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-OLIVER TWISTS-

SHOULD SOUTH AFRICA CONTINUE TO IGNORE THE EXISTENCE OF ORPHAN WORKS?*

* Based on the law as on 2016-12-14.



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-CHAPTER 1: THE WINDS OF CHANGE-

"Sometimes the best way to learn something is by doing it wrong and looking at what you did."

– Neil Gaiman¹

1.1. BACKGROUND

A long-standing criticism of South African copyright law is that it is outdated and in dire need of reform.² This is especially true now that the Internet has changed (and is still changing) the way in which we communicate. In 2010, Google CEO Eric Schmidt stated that as much information is created every two days as was created from the dawn of time through to 2003.³ This should hardly come as a surprise as Facebook users post 293 000 statuses and upload 136 000 photos every minute.⁴

What comes as a surprise is that the last time the Copyright Act⁵ was amended was in 2008,⁶ a full year before the original version of the popular messaging service WhatsApp was released.⁷ Despite numerous other technological developments, the public had to wait until 2015 before the Minister of Trade and Industry published the first draft of the Copyright Amendment Bill.⁸ In retrospect, the wait was probably less shocking than the Bill's contents. Not only was the Bill appallingly drafted,⁹ but it proposed the implementation of solutions that experience has shown to be flawed.¹⁰ This inability to learn from past mistakes is arguably more damning than the reluctance to respond to the need for reform, as this reluctance at least allows the legislature the opportunity to evaluate the reformative measures of other countries. Choosing not to do so is foolish.

This foolishness is unfortunately evident from the drafting of the Bill's provision on the regulation of works for which the owner of the copyright cannot be traced. These works are

¹ <https://www.timeout.com/newyork/books/the-hot-seat-neil-gaiman> as visited on 2016-12-14.

² See Judge Farlam's comments available at <http://ip-unit.org/2015/south-african-government-conference-reveals-views-on-draft-copyright-bill/> as visited on 2016-12-14.

³ <http://techcrunch.com/2010/08/04schmidt-data/> as visited on 2016-12-14.

⁴ <https://zephoria.com/top-15-valuable-facebook-statistics/> as visited on 2016-12-14.

⁵ The Copyright Act 98 of 1978

⁶ The amendments made to the Copyright Act in the Intellectual Property Laws Amendment Act 28 of 2013 have not yet come into effect.

⁷ <https://successstory.com/products/whatsapp> as visited on 2016-12-14.

⁸ Copyright Amendment Bill, 2015 as published in Government Notice 646 of 2015 in Government Gazette 39028, 27 July 2015.

⁹ See Dean OR's comments at <http://www.bizcommunity.com/Article/196/547/132853.html> as visited on 2016-12-14.

¹⁰ See Chapter 8 *infra*.

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called orphan works¹¹ and cannot be used legally at present, as the owner of the copyright in the work cannot be traced and therefore give permission to use the work. These works cannot be properly archived via digitisation, nor can new works incorporating the work be created as this requires the permission of the untraceable owner of the copyright in the orphan work.¹² Seeing as 99.9% of the photos processed each year by the Photo Marketing Association eventually become orphan works it¹³ is evident that we are potentially facing a severe loss of cultural heritage, which some are calling the "*Digital Dark Age*".¹⁴ The term "*Digital Dark Age*" is admittedly sensational as the full extent of the problem is not known.¹⁵

It is for this reason that the issue is researched. The purpose of this research is to define what orphan works are, to indicate why orphan works exist, to ascertain the consequences thereof and to propose a solution to the problems posed by the orphan works dilemma.

In this research, the basic principles of South Africa copyright will be discussed.¹⁶ This is done for a two-fold purpose as it firstly illustrates why orphan works exist and secondly it simplifies legal comparative studies as the fundamental differences can be compared. The orphan works dilemma will then be explained to further illustrate the need for reformative measures.¹⁷ Only once the problem has been identified can the concept of orphan works be defined as multiple definitions currently exist.¹⁸ This is one of the reasons why orphan works legislation differs from one jurisdictions to another. Properly defining what constitutes an orphan work is probably the most crucial aspect of orphan works legislation as a work can be either be a *de facto* orphan work or a *de iure* orphan work and the regulation thereof will differ depending on which applies.

¹¹ See "Unlocatable Copyright Holders" in the glossary of terms as published in General Notice 1218 of 2009 in Government Gazette 32553, 4 September 2009, 26, Gasaway LN, *Copyright Basics: From Earliest Times to the Digital Age* (2009-2010) 10(3), Wake Forest Intellectual Property Law Journal, 241, 262; United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14 and Article 2 of Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works available at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012L0028&from=en> as visited on 2016-12-14.

¹² Section 23(1) of the Copyright Act.

¹³ See Mausner JO, *Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency* (2007-2008) 55 Journal, Copyright Society U.S.A., 517, 523

¹⁴ Kuny T, *A Digital Dark Ages? Challenges in the Preservation of Electronic Information*, a paper presented at the 63rd IFLA Council and General Conference available at <http://archive.ifla.org/IV/ifla63/63kuny1.pdf> as visited of 2015-12-20.

¹⁵ Vuoplala A, *Assessment of the Orphan Works Issue and Costs for Rights Clearance* (2010) 5, available at http://www.ace-film.eu/wp-content/uploads/2010/09/Copyright _anna_report-1.pdf as visited on 2016-12-14.

¹⁶ See Chapter 2 *infra*.

¹⁷ See Chapter 3 *infra*.

¹⁸ See Chapter 4 *infra*.

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A legal comparative study of multiple jurisdiction will then be undertaken. The viability of the solutions proposed by these jurisdictions will be assessed regarding their compatibility with South African copyright law. The effectivity of each solution will not only be based on its conceptual functionality, but also its economic viability and its compatibility with international treaties. The solutions compared will be the limitation of remedies as proposed by the United States,¹⁹ the disparate compulsory licensing schemes of the European Union²⁰ and the Canadian Copyright Act.²¹ The solutions proposed by the South African legislature will then be discussed and evaluated.²² The case will then be made for the introduction of the fair use doctrine into South African copyright law and a concept amendment to the Copyright Act will be drafted.²³

¹⁹ See Chapter 5 *infra*.

²⁰ See Chapter 6 *infra*.

²¹ See Chapter 7 *infra*.

²² See Chapter 8 *infra*.

²³ See Chapter 9 *infra*.

-CHAPTER 2: COPYRIGHT LAW-

2.1 THE DEFINITION OF COPYRIGHT

In South Africa, copyright is a creature of statute,¹ regulated by the Copyright Act,² the Registration of Copyright in Cinematograph Films Act³ and the regulations published under these acts. Copyright can internationally be defined as the owner of the copyright's exclusive right to do or authorise the doing of certain specified acts with regards to an eligible work.⁴ Most countries have incorporated the Berne Convention⁵ and Agreement on the Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement)⁶ into their national legislation which arguably resulted in a partial harmonisation of international copyright law, or at the very least resulted in a harmonised vision of what the minimum standards for copyright are and should be.⁷

2.2 THE REQUIREMENTS FOR COPYRIGHT

Copyright subsists in works that are original and eligible.⁸ A work can be any literary work, musical work, artistic work, cinematograph film, sound recording, broadcast, programme-carrying signal, published edition or computer program.⁹ The requirement of originality is not defined by the Act¹⁰ and is therefore difficult to ascertain.¹¹ Originality does not require creativity,¹² but a "*quality of meritorious distinctiveness*",¹³ a requirement that is not overly strict as the a work can still remain eligible for copyright even if its creation involved the infringement of copyright in another work.¹⁴

¹ *King v South African Weather Service* 2009 (3) SA 13 (SCA) 16E.

² The Copyright Act 98 of 1978.

³ Registration of Copyright in Cinematograph Films Act 62 of 1977.

⁴ Section 6-11B of the Copyright Act.

⁵ *Berne Convention for the Protection of Literary and Artistic Works* available at http://www.wipo.int/treaties/en/text.jsp?file_id=283698 as visited on 2016-12-14.

⁶ Agreement on the Trade-Related Aspects of Intellectual Property Rights available at https://www.wto.org/english/docs_e/legal_e/27-trips.pdf as visited on 2016-12-14.

⁷ For a comprehensive list of countries that form a party to the Berne Convention see General Notice 136 in Government Gazette 11718, 3 March 1989. See Ricolfi M, *Towards a EU Copyright Code? A Conceptual Framework* (2015) 5, Bocconi Legal Papers, 1, 2-3.

⁸ Section 2(1) of the Copyright Act. *Waylite Diary CC V First National Bank Ltd* 1995 (1) SA 645 (A) 649F.

⁹ Section 1 as read with section 2 of the Copyright Act.

¹⁰ *Haupt t/a Soft Copy v Brewers Marketing Intelligence (Pty) Ltd and Others* 2006 (4) SA 458 (SCA) 472F.

¹¹ Klopper HB et al, *Law of Intellectual Property* First Edition (2012) Printburo 14.

¹² *Haupt t/a Soft Copy v Brewers Marketing Intelligence (Pty) Ltd and Others* 2006 (4) SA 458 (SCA) 472F-474A.

¹³ *Waylite Diary CC V First National Bank Ltd* 1995 (1) SA 645 (A) 648H.

¹⁴ Section 2(3) of the Copyright Act.



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Copyright will only subsist in the original work once the work is reduced to a material form¹⁵ (or transmitted via satellite)¹⁶ by an author who is a qualified person¹⁷ or, if the author is not a qualified person, where first publication thereof has taken place in the Republic¹⁸ or another Berne Convention country.¹⁹ Copyright will then vest in the author (or co-authors),²⁰ the state,²¹ the author's employer,²² the person who commissioned the author to create the work²³ or any other person as agreed to by the author.²⁴ A commission is merely an agreement by which one party has an obligation to create and the other has an obligation to pay.²⁵ A work is eligible for copyright irrespective if the identity of the author or owner of the copyright is known or unknown as the Copyright Act makes provision for anonymous and pseudonymous works.²⁶

2.3 THE DURATION OF THE COPYRIGHT

Copyright subsists in a work for a fixed period, during which the owner of the copyright is afforded the exclusive right to certain entitlements, which includes the doing or the authorisation of certain specified acts.²⁷ The duration for which copyright subsists in the work varies depending on the type of work and the date of publication or the date of the author's death, whichever applies.²⁸ Despite this, it can be said that copyright will subsist in a work for at least fifty years. Copyright subsists in literary, musical and artistic works (that are not photographs) for a period equal to the life of the author plus an additional fifty years thereafter.²⁹ If the work was not published, performed, sold or broadcasted during the lifetime of the author, the copyright will only expire fifty years after one of the aforementioned acts took place.³⁰ Cinematograph films, photographs and computer programs will be subject to copyright for fifty years after they have been made available to the public or published, whichever term is the longest or, in the case of no such event occurring, fifty years after the

¹⁵ Section 2(2) of the Copyright Act.

¹⁶ Section 2(2A) of the Copyright Act.

¹⁷ Section 3(1) of the Copyright Act.

¹⁸ Section 4(1) of the Copyright Act.

¹⁹ See General Notice 136 in Government Gazette 11718, 3 March 1989

²⁰ Section 21(1)(a) of the Copyright Act.

²¹ Section 5 of the Copyright Act.

²² Section 21(1)(b) and 21(1)(d) of the Copyright Act.

²³ Section 21(1)(c) of the Copyright Act.

²⁴ Section 21(1)(e) of the Copyright Act.

²⁵ See *Greeff en Andere v Protection 4U H/A Protect International en Andere* 2012 (6) SA 392 (GNP) 425C-D.

²⁶ See section 2 as well as section 3(3)(a) of the Copyright Act.

²⁷ See sections 6-11B of the Copyright Act.

²⁸ Section 3(2) of the Copyright Act.

²⁹ Section 3(2)(a) of the Copyright Act.

³⁰ Section 3(2)(a) of the Copyright Act.

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end of the year in which the work was made.³¹ It is submitted that the Copyright Act unnecessarily distinguishes between the aforementioned events as publication takes place where the work is issued to the public with the owner of the copyright's consent.³² The copyright in sound recordings and published editions will subsist in the work for fifty years after publication,³³ whereas for broadcasts and programme-carrying signals it will subsist in the work for a period of fifty years after first broadcast or emission to a satellite, respectively.

2.4 THE EXCLUSIVE RIGHTS OF THE OWNER OF THE COPYRIGHT

The exclusive rights attributed to each type of work are unique to that specific type of work, but can, for the sake of convenience, be summarised as the exclusive right to reproduce,³⁴ broadcast³⁵ or adapt³⁶ the work (or adaptation thereof).³⁷ Though conveniently summarised, this is by no means a hard and fast rule of copyright law. This general rule is the result of the interpretation and summary of more than twenty different subsections of the Copyright Act.³⁸ The creation of each type of work results in a specific set of exclusive rights based on the nature of the work involved. Even though there are subsections with identical content, there is no cross-referencing between these subsections (as is the case with the exceptions to copyright in these works).³⁹ The use of the general rule will suffice as this text will focus on the enjoyment of the exclusive rights in general, rather than the specific content of the exclusive rights attributed to each work.

2.5 MORAL RIGHTS

The right to make a reproduction, to broadcast and to adapt are all examples of economic rights afforded to owners of copyright. These economic rights are distinguishable from moral rights, which are rights afforded to authors of works. The moral rights recognised in South Africa are the rights to claim authorship of a work and to object against any modification to the work that would be prejudicial to the honour or reputation of the author.⁴³ The latter should be seen not a blanket ban on all modifications as the author cannot object to any modification

³¹ Section 3(2)(b) of the Copyright Act.

³² Compare section 3(2)(b)(i) of the Copyright Act with section 1(5)(a) of the Copyright Act.

³³ Section 3(2)(c) of the Copyright Act.

³⁴ Sections 6(a), 7(a), 8(1)(a), 9(a), 10(a), 11A and 11B(a) of the Copyright Act.

³⁵ Sections 6(d), 7(d), 8(d), 9(c), 10(b), 11, 11A and 11B(d) of the Copyright Act.

³⁶ Sections 6(f), 7(e), 8(e), 9(a), 10, 11, 11B(f) of the Copyright Act.

³⁷ Sections 6(g), 7(f), 8(f), and 11B(e) of the Copyright Act.

³⁸ See sections 6-11B of the Copyright Act.

³⁹ See sections 6-11B as read with sections 12, 15(4), 16(1), 17, 18, 19A and 19B(1) of the Copyright Act.

⁴³ Section 20(1) of the Copyright Act.

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necessary to use the work in a cinematograph film or a television broadcast, or (if the work is a computer program or work associated with a computer program) to any modification that is necessary to use the work on technical grounds or for commercial exploitation of the work.⁴⁴ However, in the French case of *Turner Entertainment Co. v Huston*⁴⁵ the heirs of the author (who was known for the dynamic use of black and white in films) successfully objected to the colouring of the monochromatic film "*Asphalt Jungle*".⁴⁶ In an era where films are updated to colour, 3D and HD this might prove problematic if the work is an orphan work as it might not be possible to trace the owner of the copyright, the author or both.

Infringements of moral rights are however treated identically to infringements of copyright as the author will be deemed to be the owner of the copyright for purposes of said infringement.⁴⁷ This complicates matters where a copyrighted work is adapted or altered as the interests of the owner of the copyright as well as the author might both be affected.

2.6 COPYRIGHT EXCEPTIONS

No one but the owner of the copyright may do any act deemed an exclusive right of the owner of the copyright, unless authorised⁴⁸ or if an exception applies.⁴⁹ The Copyright Act does not contain a general catch-all exception such as the American exception of fair use,⁵⁰ but rather contains multiple specific exceptions.⁵¹ The exceptions applicable can be categorised into two types i.e. those defined by statute⁵² and those defined by regulation,⁵³ the substantive content of which is prescribed⁵⁴ by the Minister of Trade and Industry.⁵⁵ As opposed to the sections dealing with the exclusive rights attributed to the copyright in works, there is cross-referencing between sections dealing with copyright exceptions resulting in a large amount of overlap between these exceptions. The overlap is so pronounced that certain exceptions are applicable to all the different types of works. For example, the exception of fair dealing with regard to *inter alia* criticism is cross-referenced in seven separate subsections each dealing with

⁴⁴ Section 20(1) of the Copyright Act.

⁴⁵ *Turner Entertainment Co. v Huston*, CA Versailles, civ. Ch., December 19, 1994.

⁴⁶ <http://www.taradji.com/color.html> as visited on 2016-12-14.

⁴⁷ Section 20(2) of the Copyright Act.

⁴⁸ Section 22 of the Copyright Act.

⁴⁹ Sections 12-19B of the Copyright Act read with the Regulations published under Government Notice R2530 in Government Gazette 6252, 22 December 1978.

⁵⁰ 17 U.S.C. § 107.

⁵¹ See sections 12-19B of the Copyright Act.

⁵² See sections 12 and 14-19B of the Copyright Act.

⁵³ Section 13 of the Copyright Act as read with the Regulations published under Government Notice R2530 in Government Gazette 6252, 22 December 1978.

⁵⁴ Section 39 of the Copyright Act 1978.

⁵⁵ Government Notice R2530 in Government Gazette 6252, 22 December 1978.



different types of works.⁵⁶ This approach simplifies the interpretation of these exceptions as these sections are designed to have identical interpretations. The use of cross-referencing unfortunately complicates the process of amending sections without it influencing others.

2.7 TRANSMISSION OF COPYRIGHT

Copyright is only transmissible by assignment, testamentary disposition or operation of law.⁵⁷ Assignment of copyright can only be done in writing, signed by or on behalf of the owner of the copyright.⁵⁸ The owner of the copyright will be able to enjoy the copyright until it expires⁵⁹ or until the owner of the copyright declares, in writing, orally or by his conduct, that the copyright will no longer be enforced.⁶⁰ Though the death of the author may affect the duration for which copyright continues to subsist in a work, it does not affect whether copyright continues to subsist in a work.⁶¹

The copyright owner's declaration that the copyright in a work will no longer be enforced, does not mean that the work will thereafter form part of the public domain. The public domain has multiple definitions,⁶² but is generally deemed to be the "*...range of uses of information that any person is privileged to make absent individualized facts that make a particular use by a particular person unprivileged.*"⁶³ The copyright owner's declaration merely constitutes the granting of a non-exclusive licence to the public to use the work. This "*non-exclusive licence*" is not defined in the Copyright Act itself, but can be inferred from the definition of exclusive licence. An exclusive licence is "*...a licence authorizing (sic) a licensee, the exclusion of all other persons, including the grantor of the licence, to exercise a right which by virtue of this Act would, apart from the licence, be exercisable exclusively by the owner of the copyright...*".⁶⁴ It therefore follows that a non-exclusive licence would have a similar definition with all references to exclusivity (the emphasised section) omitted. Thus, if the copyright owner declared that the copyright in a work will no longer be enforced, the copyright will continue to subsist in the work, despite it being unenforceable in a court of law

⁵⁶ See sections 12(1)(b), 15(4), 16(1), 17, 18, 19A and 19B(1) of the Copyright Act.

⁵⁷ Section 22(1) of the Copyright Act.

⁵⁸ Section 22(3) of the Copyright Act.

⁵⁹ After the relevant period set out in section 3(2) of the Copyright Act has passed.

⁶⁰ Section 22(4) of the Copyright Act.

⁶¹ See section 3(2)(a) and 3(3)(a) of the Copyright Act.

⁶² See Benkler Y, *Free as the air to common use: First Amendment constraints on enclosure of the public domain* (1999) 74, New York University Law Review 354, 360-363.

⁶³ *op cit* 362.

⁶⁴ Section 1 of the Copyright Act. Own emphasis.

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in terms of the Copyright Act.⁶⁵ The subsistence of the copyright despite the declaration of its unenforceability is due to copyright's existence being tied to a fixed duration, as opposed to the happening of certain legal acts.⁶⁶ Because of this, the owner of the copyright is permitted to revoke this non-exclusive licence at any time after its granting,⁶⁷ permitted that the revocation is done in accordance to any provisions stated in the original declaration. This revocability of the non-exclusive licence is what distinguishes these works from those in the public domain. Revocation of this non-exclusive licence does not necessarily leave parties who use the work liable for copyright infringement. The declaration that the copyright is unenforceable can constitute an offer to contract a *pactum de non petendo* in favour of the public, an offer which is accepted upon use of the work.⁶⁸ An alternative argument is that the party who uses the work can rely on estoppel (or the doctrine of quasi-mutual assent) if a *pactum de non petendo* is not deemed to be present.⁶⁹

2.8 INTELLECTUAL PROPERTY AND THE RIGHT TO PROPERTY

All the laws in South Africa are subservient to the Constitution.⁷⁰ The Copyright Act must therefore be consistent with the values and provisions of the Constitution. In terms of the Constitution, property is a protected right.⁷¹ This right prohibits the creation and enforcement of any law that arbitrarily deprives anyone of his or her property.⁷² A law of general application may only authorise the expropriation of a person's property if the expropriation is done for a public purpose⁷³ and subject to compensation.⁷⁴ The Constitution does not define what is meant by property, but specifically mentions that property is not limited to land.⁷⁵ Copyright exceptions limit copyright by their very nature and can therefore be said to deprive an individual of an intellectual property right as the right would have been enforceable but for the exception. Whether intellectual property (and therefore by implication copyright)⁷⁶ falls within the ambit of the definition of property is crucial as this will affect the drafting and interpretation

⁶⁵ Section 22(8) of the Copyright Act.

⁶⁶ See section 3(2) of the Copyright Act.

⁶⁷ Section 22(4) of the Copyright Act.

⁶⁸ Compare *Steyn v LSA Motors Ltd* 1994 (1) SA 49 (A) 63I-64C.

⁶⁹ Hutchison D et al, *The Law of Contract in South Africa* Second Edition (2012) Oxford University Press, 92-93.

⁷⁰ Section 2 of the Constitution of the Republic of South Africa, 1996.

⁷¹ See section 25(2) of the Constitution.

⁷² Section 25(2) of the Constitution as read with *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) 166E.

⁷³ Section 25(2)(a) of the Constitution.

⁷⁴ Section 25(2)(b) of the Constitution.

⁷⁵ Section 25(4)(b) of the Constitution.

⁷⁶ Dean OH et al, *The Constitution and Intellectual Property* (August 2014) Advocate, 32, 33.

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of copyright exceptions and limitations. No definitive answer can be found in legislation or case law, but an examination of these sources does shed some light on the matter and seems to indicate that intellectual property is deemed to be property for purposes for the Constitution.

In past, the Constitutional Court cautioned courts against attempting to offer a comprehensive definition of the term⁷⁷ even going so far as to call such attempts "*judicially unwise*".⁷⁸ The Supreme Court of Appeal's reluctance to decide on the matter is evident from case law. In a 2015 judgment, the Supreme Court of Appeal explicitly decided to neither confirm nor reject the Court *a quo*'s finding that the term property includes a right to claim payment from debtors and right to vote at a statutory meeting convened for voting on business rescue.⁷⁹

No answer can be found in legislation. The closest legislation comes to stating whether copyright is deemed property or not is found within the Copyright Act itself. The Copyright Act states that copyright can be assigned as movable property⁸⁰ It is argued that the Copyright Act provides that copyright constitutes movable property and that this was reiterated by the Supreme Court of Appeal⁸¹ in the case of *Gallo Africa Ltd and Others v Sting Music (Pty) Ltd and Others*.⁸² It is submitted that it is unclear whether the Copyright Act equates or merely compares copyright to movable property and that the Supreme Court of Appeal merely held that intellectual property rights are immovable intangibles.⁸³ Less ambivalent is the Copyright Act's provision of similar relief in case of copyright infringement as to those available in cases of infringements of "*other proprietary rights*".⁸⁴ This provision clearly points to copyright being deemed a type of proprietary right by the legislature.

Fortunately, we are not merely left with only the interpretation of the Act, as there has been case law on the matter of whether copyright constitutes property as protected by the Constitution. It is submitted that the case law is unfortunately not conclusive and is still open to interpretation. The debate finds its origin in the judgment in the case of *Ex Parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South*

⁷⁷ *First National Bank of SA Ltd t/a Wesbank v Commissioner, South African Revenue Service and Another; First National Bank of SA Ltd t/a Wesbank v Minister of Finance* 2002 (4) SA 768 (CC) 794D-E.

⁷⁸ *Ibid* as confirmed by *National Credit Regulator v Opperman and Others* 2013 (2) SA 1 (CC) 19F.

⁷⁹ *African Banking Corporation of Botswana Ltd v Kariba Furniture Manufacturers (Pty) Ltd and Others* 2015 (5) SA 192 (SCA) 198F as read with *African Banking Corporation of Botswana Ltd v Kariba Furniture Manufacturers (Pty) Ltd and Others* 2013 (6) SA 471 (GNP) 489C-E.

⁸⁰ Section 22(1) of the Copyright Act.

⁸¹ Dean OH et al, *The Constitution and Intellectual Property* (August 2014) Advocate, 32, 33.

⁸² *Gallo Africa Ltd and Others v Sting Music (Pty) Ltd and Others* 2010 (6) SA 329 (SCA).

⁸³ *op cit* 336A.

⁸⁴ Section 24(1) of the Copyright Act.

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*Africa.*⁸⁵ In its judgment, the Constitutional Court refused to sustain an objection against the Constitution on the basis that it did not recognise a right to intellectual property.⁸⁶ The reasoning for its refusal was not that intellectual property was already protected as property, but just that recognising a right to intellectual property was not a trend that was universally accepted.⁸⁷ Consequently it seems that the Constitutional Court did not deem intellectual property as being protected by the Constitution.⁸⁸

The Transvaal Provincial Division of the High Court, in the case of *Lebowa Mineral Trust Beneficiaries Forum v The President of The Republic of South Africa*⁸⁹ agrees with this interpretation. In the 2001 judgment it was decided that mineral rights, an incorporeal right comparable to copyright, fell outside the ambit of the definition of property and was therefore not protected by section 25 of the Constitution.⁹⁰ This comes as a surprise as the judgment was made a month after a decision by the Witwatersrand Local Division that stated the opposite when it claimed that the term property "*can include, for example, rights to patents, inventions, or software source codes*".⁹¹ The use of the words "*can include*" instead of "*includes*" is operative and the aforementioned statement can therefore not be held to imply that intellectual property is deemed property, but merely that it may be deemed property in certain instances.

The Constitutional Court had another attempt at clearing up the matter, but unfortunately did not do so in a manner that was definitive. In the case of *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International*⁹² the Court was faced with a dispute on requiring the Constitutional Court to decide on the proper interface between the Trade Marks Act⁹³ and the right to freedom of expression.⁹⁴ The facts from which the dispute before the Court arose were simple, the applicant sold shirts on which appeared an image lampooning trade marks of the Respondent.⁹⁵ The respondent claimed that the shirts were in contravention

⁸⁵ *Ex Parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa* 1996 (4) SA 744 (CC).

⁸⁶ *op cit* 800A.

⁸⁷ *Ex Parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa* 1996 (4) SA 744 (CC) 799E-800A.

⁸⁸ Klopper HB et al, *Law of Intellectual Property* First Edition (2012) Printburo 9.

⁸⁹ *Lebowa Mineral Trust Beneficiaries Forum v The President of The Republic of South Africa and Others* 2001 JDR 0903 (T).

⁹⁰ *op cit* 10.

⁹¹ *Joubert and Others v Van Rensburg and Others* 2001 (1) SA 753 (W) 789F.

⁹² *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC).

⁹³ The Trade Marks Act 194 of 1993.

⁹⁴ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) 150E.

⁹⁵ *op cit* 153F-H.

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of the Trade Marks Act.⁹⁶ The Trade Marks Act prohibits the use of an identical or similar trade mark in a way that would result in an unfair advantage to the user or would be detrimental to the reputation of the trade mark owner.⁹⁷ The applicant contested that the use was not to the applicant's detriment and that it was merely exercising its right to freedom of expression through its use.

In the judgment the Constitutional Court specifically referred to the Supreme Court of Appeal's statement that the status of intellectual property is that of incorporeal property and that it does not enjoy specific protection under the Constitution, as is the case with other property.⁹⁸ Even though the Constitutional Court did not explicitly make reference to section 25 of the Constitution, this statement indicates that intellectual property may be protected by the constitutional right to property⁹⁹ as it constitutes property deserving of protection under the Constitution.¹⁰⁰ This was regrettably not a deciding factor in the judgment of the Constitutional Court. The Court held that the Trade Marks Act merely had to be interpreted in the light of the Constitution i.e. in a way most compatible with the Constitution bearing in mind that the constitutionality of the Act was not in question.¹⁰¹

Perhaps one of the most insightful cases regarding the matter is the case of *National Credit Regulator v Opperman and Others*¹⁰² which held that a right to claim for unjustified enrichment is deemed to be property and therefore protected by the Constitution, despite it being a personal right.¹⁰³ The judgment was based the Constitution's focus on the concept of property as opposed to that of ownership or real rights.¹⁰⁴ The acceptance of a personal right as property seems to indicate that copyright, an intellectual property right, will be deemed to constitute property as protected by the Constitution. This is because an intellectual property right, like the constitutionally protected real right of ownership in property, is enforceable against all other legal subjects and not just against a specific individual as personal rights are.¹⁰⁵ Despite no conclusive decision by the Courts on the applicability of the right to property on

⁹⁶ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) 154C.

