

S.2913

Shawn Bentley Orphan Works Act of 2008 (Engrossed as Agreed to or Passed by Senate)

SECTION 1. SHORT TITLE.

This Act may be cited as the `Shawn Bentley 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) NOTICE OF CLAIM OF INFRINGEMENT- The term `notice of claim of infringement' means, with respect to a claim of copyright infringement, a written notice sent from the owner of the infringed copyright or a person acting on the owner's behalf to the infringer or a person acting on the infringer's behalf, that includes at a minimum--

`(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 that work;

`(C) an address and telephone number at which the owner of the infringed copyright or a person acting on behalf of the owner may be contacted; and

`(D) information reasonably sufficient to permit the infringer to locate the infringer's material in which the infringed work resides.

`(2) OWNER OF THE INFRINGED COPYRIGHT- The `owner of the infringed copyright' is the owner of any particular exclusive right under section 106 that is applicable to the infringement, or any person or entity with the authority to grant or license such right on an exclusive or nonexclusive basis.

`(3) REASONABLE COMPENSATION- The term `reasonable compensation' means, with respect to a claim of 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 506, and subject to subparagraph (B), in an 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, to locate and identify the owner of the infringed copyright; and

`(II) was unable to locate and identify an owner of the infringed copyright;

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

`(iii) included with the public distribution, display, or performance of the infringing work a symbol or other notice of the use of the infringing work, the form and manner of which shall be prescribed by the Register of Copyrights, which may be in the footnotes, endnotes, bottom margin, end credits, or in any other such manner as to give notice that the infringed work has been used under this section;

`(iv) asserts in the initial pleading to the civil action eligibility for such limitations; and

`(v) 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 eligibility for the limitations, including a detailed description and documentation of the search undertaken in accordance with paragraph (2)(A) and produces documentation of the search.

`(B) EXCEPTION- Subparagraph (A) does not apply if the infringer or a person acting on behalf of the infringer receives a notice of claim of infringement and, after receiving such notice and having an opportunity to conduct an expeditious good faith investigation of the claim, the infringer--

`(i) fails to engage in negotiation in good faith regarding reasonable compensation with the owner of the infringed copyright; or

`(ii) fails to render payment of reasonable compensation in a reasonably timely manner after reaching an agreement with the owner of the infringed copyright or under an order described in subsection (c)(1)(A).

`(2) REQUIREMENTS FOR SEARCHES-

`(A) REQUIREMENTS FOR QUALIFYING SEARCHES-

`(i) IN GENERAL- A search qualifies under paragraph (1)(A)(i)(I) if the infringer, a person acting on behalf of the infringer, or any person jointly and severally liable with the infringer for the infringement, undertakes a diligent effort that is reasonable under the circumstances to locate the owner of the infringed copyright prior to, and at a time reasonably proximate to, the infringement.

`(ii) DILIGENT EFFORT- For purposes of clause (i), a diligent effort--

`(I) requires, at a minimum--

`(aa) a search of the records of the Copyright Office that are available to the public through the Internet and relevant to identifying and locating copyright owners, provided there is sufficient identifying information on which to construct a search;

`(bb) a search of reasonably available sources of copyright authorship and ownership information and, where appropriate, licensor information;

`(cc) use of appropriate technology tools, printed publications, and where reasonable, internal or external expert assistance; and

`(dd) use of appropriate databases, including databases that are available to the public through the Internet; and

`(II) shall include any actions that are reasonable and appropriate under the facts relevant to the search, including actions based on facts known at the start of the search and facts uncovered during the search, and including a review, as appropriate, of Copyright Office records not available to the public through the Internet that are reasonably likely to be useful in identifying and locating the copyright owner.

`(iii) CONSIDERATION OF RECOMMENDED PRACTICES- A qualifying search under this subsection shall ordinarily be based on the applicable statement of Recommended Practices made available by the Copyright Office and additional appropriate best practices of authors, copyright owners, and users to the extent such best practices incorporate the expertise of persons with specialized knowledge with respect to the type of work for which the search is being conducted.

`(iv) LACK OF IDENTIFYING INFORMATION- The fact that, in any given situation,--

`(I) a particular copy or phonorecord lacks identifying information pertaining to the owner of the infringed copyright; or

`(II) an owner of the infringed copyright fails to respond to any inquiry or other communication about the work,

shall not be deemed sufficient to meet the conditions under paragraph (1)(A)(i)(I).

`(v) USE OF RESOURCES FOR CHARGE- A qualifying search under paragraph (1)(A)(i)(I) may require use of resources for which a charge or subscription is imposed to the extent reasonable under the circumstances.

