convention provides:

⁹⁵ The phrase contained in the ‘three-step test’ which is embodied in the *Agreement on Trade Related Aspects of Intellectual Property Rights 1994* art 13, based on the *Berne Convention for the Protection of Literary and Artistic Works 1886* art 9(2).

⁹⁶ Jane Ginsburg ‘Recent Developments in US Copyright Law: Part I - ‘Orphan’ Works’ (Columbia Public Law & Legal Theory Working Papers, Columbia University, 2008) 4, <http://lsr.nellco.org/columbia_pllt/08152> at .

⁹⁷ *Copyright Act 1994* (NZ) s 22(1). Copyright in sound recordings and films expires at the end of 50 years from when the sound recording or film is made, or from when it is first made available to the public by an authorised act, whichever is later: *Copyright Act 1994* (NZ) s 23. Copyright in a communication work expires 50 years after it is first communicated to the public: *Copyright Act 1994* (NZ) s 24.

⁹⁸ Conversely, in Australia all unpublished literary, dramatic, or musical works are permanently protected by copyright: *Copyright Act 1968* (Cth) s 33(3)

⁹⁹ *New Zealand Bill of Rights Act 1990* (NZ) s 14.

¹⁰⁰ See *Television New Zealand v Rogers* [2008] 2 NZLR 277 (SCNZ).

...The countries of the Union shall not be required to protect anonymous or pseudonymous works in respect of which it is reasonable to presume that their author has been dead for fifty years.¹⁰¹

The NZ Act provides specifically for acts done with anonymous or pseudonymous literary, dramatic, musical, or artistic works, or in pursuance of arrangements made with such works at a time when it is not possible to ascertain the identity of the author ‘by reasonable enquiry’ and ‘it is reasonable to assume’ either that copyright has expired in relation to the work or that the author died 50 years or more before the beginning of the calendar year in which that act is done or the arrangements made.¹⁰² Although there is no indication of this within the provision itself (leading to the misinterpretation mentioned in the NZETC case study above) it is in fact modified by transitional provisions in the NZ Act¹⁰³ and will not become operative for anonymous literary, dramatic, musical, and artistic works (other than a photograph), that were unpublished before 31 December 1995, until after 1 January 2046.¹⁰⁴ The modifying proviso should be repealed as has been done in United Kingdom copyright law.¹⁰⁵ This would allow the presumption to take effect immediately.¹⁰⁶

D Known Author- Presumptions

The NZ Act contains no provision allowing presumption as to a known author’s death after a certain time. Conversely, in United States copyright law a potential user of a copyright work created on or after 1 January 1978 is entitled to the benefit of a presumption that an author has been dead for at least 70 years, after a period of 95 years has expired from the work’s first publication or 120 years from its creation.¹⁰⁷ Provided this presumption is relied on in good faith, it will constitute a complete defence to any action for infringement of copyright in relation to the work.¹⁰⁸

Such a provision has no parallel in the Berne Convention, although neither is there any provision which would prevent it. Although the provision requires a lengthy time frame and would therefore not be useful for copyright works on physically decaying media, such as films

¹⁰¹ *Berne Convention for the Protection of Literary and Artistic Works 1886* art 7(3).

¹⁰² *Copyright Act 1994* (NZ) s 67(1). Section 67 does not apply to Crown copyright works or works that were originally vested in an international organisation and in respect of which an order specified a longer term of copyright than 50 years: *Copyright Act 1994* (NZ) ss 28, 67(2).

¹⁰³ The provisions distinguish between anonymous works made before 1 January 1995, the commencement date of the NZ Act, and works made after that date: *Copyright Act 1994* (NZ) s 235, sch 1 cl 17(2)(d).

¹⁰⁴ *Copyright Act 1994* (NZ) s 235, sch 1 cl 26. There is some ambiguity as to whether the specific exclusion of anonymous photographs that were unpublished before 31 December 1995 from this provision means that the s 67 exception may be made use of at an earlier date in relation to photographs, or alternatively whether the end result of the exclusion is that unpublished anonymous photographs are excluded from s 67 altogether.

¹⁰⁵ *Copyright, Designs and Patents Act 1988* (UK) s 57.

¹⁰⁶ It is noteworthy that in the UK the equivalent provision to s 67 contained in the *Copyright Designs and Patents Act 1988* (UK) was amended in 2003 to remove all modifying transitional provisions, thereby simplifying and clarifying the situation. For analysis, see Anne Kogler ‘Orphan Works’ in *New Zealand- A Civilian View* (LLM Research Paper, Victoria University of Wellington, 2007) 12, 13.

¹⁰⁷ See 17 USC s 302(e).

¹⁰⁸ 17 USC s 302(e).

and computer software, it will eventually become useful for many orphan literary works, music, and artistic works in analogue formats.

The effect of the principle of national treatment under Berne means that orphan works which might never become available for use in New Zealand under its existing laws could eventually be used by a secondary user in the United States who was able to satisfy the good faith presumption. In effect, the United States user could reap the benefits of economic and cultural use of New Zealand orphans. For this reason it is recommended that appropriate amendments be made to include equivalent provisions in the NZ Act.

Recommendations

There are obvious policy differences which indicate the need for differentiation between the current orphan works problem and potential problems caused by future orphan works. The current problem involves, mainly, copyright works that were created at a time when the potential problems of future orphanhood were not in the public arena. For such orphan works, the approach may have to be one which imposes responsibilities on the proposed users, while at the same time minimising so far as possible the transactional costs of compliance.