⁹⁷ Section 34(1)(c) of the Trade Marks Act.

⁹⁸ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) 155F-156A.

⁹⁹ Du Bois M, *Intellectual Property as a Constitutional Property Right: The South African Approach* (2012) 24 SA Merc LJ 177, 191.

¹⁰⁰ *National Credit Regulator v Opperman and Others* 2013 (2) SA 1 (CC) 20A.

¹⁰¹ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) 167C-D.

¹⁰² *National Credit Regulator v Opperman and Others* 2013 (2) SA 1 (CC).

¹⁰³ *op cit* 20D.

¹⁰⁴ *op cit* 20B.

¹⁰⁵ Hutchison D et al, *The Law of Contract in South Africa* Second Edition (2012) Oxford University Press, 8.

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intellectual property, it is submitted that it is highly unlikely that the right to property does not protect copyright.¹⁰⁶

2.9 TRADITIONAL KNOWLEDGE

The constitutional protection of copyright, though laud worthy, is not without its own set of complications. This is evident from its effect on the prospective amendments to the Copyright Act. In 2013, South Africa's legislation on intellectual property¹⁰⁷ was subjected to highly controversial¹⁰⁸ and possibly procedurally unconstitutional¹⁰⁹ amendments.¹¹⁰ These amendments have not yet come into operation and will only do so on a date proclaimed by the president in the Government Gazette.¹¹¹ These amendments were made to recognise and protect traditional knowledge¹¹² by, *inter alia*, acknowledging the legal status of traditional communities and regulating the copyright in traditional and indigenous works.¹¹³

The most important consequence of these amendments, for the purposes of copyright, is that copyright will perpetually vest in traditional works if these works are indigenous works.¹¹⁴ Indigenous works will therefore never form part of the public domain. If the work is a derivative indigenous work, i.e. a work substantially derived from an indigenous work, the term of copyright be 50 years from the end of the year in which the work was communicated to the public with the authors' consent or 50 years after the authors have perished, whichever term is the longest.¹¹⁵ The perpetual copyright term in indigenous works is concerning as the ownership of the copyright in traditional works (which includes indigenous works and derivative indigenous works)¹¹⁶ will vest in the National Trust for Indigenous Knowledge if

¹⁰⁶ Du Bois M, *Intellectual Property as a Constitutional Property Right: The South African Approach* (2012) 24 SA Merc LJ 177, 191.

¹⁰⁷ The affected acts are the Copyright Act, the Performers' Protection Act 11 of 1967, the Designs Act 195 of 1993 and the Trade Marks Act 194 of 1993.

¹⁰⁸ See <http://blogs.sun.ac.za/iplaw/2013/07/20/thewinningchoicefortraditionalculture/> as visited on 2016-12-14.

¹⁰⁹ Van der Merwe A, *The Old and the New: A Concise Overview of the Intellectual Property Laws Amendment Act* (2014) 545, De Rebus, 28, 32.

¹¹⁰ By the ascension of the Intellectual Property Laws Amendment Act 28 of 2013.

¹¹¹ Section 15 of the Intellectual Property Laws Amendment Act.

¹¹² See the Preamble of the Intellectual Property Laws Amendment Act.

¹¹³ See sections 28A, 28B and 28D(1) and of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹¹⁴ Section 28F(2) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹¹⁵ Section 28F(1) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹¹⁶ See the definition of "*traditional work*" in section 1 of the Copyright Act as proposed by section 3 of the Intellectual Property Laws Amendment Act.

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the author cannot be determined or the author is a non-existent indigenous community.¹¹⁸ This will also be the case where the authorship cannot be shared by multiple indigenous communities.¹¹⁹ Only where this is not the case will ownership of the copyright vest in the author of the traditional work.¹²⁰

The Trust is composed of not more than five trustees appointed by the Minister of Trade and Industry.¹²¹ The Trust's goal is to promote and preserve indigenous knowledge and to use this indigenous knowledge in a way that will be financially and culturally beneficial to the indigenous communities.¹²² This essentially means that the copyright in traditional works will vest in the Trust if it is an orphan work. By having the copyright vest in the Trust, the Trust can licence its use and to use the income garnered by these licences to financially aid indigenous communities.¹²³ Despite this, the Trust is not placed under any obligation to remunerate indigenous communities,¹²⁴ but only to use the revenue gained from the use in a manner that will benefit these communities.¹²⁵ These provisions, together with possible procedural defects,¹²⁶ make the constitutionality of these amendments questionable.¹²⁷

2.9.1 THE EFFECT OF THE AMENDMENTS ON THE RIGHT TO PROPERTY

These provisions clearly effect the right to property,¹²⁸ as they facilitate the state's acquisition of the copyright under certain circumstances as referred to in the Act.¹³¹ This is acquisition will however not amount to expropriation as the circumstances under which this acquisition takes place will not affect the rights of any owners of copyright. In the case where

¹¹⁸ Sections 28D(3)(a)-(b) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act 28 of 2013.

¹¹⁹ Section 28D(3)(a) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act 28 of 2013.

¹²⁰ Section 28D(3)(b) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹²¹ Section 28I(1) of the Copyright Act as read with section 1 of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹²² Section 28I(2) of the Copyright Act as read with the proposed section 28I(6) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹²³ Section 28I(6) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹²⁴ <http://blogs.sun.ac.za/iplaw/2013/07/20/thewinningchoicefortraditionalculture/> as visited on 2016-12-14.

¹²⁵ Section 28I(6) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹²⁶ <http://www.ipwatch.org/2011/10/06/southafricatklegislationinthenewtradition/> as visited on 2016-12-14.

¹²⁷ <http://blogs.sun.ac.za/iplaw/2013/07/20/thewinningchoicefortraditionalculture/> as visited on 2016-12-14. Van der Merwe A, *The Old and the New: A Concise Overview of the Intellectual Property Laws Amendment Act (2014)* 545, De Rebus, 28, 32.

¹²⁸ Section 25 of the Constitution.

¹³¹ See section 28D(3) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act 28 of 2013.

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the work is an indigenous work, no expropriation can be inferred as no copyright would have existed, but for these amendments. The copyright in indigenous works will also only vest in the state due to the author not being determinable, non-existent or, in the case of multiple communities claiming authorship, unable to share the copyright.¹³² State acquisition therefore not only occurs under very specific circumstances, it only occurs as a mechanism to solve disputes or to make the provisions of the amendments operable.

In cases where the work in question is a derivative indigenous work, it is important to note that the provisions on the ownership traditional works is subject to the provisions of section 21 of the Copyright Act.¹³³ This essentially means that the standard provisions on copyright will trump the provisions on traditional works. In circumstances where the state claims ownership based on the work being a derivative indigenous work, the owner of the copyright will only need to prove that he/she is indeed the owner of the copyright in the work in terms of section 21. This will apply in all cases where the work involved is a derivative indigenous work, as these works arguably will also qualify as copyrighted works. If this was not the case, state acquisition of the copyright in derivative indigenous works would have amounted to an expropriation of property. Though it is true that the amendments create the situation where the state might be able to claim ownership of the copyright in derivative indigenous works, this claim will never succeed where ownership of the copyright in terms of section 21 can be proven. It is therefore clear that no expropriation of intellectual property occurs due to the operation of these amendments.

2.9.2 THE EFFECT OF THE AMENDMENTS ON THE RIGHT OF FREEDOM OF EXPRESSION

The amendments effects on the right to freedom of expression is less straightforward. By creating a perpetual copyright term in indigenous works, the situation arises where no indigenous work will ever form part of the public domain.¹³⁴ This essentially denies the public of ever freely using the work in ways it would have been able to, but for the copyright subsisting in the work. This raises the question of whether this limits the public's right of freedom of expression. To determine this, a two-stage approach is taken.¹³⁵

¹³² Section 28D(3) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act 28 of 2013.

¹³³ Section 28D(2) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act 28 of 2013.

¹³⁴ Section 28F(1)(b) of the Copyright Act as read with section 1 of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹³⁵ Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 153 as read with *S v Makwanyane and Another* 1995 (3) SA 391 (CC) 435.



2.9.2.1 THE TWO-STAGE APPROACH – STAGE ONE: INFRINGEMENT

The first stage of the enquiry necessitates the determination of whether a right in the Bill of rights is infringed.¹³⁶ This is clearly the case as the perpetual copyright in certain creative expressions will limit the public's freedom of artistic creativity, a form of expression expressly protected by the Constitution.¹³⁷

2.9.2.2 THE TWO-STAGE APPROACH – STAGE TWO: REASONABILITY AND JUSTIFIABILITY

The second enquiry necessitates the justification of the limitation of the protected right, failing which will render the provision unconstitutional.¹³⁸ The limitation will only be justifiable if it is in terms of a law of general application and is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom.¹³⁹ The provisions on traditional works will meet the requirements of a law of general application as it forms part of enacted legislation, which operates impersonally.¹⁴⁰ The provisions on traditional works apply equally to all indigenous communities and all authors, irrespective of their cultural background.¹⁴¹ It is not enough that the limitation is in terms of a law of general application, it must also be reasonable and justifiable in an open and democratic society, by taking into account the nature of the right,¹⁴² the importance of the purpose of the limitation,¹⁴³ the nature and extent of the limitation,¹⁴⁴ the relation between the limitation and its purpose¹⁴⁵ as well as if there are any less restrictive means with which to achieve the purpose of the limitation.¹⁴⁶ These will be discussed below.

Freedom of expression is not only a right protected by the Constitution,¹⁴⁷ it specifically includes the right to freedom of artistic creativity.¹⁴⁸ The limitation of a right of this nature should not be done without consideration of the implications thereof to the community.¹⁴⁹

¹³⁶ Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 153.

¹³⁷ Section 16(1)(c) of the Constitution.

¹³⁸ Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 153.

¹³⁹ Section 36(1) of the Constitution.

¹⁴⁰ Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 156.

¹⁴¹ Sections 28C(7) and 28D and of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹⁴² Section 36(1)(a) of the Constitution.

¹⁴³ Section 36(1)(b) of the Constitution.

¹⁴⁴ Section 36(1)(c) of the Constitution.

¹⁴⁵ Section 36(1)(d) of the Constitution.

¹⁴⁶ Section 36(1)(e) of the Constitution.

¹⁴⁷ Section 16 of the Constitution.

¹⁴⁸ Section 16(1)(c) of the Constitution.

¹⁴⁹ See section 36(1)(a) of the Constitution.

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Though this is true of most democratic societies, it is especially true of South Africa given its history of oppression through discriminatory legislation and censorship.¹⁵⁰ The perpetual copyright in indigenous works is therefore problematic in this regard, as it will give the owner of the copyright in the indigenous work (in some cases the state),¹⁵¹ a limited monopoly in the use of the work.¹⁵²

One must also bear in mind that, where the work is an indigenous work, the owner of the copyright will either be the indigenous community responsible for the authorship thereof or the state, unless the copyright was assigned.¹⁵³ Where these indigenous communities cease to exist, the state will acquire the copyright subsisting in the indigenous works of communities.¹⁵⁴ Given the rate at which certain languages and, by implication, the cultures associated with these languages,¹⁵⁵ it is not beyond reason that the copyright in all or most of South Africa's indigenous knowledge will vest in the state.

The limitation to freedom of expression is not without purpose, as the provisions on traditional works strive to recognise cultural values, the freedom to participate in cultural activities as well as cultural and economic value of indigenous knowledge.¹⁵⁶ The recognition of traditional works as an intellectual property also makes indigenous works subject to copyright and therefore creates constitutionally protected rights in indigenous works.¹⁵⁷ Though this was already the case with derivative indigenous works as these works would have qualified for copyright protection before these amendments were made to the Act. The importance of copyright protection can also be seen in the fact that copyright results in these works acquiring a pecuniary value.¹⁵⁸ It should be noted that the provisions on traditional works can be seen as to promote the right to language and culture as well as cultural, religious and linguistic communities as contemplated in the Constitution,¹⁵⁹ a factor that will weigh

¹⁵⁰ Mills L, *Stop the Press: Why Censorship Has Made Headline News (Again)* (2007) 1 Potchefstroom Electronic Law Journal, 1, 3.

¹⁵¹ Sections 28E and 28G of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹⁵² Sections 28D(3) and 28G of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹⁵³ See sections 28D(3) and 28J of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹⁵⁴ See section 28D(3)(b) of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹⁵⁵ See www.ethnologue.com/endangered-languages as visited on 2016-12-14.

¹⁵⁶ See the preamble of the Intellectual Property Laws Amendment Act.

¹⁵⁷ See paragraph 2.8 *supra*.

¹⁵⁸ See Chapter 1 page 1 of the Statute of Anne 8 Ann. C. 21 available at <http://www.gutenberg.org/cache/epub/33333/pg33333-images.html> as visited on 2016-12-14. See also *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 12.

¹⁵⁹ See the preamble of the Intellectual Property Laws Amendment Act as read with sections 30 and 31 of the Constitution.

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favourably in its possible constitutionality. It is therefore clear that the limitation is for an important purpose.¹⁶⁰

Another important factor to consider in the determination of a limitation's constitutionality is its nature and extent.¹⁶¹ Probably the biggest obstacle to the constitutionality of the perpetual copyright term is its perpetual nature, as the copyright in works not deemed traditional works also limits the public's freedom of expression, but only does so for a limited period.¹⁶² This limited period is considered sufficient to not only protect the rights of owners of copyright, but to do so in a manner that will incentivise the pursuit of creative endeavours.¹⁶³ There is therefore no reason why indigenous works should be protected indefinitely. It is submitted that the only practical reason for a perpetual copyright term might be due to indigenous works, by their very nature, being antique. A fixed-term copyright will therefore result in the situation where the copyright, granted in terms of the Act, could expire instantly. The owner of the copyright in a 300-year old indigenous work will, for example, not benefit from a 250-year copyright term. This practicality unfortunately does not negate the fact that less restrictive means to achieve its purpose exists.¹⁶⁴ The exceptions applicable to the copyright in indigenous works do not diminish the restrictive nature of the provisions sufficiently, as these provisions would have been immaterial if these exceptions were extensive.¹⁶⁵

It should be evident that, despite the provisions on traditional works excessively protecting the indigenous works and the interests therein, it serves its purpose. The imposition of copyright on indigenous works results in the situation where indigenous knowledge is finally given a pecuniary value. There is therefore a direct causal link (as required by the Constitution)¹⁶⁶ between the recognition, protection and monetisation of indigenous knowledge, indigenous communities and indigenous culture.¹⁶⁷

¹⁶⁰ See section 36(1)(b) of the Constitution.

¹⁶¹ See section 36(1)(c) of the Constitution.

¹⁶² See section 3 of the Copyright Act.

¹⁶³ See Chapter 1 page 1 of the Statute of Anne 8 Ann. C. 21 available at <http://www.gutenberg.org/cache/epub/33333/pg33333-images.html> as visited on 2016-12-14. See also *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 13.

¹⁶⁴ See paragraph 2.9.2.2.5 *infra*.

¹⁶⁵ See section 28DG of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹⁶⁶ See Currie I *et al*, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 169 as read with section 36(1)(d) of the Constitution.

¹⁶⁷ See the preamble of the Intellectual Property Laws Amendment Act as read with sections 30 and 31 of the Constitution.

When determining the constitutionality of a provision, the most important determination one must make is that of proportionality.¹⁶⁸ A limitation of any right in the Bill of Rights will therefore only be Constitutional if it cannot be achieved "*sufficiently and realistically by other means which would be less destructive*"¹⁶⁹ than the provision involved. This is clearly not the case as multiple less-stringent solutions to the problem can be found. The economic exploitation of traditional works by third parties can be deterred through the creation of a tax on the commercial use of these works or through the creation of a pre-determined royalty, payable to indigenous communities. The recognition, elevation and reverence of indigenous communities can also be facilitated or promoted through education. The need for indigenous communities or the state to determine whether use of indigenous works is disrespectful to the indigenous communities responsible for the authorship thereof is arguably only necessary due to the lack of knowledge the third party might have on the culture indigenous community involved. It is therefore submitted that, despite with potential procedural defects,¹⁷⁵ the amendments to the Copyright Act, with respect to the provisions on traditional works, will also not survive constitutional scrutiny on substantive grounds, as it is overbroad in its application.

2.10 CONCLUSION

From the above discussion, it should be clear that the Copyright Act is functional, yet fundamentally flawed piece of legislation. Some of these flaws have already been alluded to and will be discussed further. The most significant flaw, for the purposes of any discussion on orphan works, is the duration for which copyright subsists being a fixed duration that is unalterable, despite the factual matrix in which the work might find itself. As will be seen, this not only makes the orphan works dilemma a possibility, but an inevitability. To find a solution to this problem would entail a fundamental change to the Copyright Act. For purposes of this discussion the Copyright Act in its current form will be used as a foundation, rather than its amended form as there are grounded reasons to believe that the 2013 amendments are not only unworkable,¹⁷⁶ but unenforceable.¹⁷⁷ Before a solution to orphan works can be found, however, it is pivotal that the dilemma first be defined.

¹⁶⁸ Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 171.

¹⁶⁹ *S v Makwanyane and Another* 1995 (3) SA 391 (CC) 509G-H.

¹⁷⁵ <http://www.ipwatch.org/2011/10/06/southafricatklegislationinthenewtradition/> as visited on 2016-12-14.

¹⁷⁶ <http://blogs.sun.ac.za/news/2011/11/04/traditional-knowledge-bill-unworkable-%E2%80%93-prof-owen-dean/> as visited on 2016-12-14.

¹⁷⁷ <http://www.ip-watch.org/2011/11/08/the-mad-hatter-in-wonderland-south-africa%E2%80%99s-new-tk-bill/> as visited on 2016-12-14.



-CHAPTER 3: THE ORPHAN WORKS DILEMMA-

3.1 "ORPHANED" WORKS

Essential to the principles of copyright law is the distinction between the physical manifestation of the work and the copyright that subsists therein.¹ It is the reason that intellectual endeavours have a pecuniary value.² Without this distinction it would not have been possible for the late David Bowie to use the future royalties he would receive for the use of his pre-1990's music as security for a \$ 55 000 000 bond, the capital amount of which was paid upfront.³ The advent of copyright was a welcome turn of events as a new type of business was born and a wealth of culturally significant works were created. The subsequent success of this business lead to a systematic extension of the duration for which copyright would subsist in works.⁴ In the United States, copyright originally used to exist for 14 years, a term that was extended to 28 years in 1831 and is currently a term equal to the lifetime of the author plus seventy years (in the case of a literary work).⁵ This extension of the copyright term is not isolated to the United States alone as other countries have followed suit.⁶

The problem with the extension of copyright terms is that owners of copyright become more and more difficult (and sometimes impossible) to trace due to the long periods for which copyright subsists in works and the lack of updated information on the owners of copyright.⁷ The lack of updated information is a problem worsened due to almost all of the copyright formalities being set aside by most states now forming a party to the Berne Convention (which prohibits any legislation requiring any formalities as a requirement for the existence of

¹ See Hetcher S, *Orphan Works and Google's Global Library Project* (2007-2008) 8, Wake Forest Intellectual Property Law Journal, 1, 19-20.

² See Chapter 1 page 1 of the Statute of Anne 8 Ann. C. 21 available at <http://www.gutenberg.org/cache/epub/33333/pg33333-images.html> as visited on 2016-12-14. See also *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 12.

³ Van Coppenhagen V, *The Valuation of Copyright*, (2004) 16, South African Mercantile Law Journal 353, 353. See also Gasaway LN, *A Defense of the Public Domain: A Scholarly Essay* (2009) 101:4, Law Library Journal 451, 453.

⁴ Rens A et al, *Forever Minus a Day: A Consideration of Copyright Term Extension in South Africa*, (2006) 7, The Southern African Journal of Information and Communication 22, 27. For a brief history on the origins of copyright see Gasaway LN, *Copyright Basics: From Earliest Times to the Digital Age* (2009-2010) 10(3), Wake Forest Intellectual Property Law Journal, 241, 241-244.

⁵ Grzelak VA, *Mickey Mouse & Sonny Bono go to court: The Copyright Term Extension Act and its effect on current and future rights* (2002) 2, John Marshall Review of Intellectual Property Law 95, 95.

⁶ See Rens A et al, *Forever Minus a Day: A Consideration of Copyright Term Extension in South Africa*, (2006) 7, The Southern African Journal of Information and Communication 22, 22-23.

⁷ op cit 27. Greismann L, *The Greatest Book You Will Never Read: Public Access Rights and the Orphan Works Dilemma* (2012) 11 Duke Law and Technology Review 193, 197-198.

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copyright).⁸ If a third party wishes to use a copyrighted work (i.e. wishes to do or authorise any act deemed an exclusive right of the owner of the copyright)⁹ it is required that the third party gain permission to do so from the owner of the copyright,¹⁰ unless an exception applies.¹¹ In terms of the Copyright Act, the author will be deemed to be the owner of the copyright in cases where the moral rights of the author are involved.¹² This will generally only be required if a work is distorted, mutilated or modified in a way that could potentially prejudice the honour or reputation of the author.¹³ In these circumstances, it will be necessary to gain the permission of both the owner of the copyright and the author.¹⁴ Inability to trace or contact the owner of the copyright will leave the copyrighted work unusable by the third party through any legal means as use of the work without permission constitutes an infringement of copyright.¹⁵ These copyrighted works are, figuratively speaking, "*orphaned*" works. In foreign jurisdictions¹⁶ these copyrighted works are for this reason indeed called orphan works,¹⁷ a term coined by Fay Kanin of the National Film Preservation Board.¹⁸

The issue is further compounded by the fact that very few works exist in isolation. A book containing sheet music, for example, will comprise of musical works (the music as written down in the form of sheet music)¹⁹ and a published edition (the typographical arrangement of the musical works).²⁰ The same work might even include artistic works (if its cover or contents is illustrated)²¹ or literary works (if the music has lyrics).²² Each of these works is a separate work and might therefore have a different copyright owner,²³ making the task of tracing each

⁸ Article 5(2) of the Berne Convention. For a brief history on the formalities of copyright, see Greismann L, *The Greatest Book You Will Never Read: Public Access Rights and the Orphan Works Dilemma* (2012) 11 Duke Law and Technology Review 193, 198-199.

⁹ See section 6-11B of the Copyright Act.

¹⁰ Section 23(1) of the Copyright Act.

¹¹ Section 13 of the Copyright Act read with the Regulations published under Government Notice R2530 in Government Gazette 6252, 22 December 1978.

¹² Section 20(2) of the Copyright Act.

¹³ Section 20(1) of the Copyright Act.

¹⁴ Sections 20(2) and 23(1) of the Copyright Act.

¹⁵ Section 23(1) of the Copyright Act. United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

¹⁶ See Law Library of Congress, *Report for the Supreme Court November 2011 - Legislation on Orphan Works* (2012) Global Legal Research Center LL File No. 2012-006812 available at http://www.loc.gov/law/help/reports/pdf/2012-006812_Final_RPT.pdf as visited on 2016-12-14.

¹⁷ The term is officially recognised in the United States (as seen in the proposed Orphan Works Act of 2006, H.R. 5439, 109th Cong) as well as the European Union (as seen in Directive 2012/28/EU, among others.)

¹⁸Schwartz EJ, *Orphan Works Films and Recordings*, 4 available at http://www.law.berkeley.edu/files/paul_schwartz.pdf as visited on 2016-12-14.

¹⁹ See the definition of "musical work" in section 1 of the Copyright Act.

²⁰ See the definition of "published edition" in section 1 of the Copyright Act.

²¹ See the definition of "artistic work" in section 1 of the Copyright Act.

²² See the definition of "literary work" and "musical work" in section 1 of the Copyright Act.

²³ See section 21 of the Copyright Act.

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owner of copyright tricky and time-consuming. This is further exacerbated by the fact that one or all of the owners of copyright could potentially be untraceable. It is therefore possible that an orphan work might form part of another work. For purposes of this discussion and the interpretation of orphan works legislation, it is crucial that the orphan work be seen as a separate entity, despite the permission of the owners of copyright of both being required if the use of the orphan work is of such a nature that copyright the work in which it is incorporated is also involved. Orphan works exceptions only apply to orphan works and not the works in which it might be incorporated, unless this work is also an orphan work.

Orphan works are currently not recognised by South African legislation. The first time mention was made of orphan works in South African law was in the definition of "*Unlocatable Copyrights holders*" in the glossary of terms of a 2009 General Notice.²⁴ The General Notice was published in terms of the Electronic Communications Act²⁵ in an attempt to unlock the "intellectual capital and creativity"²⁶ of South Africans by shifting South Africa's focus from mining and manufacturing to the establishment of a knowledge economy.²⁷ One of the ways it proposed in facilitating this shift was through addressing the issue of unlocatable copyrights holders, by placing the rights in these works under custodianship of the state.²⁸ The use of the term "unlocatable copyrights holders" is odd as it is defined as a term that is "[s]ometimes termed *orphan works*..." according to the definition provided in the Notice.²⁹ The reason this is highly peculiar and unfortunate is that it equates the work with the owner of the copyright, a situation which finds no basis in law or logic. Despite this, the concept of orphan works is yet to be included in enacted legislation. The solution proposed in General Notice of 2009, has not yet been implemented³⁰ and it seems highly unlikely that it will ever be implemented as the recently announced Copyright Amendment Bill, 2015³¹ contains new provisions on orphan works.³² Because of this, no distinction is currently made between works that are orphan works and those that are not.

²⁴ See General Notice 1218 of 2009, 10.

²⁵ Electronic Communications Act 36 of 2005.

²⁶ See Minister's foreword as published in General Notice 1218 of 2009.

²⁷ *Ibid.*

²⁸ See paragraph 3.1.2. of General Notice 1218 of 2009.

²⁹ See "*Unlocatable Copyrights Holders*" in the glossary of terms as published in General Notice 1218 of 2009.

³⁰ See paragraph 2.2.3.2. of General Notice 1218 of 2009.

³¹ The Copyright Amendment Bill.

³² Section 22A of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

3.2 THE ORPHAN WORKS DILEMMA³³ AND ITS CONSEQUENCES

The consequences of orphan works are two-fold. New works incorporating an orphan work cannot be created and the orphan work itself cannot be preserved through the digitisation thereof (or through any other means that requires reproduction³⁴ of the work).³⁵ To digitise (which has the same meaning as digitize or digitalize) is "*to convert any continuously varying source of input, such as the lines in a drawing or a sound signal, into a series of discrete units represented (in a computer) by the binary digits 0 and 1*".³⁶ As there is no financial incentive to maintain commercially insignificant³⁷ works, there is a distinctive possibility that these works might end up being lost to humanity.³⁸ These works might have cultural significance, but will rarely be published repeatedly or archived or preserved properly, causing these works to deteriorate beyond repair.³⁹ This is already happening. More than 80% of the cinematograph films produced before 1929 have already been lost due to the reluctance of libraries and archivists to reproduce orphan works.⁴⁰ This statistic is even more a shocking when one considers the number of orphan works currently in existence. The Carnegie Mellon University Library discovered during a study that they could locate the publishers of only 22% of the works in their position.⁴¹ If the publishers are the current or last-known owners of copyright in these works, it effectively means that 78% of the Library's works are orphan works. The position is even worse regarding photos, as these rarely indicate the author or owner of the

³³ Coined by the United States Copyright Office as the "*orphan works problem*" (see United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 2 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14), it is better defined as a dilemma (see Greismann L, *The Greatest Book You Will Never Read: Public Access Rights and the Orphan Works Dilemma* (2012) 11 Duke Law and Technology Review 193, 211) as its solution will require the limitation of copyright.

³⁴ See the definition of "*reproduction*" in section 1 of the Copyright Act.

³⁵ Section 6-11B of the Copyright Act.

³⁶ See the article on *Digitize* available at Microsoft Encarta Encyclopedia Plus 2004 (1993-2003) Microsoft Corporation, One Microsoft Way Redmond, WA98052-6399, USA.

³⁷ Hetcher S, *Orphan Works and Google's Global Library Project* (2007-2008) 8, Wake Forest Intellectual Property Law Journal, 1, 20. De la Durantaye K, *Finding a Home for Orphans: Google Book Search and Orphan Works Law in the United States and Europe* (2011) 21, Fordham Intellectual Property, Media and Entertainment Law Journal, 229, 234-235.

