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Department of Infrastructure, Transport, Regional Development and Communications

Via: [copyright.consultation@communications.gov.au](mailto:copyright.consultation@communications.gov.au)

## **Submission to the Department of Infrastructure, Transport, Regional Development and Communications regarding Copyright Amendment (Access Reform) Bill 2021 (the Bill)**

### **About us**

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### **About the authors**

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## Introduction

1. We welcome the Australian Government's Consultation on the *Copyright Amendment (Access Reform) Bill 2021* (the Bill) and note the 'aims [are] to simplify and update provisions of the Copyright Act 1968 to better support the needs of Australians accessing content in the digital environment'.
2. Our submission deals with a selection of issues covered by the proposed legislation in relation to orphan works, namely, Schedule 1 – Limitation on remedies for use of orphan works.
3. Permission is granted to make this submission public.

## Schedule 1 – Limitation on remedies for use of orphan works

4. We welcome the introduction of a limited liability scheme for orphan works in Australia. It is long overdue.
5. We note that the scheme is broad and is intended to apply both to works under Part III of the Copyright Act 1968 (Cth) (the "Act") and to subject matter other than works under Part IV of the Act. Thus, the orphan works scheme:
  - a. applies to all types of works (including those which authors might be especially difficult to track, such as photographs and cinematographic works) and
  - b. to all types of users including commercial users, and
  - c. where is no remuneration envisaged for uses before the orphan work status is terminated (ie the right holder became known and contactable).
6. In comparison, the EU orphan works exception, as implemented in the EU Orphan Works Directive,<sup>1</sup> applies only to limited range of works and only to certain non-commercial users. Also, according to the Directive, the compensation is required for the use before the orphan work status was terminated.<sup>2</sup>
7. While we agree that this broad scheme is advantageous for users of orphan works, we wonder whether rights of initial and subsequent right holders are sufficiently respected.
8. We also question whether certain limitations and gaps in the proposed scheme satisfactorily meet the legitimate interests of copyright users, and properly provides for the exclusion of a right to remedy under Part V for the enforcement of copyright in orphan works.
9. We invite the Australian Government to consider the following issues.

## Certain conditions to establish limitation of remedies are unreasonably strict

10. Firstly, for consistency, the reference to the outcome of the "search" in s116AJA(1)(d) should be to a "reasonably diligent" search. We consider that whether a search has been a "reasonably diligent" search is a matter for evidence and can be left to the discretion of the trial judge to consider, as envisaged by the draft s116AJA(2) and (3).

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<sup>1</sup> Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works; Article 1, Article 4 and Article 6.1 and 6.2

<sup>2</sup> Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works; Article 6.5

11. We find that certain conditions that need to be met in order for a limitation of remedies or a limited liability regime to apply are unreasonably strict. In particular, according to 116AJA(1)(d), it is required that
- “(...) the outcome of the [reasonably diligent] search is that:
- (i) the identity of the owner, or the identities of each of the owners, of the copyright is unknown; or
  - (ii) the identity of the owner is known but the owner cannot be contacted, or the identity of at least one of the owners is known *but none of the owners whose identity is known can be contacted*; and (...)” (Italics by authors)
12. In these circumstances we consider the words in s116AJA(1)(d)(ii) ‘but **none** of the owners whose identity is known can be contacted’ is an unjustified restriction. It suggests that if the identity of some of the owners is known, and one but not all owners can be contacted, then this provision will not be satisfied (see “none of the owners whose identity is known can be contacted”) and the limited of remedies scheme will not apply at all.
13. For instance, if a recording was created by 2 authors (who are also the owners of rights) and the user managed to successfully contact one owner (and get a license from them) but not another one, this would not satisfy the condition cited above and the work cannot benefit from the limited liability regime applied to orphan works. This might create unreasonable obstacles in recognizing orphan works status to works that have multiple right holders (eg musical recordings, cinematographic works, especially when rights were not transferred to a producer) and decrease the efficiency of the scheme.

### **Limitation of remedies for copyright infringement of orphan works should also apply to subject matter other than works**

14. Part V of the Act deals with the rights and remedies of copyright owners for copyright infringement, whether these are part II works or Part IV subject matter other than works. Infringement of moral rights and performers rights are dealt with separately under Part IX of the Act.
15. We note the reference to the maker of a cinematograph film being an “author” for the purposes of the obligation to give attribution: see the draft s116AJA(6).
16. However this may have the consequence of excluding orphan works which are Part IV subject matter other than works from the orphan works scheme. This is because the required attribution in s116AJA(1)(e) refers to “works as defined by Part IX” of the Act. This may not be the best place to debate whether the apparently intractable separation in the Act between “works” and “subject matter other than works” has a principled basis. We consider that the reference to “works as defined in Part IX” alone may operate to exclude a limitation of remedies for subject matter other than works altogether or to confine that limitation to Part III works and cinematograph films only.

