



ART LIBRARIES SOCIETY OF NORTH AMERICA

**35<sup>th</sup> Annual Conference**  
**Sheraton Colony Square, Atlanta, Georgia, April 26-May 1**

**Session 9: Ten Years After: A Decade of Copyright Developments**  
**Saturday, April 28, 2007, 9:00-10:30 A.M.**

**Moderator:** Roger Lawson, National Gallery of Art

**Speakers:**

Madelyn F. Wessel, Special Advisor to the University Librarian/Liaison to the General Counsel, University of Virginia, Charlottesville, Virginia  
Alex S. Fonoroff, Associate, Kilpatrick Stockton LLP, Atlanta, Georgia

**Recorder:** Timothy Shipe, University of Iowa, with the assistance of the speakers

This program was offered as a follow-up to the "point-counterpoint" session on the Digital Millennium Copyright and Copyright Term Extension ("Sonny Bono") Acts presented in 2003 at the Baltimore conference. The speakers were presented with a series of questions or talking points. Their responses are summarized below.

**Question 1.** Three legislative/regulatory initiatives are in sight that would change the copyright landscape; specifically, legislation aimed at addressing the problem of "Orphan Works;" HR 1202 - The FAIR USE ("Freedom And Innovation Revitalizing U.S. Entrepreneurship) Act of 2007 which would reconcile aspects of the DMCA and Fair Use; and the Copyright Office's Section 108 Initiative. Please comment on each of these initiatives with an eye towards the potential impact on the visual arts community.

**Question 2.** What are the copyright implications of digital rights management (DRM) technologies now in place? What trends do you see forthcoming in this area and for digital preservation copies?

**Question 3.** What are the likely implications for visual arts research collections of *Bridgeman v. Corel*, *Kelly v. Arriba Soft*, *Perfect 10 v. Google* and other recent cases which address the use of thumbnail images or photographic reproductions?

**Question 4.** In your opinion, have the last ten years of intellectual property legislation made it easier or more difficult for visual artists to create new works based on older works?

**Madelyn Wessel**

**Question 1:** In November, new section 1201 exemptions were announced by the Library of Congress to address some of the preservation and Fair Use tensions created under the DMCA. These new provisions are time-limited and of modest scope, being limited to classroom use by film and media studies professors. The Boucher Bill, HR 1201, would cover all classrooms, and better addresses the right of libraries to engage in digital preservation. This bill has bipartisan support, and appears to have a good chance of passing this year.

It also appears likely that the Senate Judiciary Committee will take up the Orphan Works issue this year. The Orphan Works issue seems to be an opportunity for a “win-win” solution, since considerable common ground among intellectual property owners and users was identified in roundtable discussions and negotiations in the last two years. Related developments in Europe, with the European Union currently developing a model license for orphan works, may also help to spur US congressional.

The Section 108 Study Group does not appear to be moving in a very useful direction, and the results could be bad for libraries. (See the ARL/ALA position paper at <http://new.arl.org/bm~doc/the-ala-and-arl-position-on-access-and-digital-preservation.pdf>.) It is reasonable to be concerned that the “fix” for the ambiguous interplay between Section 108 and the DMCA could be worse than leaving things as they stand.

**Question 2:** US law provides for the right to make Fair Use of copyrighted works. As we’ve moved into a digital universe, however, some uses of works that the law would recognize as fair are being effectively proscribed by Digital Rights Management technology. The DMCA prohibits users from circumventing DRM features of a product and, armed with this explicit prohibition, some IP property owners are using DRM to circumvent Fair Use, preventing users from utilizing materials in ways that are perfectly legal. In essence, the effect of DRM and the DMCA has been to make it illegal in some instances to make legal use of copyrighted material. This situation has been compounded by the increasingly belligerent approach of copyright owners and the disorganization and scant financial resources of the scholarly community.