³⁸ Grzelak VA, *Mickey Mouse & Sonny Bono go to court: The Copyright Term Extension Act and its effect on current and future rights* (2002) 2, John Marshall Review of Intellectual Property Law 95, 111.

³⁹ Brannon P, *Reforming Copyright to Foster Innovation: Providing Access to Orphaned Works* (2006-2007) 14 Journal of Intellectual Property Law, 145, 156.

⁴⁰ Henning DK, *Copyright's Deus Ex Machina: Reverse Registration as Economic Fostering of Orphan Works*, (2007-2008) Journal, Copyright Society U.S.A. 201, 203.

⁴¹ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 22 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

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copyright.⁴² This rarely happens and is the reason why so many photos eventually become orphan works.⁴³

The loss of cultural heritage is not limited to works of the past, as no future work that incorporates (or is based on) an orphan work can be created without the permission of the owner of the copyright in the orphan work.⁴⁴ This can only be done by the owner of the copyright or with the owner's permission as the right to reproduce⁴⁵ a work or to make an adaptation⁴⁶ thereof is the exclusive right of the owner of the copyright.⁴⁷ An author who uses a copyrighted work without permission can not only be sued for infringement of copyright, but can also be interdicted from using the work, rendering production expenditures wasted capital. The amount of wasted expenditure can be mitigated by amending or editing the work to no longer infringe copyright, but this will delay the production and might affect the quality of the work.⁴⁸

Even though orphan works are predominantly works that lack a commercial value,⁴⁹ it does not mean that regulation of these works has no economic justification. To assume this would be foolish as a work's cultural and commercial significance is fluid and capable of varying dramatically based on facts beyond our control. This can be illustrated by looking at periodicals. A periodical is commercially significant on the day it is published as people will buy it for its contemporary content. If it is not published on a historically significant day, it will most likely be culturally insignificant as most of its articles (and advertisements) will be commonplace. It will lose commercial significance as soon as a newer edition is published, as its content will inevitably become outdated. Decades later it might start to have new cultural significance as it will be a relic of a time since past.⁵⁰ This can be seen in the market for selling vintage magazine advertisements. Profits of up to R 7 305⁵¹ can be made through the sales of

⁴² United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 24 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁴³ See Mausner JO, *Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency* (2007-2008) 55 Journal, Copyright Society U.S.A., 517, 523

⁴⁴ Valkonen SJ et al, *An Economic Model for the Incentive/Access Paradigm of Copyright Propertization: An Argument in Support of the Orphan Works Act* (2006-2007) 29:3, Hastings Communications and Entertainment Law Journal 359, 397.

⁴⁵ Sections 6(a), 7(a), 8(a), 9(a), 10(a), 11, 11A and 11B(a) of the Copyright Act.

⁴⁶ Sections 6(f), 7(e), 8(e) and 11B(f) of the Copyright Act

⁴⁷ Sections 6-11B of the Copyright Act.

⁴⁸ Hetcher S, *Orphan Works and Google's Global Library Project* (2007-2008) 8, Wake Forest Intellectual Property Law Journal, 1, 21.

⁴⁹ *op cit* 20.

⁵⁰ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 92 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁵¹ Rounded figure calculated by multiplying \$480 with the current conversion rate of 15.22 (Google.com).

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vintage advertisements contained in a single periodical.⁵² This is one of many markets that relies on the "*retro appeal*" of old works and the commercial significance thereof. The same issue of a periodical will per definition not be published continuously and therefore the "*retro appeal*" of an issue can only be realised if the issue has been preserved. The commercialisation of old works not only illustrates the need for preservation, but is also evidence of a market for new works containing old works, both of which are heavily influenced by the orphan works dilemma.

The existence of this "*retro appeal*" does not account for those rare circumstances under which works only legitimately realise their true commercial value years after publication. After its incorporation in a Miller Lite advertisement,⁵³ the Hollies' song "*He ain't heavy, he's my brother*" was rereleased and became the United Kingdom's number one single for two successive weeks in 1988, a feat it could not achieve when it peaked at number three after its initial release in 1969.⁵⁴ Similarly, Elvis Presley's song "*A little less conversation*" only became a number one hit when it was remixed in 2002, a full 25 years after Elvis Presley's death.⁵⁵ The virtually forgotten single was originally published in 1968 as a B-side to the single "*Almost in Love*".⁵⁶ These works are admittedly not orphan works, but they are testament to the commercial potential of unknown, obscure and forgotten works.

It would be irresponsible to ignore the issue of orphan works in South Africa. A third of the households in South Africa live under the food poverty line.⁵⁷ Though it is by no means the key to ending poverty, it would be careless to prevent individuals from profiting from orphan works by needlessly obstructing the commercial exploitation of these works.⁵⁸ Furthermore, it is imperative that we ensure that original South African orphan works can legally be archived and safeguarded, because failure to do so will result in an immense loss of our cultural heritage. South Africa has eleven official languages,⁵⁹ many of which are only spoken in South Africa⁶⁰

⁵² <http://makealittleextra.com/make-money-tearing-up-old-books-and-magazines-and-selling-them-on-ebay/> as visited on 2016-12-14.

⁵³ Sullivan S, *Encyclopedia of Great Popular Song Recordings Volume 1* First Edition (2013) Scarecrow Press, 488.

⁵⁴ <http://www.officialcharts.com/artist/10698/hollies/> as visited on 2016-12-14.

⁵⁵ <http://news.bbc.co.uk/2/hi/entertainment/2048610.stm> as visited on 2016-12-14.

⁵⁶ <http://edition.cnn.com/2002/SHOWBIZ/Music/06/16/uk.elvis/index.html> as visited on 2016-12-14.

⁵⁷ Statistics South Africa, *Income dynamics and poverty status of households in South Africa* (2015) 40 available at <http://www.statssa.gov.za/publications/Report-03-10-10/Report-03-10-102014.pdf> as visited on 2016-12-14.

⁵⁸ See Vuoplala A, *Assessment of the Orphan Works Issue and Costs for Rights Clearance* (2010) 5-6, available at http://www.ace-film.eu/wp-content/uploads/2010/09/Copyright_anna_report-1.pdf as visited on 2016-12-14.

⁵⁹ Section 6(1) of the Constitution.

⁶⁰For a comprehensive list of which languages are spoken in which country see <https://www.cia.gov/library/publications/the-world-factbook/fields/2098.html> as visited on 2016-12-14.

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by dwindling numbers of individuals.⁶¹ If these languages are no longer spoken by individuals and no literature or dictionaries (bi-lingual or otherwise) written in these languages exist, the extinction of these languages becomes a profound reality. This is not a hypothetical problem as the current rate at which languages, internationally, are falling out of use is six per year.⁶²

Another reason for the necessity for orphan works regulation is the Internet. The creation of the Internet brought about social media. Social media companies are some of the biggest companies internationally due to social media's pervasiveness in modern day society.⁶³ Adapting to social media is one of the biggest challenges copyright faces currently.⁶⁴ Social media requires that individuals must be allowed to interact via the broadcasting of media to other individuals and that those individuals be allowed to share that media with others.⁶⁵ This is where social media poses an enormous problem for copyright law. As the creation of media generally results in copyrighted media, this media will often be broadcast and shared.⁶⁶ An unavoidable consequence of the unrestricted ability to share media is that the individual who posted the media originally will have no control over how this media will be shared once it has been broadcast.⁶⁷ Even if the original broadcaster can restrict the sharing of the original posting, he or she will be unable to stop the broadcast of a reproduction or adaptation thereof.⁶⁸

The rise of the internet has also brought with it the remix-culture⁶⁹ (and by implication the culture of sharing media). The importance of the remix-culture to orphan works is the fact that the sharing of media predominantly takes place without the attribution of the author and/or owner of the copyright. It therefore becomes extremely difficult to determine the identity of the author and/or the owner of the copyright. The matter is complicated by the fact that

⁶¹ <http://www.news24.com/Archives/City-Press/Zulu-still-most-spoken-language-in-South-Africa-20150429> as visited on 2016-12-14.

⁶² See www.ethnologue.com/endangered-languages as visited on 2016-12-14.

⁶³ <http://www.statista.com/statistics/271582/revenue-of-selected-social-media-companies/> as visited on 2016-12-14.

⁶⁴ <http://www.infolaw.co.uk/newsletter/2012/09/can-copyright-adapt-to-the-digital-age/> as visited on 2016-12-14.

⁶⁵ Merill T, Social Media: The Business Benefits May Be Enormous, But Can the Risks - Reputational, Legal, Operational - Be Mitigated? (2011) 1 available at http://old.findinet.nl/~uploads/newsModule/ace_socialmedia111118.pdf as visited on 2016-12-14.

⁶⁶ See Neal & McDevitt LLC, *Top 10 Legal Issues in Social Media* (2010) 1-2 available at http://www.nealmcdevitt.com/assets/news/Top_10_Social_Media_Legal_Issues_FINAL.PDF as visited on 2016-12-14.

⁶⁷ O'Hara K et al, *Digital Enlightenment Yearbook 2014: Social Networks and Social Machines, Surveillance and Empowerment* First Edition (2014) IOS Press, 78.

⁶⁸ See <http://www.abc.net.au/news/2016-02-08/mother-fights-to-have-pug-meme-mocking-son-removed/7149130> as visited on 2016-12-14 and <http://petapixel.com/2012/11/01/how-my-family-photo-turned-into-an-internet-meme/> as visited on 2016-12-14.

⁶⁹ Elkin-Koren N, *Can Formalities Save the Public Domain? Reconsidering Formalities for the 2010s* (2013) 28, Berkeley Technology Law Journal, 1537,1546-1547. Lessig L, *Remix: Making Art and Commerce Thrive in the Hybrid Economy* First Edition (2008) Bloomsbury Academic, 79.



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copyright (in most cases) initially vests in the author originally.⁷⁰ If the copyright was not transferred it will remain with the anonymous author which explains why the inability to trace and contact the owner of the copyright is a problem that plagues anonymous works⁷¹ i.e. works of which the author is "*not identified by name*".⁷² There is therefore grounds to believe that the internet will be the cause of an unprecedented increase in the number of orphan works which will be left unregulated if no legislation is enacted.⁷³ This does not mean that all anonymous works are orphan works. Though the identity of the author might be unknown, the owner of the copyright might still easily be identifiable and traceable. Such a work will be an anonymous work, but not an orphan work.

3.3 LIBRARIES AND ARCHIVES

Libraries and archives are perhaps the parties who can benefit the most from orphan works legislation. Libraries and archives are bodies tasked with the preservation of our heritage, but cannot do so properly at present. When tasked with the preservation of an orphan work, they are left with a dilemma. They can either maintain the physical integrity of the original reproduction of the orphan work or they can ensure that an intact physical manifestation of the work is always available by making a reproduction thereof. Both options are futile as decay is a nearly insurmountable inevitability and, by making a reproduction of an orphan work, the libraries and archives are exposing themselves to copyright infringement claims they can ill afford.⁷⁴ It is true that certain copyright exceptions do apply to these bodies specifically, but these do not offer a solution and are insufficient to alleviate the problem.

The Regulations⁷⁵ creating the exceptions applicable to libraries and archives do not provide a definition for what is meant by a library. A library can be defined as "*a building or room containing a collection of books and periodicals for use by the public or members of an institution*".⁷⁶ Whether state-affiliation is required is not specified, but seems not to be the case as the term "*library*" is used instead of mentioning the National Library (as created in terms of

⁷⁰ Section 21(1)(a) of the Copyright Act.

⁷¹ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 23 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁷² Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 53.

⁷³ Hetcher S, *Orphan Works and Google's Global Library Project* (2007-2008) 8, Wake Forest Intellectual Property Law Journal, 1, 19.

⁷⁴ Hetcher S, *Orphan Works and Google's Global Library Project* (2007-2008) 8, Wake Forest Intellectual Property Law Journal, 1, 18.

⁷⁵ The Regulations published under Government Notice R2530 in Government Gazette 6252, 22 December 1978.

⁷⁶ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 822.



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The National Library of South Africa Act)⁷⁷ by name. Irrespective of this, it is submitted that the Regulations should be interpreted as not only to apply to state-affiliated libraries, as such an interpretation would limit the ambit of the Regulations unnecessarily.

Conversely, the Regulations do define what is meant by an archive or rather an archives depot. An archives depot is defined as one "*referred to in section 5 of the Archives Act, 1962*".⁷⁸ These archives depots are provincial depots created for the custody of archives.⁷⁹ The Archives Act has been repealed by the National Archives and Records Service of South Africa.⁸⁰ Coincidentally the term "*archives repositories*" is now used, but are defined as repositories established under the National Archivist and therefore can be construed as having the same meaning as archive depots.⁸¹ To simplify matters, these institutions will be referred to as "*archives*".

In terms of the Regulations, libraries or archives can reproduce a work without the permission of the owner of the copyright, but only for the sole purpose of replacing another deteriorating, damaged, lost or stolen copy of the work and only if an unused replacement cannot be obtained at a fair price.⁸² This is a partial solution to the problem, as it is only applicable where multiple copies of the work exist, which is not always the case. Instant Polaroid (or instant camera) photos are a great example of this. Once a picture is taken the camera will print out a photo, attached to the back of this photo will be a negative thereof. Because the photo is already printed out, there is no need to develop the negatives. The photo and the negative can still be used to make further reproductions of the photo. In most cases, due to age, the negative's visual fidelity will degrade to such an extent that the original picture cannot be reproduced from the negative at a later stage. Therefore, the only reproduction of the work will be the original printed photo itself.⁸³

What is meant by a deteriorating copy is uncertain as a work, that currently shows signs of deterioration, is by implication a damaged work. It is only logical that a new or undamaged copy of the damaged work will be used when a replacement reproduction is made. Works that are currently undamaged, but will inevitably deteriorate, seem not to fall within the ambit of

⁷⁷ Section 2 of The National Library of South Africa Act 92 of 1998.

⁷⁸ Regulation 1 published under Government Notice R2530 in Government Gazette 6252, 22 December 1978.

⁷⁹ Section 5(a) of the Archives Act 6 of 1962.

⁸⁰ The National Archives and Records Service of South Africa Act 43 of 1996.

⁸¹ See section 11 of the National Archives and Records Service of South Africa Act.

⁸² Regulation 3(e) published under Government Notice R2530.

⁸³ See the article on *Photographic Techniques* available at Microsoft Encarta Encyclopedia Plus 2004 (1993-2003) Microsoft Corporation, One Microsoft Way Redmond, WA98052-6399, USA as well as <http://www.jakehicksphotography.com/latest/2014/10/4/making-a-negative-from-your-polaroid> as visited on 2016-12-14.

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what is meant by a deteriorating copy as the regulation requires that another copy be used for the reproduction, which makes no sense if the work itself shows no sign of deterioration. It therefore follows that the use of the terms "*deteriorating*" and "*damaged*" are a tautology. This absurdity is calamitous, as it entails that nothing can be done by libraries and archives trying to salvage the last remaining copy of an undamaged work from inevitable deterioration.

3.4 STEPS TOWARD A SOLUTION

To ensure that orphan works do not become works lost to humanity, reform of copyright law is required. This is rarely debated as even opponents to reform admit that amendments to copyright legislation are needed.⁸⁴ During its study of the orphan works dilemma, the United States Copyright Office sought commentary on the issue from many interested parties ranging from owners of copyright (e.g. authors and publishers) to prospective copyright users (e.g. libraries, museums and internet companies like Google).⁸⁵ When asked for solutions many varied responses were given from the parties involved, yet none of the parties involved made a serious argument against the claim that the orphan works dilemma is real and warrants attention.⁸⁶ The actual debate seems to lie in the extent of the reformatory measures that are to be taken.⁸⁷

The acknowledgment of legislatures around the world of the need to regulate orphan works by enacting reformatory legislation marks a distinct shift in their rationale. Legislatures are starting to realise that their liberal extension of copyright should now be discontinued and limitations to copyright be instated instead.⁸⁸ If copyrighted works only become part of the public domain after these works have become lost to humanity, it is illogical to require that works eventually form part of the public domain. This effectively renders the expiry of copyright useless, as the public can currently not expect to eventually receive much in return for awarding a monopoly to the author. This makes for a compelling argument for copyright *in perpetuum* as copyright currently exists for too long a period for the public to fully benefit from

⁸⁴ Greenberg MH, *Reason or Madness: A Defense of Copyright's Growing Pains* (2007-2008) 7, The John Marshall Review of Intellectual Property Law, 1, 3.

⁸⁵ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁸⁶ *Ibid.*

⁸⁷ Greenberg MH, *Reason or Madness: A Defense of Copyright's Growing Pains* (2007-2008) 7, The John Marshall Review of Intellectual Property Law, 1, 3.

⁸⁸ For a brief description of the current and proposed legislation on orphan works internationally see Law Library of Congress, *Report for the Supreme Court November 2011 - Legislation on Orphan Works* (2012) Global Legal Research Center LL File No. 2012-006812 available at http://www.loc.gov/law/help/reports/pdf/2012-006812_Final_RPT.pdf as visited on 2016-12-14.



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the public domain. Change, in the form of either an extension or limitation of copyright, is therefore required for copyright legislation to function sensibly and to go into a philosophical debate on the necessity of reform would therefore be redundant. For purposes of this discussion it will be argued that the limitation of copyright is preferred, as the orphan works dilemma is an actual dilemma which must be solved. To do this a proper definition for the concept must be drafted.



-CHAPTER 4: THE DEFINITION-

4.1 BACKGROUND

Perhaps the most important aspect of the orphan works dilemma is defining precisely what an orphan work is. The effectivity of orphan works legislation revolves around the ability to identify a work as an orphan work. This discussion will illustrate the confusion that can ensue if the definition is worded poorly or incorrectly. There are currently numerous different definitions for the concept of orphan works, instead of one universally accepted definition.¹ This is unfortunate as the principle of "*national treatment*" applies to copyright which results in terms the rights of citizens and foreigners being treated equally under local law.² If no universal definition for orphan works exists, it will result in works being deemed orphan works in one country, but not in another. Use of a work as an orphan works in one country might adversely affect the interest of licensees in another country, but this is an unfortunate consequence of the lack of international treaties on the matter. This does not mean that the term is an obscure concept. There is a common idea to the concept and through analysis of the existing definitions, it is submitted that an orphan work can essentially be defined as a work of which the existing owner of the copyright cannot, after a reasonable search, be traced. This definition consists of four elements (or requirements): a work (in which copyright subsists), the existence of an owner of the copyright, a reasonable search and the inability to trace the owner of the copyright.

4.2 A WORK (IN WHICH COPYRIGHT SUBSISTS)

By defining orphan works as works (as opposed to a situation), we are differentiating the works from the situation caused by the existence of orphan works (the so-called "*orphan works situation*" or "*orphan works issue*").³ Even though the definition does not explicitly mention that the work should be a copyrighted work, it is the only logical inference that can be made because the existence of an owner of the copyright is also required.⁴ When the work forms part

¹ See "*Unlocatable Copyright Holders*" in the glossary of terms as published in General Notice 1218 of 2009, 26, Gasaway LN, *Copyright Basics: From Earliest Times to the Digital Age* (2009-2010) 10(3), Wake Forest Intellectual Property Law Journal, 241, 262; United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14 and Article 2 of Directive 2012/28/EU.

² Article 3(1) of the Agreement on the Trade-Related Aspects of Intellectual Property Rights.

³ For a definition of the orphan works issue see United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁴ See Badenhorst P, *A Tale of Two Expropriations: Newcrestia and Agrizania* (2014) 47:2 De Jure, 258, 279.

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of the public domain there ceases to be an owner of the copyright as copyright no longer subsists in the work.⁵ There cannot be an owner of the copyright if there is no copyright. The same cannot be said *vice versa* as copyright can exist in circumstances where the owner of the copyright does not exist. This is the case with *opera nullius*. *Opera nullius* are copyrighted works with no existing copyright owner.⁶ Copyright exists for a predetermined duration irrespective of the existence of an owner of the copyright, which at first seems illogical seeing as this fixed duration is often determined by the existence of the author.⁷ For example, copyright in literary works subsists for a duration equivalent to the life of the author plus an additional fifty years.⁸ The fact that the copyright exists for a predetermined duration results in the unprecedented existence of a subjective right without a legal subject to which the right belongs.⁹ Though copyright still subsists in an *opus nullius* any infringement thereof cannot be challenged as no owner of the copyright exists. It remains to be seen whether the infringement of the copyright in *opera nullius* can result in the criminal liability, as it is ultimately a victimless crime.¹⁰

As our copyright legislation requires that the work should be an original work before copyright will subsist in the work, it would be redundant to require that the work be an original work.¹¹ The inclusion of the term will unnecessarily confuse matters as most cases regarding orphan works will ultimately be based on whether the work is indeed an orphan work, and not whether the work is indeed a work as defined in the Copyright Act.¹² The excessive use of terms should be avoided as it unnecessarily complicates the interpretation of legislation. An example of this is can be found in the definition of the orphan works issue as given in the United States Copyright Office's Report on Orphan works.¹³ This report defines orphan works as "*the situation where the owner of a copyrighted work cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner*".¹⁴ The distinction made between the owner of a copyrighted work and the copyright owner seems to indicate that the terms refer to separate individuals (i.e. the owner of

⁵ Gasaway LN, *A Defense of the Public Domain: A Scholarly Essay* (2009) 101:4 Law Library Journal 451, 453.

⁶ *Opera Nullius* (Singular: *Opus nullius*). The term and the definition thereof is an invention of the author.

⁷ Section 3(2) of the Copyright Act.

⁸ Section 3(2)(a) of the Copyright Act.

⁹ See Badenhorst P, *A Tale of Two Expropriations: Newcrestia and Agrizania* (2014) 47:2 De Jure, 258, 279.

¹⁰ See *contra* <https://www.prisonlegalnews.org/news/2009/jun/15/the-tragedy-of-victimless-crimes-in-the-united-states/> as visited on 2016-12-14.

¹¹ Section 2(1) of the Copyright Act.

¹² Section 3(1) of the Copyright Act.

¹³ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 1 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

¹⁴ Own emphasis.

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the material form of the work in the first instance and the owner of the copyright in the second instance). This is not the case if the definition is read with the rest of the report as is required by the rules of statutory interpretation.¹⁵ Admittedly most legal scholars will not be confused by these terms and might not even notice this, the use of terminology is nevertheless peculiar. Were the definition properly worded (by referring to the copyright owner in the first instance and omitting the underlined section entirely) no possible confusion could exist.

4.3 THE EXISTENCE OF AN OWNER OF THE COPYRIGHT

Some of the definitions provided for orphan works focus on the author or owner of the copyrighted work rather than the owner of the copyright. Surprisingly, this mistake is a common one. In the General Notice 1218 of 2009, orphan works (as "*Unlocatable Copyrights holders*") are defined as "...creative works whose authors, creators or composers are not traceable."¹⁶ As the authors, creators or composers are not necessarily the owners of copyright, this definition should be altered so as not to be erroneous. In the situation where a renowned publisher publishes anonymous short stories or poems, the copyright in the published edition will belong to the publisher. The published edition therefore cannot be an orphan work, even though the individual poems themselves might be orphan works. The orphan work status of the poems will depend on the traceability of the owners of copyright in the individual poems themselves, based on the fact that each poem is a separate literary work. If the copyright in the poems was assigned to the publisher, however, these poems cannot be orphan works, despite the authors, creators or composers (i.e. the poets) not being traceable, as owner of the copyright (i.e. the publisher) will nevertheless be traceable.

The United States Copyright Office's Report on Orphan Works, on the other hand, defines an orphan work as a work of which the "*owner of a copyrighted work cannot be identified and located...*"¹⁷ which is wholly ambiguous as it can refer to either the owner of the physical manifestation of work itself or the owner of the copyright. The owner of the work has a property right whereas the owner of the copyright has an intellectual property right. These are entirely separate subjective rights.¹⁸

¹⁵ *Nasionale Vervoerkommissie van Suid-Afrika v Salz Gossow Transport (Edms) Bpk* 1983 (4) SA 344 (A) 356D-357A.

¹⁶ See "*Unlocatable Copyrights Holders*" in the glossary of terms as published in General Notice 1218 of 2009, 10.

¹⁷ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

¹⁸ Boezaart CJ, *Law of Persons* Fifth Edition (2010) Juta & Co, 2.

This distinction between the parties is of utmost importance as the infringement of copyright adversely affects the rights of the owner of the copyright and not necessarily the rights of the author or owner of the work, unless these individuals are in fact also the owner of the copyright. It is not necessary to include the author in the definition (for the sake of covering potential moral rights infringements) as the author is deemed to be the owner of the copyright when dealing with these infringements.¹⁹

4.4 A REASONABLE SEARCH

The requirement of a reasonable search is obligatory as it will allow a third party to use remedies afforded by orphan works legislation in cases where it is subjectively impossible to trace the owner of the copyright. If the reasonable search requirement was not imported into the definition, a work could only constitute an orphan work if no individual could discern the identity and contact of the owner of the copyright i.e. if it was objectively impossible to trace the owner of the copyright. Requiring objective impossibility would lead to a situation where very few, if any, orphan works existed as scenarios where objective impossibility applies are highly improbable. We can therefore distinguish between *de facto* orphan works (works orphaned in fact) and *de iure* orphan works (works orphaned by law). *De facto* orphan works are essentially the true orphan works, as it is objectively impossible to trace the copyright owner. The strictness of the reasonable search requirement will therefore have no bearing on the status of these works as orphan works. *De iure* orphan works, not including those, which are also *de facto* orphan works, are merely orphan works as per a definition.

The requirement of subjective impossibility is vital, as it is mostly impossible for a party desirous to use the work to distinguish if it is objectively or subjectively impossible to trace the owner of the copyright, hence the existence of provisions allowing a work to lose its orphan works status.²⁰ Though the original work may identify the author and/or owner of the copyright as on the date of publication, it will not necessarily identify the current owner of the copyright. Sources beyond the original work must be consulted to determine the current owner of the copyright in cases where copyright was transferred.²¹ These sources might not be available to the party desirous to use the work, as these may be sensitive or privileged documents (for

¹⁹ Section 20(2) of the Copyright Act.

²⁰ See article 5 of Directive 2012/28/EU.

²¹ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 26-27 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

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example contracts and testaments). In these cases, it will be subjectively impossible for everyone, without access to these documents, to trace the owner of the copyright.²²

It is therefore clear that the import of a reasonable search requirement is an inevitability for the proper functioning of any solution to the orphan works dilemma. This is unfortunate as these searches can be costly and cost-prohibitive for most users when dealing with orphan works on a large-scale.²³ The reliance on subjective impossibility as opposed to objective impossibility does however curtail the costs related to these searches.

The main contention against the reasonable search requirement is its vagueness.²⁴ This vagueness will inevitably result in inconsistency, unless the requirement is properly defined. Unfortunately, it is near impossible to define what a reasonable search is, without reverting to a simple *ad hoc* determination.²⁵ An *ad hoc* determination will generally lead to a just solution, but will not grant parties legal certainty prior to litigation.²⁶ This remains the only sensible solution as a formal definition of a reasonable search, on the other hand, will not be able to include all possibilities and will lead to equally unjust results.²⁷ A further complication lies in the fact that the Berne convention prohibits the obligatory registration of copyrighted works in a registry as a requirement for copyright to subsist in a work.²⁸ A reasonable search requirement that relies too heavily on the search of registries might lead to an implied registration requirement which will be in conflict with the Berne convention.²⁹

Along with a reasonable search it is required by some jurisdictions that the search be done in good faith as well.³⁰ Good faith can only be determined subjectively and its inclusion in a definition emphasises that an *ad hoc* determination is favoured. Its inclusion in a definition of orphan works will therefore only serve the purpose of ensuring that courts subjectively determine whether the search was reasonable. It is submitted that a reasonable search will

²² See also United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 26-29 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

²³ Walker RK, *Negotiating the Unknown: A Compulsory Licensing Solution to the Orphan Works Problem* (2013-2014) 35, Cardozo Law Review, 983, 1000.

²⁴ See Mausner JO, Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency (2007-2008) 55 Journal, Copyright Society U.S.A., 517, 525-528.

²⁵ *op cit* 526.

²⁶ *op cit* 526-527.

²⁷ *Ibid.*

²⁸ Article 5(2) of the Berne Convention.

²⁹ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 61 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

³⁰ See Mausner JO, Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency (2007-2008) 55 Journal, Copyright Society U.S.A., 517, 520.

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always be a search done, by implication, in good faith, and that it would be redundant to add the additional requirement of good faith.