### **Limitation of remedies for copyright infringement of orphan works should not be dependent on attribution of authorship under Part IX of the Act**

17. Our understanding of the orphan works scheme within Part V of the Act is that it is intended to allow wider use of copyright material in orphan works, whether these are Part III works or Part

IV subject matter other than works. This is done by limiting the relief claimable by a copyright owner in an action for infringement under Part V of the Act for use of copyright material where:

- a. A reasonably diligent search to identify the copyright owner or owners of the material has been carried out, before use of the copyright material; and
- b. The copyright owner(s) either cannot be identified at all or if they can be identified, cannot be contacted to obtain permission to use the orphan work; and
- c. That it is only under those circumstances that a court must not grant relief for the acts of the copyright user, amounting to copyright infringement under Part III or Part IV for the purposes of Part V Division 2 of the Act.

18. In other words, the intention of the orphan works scheme should be to permit use of orphan works, without fear of liability for remedies for copyright infringement, where after a reasonably diligent search, the copyright owner(s) either cannot be identified at all or if identifiable, cannot be located and contacted for permission and/or payment of royalties,
19. We observe that the copyright user needs to make a reasonably diligent search to identify the copyright owners for the purpose of obtaining permission to use the orphan work. The moral rights of the author(s) of the work under Part IX are a separate issue. Part IX already requires the copyright user to make proper attribution of authorship and performership, as well avoiding false attributions of authorship or performership; Part IX Division 2, Division 2A, Division 3 and Division 3A, with detailed treatment of the infringement of those moral rights in Part IX Division 6 and the remedies for infringement of moral rights in Part IX Division 7.
20. We question why the availability of the limitation on relief for infringement of an orphan work should be dependent on the copyright user's attribution of authorship under Part IX where this is reasonably practicable. There is no obvious principled reason why a limitation of remedies for copyright infringement should be dependent on whether a proper attribution of authorship of a work has been made under the moral rights scheme under Part IX Division 2 of the Act.
21. There is no obvious reason why the orphan works scheme should be limited to Part III works and cinematograph films – yet this is the effect of the requirement of attribution of “the author” in accordance with Part IX Division 2 in s116AJA(1)(e).
22. We also observe that just as there should be an exception from relief for infringement of copyright in orphan works under part V of the Act, amendments are also required to s195AR and s195AZA in Part IX of the Act. These provisions should introduce exceptions from relief for infringement of moral rights in orphan works where, after a reasonably diligent search one or more authors of an orphan work cannot reasonably be identified. We make the same point where one or more performers of an orphan work cannot be identified and suggest that amendments to s195AZGC of the Act are needed.
23. Further, under the current proposal, attribution of authors' rights is only required when it is 'reasonably practicable' (s 116AJA(e)(ii)). We question what 'reasonably practicable' means in this context. Does it have the same meaning as 'reasonable' under s 195AR and 195AXD or a different meaning? In order to avoid any confusion and to make the application of this provision easier, we suggest that the existing concept of 'reasonable', as defined in s 195AR and 195AXD, should be used in the context of the proposed scheme. Alternatively the provisions of s116AJA(2) should be imported into the moral rights provisions s 195AR and 195AXD.

## Authors are not necessarily copyright owners

24. The emphasis of attribution of “authorship” introduces another problem for users of orphan works. The first or subsequent copyright owners of an orphan work may not necessarily be the authors of a Part III work. This may be because the author(s) have assigned ownership of the copyright or the authors were never copyright owners at all e.g. because the authors were employees who created the work in the course of their employment.
25. The same point about the need to make a reasonably diligent search to identify the copyright owner(s) rather than the author(s) or maker(s) can be made about the makers of Part IV subject matter other than works and subsequent copyright assignments. Similarly, the makers may not be copyright owners where the Part IV work was commissioned or made for valuable consideration under the terms of an agreement.
26. If a requirement for attribution of authorship is included on the basis that the unidentifiable or uncontactable copyright owners of orphan works should be alerted to the use of the orphan work before it occurs, then we make some alternative suggestions below for how this might be implemented.
27. We therefore suggest that the requirement of attribution of authorship should be removed from s116AJA(1)(e). The focus of s116AJA should be a reasonably diligent search to identify and contact the copyright owners and a limitation of remedies under Part V if those copyright owners cannot be identified or contacted, within a reasonable time before the orphan work is used.

## Attribution of performership

28. S 161AJA(e) under the draft legislation requires attribution of *authorship* if possible. We wonder why attribution rights of *performers* are not equally respected. According to s 195ABA(1), “A performer in a live performance or recorded performance has a right of attribution of performership in respect of the performance.” We submit that attribution rights of performers should be respected in the same way as authors’ attribution right in the context of orphan works.