- a) Amendment to the NZ Act by repealing the transitional provisions which modify the effect of s 67. This would immediately provide a defence for the publication of anonymous and pseudonymous orphan works.¹⁰⁹
- b) Affirmation of a defence to the publication of hitherto unpublished orphan works of public interest, akin to the equivalent defence in privacy law.
- c) Statutory definition of “a reasonable search for a rights holder” after which a use could be authorized by the Copyright Tribunal, subject to limited compensation (reducing proportionately to the time delay)¹¹⁰ to a rights holder who subsequently reappears. Provided the process for reasonable search is widely publicised, there is no reason why rights holders should not be deemed to be put on notice of the possibility of such a search in respect of their copyright works (at least those rights holders who are resident in New Zealand). The Center for the Study of the Public Domain at Duke Law School has suggested a similar process, including that potential users of apparently orphan works should be required to post their intended use on a free online searchable site for a reasonable period of time.¹¹¹

¹⁰⁹ The uncertainty around the precise meanings of ‘anonymous’ and ‘pseudonymous’ in the context of the provision should also be addressed.

¹¹⁰ This suggestion was inspired by Joseph Liu “Copyright and Time: A Proposal” (2002) 101 Michigan Law Review 419, who suggests time should be a factor in deciding whether or not a use of a copyright work is a “fair use” – the longer the work has been in copyright the greater should be the extent of the permitted fair use. This also addresses the issue of potential “submarine orphan works” described by the Center for the Study of the Public Domain at Duke Law School at Duke Law School in “Orphan Works Analysis and Proposal: Submission to the Copyright Office”, March 2005, 8

¹¹¹ Center for the Study of the Public Domain at Duke Law School at Duke Law School in “Orphan Works Analysis and Proposal: Submission to the Copyright Office”, March 2005, 5.

- d) Limitation on the kinds of uses that may be made with an orphan work (as proposed in the 2008 US Orphan Works Bill.)
- e) Creation of a freely available database of identified orphan works and details of searches carried out by other users (thereby reducing transactional costs for future users of an orphan work).

One possibility is the compulsory use of free publicly available licences, possibly based upon or variants of Creative Commons licences.¹¹² Lawrence Lessig has suggested a small tax on copyright holders who wished to assert ongoing holdership to their work, to be paid fifty years after publication of their work. Those who did not pay the tax would be presumed to be agreeable to their works being used.¹¹³

As an isolated requirement however neither the existence of such licences, nor the fifty-year tax, may be sufficient to prevent future orphanhood. As the frustrating experiences of those involved in searching for missing rights holders has shown, in the interests in the public good of ongoing availability of copyright works other areas of the legal system will also need to be addressed. For instance, those lawyers involved in the drafting of wills should advise clients to insert a clause specifically regarding the passing of any copyrights owned by the deceased (rather than, as at present, most likely not considering these assets separately, if at all, and implicitly relying on the fact that copyrights will pass with all other assets). Specific copyright clauses in wills should be readily available for searching by potential users of copyright works. Accountants acting for the company when it is wound up should be required to file evidence of the transition of the company's copyright assets.

Another problem concerns the growth of the internet society which has "democratised" the publishing process. There are countless creative works placed on the internet by both amateur and professional authors. Sometimes such works are attributed to an author; some works will also have a Creative Commons licence attached. All too frequently neither the name of an author nor any copyright licence will be attached. The difficulty for the potential secondary user of such a work is exacerbated by the very anonymity of the internet - one does not necessarily know in what country the author created or published their work and whether it qualifies for recognition as a copyright work in New Zealand, for example.¹¹⁴ Assuming however that a work is most likely to have been created or published in a convention country¹¹⁵ and thus will qualify for copyright protection in New Zealand, it may not be appropriate to apply a New Zealand orphan works regulatory regime (if such a regime were in place) to such a work. It is likely for example to be difficult and expensive to satisfy any specific requirements for reasonable search or advertisements for the author or authors, or their copyright transferees or heirs, if they are resident in an overseas state.

¹¹² Proposed in Paul M Schwartz and William Michael Treanor "Eldred and Lochner: Copyright Term Extension and Intellectual property as Constitutional Property" (2002-2003) 112 Yale L.J. 2331, 2409.

¹¹³ Paul M Schwartz and William Michael Treanor "Eldred and Lochner: Copyright Term Extension and Intellectual property as Constitutional Property" (2002-2003) 112 Yale L.J. 2331, 2410.

¹¹⁴ The *Copyright Act 1994* (NZ) ss 230-233 extends reciprocal copyright protection to works that have been created or published in a "prescribed foreign country", as defined in s 2.

¹¹⁵ I.e. a prescribed foreign country, as defined in the *Copyright Act 1994*, s 2.

VIII CONCLUSIONS

The complexity of the orphan works problem has stalled the regulation process in many countries. This paper has argued that for the net copyright importing countries, such as New Zealand, it is the effect of the problem on cultural heritage that is more immediately significant than the effect on the economy. There are possible legislative solutions for cultural heritage orphans that comply with international copyright law and which could be implemented as a partial solution. Whilst this paper has not attempted to provide a comprehensive solution to the problem it has provided a solution for domestic cultural heritage orphans. It has argued that time is of the essence if net copyright importers are to retain control in the public interest of their cultural heritage entities. The net copyright exporting countries have a strong economic incentive to provide regulation for orphan works and should they succeed in doing before New Zealand it is possible that their cultural institutions would gain prior access to New Zealand's cultural orphans.