4.5 THE INABILITY TO TRACE THE OWNER OF THE COPYRIGHT

The requirement regarding the traceability of the owner of the copyright might seem simple, but is deceptively complex.³¹ To fully understand the concept of traceability it is important to define certain key concepts. The inability to trace the owner of the copyright includes the inability to identify,³² determine and contact the owner of the copyright.

To identify means to "*establish the identity*".³³ The inability to identify can only be present if the copyrighted work does not identify the owner of the copyright. The inference can be made that the inability to locate (or trace) the owner of the copyright includes the inability to identify the owner of the copyright.

To determine means to "*ascertain or establish by research or calculation*".³⁴ Where copyright has been transferred, information about the transfer must be ascertainable by a reasonable search, otherwise the party desirous to use the work will be unable to determine the identity of the current owner of the copyright.

To contact means to "*get in touch or communication with*".³⁵ The party desirous to use the work will not be able to contact the owner of the copyright in cases where the prior cannot find any contact details of the latter or does indeed find said contact details, but these are no longer in use.

The concept of traceability nevertheless does not include the inability to communicate to³⁶ or negotiate with³⁷ the owner of the copyright. To communicate to means to "*share or exchange information or ideas*".³⁸ The inability to communicate to the owner of the copyright can be due to many factors such as language barriers, refusal by the owner of the copyright to communicate or unconsciousness of the owner of the copyright. It is submitted that existence of these factors should not result in a work being determined to be an orphan work.

³¹ Greenberg MH, *Reason or Madness: A Defense of Copyright's Growing Pains* (2007-2008) 7, The John Marshall Review of Intellectual Property Law, 1, 37.

³² See Article 2 of Directive 2012/28/EU.

³³ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 707.

³⁴ *op cit* 390.

³⁵ *op cit* 307.

³⁶ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 22 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

³⁷ *Ibid.*

³⁸ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 289.

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To negotiate with means to "*try to reach an agreement or compromise by discussion with others*".³⁹ The failure to negotiate can be due to factors such as the refusal by the owner of the copyright to communicate or to accept the terms of the other negotiating party and should not be construed as meaning that the work involved should be deemed an orphan work. To do so would allow parties desirous of using the work to circumvent the process of negotiating a licencing agreement by making use of an orphan-work exception instead, which would essentially negate the copyright subsisting in the work.

It is consequently evident that the word "*trace*" includes and excludes much more than is evident at face value, yet to include all these terms in the definition will no doubt cause unnecessary confusion, hence the omission thereof. For the sake of legal certainty, it might be proficient to provide a definition for "*trace*" so as to include and exclude the relevant terms as stipulated in the definitions section of an act if orphan works were to be defined in that act.

The United States Copyright Office's Report on Orphan works uses the term "*locate*".⁴⁰ In General Notice 1218 of 2009 the term "*trace*" is used.⁴¹ It is submitted that the terms "*trace*" and "*locate*" are both acceptable. Though these terms are fundamentally identical, they may be interpreted as having different meanings. As it is possible to trace a person without knowing the location of the person (for example by retrieving a phone number), the use of the word "*trace*" is preferred over the use of the word "*locate*".

4.6 WHAT ABOUT COMMERCIAL AVAILABILITY?

The evolution of computer software and the internet has brought about the free software and open source movements. Free software is software, which allows users the freedom to use it, study it, change it and/or redistribute it. It implies access to the source code. Open source software is software, which affords users access to its source code.⁴² Since the rise of these movements there has been a focus, by individuals in the computer sciences⁴³ on transparency and the public's constitutional right of access to information.⁴⁴ These movements exist in juxtaposition to copyright. Copyright, as with all other intellectual property rights, is property⁴⁵

³⁹ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 959.

⁴⁰ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁴¹ See the definition of "*Unlocatable Copyrights Holders*" in the glossary of terms as published in General Notice 1218 of 2009, 10.

⁴² See www.gnu.org/philosophy/open-source-misses-the-point.en.html as visited on 2016-12-14.

⁴³ *Ibid.*

⁴⁴ Section 32 of the Constitution.

⁴⁵ See paragraph 2.8 *supra*.

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protected by the Constitution.⁴⁶ Copyright denies anyone, except the owner of the copyright and those permitted by the owner of the copyright, to receive or impart copyrighted ideas. Copyright therefore limits the right of freedom of expression and access to information, both of which are protected by the Constitution.⁴⁷ To deem any infringement of these rights as unconstitutional, as some do,⁴⁸ would be incorrect as this will disregard the very notion of constitutionality. Constitutionality merely prohibits that rights enshrined in the Bill of Rights, outweigh one another⁴⁹ in a way that is unreasonable or unjustifiable.⁵⁰ Copyright's limitation of these other rights is reasonable and justifiable⁵¹ as multiple industries rely on the existence of copyright and copyright does not apply absolutely⁵² nor does it apply indefinitely.⁵³ Software developers financially relying on the copyright subsisting in their software are less likely to embrace the idea of free or open source software. Jim Allchin, an executive of Microsoft said that: "*open-source is an intellectual property destroyer. I can't imagine something that could be worse than this for the software business and the intellectual-property business.*"⁵⁴

These movements do however raise an interesting question: Does the public's access to information or, in this case, the public's access to copyrighted material affect the copyright that subsists in the work, or (more relevant to this discussion) can the commercial availability of a work determine its orphan works status? It is submitted that whether a work is available commercially does not affect its status as an orphan work. It affects its status as abandonware, a type of software that finds its origins in these movements.⁵⁵

Abandonware is currently described as "*computer software which is no longer sold or supported by its publisher*".⁵⁶ Following the tropes of terms such as freeware⁵⁷, shareware⁵⁸

⁴⁶ Section 25 of the Constitution.

⁴⁷ Sections 16 and 32 of the Constitution.

⁴⁸ See <http://www.theguardian.com/books/2015/jan/15/salman-rushdie-on-charlie-hebdo-freedom-of-speech-can-only-be-absolute> as visited on 2016-12-14 and <http://www.theguardian.com/commentisfree/2015/jan/13/wikileaks-not-perfect-but-more-important-than-ever-for-free-speech> as visited on 2016-12-14.

⁴⁹ Chapter 2 of the Constitution.

⁵⁰ Section 36 of the Constitution.

⁵¹ Any right in the Bill of Rights may be limited if it is reasonable and justifiable. See section 36 of the Constitution.

⁵² Sections 13 and 19B of the Copyright Act allows for certain exceptions to the exclusive right afforded an owner of the copyright.

⁵³ Copyright subsists in a work for a fixed period as stipulated in sections 3(2)(a)-(f) of the Copyright Act the type of work indicating which subsection applies.

⁵⁴ <http://news.cnet.com/2100-1001-257001.html> as visited on 2016-12-14.

⁵⁵ See <http://www.nytimes.com/library/tech/00/05/circuits/articles/18aban.html> as visited on 2016-12-14.

⁵⁶ <http://www.collinsdictionary.com/dictionary/english/abandonware> as visited on 2016-12-14.

⁵⁷ Freeware is "*computer software that may be distributed and used without payment*". <http://www.collinsdictionary.com/dictionary/english/freeware> as visited on 2016-12-14.

⁵⁸ Shareware is "*(computing) software available to all users without the need for a licence and for which a token fee is requested*". <http://www.collinsdictionary.com/dictionary/english/shareware> as visited on 2016-12-14.

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and malware,⁵⁹ the term abandonware is the combination of a descriptive term as well as the suffix "-ware" denoting a type of software.⁶⁰ Abandonware thus only applies to software⁶¹ i.e. computer programs.⁶² Certain abandonware can qualify as orphan works if the owner of its copyright cannot be traced after a reasonable search. Despite this, the concepts remain unrelated. Scholars seem to amalgamate the two concepts by often giving a general definition for both collectively as being "*copyrighted works which are still within their terms of protection but are no longer commercially available to the public*".⁶³ Giving these concepts a collective definition would be unfortunate as it is utterly incorrect.⁶⁴

The origin of the assimilation of the term into common use is murky, but seems to point to the creation of the website the Abandonware Ring Central,⁶⁵ a site now known as The Official Abandonware Ring.⁶⁶ Peter Ringer, the creator of the Abandonware Ring Central-website claims to have coined the term. Sources regarding the origin of the term are scarce and those that exist seem to quote Peter Ringer.⁶⁷ The Abandonware Ring Central contained abandonware and allowed the downloading thereof. The website defined abandonware as software that was "...[a]t least four years old..." and was "...[n]ot being sold or supported..." (i.e. meaning that updates, patches or technical support are no longer being provided for the program.) "...by the company that produced it or by any other company...".⁶⁸ As copyright subsists in computer programs for at least fifty years⁶⁹ it is therefore clear the existence of abandonware in which copyright still subsists is unavoidable. Despite being abandonware, the distribution thereof remains actionable and illegal.⁷⁰ By not specifying the means of sale, the sale of a program can be interpreted to include not only retail (physical) sales, but also digital sales. This may not have been the intention in 1997, when the definition was formulated, but it attained this meaning in the aftermath of the advent of websites allowing for the sale of digital

⁵⁹ Malware is "a computer program designed specifically to damage or disrupt a system, such as a virus". <http://www.collinsdictionary.com/dictionary/english/malware> as visited on 2016-12-14.

⁶⁰ <http://www.collinsdictionary.com/dictionary/english/abandonware> as visited on 2016-12-14.

⁶¹ <http://www.collinsdictionary.com/dictionary/english/abandonware> as visited on 2016-12-14.

⁶² See the definition "computer program" as per section 1 of the Copyright Act.

⁶³ See Khong DWK, *Orphan works, Abandonware and the Missing Market for Copyrighted Goods*, (2007) 15 International Journal of Law and Information Technology, 54, 56-57. In his article he does however also correctly distinguish between the concepts.

⁶⁴ *Ibid.*

⁶⁵ <http://www.abandonwarering.com?Page=FAQ> as visited on 2016-12-14.

⁶⁶ *Ibid.*

⁶⁷ Khong DWK, *Orphan works, Abandonware and the Missing Market for Copyrighted Goods*, (2007) 15 International Journal of Law and Information Technology, 54, 56.

⁶⁸ <http://www.abandonwarering.com?Page=FAQ> as visited on 2016-12-14.

⁶⁹ See section 3(2)(b) of the Copyright Act.

⁷⁰ Actionable in terms of section 23 of the Copyright Act. Illegal in terms of section 27 of the Copyright Act.

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copies of programs. These sites include gog.com and Apple's App Store, which were both launched in 2008, a full eleven years after the term abandonware was coined.⁷¹

Proponents of abandonware argue that an owner of the copyright, who no longer sells or supports a program, is not being adversely affected by users downloading the program illegally, as the owner of the copyright can no longer claim to be garnering revenue as a result of the program.⁷² Some even argue that these owners of copyright benefit from these downloads as it equates to free marketing for future iterations of the program.⁷³ Though the validity of each of these statements is contentious, it does not counteract the fact that the distribution of abandonware does not currently qualify as fair dealing⁷⁴ and therefore constitutes copyright infringement.⁷⁵ In cases regarding the copyright infringement of abandonware it might be hard to claim damages based on civil liability (as actual damage will have to be proven), but perpetrators will certainly be held criminally liable (as the act needs to be proven and not the damage caused).⁷⁶ Abandonware is therefore by no means a grey area of copyright law.⁷⁷

The exclusive rights afforded the owner of the copyright curiously implies the right of the owner of the copyright to withhold a work from the public.⁷⁸ This is inferred from the fact that there is no obligation placed upon owners of copyright to exercise their exclusive rights, yet an obligation is placed on others not to infringe on these rights.⁷⁹ Seeing as the publication of a work is not necessarily required before copyright will subsist in a work,⁸⁰ owners of copyright thus have little, if any, incentive to publish a work (or to express the intention to do

⁷¹ See <http://www.forbes.com/sites/erikkain/2013/05/30/good-old-games-gog-com-and-the-drm-free-revolution/#4a830e61133f> as visited on 2016-12-14 as well as <http://www.techcrunch.com/2008/07/10/app-store-launches-upgrade-itunes-now/> as visited on 2016-12-14.

⁷² See the archived website <http://www.gamespot.com/gamespot/features/pc/abandonware/index.html> available at web.archive.org/web/20060217080213/http://www.gamespot.com/gamespot/features/pc/abandonware/index.html as visited on 2016-12-14.

⁷³ See the archived website http://www.gamespot.com/gamespot/features/pc/abandonware/p2_03.html available at web.archive.org/web/20060217080213/http://www.gamespot.com/gamespot/features/pc/abandonware/p2_03.html as visited on 2016-12-14.

⁷⁴ Any use that qualifies as an exception in terms of section 13 and 19B of the Copyright Act.

⁷⁵ In terms of section 23 of the Copyright Act.

⁷⁶ Compare Snyman CR, *Criminal Law Sixth Edition* (2014) LexisNexis, 29-32 and Neethling J *et al* *Neethling-Potgieter-Visser Law of Delict* Seventh Edition (2015) LexisNexis, 4.

⁷⁷ Doug Lowenstein, president of the Interactive Digital Software Association, as quoted. See the archived website http://www.gamespot.com/gamespot/features/pc/abandonware/p2_01.html available at web.archive.org/web/20060217080213/http://www.gamespot.com/gamespot/features/pc/abandonware/p2_01.html as visited on 2016-12-14.

⁷⁸ See copyright's negative definition in Klopper HB *et al*, *Law of Intellectual Property First Edition* (2012) Printburo 13.

⁷⁹ Section 6-11B of the Copyright Act. See Conroy M, *Access to Works Protected by Copyright: Right or Privilege?* (2006) 18, South African Mercantile Law Journal, 345, 351-352. The reluctance to exercise exclusive rights does not result in the loss of these rights as that would contravene the Berne Convention as the enjoyment of copyright may not be subject to any formality. See Article 5(2) of the Berne Convention.

⁸⁰ Section 4(1) of the Copyright Act.

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so in future) if it will not result in any financial benefit.⁸¹ The implied right (to withhold the copyrighted work from the public) at first seems curious, as copyright law seeks to inspire the creation of works for the public's enjoyment.⁸² It is for this reason that proponents of abandonware claim that the distributors of copyrighted abandonware should not be persecuted or sued, as it will allow a larger population of the public to enjoy the work.⁸³

The flaw in this argument is that the work will eventually form part of the public domain.⁸⁴ The right of the owner of the copyright to distribute or withhold a work from the public is a fundamental component of copyright as it allows the owner of the copyright to ensure the availability and, by implication, the rarity of the work, which in turn can affect the value of the work.⁸⁵ Another argument made by proponents of abandonware is that abandonware websites assist in the archiving of these programs.⁸⁶ This is a misleading argument as it conveniently ignores the fact that these websites exist to distribute abandonware and not necessarily to archive these programs. There is no prohibition against users making copies of programs for back-up purposes.⁸⁷ This back-up may, however, not be distributed nor be made available online for download.⁸⁸ To allow copyright infringement in the cases of abandonware goes against current copyright law and should be prohibited. It would be interesting to see what a judge would decide in a matter where the only readable reproduction of a work is ironically to be found on one of these abandonware websites. This scenario, though hypothetical, seems quite likely considering that computer disks from the 1970's are known to be readable for only ten to thirty years.⁸⁹

From this discussion, it should be evident that abandonware and orphan works are not analogous concepts despite both terms evoking similar ideas. Both are issues of copyright dealing predominantly with works that are rare or of little commercial value and involves

⁸¹ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 13.

⁸² Gasaway LN, *A Defense of the Public Domain: A Scholarly Essay* (2009) 101:4 Law Library Journal 451, 453.

⁸³ Sarinee Achavanuntakul, founder of the abandonware website Home of the Underdogs, as quoted. See the archived website http://www.gamespot.com/gamespot/features/pc/abandonware/p2_07.html available at web.archive.org/web/20060217080213/http://www.gamespot.com/gamespot/features/pc/abandonware/p2_07.html as visited on 2016-12-14.

⁸⁴ Gasaway LN, *A Defense of the Public Domain: A Scholarly Essay* (2009) 101:4 Law Library Journal 451, 453.

⁸⁵ Khong DWK, *Orphan works, Abandonware and the Missing Market for Copyrighted Goods*, (2007) 15 International Journal of Law and Information Technology, 54, 58.

⁸⁶ Sarinee Achavanuntakul, founder of the abandonware website Home of the Underdogs, as quoted. See the archived website http://www.gamespot.com/gamespot/features/pc/abandonware/p2_07.html available at web.archive.org/web/20060217080213/http://www.gamespot.com/gamespot/features/pc/abandonware/p2_07.html as visited on 2016-12-14.

⁸⁷ Section 19B(2)(a) of the Copyright Act.

⁸⁸ Section 19B(2)(b) of the Copyright Act.

⁸⁹ Brannon P, *Reforming Copyright to Foster Innovation: Providing Access to Orphaned Works* (2006-2007) 14 Journal of Intellectual Property Law, 145, 148.

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parties desirous to digitise and archive these works. The commercial availability of a copyrighted work does not affect whether the work is an orphan work or not, it does however affect its status as abandonware. To confuse these terms will be disastrous as it will amalgamate two clearly disparate issues.

4.7 CONCLUSION

From this discussion on the definition of orphan works, it is clear to see the importance of a definition that is compact, precise and unambiguous. The definition of the concept is key to its understanding and the regulation thereof. Multiple jurisdictions have tried defining the concept and have erred in their attempts. This does not make their proposed solutions to the orphan works dilemma any less valuable for legal comparative studies. These solutions should be discussed, analysed and critiqued to find a solution viable for South Africa.



-CHAPTER 5: THE UNITED STATES OF AMERICA-

THE SHAWN BENTLEY ORPHAN WORKS ACT

5.1 THE NECESSITY OF A COMPARATIVE STUDY

The problem of orphan works is an international one and affects most countries similarly. This is in part due to most countries' copyright law being in line with the Berne Convention.¹ As the Berne Convention defines the types of works in which copyright can subsist and for how long the copyright subsists in these works, it can be said that an international minimum standard of copyright law exists.² This affords legal scholars the opportunity to compare different countries' copyright legislation. For purposes of this discussion, the solutions utilised or proposed by South Africa,³ the United States of America,⁴ Canada⁵ and the European Union⁶ will be analysed. These solutions encompass various sources of law and include those proposed in bills, some of which were rejected. This choice can be justified as the solutions posed in rejected bills can still be viable solutions despite being rejected. The possibility exists that the Bill might contain a suitable solution as its incompatibility with the copyright laws of its country of origin might not be an issue when applied to South African legislation. Furthermore, it is also imperative to learn from the mistakes of these proposed solutions in the attempt to create a new solution.

5.2 THE SHAWN BENTLEY ORPHAN WORKS ACT OF THE UNITED STATES OF AMERICA

The first solution to be analysed is that of the United States of America. The United States of America, like South Africa, currently does not have any enacted legislation regulating orphan works. Multiple legislative solutions have been proposed, but Congress has refused to accept any of these solutions thus far. The most recent bill, called the Shawn Bentley Orphan Works Act,⁷ was also unsuccessful at becoming enacted law. The Bill followed the legislative process all the way to the House committee where the House of Representatives rejected it

¹ The countries are party to the Berne Convention are listed in General Notice 136 in Government Gazette 11718, 3 March 1989.

² See Article 2 and 7 of the Berne Convention

³ The Local and Digital Content Development Strategy as proposed in General Notice 1218 of 2009, the amendments to the Copyright Act by the Intellectual Property Laws Amendment Act 28 of 2013 and section 27 of the Copyright Amendment Bill.

⁴ The Shawn Bentley Orphan Works Act of 2008, S 2913, 110th Cong.

⁵ The Canadian Copyright Act.

⁶ Directive 2012/28/EU.

⁷ This Bill is sometimes called the Orphan Works Act of 2008. The full title of the Bill is the Shawn Bentley Orphan Works Act of 2008, S 2913, 110th Cong.

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thereafter.⁸ This bill, though far-reaching, proposed a simple solution. It proposed a limitation on the owner of the infringed copyright's remedies in cases of copyright infringement where the work is an orphan work.⁹ One of the biggest reasons prospective authors do not use orphan works is the fear of litigation and the consequences thereof.¹⁰ The Bill therefore strived to alleviate this fear through the limitation of the owner of the copyright's remedies. This limitation would only be applicable in cases where the infringer could prove by a preponderance of the evidence that a reasonable and diligent search¹¹ to locate and identify the owner of the copyright was performed in good faith and was documented¹² by the infringer who subsequently failed to locate and identify the owner of the copyright.¹³ The Bill refers to the evidentiary burden of "*by a preponderance of the evidence*". This can be defined as "*the greater weight of the evidence required in a civil (non-criminal) lawsuit for the trier of fact (jury or judge without a jury) to decide in favor (sic) of one side or the other*"¹⁴ and is therefore comparable to the South African evidentiary burden of proving a case on a balance of probabilities¹⁵ It should also be noted that "*[t]his preponderance is based on the more convincing evidence and its probable truth or accuracy and not on the amount of evidence.*"¹⁶

5.3 A SEARCH DONE IN GOOD FAITH

The Bill does not define what a search done in good faith is. Its inclusion as a requirement separate from reasonableness and diligence is perplexing as the concept of good faith is seemingly included in these requirements. The definition of a diligent effort includes "...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 ...**".¹⁷

⁸ Castle CL et al, *Unhand That Orphan – Evolving Orphan Works Solutions Require New Analysis* (2009) 1, Entertainment and Sports Lawyer 1, 22.

⁹ S. 2913 § 2(c).

¹⁰ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 2, 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

¹¹ S. 2913 § 2(b)(2)(A)(i).

¹² S. 2913 § 2(b)(1)(A)(i)(I).

¹³ S. 2913 § 2(b)(1)(A)(i)(II).

¹⁴ <http://dictionary.law.com/default.aspx?selected=1586> as visited on 2016-12-14.

¹⁵ Ibid.

¹⁶ S. 2913 § 2(b)(2)(A)(ii)(II). Own emphasis.

5.4 LIMITATION OF REMEDIES

In terms of the Bill, the owner of the copyright in an orphan work will only be eligible to claim reasonable compensation from the infringer.¹⁷ It is apt to call the individual using the copyright an infringer, as the owner of the copyright can still claim compensation even though the amount claimable is limited. The owner of the copyright in an orphan work will not be eligible to claim reasonable compensation if the infringer is a non-profit educational institution, museum, library, archives or a public broadcasting entity.¹⁸ These entities are exempted from paying any compensation where the infringed work is an orphan work.¹⁹ This exemption only applies if the infringer can prove, by a preponderance of 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."*²⁰

The fact that the work does not include information identifying the owner of the copyright²¹ or that the owner of the copyright did not respond to any inquiry or communication about the work²² cannot be regarded as sufficient to meet the requirements for a reasonable and diligent search.²³ This is to avoid the practice of prospective authors to forego the requirement of doing a reasonable and diligent search by just publishing their intention to use the work instead. This provision is necessary as it ensures compliance with Berne Convention which prohibits the enjoyment of copyright being subject to any formalities.²⁴ Were this provision not inserted there would be an implied duty on the owner of the copyright to ensure that no one has published an intention to use the copyrighted work, otherwise the owner of the copyright would only enjoy limited remedies.²⁵ This duty would be a near impossible duty to fulfil, as it would require a daily perusal of multiple forums. It is also frugal to include this provision as it

¹⁷ S. 2913 § 2(c)(1)(A).

¹⁸ S. 2913 § 2(c)(1)(B).

¹⁹ S. 2913 § 2(c)(1)(B).

²⁰ S. 2913 § 2(c)(1)(B)(i)-(iii).

²¹ S. 2913 § 2(b)(2)(A)(iv)(I).

²² S. 2913 § 2(b)(2)(A)(iv)(II).

²³ S. 2913 § 2(b)(2)(A)(iv).

²⁴ See Article 5(2) of the Berne Convention.

²⁵ See S. 2913 § 2(c) as read with United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 2, 61 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.



avoids the nearly unresolvable issue of determining which forum would be the apt forum to publish this intention.

5.5 INJUNCTIVE RELIEF

The owner of the copyright can still approach the Court for injunctive relief to stop infringing acts as well as to prevent future infringements.²⁶ Defined as "*a court-ordered act or prohibition against an act or condition which has been requested, and sometimes granted, in a petition to the court for an injunction...*"²⁷ the concept of injunctive relief is comparable to the South African remedy of an interdict. The Bill prohibits courts from ordering any injunctive relief in cases where the infringer has prepared "...*a new work of authorship that recasts, transforms, adapts, or integrates the infringed work with a significant amount of original expression...*"²⁸ This is only the case if the infringer pays reasonable compensation as agreed upon with the owner of the copyright²⁹ while providing attribution in a manner that is reasonable if requested by the owner of the copyright to do so.³⁰ The Bill further states that works derived from copyrighted works will not be denied copyright protection, even though the derivative work might have come into existence as a result of the unlawful use of the copyrighted work.³¹

5.6 RECOMMENDED PRACTICES

The Bill attempts to lessen the vagueness of the content of a "*reasonable and diligent search*"³² by obligating³³ the Register of Copyrights to publish statements on the Recommended Practices regarding the conduct and documentation required to comply with the provisions of a reasonable and diligent search.³⁴ These statements on the Recommended Practices would have listed materials, resources, databases and technology tools that must have been used to assist in the determination of whether the work is an orphan work. The obligation to use these resources is inferred and the statements' express status as recommendations are

²⁶ S. 2913 § 2(c)(2)(A).

²⁷ <http://dictionary.law.com/default.aspx?selected=963> as visited on 2016-12-14.

²⁸ S. 2913 § 2(c)(2)(B).

²⁹ S. 2913 § 2(c)(2)(B)(i).

³⁰ S. 2913 § 2(c)(2)(B)(ii).

³¹ S. 2913 § 2(e).

³² S. 2913 § 2(b)(2)(A)(i).

³³ An obligation can be inferred because of the use of the word "*shall*". See S. 2913 § 2(b)(2)(B)(i).

³⁴ S. 2913 § 2(b)(2)(B)(i).

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justified by the fact that perusal of these sources is viewed as a minimum threshold to comply with the requirements of a reasonable and diligent search.³⁵

The Bill specifically states that the recommendations should distinguish between categories of works.³⁶ This is sensible as different categories of work will require different search methodologies. A technology that is fast becoming a viable method of search for visual media is "*content-based image retrieval*". Content-based image retrieval entails "*any technology that in principle helps organize (sic) digital picture archives by their visual content*".³⁷ Content-based image retrieval basically works by using an image to search for a similar image rather than by using text to search for an image by matching the search phrase to the image's metadata or tags. It is currently not as reliable as using text to search for an image due to a few shortcomings, the most prominent of which is the reliance on visual similarity rather than semantic similarity. This is because of the difficulty of describing an image mathematically and then comparing this mathematical description to another image for similarity. This effectively means that images of varying visual fidelity might not be paired together as matching images. The importance of this for orphan works legislation is that databases using content-based image retrieval, although a useful tool, cannot solely be relied upon until this shortcoming is amended to such an extent that mismatches become a rarity.³⁸

The attempt to publish statements on the Recommended Practices is admirable, but remains merely a recommendation and therefore the status of works, as orphan works will still be determined on an *ad hoc* basis. The Bill does not describe the sources that should be contained in the Recommended Practices published by the Register of Copyrights. Although the Bill entrusts the Register of Copyrights with the duty of determining which sources should be included in the Recommended Practices, the Bill nevertheless places the Register of Copyrights under the obligation to consider comments made by the Small Business Administration Office of Advocacy.³⁹ The sources may therefore include databases of registered copyrighted works or databases of orphan works. The appearance of the work on either of these databases is not necessarily indicative of the work's status as an orphan work, as the information given may be outdated, incorrect or incomplete. Personal knowledge of the

³⁵ S. 2913 § 2(b)(2)(B)(i).

³⁶ S. 2913 § 2(b)(2)(B)(i).

³⁷ Datta R et al, *Image Retrieval: Ideas, Influences, and Trends of the New Age* (April 2008) 40:2, ACM Transactions on Computing Surveys, 1, 2.

³⁸ *op cit* 17-18.

³⁹ S. 2913 § 2(b)(2)(B)(ii).

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origin of the work may also result in a work not being an orphan work despite it being listed as one on a database.⁴⁰

5.7 CRITIQUE

The Shawn Bentley Orphan Works Act may ultimately have been rejected by the House of Representatives,⁴¹ yet it is deemed by certain countries (notably Australia) to be a viable solution.⁴² This viability is in part due to its relatively inexpensive nature.⁴³ The solution is conceptually sound as the potential limitation of remedies will serve as encouragement to owners of copyright in orphan works to make themselves known. This is an ideal that all orphan works solutions should strive for⁴⁴ as it will result in a smaller number of orphan works existing. Some argue that this limitation of remedies also strikes a fair balance between facilitating access to orphan works and protecting the rights and interests of owners of copyright.⁴⁵ This argument is based on the belief that the chances that the owners of copyright in orphan works making themselves known will be low considering that a reasonably diligent search was unable to locate the owner.⁴⁶ Though convincing, such an argument does not take into account that the owner of the copyright might not want the work to be used and would have been entitled to bar anyone from using the work if the owner of the copyright was indeed locatable. This control over your copyright is a cornerstone of copyright and will be limited on account of the owner thereof not being locatable.