## Public announcement of orphan works

29. We question why the scheme does not require users to in any way announce about the orphan works that they identify and plan to use or already use. We suggest that the user should publicly announce at least the list of works identified as orphans (eg on their website, or possibly, on the website of the respective collective society). This would allow unidentified right holders interested in exercising their rights to find out more easily that their works have been used as orphans and negotiate conditions of further use.
30. In comparison, the EU Orphan Works Directive requires much more stringent recording and communication requirements that are meant to protect right holders. According to art 3(6) of the Directive:

“Member States shall take the necessary measures to ensure that the information referred to in paragraph 5 is recorded in a single publicly accessible online database established and managed by the Office for Harmonization in the Internal Market (‘the Office’) in accordance with Regulation (EU) No 386/2012. To that end, they shall forward

that information to the Office without delay upon receiving it from the organisations referred to in Article 1(1).”

31. While we do not necessarily advocate for a national database of orphan works (this option would need to be explored further) we suggest that at least certain announcement of works that are being used under orphan works scheme should be required in order to ensure the minimum protection of right holders’ interests.

### **Recognition of prior diligent search by other copyright users**

32. One of the issues that has not been addressed in the draft proposal is the recognition of a prior diligent search carried out by a copyright user and whether this could be relied on by another copyright user of an orphan work; see draft 116AJA(2). If one user (e.g. library No 1) carries out a diligent search, cannot identify the right holder or cannot contact them, and thus identifies the work as an ‘orphan work’, could other user (e.g. library No 2) rely on this prior diligent search and use the work without an additional search? Or should library No 2 carry out their independent diligent search for the right holders of the same work in order to qualify under the limited liability regime?
33. As one possible solution to this problem, a database recording prior diligent search could be created. In this case, other users could rely on prior diligent search data and use the orphan work listed in the database instead of investing their own resources in diligent search. Without having such a database or any other solution, different non-commercial and commercial users might need to conduct repeated diligent search with relation to the same subject matter. This decreases the efficiency of the proposed limited liability scheme.

### **Remuneration for orphan work use**

34. The current proposal suggests that if the right holder appears after the orphan work was used, the right holder has a right to request remuneration only for subsequent use but not for the use that occurred prior him/her claiming his rights. This appears to us as an unreasonable limitation to the rights of right holders, especially keeping in mind the breadth of the limitation of remedy scheme for orphan works, ie. the fact that it applies to all types of works and to all users, including commercial users.
35. Let us assume that a commercial entity found online a photo whose author, despite a ‘diligent search’, they could not identify. The photo was a main element of their very successful, even if short-term, commercial campaign. When the author appeared, the company agreed to stop using the photo (perhaps because they did not have a commercial interest in it anymore) but the right holder was not entitled to receive any compensation for the prior use that generated significant commercial benefit for the user. This appears a strongly unreasonable limitation of author’s rights.
36. In contrast, the EU Orphan Works Directive requires users to compensate authors for the use not only after the orphan work status has been terminated but also for prior use. We suggest that a similar requirement should be established under Australian law. If there is a dispute between the user and right holder as to the amount of compensation due for the prior use, Copyright Tribunal could be the competent authority to determine the appropriate compensation. Such requirement should be established at least with relation to commercial uses of orphan works.

## Limitation of remedies for former orphan works

37. We note that s116AJB(1)(e) and (f) only apply where s116AJA applies to the use of the orphan work: s116AJB(1)(b). We repeat the same observations about the drafting of s116AJA, made above.
38. The requirements of s116AJB(1)(a) to (d) are cumulative requirements and pre-conditions to s116AJB(1)(e) and (f) due to the use of “then” after s116AJB(1)(d). Certainly, previous compliance with s116AJA appears to a pre-condition either to agreeing terms of use or a reference to the Copyright Tribunal. Continuing compliance with those terms of use, as agreed or determined, is the price of the limitation of remedy under s116AJB(1)(f).
39. The combined effect of s116AJB(1)(b) and s116AJB(e)(ii) may require the Copyright Tribunal to determine the copyright user’s compliance with s116AJA in the course of determining the terms of the licence between the copyright user and the copyright owner of the former orphan work.
40. There is also the question why compliance with s116AJA should be a precondition to the parties negotiating a licence of the use of the former orphan work. The grant of permission can be one means to settling copyright infringement proceedings.

## Consultation

Please contact the authors as first instance if you would like to discuss any aspect of this submission either in person or as a round table discussion.

Yours sincerely,

**Marina Yastreboff**

President

On behalf of

**Australian Society for Computers & Law**

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## With thanks to our authors:

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