`(B) INFORMATION TO GUIDE SEARCHES; RECOMMENDED PRACTICES-

`(i) STATEMENTS OF RECOMMENDED PRACTICES- The Register of Copyrights shall maintain and make available to the public and, from time to time, update at least one statement of Recommended Practices for each category, or, in the Register's discretion, subcategory of work under section 102(a) of this title, for

conducting and documenting a search under this subsection. Such statement will ordinarily include reference to materials, resources, databases, and technology tools that are relevant to a search. The Register may maintain and make available more than one statement of Recommended Practices for each category or subcategory, as appropriate.

`(ii) CONSIDERATION OF RELEVANT MATERIALS- In maintaining and making available and, from time to time, updating the Recommended Practices in clause (i), the Register of Copyrights shall, at the Register's discretion, consider materials, resources, databases, technology tools, and practices that are reasonable and relevant to the qualifying search. The Register shall consider any comments submitted to the Copyright Office by the Small Business Administration Office of Advocacy. The Register shall also, to the extent practicable, take the impact on copyright owners that are small businesses into consideration when modifying and updating best practices.

`(3) PENALTY FOR FAILURE TO COMPLY- If an infringer fails to comply with any requirement under this subsection, the infringer is not eligible for a limitation on remedies under this section.

`(c) Limitations on Remedies- The limitations on remedies in an 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 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, museum, library, archives, or a public broadcasting entity (as defined in subsection (f) of section 118), or any of such entities' employees acting within the scope of their employment, 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 a notice of claim of infringement, and having an opportunity to conduct an expeditious good faith investigation of the claim, the infringer promptly ceased the infringement.

`(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. If the infringer has met the requirements of subsection (b), the relief shall, to the extent practicable and subject to applicable law, account for any harm that the relief would cause the infringer due to its reliance on subsection (b).

`(B) EXCEPTION- In a case in which the infringer has prepared or commenced preparation of a new work of authorship that recasts, transforms, adapts, or integrates the infringed work with a significant amount of original expression, any injunctive relief ordered by the court may not restrain the infringer's continued preparation or use of that new work, if--

`(i) the infringer pays reasonable compensation in a reasonably timely manner after the amount of such compensation has been agreed upon with the owner of the infringed copyright or determined by the court; and

`(ii) the court also requires that the infringer provide attribution, in a manner that is reasonable under the circumstances, to the legal 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 or a representative of the infringer acting in an official capacity if the infringer asserts that neither the infringer nor 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 for the infringement, unless the court finds that the infringer--

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

`(ii) pays reasonable compensation to the owner of the exclusive right under the infringed copyright in a reasonably timely manner after the amount of reasonable compensation has been agreed upon with the owner or determined by the court.

`(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.

`(d) Preservation of Other Rights, Limitations, and Defenses- This section does not affect any right, or any 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 use contemplated by the infringer, that provision applies instead of this section.

`(e) Copyright for Derivative Works and Compilations- Notwithstanding section 103(a), an infringer who qualifies for the limitation on remedies afforded by this section 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.

`(f) Exclusion for Fixations in or on Useful Articles- The limitations on remedies under this section shall not be available to an infringer for infringements resulting from fixation of a pictorial, graphic, or sculptural work in or on a useful article that is offered for sale or other commercial distribution to the public.'

(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.’.

(c) Effective Date-

(1) IN GENERAL- The amendments made by this section shall--

(A) take effect on the later of--

(i) January 1, 2009; or

(ii) the date which is the earlier of--

(I) 30 days after the date on which the Copyright Office publishes notice in the Federal Register that it has certified under section 3 that there exist and are available at least 2 separate and independent searchable, electronic databases, that allow for searches of copyrighted works that are pictorial, graphic, and sculptural works, and are available to the public; or

(II) January 1, 2013; and

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

(2) DEFINITION- In this subsection, the term ‘pictorial, graphic, and sculptural works’ has the meaning given that term in section 101 of title 17, United States Code.

SEC. 3. DATABASES OF PICTORIAL, GRAPHIC, AND SCULPTURAL WORKS.

The Register of Copyrights shall undertake a process to certify that there exist and are available databases that facilitate a user's search for pictorial, graphic, and sculptural works that are subject to copyright protection under title 17, United States Code. The Register shall only certify that databases are available under this section if such databases are determined to be effective and not prohibitively expensive and include the capability to be searched using 1 or more mechanisms that allow for the search and identification of a work by both text and image and have sufficient information regarding the works to enable a potential user of a work to identify or locate the copyright owner or authorized agent. Prior to certifying that databases are available under this section, the Register shall determine, to the extent practicable, their impact on copyright owners that are small businesses and consult with the Small Business Administration Office of Advocacy regarding those impacts. The Register shall consider the Office of Advocacy's comments and respond to any concerns.

SEC. 4. 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. 5. 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 that title.

(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. 6. 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 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 Comptroller General considers appropriate.

Passed the Senate September 26 (legislative day, September 17), 2008.

Attest:

Secretary.

110th CONGRESS

2d Session

S. 2913

AN ACT

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