Another issue of contention is the matter of whether the remedies are limited in a way that is acceptable in terms of the three-step test⁴⁷ in the Berne Convention and the TRIPS Agreement. The Berne Convention permits the reproduction of a work "*...in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work*

⁴⁰ S. 2913 § 2(b)(2)(A)(ii)(II).

⁴¹ Castle CL *et al*, *Unhand That Orphan – Evolving Orphan Works Solutions Require New Analysis* (2009) 1, Entertainment and Sports Lawyer 1, 22.

⁴² Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 35.

⁴³ Walker RK, *Negotiating the Unknown: A Compulsory Licensing Solution to the Orphan Works Problem* (2013-2014) 35, Cardozo Law Review, 983, 999.

⁴⁴ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 34.

⁴⁵ *Ibid op cit* 33.

⁴⁶ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 2, 12 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁴⁷ 17 U.S.C. § 107.

⁴⁷ See Knights R, *Limitations and Exceptions Under the "Three-Step-Test" and in National Legislation–Differences Between the Analog and Digital Environments* (May 2001) available at http://www.wipo.int/edocs/mdocs/copyright/en/wipo_cr_mow_01/wipo_cr_mow_01_2.pdf as visited on 2016-12-14.

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*and does not unreasonably prejudice the legitimate interests of the author.*⁴⁸ This article is echoed by the TRIPS Agreement and applies to all limitations and exceptions to exclusive rights of the owner of the copyright.⁴⁹ Seeing as the limitation of remedies available to the owners of the copyright in orphan works is determined on an *ad hoc* basis according to distinctly defined rules,⁵⁰ it is clear that the limitation only applies in certain special cases.⁵¹ Whether or not the limitation will be deemed to unreasonably prejudice the legitimate interests of the owner of the copyright is less clear. These "*legitimate interests*" are not merely limited to the economic value of the copyright in the work, despite the focus on this facet of the concept.⁵² For purposes of this provision it will be insufficient to focus on the effect of the economic value of the copyright, because even though the limitation of the remedies results in a diminution in the stranglehold owners of copyright have over their copyright, it also increases the chances of these works being used, effectively resulting in additional revenue for the owner of the copyright that would not have been realised if not for the limitation being applicable. What other legitimate interests are to be considered is uncertain,⁵³ but it is submitted that the potential financial benefits that the owner of the copyright and prospective users will derive from this limitation should outweigh the adverse effects thereof.

Arguably the biggest potential stumbling block for the application of this solution is that the threat of a limitation of remedies tacitly creates a duty on owners of copyright to remain traceable which arguably imposes a duty to comply with certain formalities. This may be debatable,⁵⁴ but it is submitted that it would be difficult to argue that the statements of Recommended Practices do not result in the creation of formalities, as the inclusion of the work in any of the recommended materials and databases will ensure that it cannot become an orphan work.⁵⁵ It is therefore submitted that this limitation of remedies, in its stated form, will not

⁴⁸ Article 9(2) of the Berne Convention

⁴⁹ Article 13 of the Agreement on the Trade-Related Aspects of Intellectual Property Rights.

⁵⁰ S. 2913 § 2(b).

⁵¹ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 35.

⁵² Geiger C *et al*, *The Three-Step-Test Revisited: How to Use the Test's Flexibility in National Copyright Law* (2014) 29:3, American University International Law Review, 581, 596. See also Knights R, *Limitations and Exceptions Under the "Three-Step-Test" and in National Legislation—Differences Between the Analog and Digital Environments* (May 2001) 5-6 available at http://www.wipo.int/edocs/mdocs/copyright/en/wipo_cr_mow_01/wipo_cr_mow_01_2.pdf as visited on 2016-12-14.

⁵³ Geiger C *et al*, *The Three-Step-Test Revisited: How to Use the Test's Flexibility in National Copyright Law* (2014) 29:3, American University International Law Review, 581, 596.

⁵⁴ See Ginsburg JC, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship* (2009-2010) 33:3, Columbia Journal of Law & the Arts, 311, 316-318 and Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 35.

⁵⁵ S. 2913 § 2(b)(2)(B)(i).

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comply with the Berne Convention.⁵⁶ The reliance on the statements of Recommended Practices is what ensures that a measure of legal certainty is maintained. There is no way for prospective users to objectively measure the reasonableness and diligence of their search for the owner of the copyright without these statements. Some argue that a vague reasonable search requirement is exactly what is needed as it results in a flexibility that is required for the proper functioning of the solution.⁵⁷ This school of thought is not recommended as it will result in the creation of an exploitable loophole with which works can be used without permission, which is a situation that independent or smaller stakeholders can ill afford.⁵⁸ This is exacerbated by the ease with which the metadata can be removed from digital photos, which causes a major problem for freelance photographers as without this metadata it is nearly impossible to identify the photographers unless they are indicated on the photo itself.⁵⁹

The fear of litigation is enough to deter many prospective users from using orphan works⁶⁰ and a solution that does not properly address this fear will be of little use, if any. The possibility that a creative endeavour might result in civil liability and the payment of statutory damages is enough to result in a decrease of investments in these endeavours.⁶¹ This does not even reflect the costs associated with the performance of reasonable searches. These costs are increased further by the prohibition against relying on searches performed previously by others.⁶²

It is submitted that the solution posed by the Shawn Bentley Orphan Works Act unfortunately will not solve the orphan works dilemma in a manner viable in South Africa. Irrespective of its potential incapability with the Berne Convention, it will not be usable by libraries, archives or the South African public at large, as only a select few will be willing to risk civil liability, let alone afford reasonable searches on a scale that truly matters. Finding a solution that fairly balances legal certainty and compatibility with the Berne Convention by not amounting to the creation of formalities is a challenge faced by legislators seeking to use a limitation of remedies as a solution for the orphan works dilemma. It might be possible to

⁵⁶ See Article 5(2) of the Berne Convention

⁵⁷ Walker RK, *Negotiating the Unknown: A Compulsory Licensing Solution to the Orphan Works Problem* (2013-2014) 35, Cardozo Law Review, 983, 998.

⁵⁸ Bunce A, *British Invasion: Importing the United Kingdom's Orphan Works Solution to United States Copyright Law* (2014) 108:1, Northwestern University Law Review, 243, 267-268.

⁵⁹ *Ibid.*

⁶⁰ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 2, 15 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁶¹ Walker RK, *Negotiating the Unknown: A Compulsory Licensing Solution to the Orphan Works Problem* (2013-2014) 35, Cardozo Law Review, 983, 999-1000.

⁶² *op cit* 1000-1001.

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achieve this balance, but the result will be a solution nearly indistinguishable from the American copyright exception of fair use.⁶³ The logical conclusion would therefore be to analyse the exception of fair use as a solution to the orphan works dilemma.

⁶³ 17 U.S.C. § 107.



-CHAPTER 6: THE EUROPEAN UNION-

DIRECTIVE 2012/28/EU ON CERTAIN PERMITTED USES OF ORPHAN WORKS

6.1 BACKGROUND

The European Union consists of 28 member countries.¹ The European Union has specific aims (as defined in European Union treaties) and achieves these aims through the creation of several types of legal acts.² One such legal act is called a directive, which is a legislative act. Directives set out goals that must be achieved by Member States.³ If these goals are not met, the European Commission may act by opening formal infringement proceedings which may lead to the member state being referred to the European Court of Justice.⁴ In 2012, the European Union adopted Directive 2012/28/EU on certain permitted uses of orphan works.⁵ This directive is of note as it effectively enforces the regulation of orphan works in all the member states. Due to the magnitude of its effect, this directive is much more limited in scope than other similar legal acts,⁶ such as the Shawn Bentley Orphan Works Act of the United States discussed *supra*.⁷

6.2 THE i2010: DIGITAL LIBRARIES INITIATIVE

As a response to a request by six heads of state and government to ensure a harmonised online strategy for Europe's libraries, the Commission of the European Communities, in 2005, communicated its intention to launch the i2010: Digital Libraries initiative.⁸ One of the many long-term goals of this initiative is to create a library of digitised works called "*Europeana*".⁹ This virtual European library currently contains more than 39 000 000 items¹⁰ and more than

¹ <http://europa.eu/about-eu/countries/member-countries/> as visited on 2016-12-14.

² http://europa.eu/eu-law/decision-making/legal-acts/index_en.htm as visited on 2015-07-27.

³ *Ibid.*

⁴ http://ec.europa.eu/atwork/applying-eu-law/index_en.htm as visited on 2016-12-14.

⁵ Directive 2012/28/EU.

⁶ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 38.

⁷ Shawn Bentley Orphan Works Act of 2008, S 2913, 110th Cong.

⁸ i2010: Digital Libraries High Level Expert Group on Digital Libraries *Final Report - "Digital Libraries: Recommendations and Challenges for the Future"* 3 available at <http://www.dlorg.eu/uploads/External%20Publications/HLG%20Final%20Report%202009%20clean.pdf> as visited on 2016-12-14. Commission of the European Communities *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee And The Committee Of The Regions - I2010: Digital Libraries* 3 available at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005DC0465&from=EN> as visited on 2016-12-14.

⁹ i2010: Digital Libraries High Level Expert Group on Digital Libraries *Final Report - "Digital Libraries: Recommendations and Challenges for the Future"* 10 available at <http://www.dlorg.eu/uploads/External%20Publications/HLG%20Final%20Report%202009%20clean.pdf> as visited on 2016-12-14.

¹⁰ <http://pro.europeana.eu/about-us/factsfigures> as visited on 2015-07-30.

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3 000 data providers have already contributed.¹¹ These data providers are mainly organisations specialising in the acquisition, distribution and archiving of knowledge for e.g. libraries, archives and museums. Prior to the European Union's adoption of the directive, these data providers would have needed the permission of owners of copyright to digitise these works, an impossibility where the work was an orphan work.¹²

6.3 DIRECTIVE 2012/28/EU

The directive authorises the use of orphan works by publicly accessible libraries, educational establishments, museums, archives, and film or audio heritage institutions.¹³ The aforementioned organisations are merely permitted communication of the orphan work to the public through wire or wireless means.¹⁴ These communications include, *inter alia*, making the work available to the public in such a way that the public may access it from a place and time individually chosen.¹⁵ Communication through "*wire or wireless means*" is not defined by the directive, but can be taken to mean communications of a digital and analogue nature respectively.¹⁶ The permitted organisations may, directly or indirectly, make temporary or permanent reproductions of the orphan works by any means and in any form, completely or partially.¹⁷ The directive does not apply to all types of orphan works however, but only applies to copyrighted works (or works protected by related rights such as moral rights) first published (or broadcasted) in one of the member states.¹⁸ These works must be in the form of books, journals newspapers, magazines or other writings,¹⁹ as well as cinematographic or audio-visual works and phonograms²⁰ contained in the collections of the mentioned organisations.²¹ If an orphan work is a cinematographic or audio-visual work and phonogram, the directive will also find application, permitting that the work was produced by public service broadcasting organisations up to and including 31 December 2002 and was contained in their archives.²² The

¹¹ <http://pro.europeana.eu/share-your-data/become-a-data-provider> as visited on 2016-12-14.

¹² Paragraphs 1-3 of the Preamble of Directive 2012/28/EU.

¹³ Article 1(1) of Directive 2012/28/EU.

¹⁴ See Article 6(1)(a) of Directive 2012/28/EU as read with Article 3(1) of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society available at <http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2001:167:0010:0019:EN:PDF> as visited on 2016-12-14.

¹⁵ Article 3(1) of Directive 2001/29/EC.

¹⁶ See Article 3 of Directive 2001/29/EC.

¹⁷ See Article 6(1)(b) of Directive 2012/28/EU as read with Article 2 of Directive 2001/29/EC.

¹⁸ Article 1(2) of Directive 2012/28/EU.

¹⁹ Article 1(2)(a) of Directive 2012/28/EU.

²⁰ Article 1(2)(b) and article 1(2)(c) of Directive 2012/28/EU.

²¹ Article 1(2)(a) and article 1(2)(b) of Directive 2012/28/EU.

²² Article 1(2)(c) of Directive 2012/28/EU.

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directive also applies to unpublished works if these works were made available to the public by any of the permitted organisations.²³ The Directive does not apply to stand alone photographs or foreign works.²⁴

6.4 ORPHAN WORKS

The directive defines an orphan work as a work of which no right holders can be identified or located after a diligent search has taken place.²⁵ If the work has multiple right holders and only some can be found, the work can be dealt with as an orphan work if the located right holders authorises the use thereof.²⁶ To ensure that anonymous or pseudonymous works are not automatically deemed orphan works, the directive expressly states that it does not prejudice national provisions regarding the copyright that subsists in these kinds of works.²⁷ A harmonised approach in determining the orphan work status of a work is maintained by the directive's requirement that a work is considered an orphan work in all of the member states if it is considered an orphan work in any one of the member states.²⁸ This harmonisation is not only done for the sake of legal certainty regarding the works' status as an orphan work in the European Union, but is also required for the proper functioning of the directive, as it requires the existence of a single publicly accessible online database established and managed by the Office for Harmonization in the Internal Market.²⁹

For purposes of discerning whether a work is an orphan work, a diligent search³⁰ carried out in good faith³¹ is required.³² This search has to be made prior to use of the work.³³ The permitted organisations are required to maintain records of diligent searches and must provide relevant national authorities with prescribed information regarding the search.³⁴ It is required that the permitted organisations provide the results of diligent searches of works presumed orphan works, the use of the orphan work, any change in the work's status as orphan work and the relevant contact information of the organisation concerned. The diligence of the search is

²³ Article 1(3) of Directive 2012/28/EU.

²⁴ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 36.

²⁵ Article 2(1) of Directive 2012/28/EU.

²⁶ Article 2(2) of Directive 2012/28/EU.

²⁷ Article 2(5) of Directive 2012/28/EU.

²⁸ Article 4 of Directive 2012/28/EU.

²⁹ Article 3(6) of Directive 2012/28/EU.

³⁰ Article 3 of Directive 2012/28/EU.

³¹ Article 3(1) of Directive 2012/28/EU.

³² Article 2(1) of Directive 2012/28/EU.

³³ Article 3(1) of Directive 2012/28/EU.

³⁴ Article 3(5)(a)-(d) of Directive 2012/28/EU.

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determined by taking into account the category of work involved as well as the sources deemed appropriate for that specific category or work.³⁵ Unlike the Shawn Bentley Orphan Works Act of the United States,³⁶ the directive lists the sources that must be consulted.³⁷ The directive however leaves it in the discretion of each of the member states to require the use of other additional sources.³⁸ The directive also requires that member states ensure that the information garnered from diligent searches is recorded in the Orphan Works Database³⁹ of the Office for Harmonization in the Internal Market.⁴⁰ The Office for Harmonization in the Internal Market is an office tasked with the provision of online mechanisms improving the exchange of information, relating to the enforcement of intellectual property rights, between authorities of member states.⁴¹

It might seem strange that the directive's diligent search requirement does not expressly require perusal of this database, but this can be explained by the fact that this database not only contains the information regarding the work, but also the results of the diligent searches that led to the conclusion that the work is considered to be an orphan work.⁴² The directive therefore requires that each organisation perform their own diligent search and does not merely rely on the diligent searches of others. This can be inferred by the wording of the directive as works are only **considered** orphan works and are not necessarily orphan works. It is for this reason that a work can lose its status as orphan work. This possibility is accounted for as the directive requires that member states ensure that owners of copyright have the opportunity to put an end to the orphan work status of the work concerned.⁴³ If this happens the owner of the copyright will be entitled to fair compensation.⁴⁴ The Directive is silent on the matter of who is responsible for its payment, but it will logically be payable by either the organisation using the

³⁵ Article 3(1) of Directive 2012/28/EU.

³⁶ Shawn Bentley Orphan Works Act of 2008, S 2913, 110th Cong.

³⁷ Article 3(1) as read with the Annex of Directive 2012/28/EU.

³⁸ Article 3(2) of Directive 2012/28/EU.

³⁹ Launched on 27 October 2014, this database only contains 2016 works (as on 2016-12-14). See <https://oami.europa.eu/orphanworks/#search/basic/all/> as visited on 2016-12-14 as well as <http://fordhamiplj.org/archives/7209> as visited on 2015-07-29. This database is available at <https://oami.europa.eu/orphanworks/> as visited on 2016-12-14.

⁴⁰ Article 3(6) of Directive 2012/28/EU.

⁴¹ See article 2(1)(g) of Regulation (EU) No 386/2012 of the European Parliament and of the Council of 19 April 2012 on entrusting the Office for Harmonization in the Internal Market (Trade Marks and Designs) with tasks related to the enforcement of intellectual property rights, including the assembling of public and private-sector representatives as a European Observatory on Infringements of Intellectual Property Rights available at http://ec.europa.eu/internal_market/ipenforcement/docs/observatory/20120419-ohim-regulation_en.pdf as visited on 2016-12-14.

⁴² Article 3(1) as read with article 3(5) and the Annex of Directive 2012/28/EU.

⁴³ Article 5 of Directive 2012/28/EU.

⁴⁴ Article 6(5) of Directive 2012/28/EU.

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work or the internal offices of the member states.⁴⁵ Seeing as the Directive does not rely on the issuing of a licence by a public body, it seems unlikely that the CIPC (or similar public body) would be required to pay the reasonable compensation.⁴⁶ The work may no longer be used as an orphan work which will effectively mean that the costs related to the digitisation the work were wasted expenses.⁴⁷

6.5 ARROW

Of the sources that have to be consulted the most integral to the i2010 Digital Libraries Initiative and the directive is the Accessible Registries of Rights Information and Orphan Works towards Europeana (ARROW).⁴⁸ ARROW is the brainchild of the European Commission and was implemented under the eContent Plus Programme as part of the i2010: Digital libraries initiative.⁴⁹ The European Commission is the executive body of the European Union and concerns itself with the interests of the European Union and not individual Member States.⁵⁰ ARROW is a system that assists users, desirous to digitise text-based works, in determining if the work might be an orphan work.⁵¹ The user will merely submit a request to digitise a work to ARROW, after which ARROW queries the databases associated with it on the information regarding the copyright of the work available on the system.⁵² The user will receive all the relevant information garnered from these sources and if no or insufficient information is garnered by ARROW, the results will be forwarded to the Registry of Orphan Works.⁵³ As part of the duty to maintain records of diligent searches these results will also be recorded in the Orphan Works Database.⁵⁴

⁴⁵ Seucan A, *Several Aspects Regarding Orphan Works After the Adoption of EU Directive 2012/28/EU of the European Parliament and The Council of 25 October 2012* (2013) 2:1, Perspectives of Business Law Journal, 186, 190.

⁴⁶ Lu B, *The Orphan Works Copyright Issue: Suggestions for International Response* (2013) 60 Journal of the Copyright of the U.S.A., 255, 270.

⁴⁷ Hansen DR et al, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 37.

⁴⁸ See par (1)(e) of the Annex of Directive 2012/28/EU.

⁴⁹ i2010: Digital Libraries High Level Expert Group – Copyright Subgroup *Final Report on Digital Preservation, Orphan Works, and Out-of-Print Works* (03/06/2008) 11 available at http://www.ifrro.org/upload/documents/i2010%20Copyright%20Subgroup_Final%20report.pdf as visited on 2016-12-14.

⁵⁰ See http://ec.europa.eu/about/index_en.htm as visited on 2016-12-14.

⁵¹ ARROW system factsheet available at http://www.arrow-net.eu/sites/default/files/ARROW%20system%20factsheet_OCT11.pdf as visited on 2016-12-14.

⁵² *Ibid.*

⁵³ ARROW system factsheet available at http://www.arrow-net.eu/sites/default/files/ARROW%20system%20factsheet_OCT11.pdf as visited on 2016-12-14.

⁵⁴ Article 3(6) of Directive 2012/28/EU.

6.6 CRITIQUE

When critiquing the solution posed by the Directive it is important to note that it is not an all-encompassing solution to the orphan works dilemma as it does not make provision for prospective users of orphan works other than libraries, archives and similar organisations.⁵⁵ Beyond that, a further problematic aspect of the solution proposed by the Directive is its heavy reliance on publicly funded bodies and databases requiring the digitisation and storage of books, images, sound recordings and videos.⁵⁶ Based on how infrequently these types of databases are used⁵⁷ it would not be advisable to spend funds on such a database in South Africa.

In an attempt to assist permitted organisations to avoid unnecessary expenditures attributed to diligent searches, it is required that search results be published in a database available to the public⁵⁸ and that these databases be used when performing a diligent search.⁵⁹ This causes a multitude of problems as it tacitly compels owners of copyright to ensure that their details are listed and kept up-to-date on these sources, that they remain traceable based on these sources, that they check that their works are not listed as orphan works and finally to opt-out if their works are listed. This provision effectively creates an opt-out orphan works status for works once they are determined to be orphan works and this will be incompatible with the Berne Convention.⁶⁰

The mechanism allowing the loss of a work's orphan work status will result in wasted expenditure for permitted organisations who digitised a work no longer deemed an orphan work. This loss is however an unfortunate, but unavoidable reality as not including a provision that the work can lose its orphan work status would deny owners of copyright of their rights. This would be unconstitutional if implemented in South Africa as it would amount to an arbitrary deprivation of property.⁶¹

⁵⁵ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 36.

⁵⁶ De la Durantaye K, *Finding a Home for Orphans: Google Book Search and Orphan Works Law in the United States and Europe* (2011) 21, Fordham Intellectual Property, Media and Entertainment Law Journal, 229, 257-258.

⁵⁷ See the Canadian statistics from the period of 1990-08-24 – 2015-11-17 available at <http://www.cbc-cda.gc.ca/unlocatable-introuvables/licences-e.html> as visited on 2016-12-14 as read with <http://www.cbc-cda.gc.ca/unlocatable-introuvables/denied-refusees-e.html> as visited on 2016-12-14.

⁵⁸ Article 3(6) of Directive 2012/28/EU.

⁵⁹ Article 4 as read with articles 2 and 3 of Directive 2012/28/EU.

⁶⁰ Ginsburg JC, "With Untired Spirits and Formal Constancy": Berne Compatibility of Formal Declaratory Measures to Enhance Copyright Title-Searching (2013) 28 Berkeley Technology Law Journal, 1583, 1607-1608.

⁶¹ Section 25(1) of the Constitution.

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In a South African context, the requirement of the payment of reasonable compensation, once the work loses its orphan works status, is highly problematic as very few libraries or archives will be able to afford this. In the unlikely circumstances where it is required that this burden is to be borne by the CIPC (or similar public body), the effects would be even worse as one of the goals of orphan works legislation is the mass-digitisation of orphan works.⁶² The inclusion of this provision in the Directive is peculiar given the fact that the organisations permitted to use orphan works, may only do so for non-commercial purposes.⁶³ When one takes into account the costs associated with the performance of the required diligent search, one will be hard-pressed to argue that the Directive, in its unaltered form, truly offers a viable solution.⁶⁴ An aspect in which it can be improved is by indemnifying users of orphan works for the use of an orphan work while it is deemed an orphan work. This will essentially amount to a system like that currently in place in Canada.

⁶² Paragraph 2.2.3.2. of General Notice 1218 of 2009, 26.

⁶³ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 37.

⁶⁴ *op cit* 38.

-CHAPTER 7: CANADA-

7.1 BACKGROUND

Canada is a great source for comparative study as the enactment of its provisions on orphan works dates back to 1988.¹ Ironically these works are not called orphan works, but for the sake of convenience and comparison, the term will be used.² In terms of Canadian copyright law, the owner of the copyright in a work will either be the author,³ the person by whom the author was employed⁴ or any person to whom the copyright was licensed or assigned.⁵ In cases where the work was made in the course of the employment of the author, the owner of the copyright will be the author's employer, unless the work is a contribution to a periodical. This is not unalterable and can be amended per agreement by the author and his or her employer.

7.2 IDENTIFYING THE OWNER OF THE COPYRIGHT

Canada's regulation of assignments and licences differs from South Africa in that it requires the registration of assignments and licences at the Copyright Office when an assignee or licensor assigns the work to a subsequent assignee or grants a licence to a subsequent licensee.⁶ This requirement simplifies the identification of the owner of the copyright significantly, as the current owner of the copyright will either be identifiable by the author, the person by whom the author was employed and/or by inspection of the Register of Copyrights⁷ at the Copyright Office. Registration of the work by the author or first copyright owner is not required for copyright to subsist or for it to be enforceable,⁸ but can be used as evidence of its existence and ownership.⁹ The registration is subject to the payment of a prescribed fee which may deter copyright owners from registering their copyright.¹⁰ The register is open to inspection at all reasonable times by any person.

¹ See De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 11 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

² See Canadian Copyright Act R.S.C., 1985, c. C-42.

³ Section 13(1) of the Canadian Copyright Act.

⁴ Section 13(3) of the Canadian Copyright Act.

⁵ Section 13(4) of the Canadian Copyright Act.

⁶ Section 57(3) of the Canadian Copyright Act.

⁷ Created in terms of section 54(1) of the Canadian Copyright Act, the Register of Copyrights should contain the names or titles of works.

⁸ Nothing in section 53 to section 57 of the Canadian Copyright Act (the sections specifically dealing with registration of Copyright) indicates that this is the case. This is to be expected as article 5(2) of the Berne Convention prohibits the subsistence of copyright subject to any formalities.

⁹ Section 53(2) of the Canadian Copyright Act.

¹⁰ See section 55(2) of the Canadian Copyright Act.

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This system of registration simplifies the process of identifying the owner of the copyright in a work as all the involved parties will be identifiable in most cases. Normally the author will be the owner of the copyright and will always be identifiable, unless the work is an anonymous or pseudonymous work. If the author's employer is the owner of the copyright, then the author will be able to identify the owner of the copyright regardless of whether the owner of the copyright is identified by the work or not. Where the copyright has been assigned, the author or the author's employer will be able to identify the original assignee or licensee. If subsequent assignees or licensees exist, they will be identifiable by the Copyright Office. It therefore follows that the owner of the copyright in works, that are not anonymous or pseudonymous, will always be identifiable by contacting either the Copyright Office, the author, his or her employer or a combination of these individuals. This simplifies matters significantly as it is no longer necessary to first locate the author and then follow a paper trail in the attempt to identify all the subsequent assignees and licensees. This is unfortunately not the case with anonymous or pseudonymous works, as other avenues must be used in order to identify the owner of the copyright. The same will apply to works whose authors cannot be traced. The owner of the copyright in these works might only be identifiable by cultural historians or similar experts.

7.3 IDENTIFYING THE OWNER OF THE MORAL RIGHTS

The situation is much different concerning the moral rights in respect of a work. Upon creation of a work, the author is granted the right to the integrity of the work as well as the right to be associated with the work.¹¹ The right to the integrity of the work entails that the work may not be distorted, mutilated, modified or associated with a product, service, cause or institution as to prejudice the author's honour or reputation.¹² A work is not modified if its location, means of exposure or physical structure (in which it is contained) is changed or the modification was taken in good faith in order to restore or preserve the work.¹³ The right to be associated with the work merely entails that the author has the right to be identified as the author by name or pseudonym or to remain anonymous.

Both of these moral rights may be waived, but not assigned.¹⁴ The mere fact that the copyright in a work was assigned does not constitute waiver of the moral rights as additional

¹¹ Section 14.1(1) of the Canadian Copyright Act.

¹² Section 28.2(1) of the Canadian Copyright Act.

¹³ Section 28(3) of the Canadian Copyright Act.

¹⁴ Section 14.1(2) of the Canadian Copyright Act.

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evidence of waiver of the moral rights is required.¹⁵ The moral rights in respect of a work exist for the same period as the existence of the copyright in the work¹⁶ and can only pass to another individual at the death of the author or subsequent owner of the moral rights i.e. the author's heir and other subsequent heirs.¹⁷ This makes identifying the person who holds the moral rights much more complex, as knowledge of the laws of succession is required as well as access to the wills of the individuals involved. The Act provides for the regulation of the succession of the moral rights.¹⁸ The moral rights will either pass on to the person to whom the moral rights were bequeathed,¹⁹ the person to whom the copyright was bequeathed (in cases where the moral rights were not specifically bequeathed)²⁰ or the author's intestate heir (in the case where neither of the aforementioned situations apply).²¹ It is interesting to note that no provision is specifically made for the situation where the author (who made no provision in his will for the succession of the moral rights) dies having already assigned the copyright in terms of the work. Scrutiny of the wording of the Act reveals that, under these circumstances, the heir of the moral rights will be the intestate heir and not the owner of the copyright as the catchall provision will apply.²²

7.4 ORPHAN WORKS EXCEPTION

Though the owner of the copyright may be identifiable, the owner might not be traceable which is why provisions on orphan works is essential. In Canada, a party desirous to use²³ an orphan work can apply to the Copyright Board for a non-exclusive²⁴ licence to do so.²⁵ The Copyright Board is authorised to issue non-exclusive licences only, as exclusive licenses will afford the applicant a monopoly in the use of the work which will clash with any licences that the owner of the copyright might have issued or will issue in future.²⁶

¹⁵ Section 14.1(3) of the Canadian Copyright Act.