Some scholars have suggested that DRM technology could be fine-tuned in order to permit copying within the scope of Fair Use. Wessel is skeptical about this possibility because Fair Use assessments are entirely case-specific, requiring balancing of the “four factors” (purpose and character of use, nature of the copyrighted work, amount and substantiality of the portion taken, and effect upon the potential market). It is very difficult to conceive of development of “judge on a chip” mechanical algorithms that could take the place of the human judgment and nuanced balancing at the heart of any Fair Use case. Karen Coyle’s excellent recent report to the Library of Congress on Rights Expression Languages articulates this view<sup>1</sup>. A sophisticated piece of legal scholarship expressing a more optimistic position on DRM is Timothy Armstrong’s recent article in the Harvard Journal of Law

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<sup>1</sup> <http://111.loc.gov/standards/Coylereport>

and Technology.<sup>2</sup> Two recent cases also suggest that some courts are more easily reconciling the anti-circumvention provision with existing legal principles and in so doing, rejecting *a priori* applications of the DMCA.<sup>3</sup> These decisions offer some hope that the courts are becoming more willing to balance anti-circumvention provisions with “consumer” rights such as Fair Use.

**Question 3:** *Bridgeman* and *Kelly* are both landmark cases decided at the new bubbling caldron where copyright and digital law intersect. *Bridgeman v. Core!*<sup>4</sup> clearly established the principle that exact photographic reproductions of two-dimensional works of art involve no original expression, and therefore are not copyrightable. Although this decision has been picked at by legal scholars, no credible attack on the court’s basic analysis has been levied and most lawyers consider *Bridgeman* to be good law. Unfortunately, however, many museums and art libraries have ignored this decision and continue to assert copyright in non-copyrightable images of public domain art. Copyright notices—even false copyright notices—have a profound deterrent effect. Museums make these unfounded claims because dealing in reproductions of public-domain art works is a major source of income; but the scholarly and cultural costs of “copyfraud” should not be underestimated.<sup>5</sup>

*Kelly v. Arriba Soft*<sup>6</sup> is a very important decision establishing that even a commercial entities can claim Fair Use in posting thumbnail images of copyright-protected images harvested from another website. The viability of this decision issued by the progressive Ninth Circuit (which is often reversed on appeal by the U.S. Supreme Court), is uncertain. It is certain, however, that this holding will continue to be examined closely given *Kelly*’s importance to the legal position of web giants such as Google.<sup>7</sup>

**Question 4:** The Copyright Extension Act of 1998, extending copyright term another twenty years and providing an opportunity to race to publish previously unpublished works and gain almost fifty additional years of copyright protection, has been an unmitigated disaster from a public interest perspective. Designed to provide large corporations with additional profit on works like the Mickey Mouse cartoons that were about to pass into public domain, the Sonny Bono Act has meant that a large body of cultural content has been locked up for an additional twenty years or more even though content owners in most instances have not made efforts to keep those works accessible. The DMCA and TEACH Acts both represent more balanced weighing of public and corporate interests, although both these statutory enactments have problematic provisions.

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<sup>2</sup> “Digital Rights Management and the Process of Fair Use, 20. Harv. J. L. & Tech. 49 (2006)

<sup>3</sup> See *Chamberlain Group, Inc. v. Skylink Technologies, Inc.* 381 F.3d 1178 (Fed. Cir. 2004) and *Storage Tech Corp. v. Custom Hardware Engineering & Consulting, Inc.* 421 F. 3d 1307 (Fed. Cir. 2005).

<sup>4</sup> 36 F. Supp. 2d 191 (S.D.N.Y. 1999)

<sup>5</sup> Colin T. Cameron “In Defiance of *Bridgeman*: Claiming Copyright in Photographic Reproductions of Public Domain Works,” 15 Tex. Intell. Prop. L.J. 31 (2006)

<sup>6</sup> 336 F. 3d 811 (9<sup>th</sup> Cir. 2003)

<sup>7</sup> See *Perfect Ten v. Google, Inc.*, 416 F. Supp. 2d 828 (U.S.D.Ct. C.D. CA 2006) in which a lower federal court largely rejected Google’s Fair Use claims based on the *Kelly* reasoning.

Almost as detrimental and more hidden than the well-fought legislative battles over copyright has been the trend over the past ten years to effectively abrogate Fair Use rights through restrictive licenses and contracts. It is very important for libraries, academic and cultural institutions that license scholarly and teaching materials to look carefully at proffered legal agreements to ensure that rights preserved under copyright law are not being lost through contract.

### **Alex Fonoroff**

Fonoroff was in agreement with Wessel on most of the issues. Most intellectual property law is decided on a case-by-case basis. One of the original goals of copyright law was to foster the creation of new works (by creating financial incentive) and to allow for the use of those works.

When the old copyright law was in effect, less than fifteen percent of all works had their copyrights renewed. This implies that a large portion of owners did not want to exploit their property or did not even know that they owned rights in those works. Under the 1976 copyright law, since protection persists without renewal, the Orphan Works problem has become more apparent. People often want to make legal use of copyrighted works, but are inhibited from doing so by the cost and difficulty of locating the owners and by the fear that, even if a work is licensed, a rival claimant to copyright will emerge and bring suit. These costs have especially been a problem for large-scale projects.

Fonoroff agreed that some sort of Orphan Works legislation is likely to pass. Overall this legislation will be beneficial, but it may not be used as much as proponents hope because significant uncertainties will remain. For example, the nature of a "reasonable and diligent search" will have to be determined on a case-by-case basis. Also, while some kinds of unlicensed use (e.g. charitable or educational) are exempted from compensation, this applies only if the user receives no direct or indirect commercial advantage, another ambiguous concept. In short, because there is so much uncertainty, Orphan Works legislation may ultimately not be very useful. The difficulties are even greater with visual works because they contain no text to search and are often found without identifying information. As a result, photographers worry that all of their works are in danger of being designated as "orphaned."

The groups studying Section 108 and the new FAIR USE Act proposal are looking for a balance of expanded and retracted rights. Most intellectual property owners seem to be willing to add museums to the groups eligible for Section 108 exemptions, but they want something in return. The new Section 108 will likely include provisions detailing permitted library uses for digital works. Provisions for website preservation are likely to be added, since there is a mutual interest in saving current cultural information. However, it is questionable whether entirely electronic libraries will be included.

The proposed FAIR USE Act would eliminate statutory damages for secondary liability (e.g. violations by a library's users), but would not eliminate actual damages or recovery of attorneys' fees. The act would codify the Sony case (on secondary infringement) in relation to hardware.

We are unlikely to see any broad exemption from anti-circumvention provisions for purposes of Fair Use, although there may be some partial exemptions. It has been said that "Digital Rights Management" is a misnomer because the technology manages content rather than rights and interferes with Fair Use rights. As Wessel mentioned, there has been speculation about the possibility of DMR that could be programmed to conduct a nuanced balancing of facts and circumstances to permit Fair Uses. Even if such a possibility were realized, as soon as Fair Use is "hardwired" into a product, it will become outdated as new court decisions are issued. Fonoroff does not agree with Wessel's somewhat optimistic assessment of recent court decisions on DRM. The courts have been clear that trafficking in circumvention technology is distinct from the actual act of circumvention. Furthermore, the courts expanded rights fairly narrowly in the two cases Wessel cited.

Commenting on the various cases, Fonoroff pointed out that *Bridgeman* is the one that is not about Fair Use. It essentially restates that "sweat of the brow" does not amount to the originality required to warrant protection under copyright. Of course, the case does not apply to photographs of three-dimensional works or of works that are in copyright.

In *Kelly v. Arriba Soft* the Ninth Circuit found that creating an image "as art" is a different purpose from using a thumbnail version of that image "in order to find." Another interesting case involving thumbnail images is the Second Circuit's decision in *Bill Graham Archives v. Dorling Kindersley Ltd.*, which gave significant emphasis to the first Fair Use factor—the "purpose and character of use." If a use is "transformative," it is more likely to be considered Fair Use. Such transformative use could include parody or criticism. If the purpose of the new work is different from the original, the use is likely to be transformative. In the *Bill Graham* case, the court found that the Grateful Dead posters owned by the Bill Graham Archive were created for the purpose of promoting the band and as art works, whereas Kindersley's incorporation of thumbnails of these images into a timeline in a book about the Grateful Dead used the images as artifacts to document historical events, and was therefore transformative.