¹⁶ Section 14.2(1) of the Canadian Copyright Act.

¹⁷ Section 14.2(3) of the Canadian Copyright Act.

¹⁸ Section 14.2(2) of the Canadian Copyright Act

¹⁹ Section 14.2(2)(a) of the Canadian Copyright Act

²⁰ Section 14.2(2)(b) of the Canadian Copyright Act

²¹ Section 14.2(2)(c) of the Canadian Copyright Act

²² Section 14.2(2)(c) as read with Sections 14.2(a) and (b) of the Canadian Copyright Act

²³ Acts as mentioned in Sections 3, 15, 18 or 21 of the Canadian Copyright Act.

²⁴ Section 77(2) of the Canadian Copyright Act.

²⁵ Section 77(1) of the Canadian Copyright Act.

²⁶ De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 21 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

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The Act authorises the Copyright Board to grant licences only in cases where the work is indeed a copyrighted work.²⁷ This seems to be a logical provision, but when one considers that it is highly probable that uncertainty as to whether a work is copyrighted may exist, the flaw in this provision becomes evident. No mention is made of whether the Copyright Board is authorised to grant licences in cases where there is uncertainty as to whether the work is a copyrighted work or not. Seeing as copyright's duration is determined by the date of the author's death and/or the date of publication²⁸ it will be impossible to determine the date on which copyright will expire where the work is undated and the author is unknown.²⁹ Where the work is an unpublished work, no licence may be issued as this would clash with the author's moral right to decide whether a work should be made available to the public or not.³⁰

It is entirely within the discretion of the Copyright Board to issue a non-exclusive licence and the licence itself will be subject to terms and conditions as established by the Copyright Board.³¹ The Copyright Board may issue a non-exclusive licence if it is satisfied that the applicant has made reasonable efforts to locate the copyright owner and that these efforts were unsuccessful.³² The Copyright Board is entitled to issue licences for uses of a commercial or non-commercial nature.³³ The Act's use of the word "*may*" is indicative of a discretion afforded to the Copyright Board as it effectively means that the Copyright Board may refuse to issue a licence irrespective of whether the applicant's efforts to locate the owner of the work were reasonable.³⁴

The concept of a "*reasonable effort*" and what is meant by being able to "*locate*" the copyright owner is not defined by the Act.³⁵ It is submitted that the failure by the copyright owner to respond to the requests of the applicant will not constitute failure to locate the

²⁷ Section 77(1) of the Canadian Copyright Act.

²⁸ Sections 6, 6.1 and 6.2 of the Canadian Copyright Act.

²⁹ See De Beer J *et al*, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 13 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

³⁰ Van Gompel S, *Unlocking the Potential of Pre-existing Content: How to Address the Issue of Orphan Works in Europe?* (2007) 38:7, International Review of Intellectual Property and Competition Law, 669, 693.

³¹ Section 77(2) of the Canadian Copyright Act.

³² Section 77(1) of the Canadian Copyright Act.

³³ Van Gompel S, *Unlocking the Potential of Pre-existing Content: How to Address the Issue of Orphan Works in Europe?* (2007) 38:7, International Review of Intellectual Property and Competition Law, 669, 692.

³⁴ See De Beer J *et al*, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 10 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

³⁵ Feliú V, *Orphans in Turmoil: How a Legislative Solution Can Help Put the Orphan Works Dilemma to Rest* (2015) 12:2, Rutgers Journal of Law & Public Policy 107, 128.

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copyright owner and that a licence may not be issued by the Copyright Board in these cases.³⁶ The Copyright Board is entitled to make regulations defining these terms, but have not yet done so as³⁷ the vagueness of these terms affords the Copyright Board with a degree of flexibility in its *ad hoc* approach to the issuing of licences.³⁸ Though not explicitly mentioned or required, it will be practical for the Copyright Board to specify when the licence will expire as the copyright owner is only entitled to claim the royalties paid within five years after expiration of the licence.³⁹ If no duration is stipulated the licence will expire when the copyright in the work expires, a date that is certain, yet often difficult to ascertain. Where the use of the work is part of a long-term digitisation project it is preferable that the licence remain valid for the duration that copyright vests in the work, lest the prospective user be inadequately protected.⁴⁰ The copyright owner is only entitled to the royalties as fixed in the licence.⁴¹ The copyright owner's claim for the royalties will expire with or without the copyright owner's knowledge. The Act does not specify whether the royalties fixed in terms of the licence should be paid upfront or as part of a contingency payment, but it is submitted that both may be appropriate.⁴²

These non-exclusive licences may be given if the work is a published work, a sound recording, a fixation of a performance or a communication signal.⁴³ The licence's terms and conditions (and therefore the royalties fixed in terms of the licence) are determined and established by the Copyright Board. The Act does not allow for the negotiation of the royalties that are payable. This suggests that the applicant will be indemnified (i.e. "*immunized*")⁴⁴ from paying damages in cases where the amount of the royalties fixed was erroneously calculated⁴⁵

³⁶ De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 17 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

³⁷ Davies C et al, *Public benefit or private loss - Orphan works and the Enterprise and Regulatory Reform Act 2013* (2013) 18:3, Communications Law, 77, 81.

³⁸ Section 77(4) of the Canadian Copyright Act as read with De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 17-18 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14. See also Davies C et al, *Public benefit or private loss - Orphan works and the Enterprise and Regulatory Reform Act 2013* (2013) 18:3, Communications Law, 77, 81.

³⁹ Section 77(3) of the Canadian Copyright Act.

⁴⁰ Hansen DR et al, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 41.

⁴¹ Section 77(3) of the Canadian Copyright Act.

⁴² See De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 22, 24-29 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁴³ Sections 77(1)(a)-(d) of the Canadian Copyright Act.

⁴⁴ See De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 24 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁴⁵ See Section 77(2) of the Canadian Copyright Act.

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as the error that caused the damage to the copyright owner was caused by the Copyright Board and not by the applicant who thus lacks causation.⁴⁶ This indemnification should also apply in cases where the efforts by the applicant to locate the owner were erroneously deemed reasonable,⁴⁷ due to the fact that these value judgments were made by the Copyright Board and not the applicant. The passive role of the applicant during the making of this judgment results in the applicants lacking causation for the infringement of copyright. This essentially indemnifies the applicants from claims in cases where licences to use orphan works were negligently given to the applicant by the Copyright Board.⁴⁸ This possible indemnification might encourage parties desirous of using orphan works to make use of this section. The fact that the Copyright Board is afforded a discretion in the issuing of these licences serves to further substantiate the existence of this indemnification.⁴⁹

The issue of territoriality is also of note. The Act does not state whether the Copyright Board may issue a licence for use outside Canada. It appears the Copyright Board does not consider itself capable of authorising use of the work outside Canada as the licences granted by the Copyright Board thus far explicitly state that they are only valid in Canada.⁵⁰ The Copyright Board appears to be able to issue a licence for the use of a work within Canada by a foreign national. In *Society of Composers, Authors and Music Publishers of Canada v. Canadian Association. of Internet Providers*⁵¹ the Court held that the Canadian Copyright Act applies to telecommunications with a "real and substantial" connection to Canada. This *ratio decidendi* is construed as to apply to other works of copyright as well.⁵²

Of all the applicants applying for licences to use orphan works from 1991 to 2009 68% were prospective authors, 13% were educational institutions, 11% were government institutions, 3% were galleries or museums, 4% were community organisations and 1% were charitable organisations.⁵³ These statistics should not be interpreted as indicating that libraries

⁴⁶ As required to prove liability based on negligence. See <http://www.westlawnextcanada.com/academic/ced/torts> as visited on 2016-12-14.

⁴⁷ See Section 77(1) of the Canadian Copyright Act.

⁴⁸ See <http://www.westlawnextcanada.com/academic/ced/torts> as visited on 2016-12-14.

⁴⁹ De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 10 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁵⁰ <http://www.cb-cda.gc.ca/unlocatable-introuvables/licences-e.html> as visited on 2016-12-14.

⁵¹ *Society of Composers, Authors and Music Publishers of Canada v Canadian Association. of Internet Providers*, [2004] 2 S.C.R. 427 par 60-61 available at <http://www.canlii.org/en/ca/scc/doc/2004/2004scc45/2004scc45.pdf> as visited on 2016-12-14.

⁵² De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 14, 22 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁵³ op cit 36.

and archives will not benefit greatly from orphan works legislation.⁵⁴ To substantiate this, it is imperative that Canada's copyright exceptions be discussed in more detail as a lot of these are of great value to libraries and archives.

7.5 COPYRIGHT EXCEPTIONS BEYOND THE ORPHAN WORKS PROVISION

The advantage of general copyright exceptions is that they apply to works regardless of their orphan works status. This conveniently negates the need for determining whether the work is an orphan work or not. Seeing as many of these exceptions are applicable to libraries and archives, it is understandable that libraries and archives do not use the orphan works exception as frequently as other parties.⁵⁵

Any individual can make a backup copy of a work. This backup copy may only be used in case the original source copy is lost or damaged,⁵⁶ resulting in the backup copy becoming the source copy.⁵⁷ Individuals must own or have a licence to use the work to rely on this exception.⁵⁸ In other words, an institution, cannot use this exception as a means to escape liability for copyright infringement when it digitises works it does not own, irrespective of whether it merely did so in order to store and communicate these works only once the copyright subsisting in it expires. In those circumstances, the provision on orphan works should be used instead. When one considers the digitisation efforts of Google, this cannot be overstated.⁵⁹

Despite this broad exception, libraries, archives and museums are afforded additional exceptions. These institutions are non-profit institutions holding and maintaining collections of documents and other materials that are open to the public or to researchers.⁶⁰ Beyond the copyright exceptions applicable to all individuals, these institutions are also allowed, for maintenance purposes, to make a copy of a work if the work is a rare or unpublished work, but only if it is indeed (or is at the risk of becoming) deteriorated, damaged or lost.⁶¹ Making a reproduction of a work is also allowed where the work cannot be viewed, handled or listened

⁵⁴ See *contra* Davies C et al, *Public benefit or private loss - Orphan works and the Enterprise and Regulatory Reform Act 2013* (2013) 18:3, Communications Law, 77, 81.

⁵⁵ De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 36 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁵⁶ Section 29.24(1)(a) of the Canadian Copyright Act.

⁵⁷ Section 29.24(2) of the Canadian Copyright Act.

⁵⁸ Section 29.24(1) of the Canadian Copyright Act.

⁵⁹ See *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015).

⁶⁰ For the concise description see the definition of "*library, archive or museum*" in section 2 of the Canadian Copyright Act.

⁶¹ Section 30.1(1)(a) of the Canadian Copyright Act.

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to due to the condition of the work or the environment in which it is kept⁶² or the format in which the original work exists is obsolete or is becoming obsolete.⁶³

The aforementioned exceptions only apply where an appropriate copy of the work is not available commercially.⁶⁴ Whether the copy of the work is appropriate is not determined by its commercial availability, but by the work's quality and/or medium as the Act expressly distinguishes between the work's commercial availability and its appropriateness.⁶⁵ Exceptions available to works, irrespective of their commercial availability, include making a copy for purposes of internal record-keeping purposes and cataloguing, insurance purposes, police investigations or, if necessary, for use during restoration of a work.⁶⁶ The value of the exceptions specifically afforded to these institutions is debatable when one takes into account that all individuals are already allowed to make backup copies of a work.⁶⁷

There is less of a burden placed on these institutions to gather works for preservation as the Librarian and Archivist, an officer appointed by the Governor in Council,⁶⁸ is tasked in acquiring, preserving and facilitating access to Canada's documentary heritage as well coordinating and supporting the development of Canada's library and archival communities.⁶⁹ The Librarian and Archivist is permitted to make copies of recordings deemed to have historical or archival value⁷⁰ for archival purposes.⁷¹ It is also required that publishers provide the Librarian and Archivist with two copies of each of its publications.⁷² The term "*publisher*" is not defined, but seems to mean the person or company who published or will publish a specified work. This arguably negates the need for any other exceptions to the benefit of libraries, museums and archives as all the works published in Canada are stored and preserved by the Librarian and Archivist.

By shifting our focus back to prospective authors desirous of using orphan works, arguably the parties for whom the orphan works provision was drafted, it is evident that the orphan works provision is not the only copyright exception available to them. Another applicable exception is fair dealing. It is considered fair dealing to use a work for the purposes

⁶² Section 30.1(1)(b) of the Canadian Copyright Act.

⁶³ Section 30.1(1)(c) of the Canadian Copyright Act.

⁶⁴ Section 30.1(2) of the Canadian Copyright Act.

⁶⁵ Section 30.1(2) of the Canadian Copyright Act.

⁶⁶ Sections 30.1(1)(d)-(f) of the Canadian Copyright Act.

⁶⁷ Section 29.24(1) of the Canadian Copyright Act.

⁶⁸ See Section 2 of the Library and Archives of Canada Act S.C. 2004, c. 11, as read with Section 5(1) of the Canadian Library and Archives of Canada Act S.C. 2004, c. 11.

⁶⁹ Section 7 of the Canadian Library and Archives of Canada Act.

⁷⁰ Section 11(1) of the Canadian Library and Archives of Canada Act.

⁷¹ Section 30.5(c) of the Canadian Copyright Act.

⁷² Section 10(1) of the Canadian Library and Archives of Canada Act.

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of research, private study, education, parody or satire.⁷³ Whether the dealing will constitute fair dealing is not merely based on the purpose of the dealing, but is also subject to a value judgment, determined on an *ad hoc* basis by weighing up a multitude of factors. In *Hubbard v Vosper*⁷⁴ the Court held that it is impossible to define what fair dealing is and that it will always be a question of degree or a matter of impression. The number, extent, length, use and proportionate use of the quotations or extracts are among the many criteria that will determine whether the dealing is considered fair dealing. In the case of *CCH Canadian Ltd v. Law Society of Upper Canada*⁷⁵ the Court further defines the criteria set out in *Hubbard v Vosper* by formulating a non-exhaustive list of criteria. Fair dealing is determined by evaluating a) the purpose of the dealing, b) the character of the dealing, c) the amount of the dealing, d) alternatives to the dealing, e) the nature of the work and f) the effect of the dealing on the work.⁷⁶ Despite similarities to the American provision on fair use,⁷⁷ the Canadian provision on fair dealing is not nearly as far-reaching as it is limited to certain uses.⁷⁸

7.5.1 NON-COMMERCIAL USER-GENERATED CONTENT

Based on the statistics taken from 1990 to 2009, 49% of the applications for licences to use orphan works were made for commercial uses of the work.⁷⁹ This is confounding as the creation of non-commercial user-generated content is not considered infringement of copyright.⁸⁰ This means that the use of an existing copyrighted work in the creation of a new work, and the authorisation to use this new work are both considered permitted uses of a copyrighted work for as long as the work is used solely for non-commercial purposes, the source of the original work is mentioned, there are reasonable grounds to believe that the original work did not infringe copyright and the use of the new work does not adversely affect the current and future exploitation of the existing work or substitute it.⁸¹ It is not entirely without reason to believe that these statistics are the result of licences being issued

⁷³ Section 29 of the Canadian Copyright Act.

⁷⁴ *Hubbard v Vosper* [1972] 1 All ER 1023, 1027.

⁷⁵ *CCH Canadian Ltd v Law Society of Upper Canada* [2004] 1 R.C.S. 339 available at <http://www.canlii.org/en/ca/scc/doc/2004/2004scc13/2004scc13.pdf> as visited on 2016-12-14.

⁷⁶ *CCH Canadian Ltd v Law Society of Upper Canada* [2004] 1 R.C.S. 339 par 52-59 available at <http://www.canlii.org/en/ca/scc/doc/2004/2004scc13/2004scc13.pdf> as visited on 2016-12-14.

⁷⁷ 17 U.S.C. § 107.

⁷⁸ See section 29 of the Canadian Copyright Act.

⁷⁹ De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 37 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁸⁰ Section 29.21 of the Canadian Copyright Act.

⁸¹ Section 29.21(1) of the Canadian Copyright Act.

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unnecessarily. This is not without precedent as 19% of licences issued in terms of the orphan works provision were for architectural plans.⁸² Seeing as most of these plans were held in municipal archives, it was unnecessary to issue these licences in the first place.⁸³

7.5.2 COMPUTER PROGRAMS

The works associated with most of the applications (39% of the applications) were literary works.⁸⁴ It should be noted that Canadian copyright law deems a computer program to be a type of literary work as required by TRIPS,⁸⁵ unlike South Africa where a computer program is a separate type of work.⁸⁶ In terms of computer programs, additional exceptions to copyright infringement apply in cases where reproductions were made for purposes of creating a backup,⁸⁷ ensuring compatibility of the computer program with a particular computer⁸⁸ or ensuring interoperability between computer programs.⁸⁹ The reproduction of works during the course of encryption research (where reproduction of the work is necessary for carrying out the research)⁹⁰ or the assessment of a computer's or a network's security⁹¹ is also permitted.

7.6 CRITIQUE

Though the solution offered by Canadian law to the orphan works dilemma is conceptually sound, it can only function in an appropriate framework. Therefore, it is submitted that it would be foolish to merely incorporate the orphan works exception of Canadian law into South African law without incorporating the other exceptions. The Canadian solution does however illustrate how a solution can be found by the interoperation of specific and general copyright exceptions. The solution's reliance on a central body that licences the use of orphan works is problematic if applied to South Africa as it is expensive and involves costs for the users and the state.⁹² Though it is not necessary that a solution to the orphan works dilemma

⁸² De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 37 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

⁸³ *op cit* 38.

⁸⁴ *op cit* 37.

⁸⁵ Article 10 of the Agreement on the Trade-Related Aspects of Intellectual Property Rights.

⁸⁶ See the definition of "literary work" as defined in section 2 of the Canadian Copyright Act as well as the definitions for "literary work" and "computer program" as defined in section 1 of the South African Copyright Act 98 of 1978.

⁸⁷ Section 30.6(b) of the Canadian Copyright Act.

⁸⁸ Section 30.6(a)(i) of the Canadian Copyright Act.

⁸⁹ Section 30.61(a) of the Canadian Copyright Act.

⁹⁰ Section 30.62(1)(a) of the Canadian Copyright Act.

⁹¹ Section 30.63(1) of the Canadian Copyright Act.

⁹² Hansen DR et al, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 42.

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be expeditious and cheap, the Canadian Copyright Board will normally take thirty to forty days to approve an application,⁹³ which is deemed by some to be too cumbersome and likely to deter prospective applicants,⁹⁴ especially to those engaged in digitisation projects on a large scale.⁹⁵ When one takes into account the average financial yield of the Canadian Copyright Board from its orphan work regulation is R 31 450 per year,⁹⁶ it might not be worth the effort.⁹⁷ To increase the cost of an application will not necessarily increase this yield, as the application cost might then exceed the commercial value of the use contemplated by the prospective user, making it absurd to apply for licence.⁹⁸ Given that the potential users are required to record the efforts made during the reasonable search, administrating this is already a complex and expensive exercise.⁹⁹ It comes as no surprise that the Canadian Copyright Board finds this determination of price the most difficult part of the process.¹⁰⁰ It is the *ex ante* nature of the determination of the royalties payable that makes it so difficult to avoid a royalty that is overpriced.¹⁰¹

The benefit of having a central body determining the orphan works status of works is that it results in a measure of legal certainty.¹⁰² The use of an objective central body will also ensure a balance is maintained between the rights of owners of copyright and prospective users.¹⁰³ Despite this, it is still possible that the work might be licenced for uses the original author or owner of the copyright might have objected to if they were approached by the prospective user.¹⁰⁴ This is especially true in circumstances where the prospective user proposes to distort, mutilate or modify the orphan work.¹⁰⁵

⁹³ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 42.

⁹⁴ Davies C *et al*, *Public benefit or private loss - Orphan works and the Enterprise and Regulatory Reform Act 2013* (2013) 18:3, Communications Law, 77, 81.

⁹⁵ Lu B, *The Orphan Works Copyright Issue: Suggestions for International Response* (2013) 60 Journal of the Copyright of the U.S.A., 255, 267.

⁹⁶ Rounded figure calculated by multiplying CAN \$ 3000 with the current conversion rate of 10.48 (Google.com) as visited on 2016-12-14.

⁹⁷ Rivers T, *A Fuss About Something?* (2015) 37:1, European Intellectual Property Review, 4, 11.

⁹⁸ United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 83 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁹⁹ Huang O, *U.S. Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans* (2006) 21, Berkeley Technology Law Journal, 265, 280.

¹⁰⁰ Lu B, *The Orphan Works Copyright Issue: Suggestions for International Response* (2013) 60 Journal of the Copyright of the U.S.A., 255, 265.

¹⁰¹ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 41.

¹⁰² Van Gompel S, *Unlocking the Potential of Pre-existing Content: How to Address the Issue of Orphan Works in Europe?* (2007) 38:7, International Review of Intellectual Property and Competition Law, 669, 692.

¹⁰³ *op cit* 694.

¹⁰⁴ Mausner JO, *Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency* (2007-2008) Journal, Copyright Society U.S.A. 530.

¹⁰⁵ See section 14.1(1) of the Canadian Copyright Act and section 20(1) of the Copyright Act.

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The prescription of the copyright owner's claim for the royalties as stipulated by the Copyright Board also raises issues of the constitutionality thereof if applied in South Africa. The problem with this is not the prescription of the claim, but that the claim can expire without the knowledge of the copyright owner.¹⁰⁶ In terms of the South African Prescription Act,¹⁰⁷ a normal debt prescribes three years after the date upon which the debt arose,¹⁰⁸ but only if the creditor has knowledge of the identity of the debtor and the facts from which the debt arises.¹⁰⁹ This is a codification of the common law maxim "*lex non cogit ad impossibilia*" which, simply put, means that no liability or disadvantage arises from a failure to satisfy an impossible obligation.¹¹⁰ This provision will be applicable unless an act prescribes another period of prescription.¹¹¹ Therefore, if the Canadian provision was to be incorporated into the South African Copyright Act, the prescription period in the Canadian provision would apply. This brings into question whether such a prescription period would be constitutional. A two-stage approach is therefore followed in determining its Constitutionality.¹¹²

7.6.1 THE TWO-STAGE APPROACH – STAGE ONE: INFRINGEMENT

Before an inquiry can be made as to whether a limitation of an entrenched right is reasonable or justifiable, one must first establish whether a right in the Bill of Rights has been infringed.¹¹³ This will indeed be the case if the Canadian prescription was to apply in South Africa. In cases where the owner of the copyright was only to become aware of his claim after it had prescribed, the Canadian provision would effectively amount to the deprivation of the owner of the copyright's claim and, by implication, his or her constitutional right of access to courts.¹¹⁴ This is due to the application of normal prescription period (with a knowledge requirement) being subject to the application of the specific prescription period (without the knowledge requirement).¹¹⁵ As the right to access to courts is also enshrined in the Bill of Rights¹¹⁶ and any limitation thereof must be reasonable and justifiable to be constitutional.¹¹⁷

¹⁰⁶ Section 77(3) of the Canadian Copyright Act.

¹⁰⁷ The Prescription Act 68 of 1969.

¹⁰⁸ Section 11(d) of the Prescription Act.

¹⁰⁹ Section 12(3) of the Prescription Act.

¹¹⁰ *Montsisi v Minister van Polisie* 1984 (1) SA 619 (A) 634H-635A.

¹¹¹ Section 11(d) of the Prescription Act.

¹¹² Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 153 as read with *S v Makwanyane and Another* 1995 (3) SA 391 (CC) 435.

¹¹³ Currie I et al, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 151 as read with Section 36(1) of the Constitution.

¹¹⁴ Section 34 of the Constitution.

¹¹⁵ See section 23(1) of the Road Accident Fund Act 56 of 1996.

¹¹⁶ Section 32 of the Constitution.

¹¹⁷ Section 36(1) of the Constitution.

7.6.2 THE TWO-STAGE APPROACH – STAGE TWO: REASONABILITY AND JUSTIFIABILITY

Determining whether the Canadian prescription period is constitutional is fortunately not as complicated as it might seem, as a similar provision in the Road Accident Fund Act was deemed to be constitutional by the Constitutional Court in the case of *Road Accident Fund and Another v Mdeyide*.¹¹⁸ In terms of the Road Accident Fund Act a claim against the Fund prescribes three years after the date upon which the cause of action arose irrespective of the knowledge of the potential claimant.¹²⁰ Despite the important nature of the right to access to courts, the Constitutional Court held that the import of a knowledge requirement could potentially pose a significant threat to the functioning of the Fund, which would outweigh any benefits it might have.¹²¹ The Constitutional Court reasoned that the Act's potential to exclude claims is minimal as people injured in road accidents are likely to learn of the existence of the Fund and their claim against it.¹²² The Constitutional Court also took into consideration the fact that the Fund was already financially burdened¹²³ and was suffering from a backlog of claims.¹²⁴ The inevitable further expenditures caused by the import of a knowledge requirement would cause a budget deficit and would be a burden borne by the public.¹²⁵ For these reasons the Constitutional Court held that the limitation of the right to access to Courts by the Act was constitutional.¹²⁶

The judgment of the Constitutional Court does not necessarily mean that the prescription period proposed by the Canadian Copyright Act would be constitutional if applied in South Africa. Consideration must be given to the nature of the right,¹²⁷ the importance of the purpose of the limitation,¹²⁸ the nature and extent of the limitation,¹²⁹ the relation between the limitation and its purpose¹³⁰ as well as whether there are any less restrictive means with which to achieve the purpose of the limitation.¹³¹ Clearly in both the Canadian prescription period and that of the Act limits the right to access of the courts. The nature of the right¹³² in both scenarios is

¹¹⁸ *Road Accident Fund and Another v Mdeyide* 2011 (2) SA 26 (CC) 52C.

¹²⁰ Section 23(1) of the Road Accident Fund Act 56 of 1996.

¹²¹ *Road Accident Fund and Another v Mdeyide* 2011 (2) SA 26 (CC) 48C and 52A.

¹²² *op cit* 49E.

¹²³ *op cit* 48C.

¹²⁴ *op cit* 48D.

¹²⁵ *Ibid.*

¹²⁶ *op cit* 52C.

¹²⁷ Section 36(1)(a) of the Constitution.

¹²⁸ Section 36(1)(b) of the Constitution.

¹²⁹ Section 36(1)(c) of the Constitution.

¹³⁰ Section 36(1)(d) of the Constitution.

¹³¹ Section 36(1)(e) of the Constitution.

¹³² Section 36(1)(a) of the Constitution.

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therefore identical. With regards to the importance of the purpose of the limitation¹³³ it was mentioned that the financial implication of a knowledge requirement on the state-funded institution was of primary concern.¹³⁴ This is also true of the Companies and Intellectual Property Commission (CIPC), the South African equivalent of the Canadian Copyright Board. As mentioned before, the solution implemented in Canada is very costly,¹³⁵ and to unnecessarily burden the CIPC would not be wise. If the royalties associated with orphan works applications were unable to prescribe, a lot of money could potentially be left unusable by the CIPC.¹³⁶ The limitation therefore clearly addresses its purpose, as required by the Constitution.¹³⁷

With regards to the nature and extent of the limitation,¹³⁸ emphasis must be placed on the difference between third party claims and claims of copyright infringement. In its decision, the Constitutional Court referred to the improbability of third party claims expiring due to lack of knowledge about the Fund.¹³⁹ This is not the case with the use of copyrighted works as there is a high probability of owners of copyright never realising that they have a right to claim royalties for the use, as they may never become aware of the use of the orphan work. This is due to the nature of copyright infringement. An accident is a traumatic experience to those involved, whereas copyright infringement can take place without the owner even realising it. This makes the prescription of claims based on copyright infringement more difficult to justify as the entire claim is lost once it prescribes.

The constitutionality of the prescription period only becomes clear once one evaluates whether a less restrictive means, to achieve the purpose of the lack of a knowledge requirement, exists.¹⁴⁰ A factor weighing heavily in favour of the Canadian provision's constitutionality is the fact that its period of prescription is much more lenient than the disputed provision of the Road Accident Fund Act. The Road Accident Fund Act offered a prescription period of three years from the date of the cause of action,¹⁴¹ whereas the Canadian provision offers a period of five years, which only starts after the licence issued expired.¹⁴² It therefore follows that the

¹³³ Section 36(1)(b) of the Constitution.

¹³⁴ See *Road Accident Fund and Another v Mdeyide* 2011 (2) SA 26 (CC) 48D.

¹³⁵ Hansen DR et al, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 42.

¹³⁶ See the Canadian financial yield in Rivers T, *A Fuss About Something?* (2015) 37:1, European Intellectual Property Review, 4, 11.

¹³⁷ Section 36(1)(d) of the Constitution.

¹³⁸ Section 36(1)(c) of the Constitution.

¹³⁹ *Road Accident Fund and Another v Mdeyide* 2011 (2) SA 26 (CC) 49E-F.

¹⁴⁰ Section 36(1)(e) of the Constitution.

¹⁴¹ Section 23(1) of the Road Accident Fund Act 56 of 1996.

¹⁴² Section 77(3) of the Canadian Copyright Act.

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prescription period is not a set period of five years, but is a period determined by the duration of the licence issued. Bearing this in mind it is also important to compare the prescription periods of the Canadian provision and that of a normal claim for copyright infringement. A claim for copyright infringement prescribes after three years (as was the case with claims against the Road Accident Fund). The period of prescription only starts when copyright is infringed,¹⁴³ and the owner of the copyright has knowledge of the infringement and the identity of the infringer.¹⁴⁴ Should acquisition of this knowledge be possible through reasonable care, the owner of the copyright is deemed to have the knowledge, and the prescription period will commence.¹⁴⁵

The owner of the copyright's claim in terms of the Canadian provision only prescribes after five years.¹⁴⁶ The owner of the copyright is thus afforded a minimum of two additional years than would be applicable had it been an ordinary claim for copyright infringement. In cases where the South African equivalent of the Canadian Copyright Board was to issue a licence to an applicant desirous of using an orphan work, it is only natural that the use of the orphan work will take place promptly after the issue of such a license. The date upon which the licence is issued will therefore be close in time to the date upon which the work is used. Had the licence not been issued, such a use of the orphan work would have constituted copyright infringement.¹⁴⁷ Such a copyright infringement claim would prescribe three years after the use of the work.¹⁴⁸ In cases where a licence to use the orphan work has been issued, the owner of the copyright would not have a claim for copyright infringement, but would be able to claim the royalties from the South African equivalent of the Canadian Copyright Board.¹⁴⁹ The claim in terms of the Canadian provision would only start prescribing after the licence expires, which may be many years in the future. This would all depend on the duration of the licence. Only when the licence expires will the five-year prescription period come into operation.¹⁵⁰ In summary, the owner of the copyright is not only offered a longer prescription period in terms of the Canadian provision, but it normally commences at a later stage.

Furthermore, even if an owner of the copyright's claim for royalties in terms of the Canadian provision would have prescribed, prescription of the claim for royalties would not

¹⁴³ Section 11(d) of the Prescription Act.

¹⁴⁴ Section 12(3) of the Prescription Act.

¹⁴⁵ Section 12(3) of the Prescription Act.

¹⁴⁶ Section 77(3) of the Canadian Copyright Act.

¹⁴⁷ Section 23(1) of the Copyright Act.

¹⁴⁸ Section 12(3) of the Prescription Act.

¹⁴⁹ Section 77(3) of the Canadian Copyright Act.

¹⁵⁰ Section 77(3) of the Canadian Copyright Act.

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deprive the owner of the copyright of a claim where the work was erroneously deemed an orphan work. The same applies to authors' claims if his or her moral rights were similarly affected. These claims will not be covered by the Canadian provision, but will be subject to the Prescription Act.¹⁵¹ The Canadian provision will only apply to claims for the royalty fee.¹⁵² The Prescription Act will also be applicable to the owner of the copyright's claim for copyright infringement where the use exceeds the bounds of the licence. When one takes all this into account it is very difficult to imagine a less restrictive means to ensure that the rights of owners of copyright are protected without placing an unnecessary financial burden on the central body regulating the licencing scheme. It is therefore submitted that such a provision would be constitutional if applied in South Africa.

7.6.3 COMPATIBILITY WITH THE BERNE CONVENTION

It should be noted that the Canadian solution does not suffer from a conceptual incompatibility with the Berne convention as the determination of a work's orphan works status is flexible and made on an *ad hoc* basis by a central body that is not bound to the perusal of certain specific databases.¹⁵³ This in and of itself is not enough to make it a recommended solution, especially for South Africa, as the costs involved are too expensive and not worth the benefits derived from it.¹⁵⁴ Unfortunately, this seems to be the solution that the legislature has deemed to be appropriate for South Africa as a strikingly similar provision is found in the Copyright Amendment Bill of 2015.¹⁵⁵

¹⁵¹ Section 12(3) of the Prescription Act.

¹⁵² See Section 77(3) of the Canadian Copyright Act.

¹⁵³ See Brannon P, *Reforming Copyright to Foster Innovation: Providing Access to Orphaned Works* (2006-2007) 14 Journal of Intellectual Property Law, 145, 171.

¹⁵⁴ See Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 42.

¹⁵⁵ Section 22A(11) of the Copyright Act as proposed by Section 27 of the Copyright Amendment Bill.

-CHAPTER 8: SOUTH AFRICA-

ATTEMPTED SOLUTIONS

8.1 THE LOCAL AND DIGITAL CONTENT DEVELOPMENT STRATEGY

As mentioned before, no legislation or case law on the regulation of orphan works currently exists in South Africa. That does not mean that the South African legislature is not attempting to incorporate the concept into South African law. In 2009, the Minister of Communications, as authorised by the Electronic Communications Act,¹ gazetted General Notice 1218² inviting interested parties of the public to comment on the Local and Digital Content Development Strategy.³

The goal of the Strategy is to inspire the creation of a content industry in South Africa by increasing the output of creative content.⁴ This content is not merely limited to new content as the General Notice explicitly stated that the Strategy is premised on the fact that "*(i)ncalculable volumes of (South Africa's) culture and heritage remain untapped nor preserved...*"⁵ The Strategy also focuses on digitising content to save the content from becoming inaccessible and, by implication, lost permanently.⁶

The Strategy does not differentiate between the digitisation of orphan works and other works, which is preferable, as works that are not orphan works can also become lost to humanity if said works are not digitised. Even though an emphasis is placed on the deterioration and loss of orphan works,⁷ the same applies to works that are not orphan works. These works are nevertheless repeatedly published by the owner of the copyright or can, with the owner of the copyright's permission, be archived by either archive depots or libraries. Digitisation is, however, of utmost importance to orphan works.

The General Notice does not use term "*orphan works*", but rather uses the term "*unlocatable copyrights holders*"⁸ which it defines as having the same meaning.⁹ This is a confusing turn of events as no distinction is made between the owner of the copyright and the

¹ Section 3(1) of the Electronic Communications Act 36 of 2005.

² General Notice 1218 of 2009 in Government Gazette 32553, 4 September 2009.

³ *op cit* 3.

⁴ Primary objective (a) as per Paragraph 1.2. of General Notice 1218 of 2009, 16.

⁵ Premise (b) as per Paragraph 1.2. of General Notice 1218 of 2009, 16.

⁶ Premise (d) as per Paragraph 1.2. of General Notice 1218 of 2009, 16.

⁷ Paragraph 2.2.3.2.(c) of General Notice 1218 of 2009, 16.

⁸ Glossary of terms as published in General Notice 1218 of 2009, 10.

⁹ Glossary of terms as published in General Notice 1218 of 2009, 10.

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work itself.¹⁰ Further adding to this confusion is the fact that works will only qualify as "*unlocatable copyrights holders*" if the works' "**authors, creators or composers are not traceable.**"¹¹ These individuals are not necessarily the copyright holders and they might be locatable despite not being traceable. Considering this, the term orphan works will rather be used. This seems to be the view of the legislature as well, as the term "*unlocatable copyrights holders*" is omitted in the proposed Copyright Amendment Bill and the term "*orphan works*" is used in its stead.¹² Based on the Strategy being proposed years ago, and its terms falling into disuse, it seems highly unlikely that it will indeed ever be implemented, as is. Irrespective, the Strategy deserves discussion as it proposes a possible solution to the orphan works dilemma.

The General Notice proposes, quite contentiously,¹³ that the state should be custodian of the copyright that subsists in orphan works and that these works should be digitised in the interest of preservation.¹⁴ This is a clear reference to the Constitutional Court case of *Agri SA v Minister for Minerals and Energy*¹⁵ where it was stated that custodianship does not amount to ownership.¹⁶ By stating that custodianship, as opposed to ownership, vests in the state the application of section 25 of the Constitution is essentially bypassed,¹⁷ hence the controversy surrounding the case.¹⁸

The General Notice continues by stressing that all efforts should be made to locate the rightful owners, but fails to define what these efforts might entail and, more importantly, does not mention whether these efforts should be made prior to the work becoming an orphan work or thereafter.¹⁹ Part of the proposed Strategy consists of establishing Content Generation Hubs (CGHs)²⁰ which will assist in digitalising creative works, especially orphan works.²¹ These CGHs will serve to create content and not to preserve content,²² which will be done by Trusted Digital Repositories (TDRs).²³

¹⁰ This leads to the absurdity of a "*copyrights holder*" being defined as a type of "*creative work*".

¹¹ Glossary of terms as published in General Notice 1218 of 2009, 10.

¹² The preamble as read with Section 1(g) of the Copyright Amendment Bill.

¹³ See Badenhorst P, *A Tale of Two Expropriations: Newcrestia and Agrizania* (2014) 47:2 De Jure, 258, 280-282.

¹⁴ Paragraph 3.1.2. of General Notice 1218 of 2009, 29.

¹⁵ *Agri SA v Minister for Minerals and Energy* 2013 (4) SA 1 (CC).

¹⁶ See *Agri SA v Minister for Minerals and Energy* 2013 (4) SA 1 (CC) 23H-24C.

¹⁷ See *Agri SA v Minister for Minerals and Energy* 2013 (4) SA 1 (CC) 23F-24C.

¹⁸ Van der Schyff E et al, *Vonnisbesprekking: 'n Perspektief op die Impak van die Mineral and Petroleum Resources Development Act 28 van 2002 op Voorheen Bestaande Regte* (2014) 11:1 LitNet Akademies, 52, 62-64.

¹⁹ See paragraph 3.1.2. of General Notice 1218 of 2009, 29.

²⁰ Paragraph 2.2.3. of General Notice 1218 of 2009, 25.

²¹ Paragraph 2.2.3.2. of General Notice 1218 of 2009, 26.

²² Paragraph 3.2.1. of General Notice 1218 of 2009, 30.

²³ Paragraph 3.1.2. of General Notice 1218 of 2009, 29.

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The General Notice does not mention any interaction between CGHs and TDRs, but an implicit collaboration between CGHs and TDRs exists. CGHs are institutions of the state and some TDRs are national repositories and are therefore government entities.²⁴ TDRs can include museums and archives located at the offices of traditional leaders and the municipality.²⁵ The national government is also required to afford local governments the necessary funding to help develop local TDRs.²⁶ CGHs digitise and TDRs archive and preserve. Digitisation is an important step in the preservation of works as an electronic reproduction does not deteriorate. It will therefore be absurd not to expect the state to require that CGHs and state-owned TDRs work together to further the goals of the Strategy as envisioned.²⁷

The solution proposed by the General Notice is by no means a thorough solution as it does not contain a reasonable search requirement and does not define when, how or by whom a work is declared to be an orphan work. It also does not regulate how prospective users of orphan works are to gain permission for their use as the principle of custodianship is not defined.²⁸ Possibly the only positive comment that can be made of the proposed Strategy is that it will be deemed constitutional, as section 25 is circumvented,²⁹ but not without controversy.³⁰ The Strategy proposed by the General Notice is incomplete, inoperable and will cause a lot of confusion without offering anything beneficial. It is submitted that the Strategy should be disregarded entirely. The existence of the Copyright Amendment Bill of 2015 seems to indicate that this, mercifully, will be the case.

8.2 THE COPYRIGHT AMENDMENT BILL

On the 27 July 2015, the first draft of the Copyright Amendment Bill was published by the Minister of Trade and Industry.³¹ It seeks to update the South African Copyright Act³² by, *inter alia*, incorporating the concept of "*orphan works*" into South African copyright law.³³ Attempting to do so is commendable, but the ways in which the Bill seeks to do so leave much

²⁴ Glossary of terms published in General Notice 1218 of 2009, 10.

²⁵ Paragraph 3.2.1. of General Notice 1218 of 2009, 30.

²⁶ Paragraph 3.2.1. of General Notice 1218 of 2009, 30.

²⁷ Paragraph 3.2.1. of General Notice 1218 of 2009, 30.

²⁸ See Van der Schyff E et al, *Vonnisbesprekking: 'n Perspektief op die Impak van die Mineral and Petroleum Resources Development Act 28 van 2002 op Voorheen Bestaande Regte* (2014) 11:1 LitNet Akademies, 64.

²⁹ See *Agri SA v Minister for Minerals and Energy* 2013 (4) SA 1 (CC) 23F-24C

³⁰ Van der Schyff E et al, *Vonnisbesprekking: 'n Perspektief op die Impak van die Mineral and Petroleum Resources Development Act 28 van 2002 op Voorheen Bestaande Regte* (2014) 11:1 LitNet Akademies, 62-64.

³¹ Government Notice 646 of 2015 in Government Gazette 39028, 27 July 2015, 4.

³² The Copyright Act 98 of 1978.

³³ The preamble as read with Section 1(g) of the Copyright Amendment Bill.

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to be desired.³⁴ The objectionable nature of the Bill's drafting is undeniable from even the most cursory of inspections.³⁵

8.2.1 ORPHAN WORKS AS DEFINED BY THE BILL

Orphan works are defined in the Bill as "...works in which copyright still subsists but the right holder, both the creator of the work or the successor in title cannot be located".³⁶ The fact that the individual is identified as the "right holder" as opposed to the "owner of the copyright" is negligible as the only right mentioned in the definition is "copyright". The possibility of confusion is therefore slim, if not non-existent. Though not wholly wrong, it is submitted that the term "owner of the copyright" is preferred above the term "right holder" as this will result in uniformity with the rest of the Copyright Act. Admittedly, the term "copyright owner" is also used occasionally in the Act.³⁷ Seeing as this term was only inserted after amendment of the Act,³⁸ it is submitted that this is an error on the part of the legislature. Despite it not being an insurmountable mistake, this is however an unfortunate turn of events and mistakes such as these should be avoided in future.

The Bill proceeds to define the right holder as "...both the creator of the work or the successor in title..." which is problematic and wholly unnecessary. It seems to indicate that the right holder is someone different from the owner of the copyright, as the owner of the copyright will not necessarily be the author or successors in title. Under certain circumstances, the owner of the copyright might be the author's employer,³⁹ the state⁴⁰ or another individual.⁴¹ It is therefore submitted that this part of the definition be omitted, as mere reference to the owner of the copyright will suffice.

³⁴ See Judge Farlam's comments available at <http://ip-unit.org/2015/south-african-government-conference-reveals-views-on-draft-copyright-bill/> as visited on 2016-12-14; Dean OR's comments at <http://www.bizcommunity.com/Article/196/547/132853.html> as visited on 2016-12-14 and Schonwetter T's comments at <http://www.ip-watch.org/2015/08/13/conference-looks-at-public-interest-in-south-africas-draft-copyright-bill/> as visited on 2016-12-14.

³⁵ See <http://blogs.sun.ac.za/iplaw/2015/08/05/dti-dishes-up-a-hopeless-curates-egg> as visited on 2016-12-14. The Anton Mostert Chair of Intellectual Property *Commentary on the Copyright Amendment Bill 2015* (2015) 30-31 available at <http://blogs.sun.ac.za/iplaw/files/2015/08/CIP-Formal-Comments-Copyright-Amendment-Bill-2015-Online1.pdf> as visited on 2016-12-14.

³⁶ The definition of "orphan works" in Section 1 of the Copyright Act as proposed by Section 1(g) of the Copyright Amendment Bill.

³⁷ Section 15(3A)(a) of the Copyright Act.

³⁸ Section 15(3A)(a) of the Copyright Act as inserted into the Act by Section 2 of the Copyright Amendment Act 66 of 1983.

³⁹ Section 21(1)(b) of the Copyright Act.

⁴⁰ Section 21(2) of the Copyright Act.

⁴¹ Section 21 of the Copyright Act.

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The term "*creator*" is not defined in the Copyright Act or in the Bill. This can create confusion as to the meaning of the term "*creator*" as the Act defines the author of literary, musical or artistic works as the person "...who first makes or creates the work".⁴² This indicates that the Act distinguishes between the act of making and creating and, by implication, between the maker and creator. The dictionary, quite logically, defines a creator as "*a person or thing that creates*",⁴³ whereas an individual who "...makes or produces something"⁴⁴ is deemed the maker thereof. To produce, ironically, is to "*make, manufacture or create*".⁴⁵ The overlapping nature of the terms – create, make and produce – makes it near impossible to distinguish between the creator, maker or producer of a work in a way that is sensible. It is thus submitted that the difference between these terms is either negligible or non-existent and that these terms, for the sake of copyright law, should be deemed to be one and the same. This seems logical, yet it still does not explain the Bill's use of the term "*creator*".

The use of the term might be indicative of its applicability to certain types of works as broadcasts, for example, are broadcasted and not created.⁴⁶ Though logical, this argument is flawed. The Act states the author of a computer-generated work is the individual who arranged the creation of the work.⁴⁷ The author arranged the creation and the computer created the work. The computer cannot be the creator as the computer lacks legal subjectivity and cannot be afforded any of rights that the creator is afforded in terms of the Bill.⁴⁸ It is submitted that the use of the term "*creator*" was a mistake and that the use of the term "*author*" was intended.

If one assumes that the Bill intended to use the term "*author*", the provision's intention becomes clearer. Where use of an orphan work will infringe on economic and moral rights, the party desirous to use the work will require the permission of the owner of the copyright along with that of the author.⁴⁹ Despite being wholly different concepts, it is unnecessary, for the interpretation the provisions on copyright infringement (i.e. Chapter 2 of the Act), to distinguish between the owner of the copyright and the author as the Act deems any infringement of moral rights to be an infringement of copyright.⁵¹ In these cases the author will be deemed to be the owner of the copyright.⁵² In Chapter 2 of the Act, it is stated that

⁴² See subsection (a) of the definition of "*author*" in Section 1 of the Copyright Act.

⁴³ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 335.

⁴⁴ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 863.

⁴⁵ Stevenson A et al, *Concise Oxford English Dictionary* Twelfth Edition (2011) Oxford University Press, 1145.

⁴⁶ See the definition of "*broadcast*" in Section 1 of the Copyright Act.

⁴⁷ See subsection (h) of the definition of "*author*" in Section 1 of the Copyright Act.

⁴⁸ See Boezaart CJ, *Law of Persons* Fifth Edition (2010) Juta & Co, 1-5.

⁴⁹ Sections 20(1) and 23(1) of the Copyright Act.

⁵¹ Section 20(2) of the Copyright Act.

⁵² Section 20(2) of the Copyright Act.

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copyright is infringed when someone other than the owner of the copyright (and without his or her permission) does any act deemed an exclusive right of the owner of the copyright.⁵³ These exclusive acts,⁵⁴ along with the applicable exceptions,⁵⁵ are defined in Chapter 1 of the Act (and the Regulations published in terms of the Act). Thus, even though it is stated that this is only applicable to the provisions on copyright infringement, the interoperability of the provisions of the Act essentially enforces its applicability to the rest of the Act. Mention of a successor in title would also seem to point to the fact that the term "*author*" was meant rather than the term "*creator*", as the creator is not afforded any rights in terms of the Copyright Act, unless the creator is in fact the author.⁵⁶

If one accepts that the definition, as is, does not reflect the definition intended by the legislature, the question of what was intended remains. Analysis of the definition seems to point to the fact that the Bill intended to define orphan works as "...works in which copyright still subsists but the [owner of the copyright], **both the [author] of the work or the successor in title[,] cannot be located**".⁵⁷ The biggest problem with the definition is the fact that the definition also defines who the owner of the copyright (or "*right holder*") is. It is therefore submitted that the emphasised segment of the provision be omitted.

The definition does not contain a reasonable search requirement⁵⁸ and thus requires objective impossibility in locating the owner of the copyright for the work to be an orphan work. This is peculiar as the exception concerning orphan works can only be applicable in cases where the party desirous to use the work has taken reasonable steps to locate the owner of the copyright.⁵⁹ The exception thus requires subjective impossibility, whereas the definition seems to require objective impossibility. Though the Bill should be read in its entirety, these minor discrepancies can have the power to affect the practical application of the exception as it affects the interpretation of the relevant sections. It is submitted that it would be apt rather to include the requirement of the undertaking of reasonable steps in the definition of orphan works and to define what these steps are in a separate section or a set of sections.

⁵³ Section 23(1) of the Copyright Act.

⁵⁴ Section 6-11B of the Copyright Act.

⁵⁵ Sections 12-19B of the Copyright Act read with the Regulations published under Government Notice R2530 in Government Gazette 6252, 22 December 1978.

⁵⁶ See the definition of "*author*" in Section 1 of the Copyright Act.

⁵⁷ The definition of "*orphan works*" in Section 1 of the Copyright Act as proposed by Section 1(g) of the Copyright Amendment Bill. Own emphasis.

⁵⁸ As required on terms of section 77(1) of the Canadian Copyright Act.

⁵⁹ Section 22A(5) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

8.2.2 THE ORPHAN WORKS EXCEPTION

Before the exception can be analysed in detail, specific mention should be made of the blatant mistake in section 22A of the Bill. Sections 22A(2), 22A(3) and 22A(4) are repeated nearly verbatim in sections 22A(7), 22A(8) and 22A(9) respectively.⁶⁰ It is submitted that the latter sections should be omitted.

South Africa follows the Canadian model of allowing the state, via the Companies and Intellectual Property Commission (CIPC),⁶¹ to issue a non-exclusive license⁶² for the use of an orphan work after the party desirous to use the orphan work has taken reasonable steps⁶³ to locate the owner of the copyright.⁶⁴ Before a party desirous to use an orphan work can apply to the CIPC to use the work, the prospective applicant must first publish his or her intention to apply in the National Gazette as well as in two daily newspapers with national circulation.⁶⁵ The application should be in English as well as another official language. Only thereafter can an application to use the orphan work be made to the CIPC.⁶⁶ The application must be accompanied by a fee and copies of the published intention to apply. The CIPC is entitled to prescribe the form of the application as well as the amount of the accompanying fee.⁶⁷ The CIPC may then grant the application.⁶⁸

The use of the word "may" is of the utmost importance as it implies that the CIPC is afforded a discretion in whether to grant the application. The CIPC may therefore effectively refuse to grant the application although the application complies with all the prescribed formalities.⁶⁹ This might be preferable as it places liability squarely on the shoulders of the CIPC in cases where applications were erroneously granted. This "*guarantee*" or "*indemnification*" will encourage prospective applicants to make use of this exception. It will however, also result in an increased application fee, which might have the exact opposite effect. This is further exacerbated as the CIPC will be wary of capriciously granting applications and will liberally use its afforded discretion. Whether this distribution of risk and reward is

⁶⁰ See sections 22A(2)-(4) as read with sections 22A(7)-(9) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶¹ The definition of "*Commission*" in section 1 of the Copyright Act as proposed by section 1(c) of the Copyright Amendment Bill as read with section 185 of the Companies Act 71 of 2008.

⁶² Section 22A(11) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶³ Section 22A(6) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶⁴ Section 22A(5) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶⁵ Sections 22A(2) and 22A(7) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶⁶ Section 22A(1) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶⁷ Sections 22A(3) and 22A(8) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶⁸ Sections 22A(4) and 22A(9) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁶⁹ See De Beer J et al, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 10 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

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sufficient to cultivate a viable business model is a question best left to economists, but must be determined before it is enacted as law. It is imperative that the enacted solution should not discourage parties desirous to use the orphan work from applying. Canada, which uses a similar system, has issued two hundred and ninety licences and rejected eight applications in a period of twenty-five years.⁷⁰ This might not be enough to alleviate the orphan works problem.⁷¹

To assist the CIPC in the making of its decision, the CIPC is afforded the opportunity to hold an inquiry as it prescribes.⁷² Once the CIPC has reached a decision it may grant the licence. The licence is subject to payment of a royalty and terms and conditions as determined by the CIPC.⁷³ The CIPC may direct the applicant to pay the determined royalty into an account as determined by the CIPC.⁷⁴ This will enable the owner of the copyright (or someone on his behalf) to claim such a royalty. The right to claim the royalty fixed in the licence expires five years after the expiration of the licence issued.⁷⁵

When issuing licences, the CIPC should be wary of authors' moral rights. Every author has the right of attribution (i.e. the right to be deemed the author of the work) and integrity (i.e. the right to object to the distortion of the work).⁷⁶ The infringement of the right of attribution can be determined objectively, as the work either identifies the author or it does not. The infringement of the right of integrity, on the other hand, is determined subjectively. Whether amendments made to a work prejudices the honour and reputation of the author is will largely depend on the author involved.⁷⁷ The likelihood exists that an author could object to amendments made to the orphan work, irrespective of the scope of the licence issued by the CIPC. This may result in an infringement of the author's right to dignity,⁷⁸ as his or her honour is prejudiced.

The fixation of the royalties deserves further perusal. Yet again the word "may" is indicative of a discretion being afforded the CIPC, the discretion being whether to order the applicant to deposit the royalty into a specific account.⁷⁹ As the CIPC must issue a licence

⁷⁰ Statistics from the period of 1990-08-24 – 2015-11-17 available at <http://www.cb-cda.gc.ca/unlocatable-introuvables/licences-e.html> as visited on 2016-12-14 as read with <http://www.cb-cda.gc.ca/unlocatable-introuvables/denied-refusees-e.html> as visited on 2016-12-14.

⁷¹ See United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 22 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

⁷² Sections 22A(4) and 22A(9) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁷³ Sections 22A(4) and 22A(9) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁷⁴ Section 22A(10) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁷⁵ Section 22A(12) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁷⁶ Section 20(1) of the Copyright Act.

⁷⁷ Section 20(1) of the Copyright Act. See also *Turner Entertainment Co. v Huston*, CA Versailles, civ. Ch., December 19, 1994 as read with <http://www.taradji.com/color.html> as visited on 2016-12-14.

⁷⁸ Section 20(1) of the Copyright Act as read with section 10 of the Constitution.

⁷⁹ Section 22A(10) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

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subject to a royalty fee the discretion only applies to which account the fee must be deposited.⁸⁰ The CIPC is therefore not afforded a discretion whether to issue the licence subject to a royalty fee. The CIPC is afforded a discretion in its determination of the royalty fee, as it is afforded the right to determine the terms and conditions the licence is subject to.⁸¹ The applicant can consequently not be held liable in cases where the owner of the copyright claims that the royalty fee was erroneously calculated as the applicant complies with the requirements of the exception if he or she pays the royalty fee as prescribed by the CIPC.⁸²

What is interesting to note is that the Bill does not require that the royalty fee be reasonable or fair towards either the applicant or the owner of the copyright. The Companies Act, however, obligates the CIPC to exercise its functions in a manner that is impartial⁸³ and fair.⁸⁴ The CIPC is therefore obligated to balance the interests of the applicants with the interests of the owners of copyright as well as the interests of the tax-paying public. This is a truly difficult proposition as one can make a compelling argument for the fairness of a reduced royalty fee if the possibility of the owner of the copyright claiming the fee is slim.⁸⁵

Whether a licence will be issued is determined by the applicant's undertaking of certain prescribed actions.⁸⁶ The applicant is required to conduct a search of the CIPC's register of copyright.⁸⁷ The applicant is also required to search sources of copyright information that are reasonably available. This copyright information constitutes authorship, ownership and licensor information.⁸⁸ The perusal of printed publications and the use of appropriate technological tools,⁸⁹ public databases, available through the Internet or otherwise.⁹⁰ Where reasonable, internal and external expert assistance must also be enlisted.⁹¹ Despite the inclusion of these prescribed actions, the Bill goes even further by requiring that all other reasonable and appropriate actions be taken.⁹²

Whether an action is deemed to be reasonable is based on the facts relevant to the search, facts known at the start of or uncovered during the search and may include the taking of specific

⁸⁰ Sections 22A(4) and 22A(9) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁸¹ Section 22A(11) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁸² Section 22A(8) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁸³ Section 185(2)(c) of the Companies Act.

⁸⁴ Section 185(2)(d)(ii) of the Companies Act as read with section 195 of the Constitution.

⁸⁵ Hansen DR *et al*, *Solving the Orphan Works Problem for the United States* (2013) 37:1, Columbia Journal of Law and the Arts, 1, 40.

⁸⁶ Section 22A(6) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁸⁷ Section 22A(6)(a) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁸⁸ Section 22A(6)(b) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁸⁹ Section 22A(6)(c) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁹⁰ Section 22A(6)(d) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁹¹ Section 22A(6)(e) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁹² Section 22A(6)(f) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

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actions as directed by the CIPC or the perusal of certain records, not available to the public via the Internet if these are known to be useful in locating the owner of the copyright.⁹³ This provision, paradoxically, is a catchall provision that includes all these provisions. It might be a better practice to omit all these provisions and merely rely on the catchall provision and have all the other provisions contained in a code of best practices made available to the applicant by the CIPC. This would result in a system like the one proposed in the Shawn Bentley Orphan Works Bill of the United States of America which would obligate the Register of Copyrights to publish statements on recommended practices with regard to reasonable searches.⁹⁴ It will also allow a measure of flexibility as a much simpler process is followed when amending a code of best practice, as opposed to amending an act.

8.2.2.1 CONSTITUTIONALITY OF THE PRESCRIPTION OF CLAIMS

The fairness of the provision regarding the prescription of the owner of the copyright's claim after five years after the licence's expiration should also be considered.⁹⁵ As was seen with the Canadian equivalent of this provision, a provision amending the prescription periods can be constitutional.⁹⁶ Seeing as the Bill's provision is nearly identical to that of Canada, only the differences will be addressed. The main difference between the Bill's provision and that of the Canadian Copyright Act is the Bill's requirement that prospective use be advertised. This seems to point in favour of the constitutionality of the Bill's provision. This is the case, but ironically not in the way it was probably intended.

Even though prospective applicants are obligated to publish an intention to use the work in the Government Gazette and two national newspapers,⁹⁷ it will not guarantee the awareness of owners of copyright. A 2010 survey by the South African Advertising Research Foundation showed that only 28.8% of the population read daily newspapers, 34.2% read weekly newspapers and 47.8% read monthly newspapers.⁹⁸ This is resounding evidence of the inefficiency of using the newspapers as a forum for notifying owners of copyright of prospective applicants' intention to use their work. The position is worsened when one takes into consideration the interests of illiterate owners of copyright. They will effectively be

⁹³ Section 22A(6)(e) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁹⁴ S. 2913 § 2(b)(2)(B)(i).

⁹⁵ Section 22A(12) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁹⁶ See Chapter 7 *supra*.

⁹⁷ Sections 22A(2) and 22A(7) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

⁹⁸ See SAARF, All Media and Products Survey- AMPS® Jun 10 – 6m (2010) 2 available at www.saarf.co.za/amps-presentation/2010/Amps%20Jun%2010%201-%206m%20report.pdf as visited on 2015-12-30

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excluded from receiving their royalty fee, as it is highly unlikely that these individuals will buy newspapers and even those who do will be unable to read the published intention to use the work. This is unacceptable as 18.2% of South Africa's population is illiterate.⁹⁹ These statistics do not take into consideration cases where owners of copyright become aware of the use of their work by witnessing it first-hand or through word of mouth, but it remains clear that the chances of owners of copyright being deprived of their right to claim royalties are considerable despite the publication requirement. This does not mean the publication requirement is of no consequence. The publication requirement effectively affords owners of copyright the opportunity to pre-emptively stop the use of their works without their permission. If the owner witnesses the notice, he or she will be able to contact the prospective applicant before a licence can be issued which allows the owner of the copyright to refuse or licence the use of the work. It can therefore be submitted that the prescription period proposed by the Bill, though potentially controversial, will survive constitutional scrutiny. This should not come as a surprise as the Bill's provision is not only based on a Canadian provision that can be seen to be constitutional, but it is altered in a way that improves its fairness.

8.2.3. WORKS OF UNLOCATABLE, UNKNOWN OR DEAD OWNERS

Perhaps the most controversial and perplexing aspect of the Bill is its authorisation of the acquisition of copyright in works of unlocatable, unknown or dead owners by the state.¹⁰⁰ In terms of the Bill, the copyright in these works will vest in the state in perpetuity and are unassignable.¹⁰¹ Only if the owner of the copyright is located at a later stage, will the copyright be conferred to such owner no longer subject to the perpetual term of copyright.¹⁰² Of note is the Bill's specific reference to works of unlocatable, unknown or dead owners and not to orphan works, even though orphan works (i.e. works of unlocatable owners of copyright) are implicitly included within its ambit due to their nature.¹⁰³ This provision raises multiple issues, the first of which is the introduction of a perpetual copyright term into South African copyright law. The economic gains of a perpetual copyright might be inviting, but it comes at a cost and can be argued to disrupt the policy balance fundamental to the foundations of copyright.¹⁰⁴

⁹⁹ <http://www.pressreference.com/Sa-Sw/South-Africa.html> as visited on 2016-12-14.

¹⁰⁰ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill.

¹⁰¹ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill as read with Section 22(1) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill.

¹⁰² Section 21(3) of the Copyright Act as proposed by section 25 of the Copyright Amendment Bill.

¹⁰³ Compare Section 22(1) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill with the definition of "*orphan works*" in Section 1 of the Copyright Act as proposed by section 1(g) of the Copyright Amendment Bill.

¹⁰⁴ <http://infojustice.org/archives/34863> as visited on 2016-12-14.

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Copyright offers owners of copyright the right to withhold works from the public¹⁰⁵ and a perpetual copyright will perpetually deny the public the right to use these copyrighted works freely. It offers an increase in the value of intellectual property in return for a restriction on the sharing of information and ideas. Whether this serves to stifle or foster the creation of works is mere speculation, but both can be argued.¹⁰⁶

The second issue is the acquisition of copyright by the state in the case of works of unlocatable, unknown or dead owners. The implications of this provision are determined by one's interpretation of the words "*unlocatable*", "*unknown*" and "*dead*". Works of unlocatable owners of copyright should be regarded as orphan works as this is how orphan works are defined by the Bill itself.¹⁰⁷ This should also be the case with works of unknown owners of copyright, as these owners of copyright will be unlocatable by being unknown. The term that requires further scrutiny is the surprisingly complex term "*dead*". At first glance, it would appear as if owners of copyright are deemed to be dead when they die. However, if the owners of copyright are deemed to be dead when they die, this provision will, rather peculiarly, be at odds with the other sections in the Act. The first of these is the section regarding the terms of copyright.¹⁰⁸ This section is ironically a subsection of the same section¹⁰⁹ into which the disputed provision is to be imported, should the Bill be enacted.¹¹⁰ The term of copyright in literary works is the life of the author plus fifty years.¹¹¹ The author is normally the first owner of the copyright in the work.¹¹² If a perpetual copyright vests in the state the moment the author dies, it is impossible for the copyright to subsist in the work for the lifetime of the author plus fifty years, thus making the provision meaningless in cases where the copyright is not assigned.¹¹³ It follows that, according to this interpretation, copyright can consequently only fall in the public domain if the work is continually assigned (for a period equal to the lifetime of the author plus fifty years) to a locatable and known person, before the current owner of the

¹⁰⁵ See copyright's negative definition in Klopper HB *et al*, *Law of Intellectual Property* First Edition (2012) Printburo 13.

¹⁰⁶ Greismann L, *The Greatest Book You Will Never Read: Public Access Rights and the Orphan Works Dilemma* (2012) 11 Duke Law and Technology Review 193, 194. Contra Grzelak VA, *Mickey Mouse & Sonny Bono go to court: The Copyright Term Extension Act and its effect on current and future rights* (2002) 2, John Marshall Review of Intellectual Property Law 95, 105.

¹⁰⁷ See the definition of "*orphan works*" in section 1 of the Copyright Act as proposed by section 1(g) of the Copyright Amendment Bill.

¹⁰⁸ Section 3(2) of the Copyright Act.

¹⁰⁹ Section 3 of the Copyright Act.

¹¹⁰ Section 2 of the Copyright Amendment Bill.

¹¹¹ Section 3(2)(a) of the Copyright Act.

¹¹² Section 21(1)(a) of the Copyright Act.

¹¹³ See the comments of Visser C available at <http://ip-unit.org/2015/south-african-government-conference-reveals-views-on-draft-copyright-bill/> as visited on 2016-12-14.



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copyright dies. It seems as though the legislature does not follow this interpretation, but interprets works in the public domain as being works of unlocatable, unknown or dead owners of copyright and therefore subject to perpetual copyright vesting in the state.¹¹⁴ Mr. Macdonald Netshitenzhe, Director of Policy and Legislation of the Department of Trade and Industry, contests that it would "*be irresponsible for us to allow orphan works to go into public domain*".¹¹⁵ This statement seems to indicate that copyright in all works will one day indeed vest in the state and that the public domain will proactively cease to exist. This is not the only absurdity of this interpretation. Copyright is transmissible via testamentary disposition as well as through intestate succession (i.e. via the operation of law).¹¹⁶ If the state acquires the copyright at the owner of the copyright's death, it follows that copyright is not transmissible through testamentary disposition which would be at odds with the section regarding the assignment of copyright.¹¹⁷ It is therefore submitted that an interpretation of the Bill as to mean that the state always acquires copyright once the owner thereof dies, is incorrect as it is incompatible with the Copyright Act.

It is submitted that the correct interpretation of the Bill is that copyright only vests in the state once the owner of the copyright dies *without an heir*. The reason for this submission is that this interpretation seems to be in line with the principles of succession. Normally a deceased's estate is divided among heirs in terms of a will. The assets not provided for in a will (or the entire estate in the absence of a will) is divided in terms of the rules of intestate succession.¹¹⁸ All moneys of the estate that the executor cannot distribute in accordance with the rules of testate or intestate succession should be deposited in the guardian's fund.¹¹⁹ All moneys left unclaimed for thirty years are forfeited to the state.¹²⁰ The copyright of an owner of copyright who dies without heir will naturally be forfeited to the state if left unclaimed for thirty years. The only difference between the current position and the position proposed by the Bill is that the state immediately acquires the copyright. This allows the state to licence the use of the work immediately after the owner of the copyright dies without having to wait thirty years.

Irrespective of one's interpretation of the Bill, it results in the perpetual acquisition of copyright by the state. This has two consequences. The first is the forfeiture of the public

¹¹⁴ <http://infojustice.org/archives/34863> as visited on 2016-12-14.

¹¹⁵ *Ibid.*

¹¹⁶ Section 22(1) of the Copyright Act.

¹¹⁷ Section 22 of the Copyright Act.

¹¹⁸ Section 1 of the Intestate Succession Act 81 of 1987

¹¹⁹ Section 35(13) of the Administration of Estates Act 66 of 1965.

¹²⁰ Section 92 of the Administration of Estates Act.

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domain (in its entirety or only with regards to unlocatable, unknown and dead owners) and the second is the expropriation of copyright of unlocatable, unknown and dead owners by the state. These consequences effect the right to freedom of expression and the right to property respectively. The constitutionality of the Bill should thus be further examined.

8.2.3.1 THE RIGHT TO FREEDOM OF EXPRESSION

Copyright will essentially always limit the freedom of artistic expression as the bounds of the right to freedom of expression are very generously interpreted by courts.¹²¹ This generous interpretation is because the Constitution specifically describes which expressions are not included within those bounds.¹²² Specifically excluded are expressions of hate-speech, the incitement of war or imminent violence.¹²³ Copyright will not subsist in works containing these expressions as they are against public policy.¹²⁴

This does not mean that Copyright, as a concept, is incompatible with the Constitution. Copyright normally only limits the freedom of expression for a limited period after which it falls in the public domain. The limitation imposed on freedom of expression is done for the sake of inspiring creativity and the creation of useful works.¹²⁵ This is brought about by the creation of a temporary monopoly on creativity which ensures that authors create original works without fear that another will profit from it.¹²⁶ In terms of copyright law the public is forced to temporarily sacrifice a part of its freedom of expression in return for the expression of ideas of value, resulting in a richer and more diverse public domain.

The Bill's exchange of the public domain (in its entirety or only with regards to unlocatable, unknown and dead owners) with state-owned copyright¹²⁷ is therefore highly problematic. Given that it is highly likely that provisions of the Intellectual Property Laws Amendment Act regarding the state's acquisition of certain traditional works will be deemed unconstitutional, it is a near certainty that the Bill's provisions will be unconstitutional.¹²⁸ The

¹²¹ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) 166E. See also *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 13.

¹²² Section 25(1) of the Constitution.

¹²³ Section 16(2) of the Constitution.

¹²⁴ *Goeie Hoop Uitgewers (Eiendoms) Bpk v Central News Agency and Another* 1953 (2) SA 843 (W) 847H.

¹²⁵ See Chapter 1 page 1 of the Statute of Anne 8 Ann. C. 21 available at <http://www.gutenberg.org/cache/epub/3333/pg3333-images.html> as visited on 2016-12-14. See also *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 13.

¹²⁶ *Ibid.*

¹²⁷ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill as read with <http://infojustice.org/archives/34863> as visited on 2016-12-14.

¹²⁸ See paragraph 2.9.2 *supra*.

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nature and extent of the limitation of the right to freedom of expression, as proposed by the Bill, is not only more substantial than that of the Amendment Act,¹²⁹ it lacks a clear purpose.¹³⁰ Flawed as the Amendment Act was, it at least had admirable purpose, in that it tried to promote traditional works.¹³¹ Not only does the Bill's provisions serve no real purpose it also includes the, at the very least, a substantial part of the public domain,¹³² instead of just a portion thereof as was the case with the Amendment Bill.¹³³ The state is effectively offered a prospective monopoly on all works created in South Africa belonging to unlocatable, unknown and dead owners. As the state is under no obligation in terms of the Bill to licence the use of copyrighted works in its possession the state will therefore be able to control what can and cannot be expressed in a substantial way as it is entitled to licence uses of works it agrees with and is entitled to sue and even persecute individuals for copyright infringement if it disagrees with the use.¹³⁴ This is further illustrated by fact that the provision authorising the CIPC to licence the use of orphan works is subject to the discretion of the CIPC.¹³⁵ Even though the state's monopoly is largely negated by the exceptions of fair dealing for purposes of research and for the reporting of current events,¹³⁶ it still affects the freedom of artistic creativity in a way that is not reasonable and justifiable considering the minimal, if any, benefits thereof.¹³⁷

The benefits of state owned copyright are purely financial, as the distribution of knowledge would also have been possible were the works in the public domain. The state will be able to garner a considerable revenue from the payment of royalties in terms of the licencing of state owned copyright.¹³⁸ It is submitted that this financial benefit, though possibly considerable, does not substantiate the immense impact it will have on the right to freedom of expression which is a cornerstone of a democratic society. The utter lack of purpose of the Bill, together with its excessively restrictive nature, is fundamentally what will render it

¹²⁹ See section 36(1)(c) of the Constitution.

¹³⁰ See section 36(1)(b) and 36(1)(d) of the Constitution.

¹³¹ See the preamble of the Intellectual Property Laws Amendment Act.

¹³² See paragraph 3.2 *supra*.

¹³³ Section 28B of the Copyright Act as proposed by section 4 of the Intellectual Property Laws Amendment Act.

¹³⁴ Sections 23 and 29 of the Copyright Act.

¹³⁵ Sections 22A(4) and 22A(9) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

De Beer J *et al*, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 10 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

¹³⁶ Section 12(1) as read with sections 15(4), 16(1), 17, 18, 19A and 19B(1) of the Copyright Act.

¹³⁷ See section 36(1)(e) of the Constitution as read with De Beer J *et al*, *Canada's "Orphan Works" Regime: Unlocatable Copyright Owners and the Copyright Board* (December 2009) 10 available at <http://www.cb-cda.gc.ca/about-apropos/2010-11-19-newstudy.pdf> as visited on 2016-12-14.

¹³⁸ The South African Music Performance Rights Association collects R 45 000 000 annually in royalties from the broadcasting of the music of South African musicians. See <http://www.ifpi.org/south-africa.php> as visited on 2016-12-14. This is but a small portion of South Africa's total revenue from royalties.

unconstitutional as the extent of the limitation it proposes is disproportionate to the achievement of its purpose.¹³⁹ In a country where the future is largely defined by its oppressive past,¹⁴⁰ it is imperative that the country's cultural heritage is in the hands of the public and not the state. It therefore follows that the forfeiture of the public domain (in its entirety or only with regards to unlocatable, unknown and dead owners) is unconstitutional.

8.2.3.2 THE RIGHT TO PROPERTY

Copyright, as property, is protected by the Constitution.¹⁴¹ The expropriation of property amounts to a limitation thereof. Seeing as the constitutional right to property contains its own demarcation, it brings into question how and if the general limitation clause of the Constitution applies to the limitation of the right to property.¹⁴² Given the overlap between the demarcation of the right to property and the general limitation clause, together with the complications of applying the limitation clause to the right to property, it is submitted that the demarcation will be analysed instead of applying the two-step approach.¹⁴³ The demarcation of the right to property prohibits any law from authorising the arbitrary deprivation¹⁴⁴ or expropriation of property,¹⁴⁵ unless such expropriation is in terms of a law of general application,¹⁴⁶ is for a public purpose¹⁴⁷ and subject to the payment of compensation.¹⁴⁸

The Bill's provision, on the state's perpetual acquisition of the copyright of unlocatable, unknown or dead owners will result in the property of these owners of copyright being expropriated as the state does not merely act as custodian over the copyright.¹⁴⁹ As the Bill will only be operable once it is enacted legislation and its provisions will equally apply to all owners of copyright, it is clear that the expropriation of the property is in terms of a law of general application, as required. Even though the state acquires the copyright, it does not do so without the payment of compensation.¹⁵¹ Where an individual can prove that he or she is the owner of

¹³⁹ See section 36(1) of the Constitution.

¹⁴⁰ See <http://www.theguardian.com/higher-education-network/2016/mar/03/south-africas-student-protests-have-lessons-for-all-universities> as visited on 2016-12-14.

¹⁴¹ See paragraph 2.8 *supra*.

¹⁴² Currie I *et al*, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 557.

¹⁴³ See Currie I *et al*, *The Bill of Rights Handbook* Sixth Edition (2013) Juta & Co 557-558 and *First National Bank of SA Ltd t/a Wesbank v Commissioner, South African Revenue Service and Another; First National Bank of SA Ltd t/a Wesbank v Minister of Finance* 2002 (4) SA 768 (CC) 815C-E.

¹⁴⁴ Section 25(1) of the Constitution.

¹⁴⁵ Section 25(2) of the Constitution.

¹⁴⁶ Section 25(1) of the Constitution.

¹⁴⁷ Section 25(2)(a) of the Constitution.

¹⁴⁸ Section 25(2)(b) of the Constitution.

¹⁴⁹ See *Agri SA v Minister for Minerals and Energy* 2013 (4) SA 1 (CC) 23H-24C.

¹⁵¹ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill as well as section 22A(13) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

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the copyright in an orphan work, the owner of the copyright is entitled to any fees that accrued to the orphan work.¹⁵² Its constitutionality therefore rests on its purpose and whether it is in the interest of the public.¹⁵³

It might seem as if the purpose of this is to sanction the acquisition of copyright by the state to licence the use of works that would not have been usable otherwise, due to the difficulty in tracing the owner of the copyright.¹⁵⁴ This cannot be the case however as, in terms of copyright law, there is no obligation on an owner of the copyright to use or authorise the use of his or her copyrighted works. On the contrary, the owner of the copyright is entitled to never use the work and to stop others from doing so.¹⁵⁵ Therefore, if the state's purpose is to have copyrighted works be licenced for use by the public, the state would require this of all works and not just of works of unlocatable, unknown or dead owners of copyright.¹⁵⁶ It is true that the state cannot make the enjoyment of copyright subject to the obligatory licencing of the use of their works as doing so will go against the Berne Convention's prohibition of copyright vesting subject to formalities.¹⁵⁷ That being said, the state's acquisition of copyright in works of unlocatable, unknown or dead owners implicitly requires of the owners to remain locatable or known, which would make such a provision incompatible with the same prohibition.

To contend that the Bill's provision on state owned copyright will result in better access to works by the public is absurd as the perpetual nature of the copyright in orphan works denies the public of access to works that would have been in the public domain.¹⁵⁸ Were the works in the public domain instead of under state control, the public would have been able to use them freely¹⁵⁹ without having to gain the permission of the state beforehand.¹⁶⁰ The implications of this is considerable as, in terms of the Copyright Amendment Bill, the state will be able to charge royalties for the licencing of works that would have formed part of the public domain were it not for the Bill.¹⁶⁵ These royalties may preclude impoverished individuals or communities from access to and use of works. Access to works is fundamental to a proper

¹⁵² Section 22A(13) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

¹⁵³ Section 25(2)(a) of the Constitution.

¹⁵⁴ <http://infojustice.org/archives/34863> as visited on 2016-12-14.

¹⁵⁵ See section 23(1) of the Copyright Act. See copyright's negative definition in Klopper HB *et al*, *Law of Intellectual Property* First Edition (2012) Printburo 13.

¹⁵⁶ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill.

¹⁵⁷ Article 5(2) of the Berne Convention.

¹⁵⁸ <http://infojustice.org/archives/34863> as visited on 2016-12-14.

¹⁵⁹ See sections 3 and 23(1) of the Copyright Act.

¹⁶⁰ Section 22A(3) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

¹⁶⁵ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill as read with section 22A(3) of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

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educational system.¹⁶⁶ In a country with a significantly high illiteracy rate it is shocking that the state would consider the abolition of the public domain.¹⁶⁷

It should also be noted that the reproduction and adaptation of public domain books is still a viable business, even though the works may be reproduced freely. 3 333 670 copies of books written by Shakespeare were sold during 2000-2009.¹⁶⁸ Despite being in the public domain, the total value of these sales amounted to R 421.4 million.¹⁶⁹ To restrict the sale of public domain works would deprive South Africans from benefitting from this enormous industry. To further illustrate this point, one must consider South Africa's, entirely illegal,¹⁷⁰ counterfeit goods market. The reason counterfeit goods and public domain goods are comparable is due to the price of the goods sold not being affected by the copyright subsisting in it, as no royalties are paid for the sale of either.¹⁷¹ In South Africa alone, 475 000 pirated DVDs were seized during the period of 2003-2004.¹⁷² Seeing as these DVDs can sell for as little as R 80 each,¹⁷³ the period of 2003-2004 saw the seizure of counterfeit DVDs to the value of R 38 000 000. What makes this figure astounding is the fact that this is but a portion of the market. It is true that pirated works are normally current works desirable for their novelty, whereas public domain works are not. The comparison is done merely to drive home the fact that there is a considerable market for the sale of works unburdened by the cost of paying royalties.

Due to the lack of a clear and logical reason for the provision on state owned copyright it seems as if this provision has no other purpose than ensuring the acquisition of copyright by the state. This provision of the Bill will therefore not survive constitutional scrutiny as it clearly facilitates the expropriation of the copyright of copyright owners in a manner that not only serves no clear purpose, but is also to the detriment of the interests of the public.¹⁷⁵

¹⁶⁶ Access to the works does not necessarily mean that these works will be used. Attakumah D *et al*, *Relationship Between Textbook Availability and Academic Achievement in Public Senior High Schools in the Volta Region* (2015) 5:10, Jeppa, 1, 17.

¹⁶⁷ <http://www.pressreference.com/Sa-Sw/South-Africa.html> as visited on 2016-12-14.

¹⁶⁸ <http://www.telegraph.co.uk/culture/books/6866648/Bestselling-authors-of-the-decade.html> as visited on 2016-12-14.

¹⁶⁹ Rounded figure calculated by multiplying £17.8 million with the current conversion rate of 23.6743 (Google.com). See <http://www.telegraph.co.uk/culture/books/6866648/Bestselling-authors-of-the-decade.html> as visited on 2016-12-14.

¹⁷⁰ Section 27(1) of the Copyright Act.

¹⁷¹ <http://www.ascap.com/playback/2011/01/features/litelight.aspx> as visited on 2016-12-14.

¹⁷² <http://www.saiipl.org.za/introip/76-anticounterfeiting> as visited on 2016-01-10.

¹⁷³ Rounded figure calculated by multiplying \$ 5 with the current conversion rate of 16.3041 (Google.com). See <http://www.glamsham.com/movies/news/04/jul/12sa.asp> as visited on 2016-12-14.

¹⁷⁵ Section 25(2) of the Constitution.



8.2.4 FAIR USE

South Africa does not recognise the exception of fair use, but is in the process of incorporating it into the Copyright Act.¹⁷⁶ South Africa currently recognises the exception of fair dealing, a copyright exception that is quite similar to fair use.¹⁷⁷ Fair use should not be confused with fair dealing though, as fair dealing can be seen as a specific form of the more general exception fair use.¹⁷⁸ Both exceptions nonetheless permit conduct which normally would have constituted copyright infringement if such conduct was not deemed to be fair.¹⁷⁹ Even though it can be argued that the concepts are so similar as to be identical,¹⁸⁰ it does not change the fact that the exception of fair dealing, as recognised by the South African Copyright Act, is not a general exception, but a specific exception that is only applicable in certain circumstances.¹⁸¹ One of the biggest developments the Bill proposes to spearhead is the integration of the American doctrine of fair use into South African copyright law.¹⁸² According to the Bill, the fairness of the use will be determined by:

- "(a) the purpose and character of the use including, whether such use is of a commercial nature or is for non-profit educational purposes;*
- (b) the nature of the copyrighted work;*
- (c) the amount and substantiality of the portion used in relation to the copyrighted work as a whole;*
- (d) whether the use of the copyrighted work is fair and proportionate, by considering further that –*
 - (i) the use of copyrighted work is of few lines of a song, literature or few parts of a film or art work for cartoon, parody or pastiche;*
 - (ii) the use of the whole copyrighted work for cartoon, parody or pastiche for commercial use shall require the issuance of licence; and*
 - (iii) the use of copyrighted work is compatible with fair practice in that the source and the name of the author are mentioned in the publication, broadcast, recording or the platform where the copyrighted work is displayed.*
- (e) the effect of the fair use upon the potential market for of the value of the copyrighted work."*¹⁸³

¹⁷⁶ Section 12A of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

¹⁷⁷ See sections 12(1), 15(4), 16(1), 17, 18, 19A and 19B(1) of the Copyright Act.

¹⁷⁸ See University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 15-16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

¹⁷⁹ *Ibid.*

¹⁸⁰ Ncube C et al, *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

¹⁸¹ See Sections 12(1)(b), 15(4), 16(1), 17, 18, 19A and 19B(1) of the Copyright Act.

¹⁸² Section 12A of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

¹⁸³ Section 12A of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

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The Bill's provision on fair use is nearly identical to the fair use provision of the American Copyright Act.¹⁸⁴ Perhaps the most patent difference between the South African legislature's approach to fair use is that South Africa's approach is more confined.¹⁸⁵ The Bill's provision contains numerous examples of conduct that constitutes fair use as well as examples of conduct that does not.¹⁸⁶ This is a pity as these restrictions go against the very nature of fair use.¹⁸⁷ Fair use, when properly applied, is determined on a case-by-case basis through the evaluation of the comparative weight of multiple predetermined factors.¹⁸⁸ To enforce a blanket ban on specific uses transforms this value judgment into a factual exercise which fair use was never intended to be.¹⁸⁹ This results in it being near impossible to distinguish between fair use and fair dealing,¹⁹⁰ which is an unfortunate situation as these exceptions are already misleadingly similar.¹⁹¹ Furthermore, these restrictions are unnecessary as it follows that a finding of fair use will not apply to patently unfair uses, irrespective of whether the use is explicitly excluded or not.

Uses explicitly named as examples of fair use include use for purposes of criticism, comment, news reporting, judicial proceedings, professional advice or teaching.¹⁹² The inclusion of these examples in the provision of fair use is perplexing¹⁹³ as the Copyright Act already permits fair dealing for purposes of research, criticism, review, reporting¹⁹⁴ or judicial proceedings.¹⁹⁵ Though it is inevitable that examples of fair dealing will fall within the ambit

¹⁸⁴ Compare section 12A of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill with 17 U.S.C. § 107. See also Flynn S, *Copyright Legal And Practical Reform For The South African Film Industry* (2015) 16, The African Journal of Information and Communication, 38, 43.

¹⁸⁵ The Anton Mostert Chair of Intellectual Property *Commentary on the Copyright Amendment Bill 2015* (2015) 31 available at <http://blogs.sun.ac.za/iplaw/files/2015/08/CIP-Formal-Comments-Copyright-Amendment-Bill-2015-Online1.pdf> as visited on 2016-12-14.

¹⁸⁶ See sections 12A(3), (4), (5)(d) and (8) of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

¹⁸⁷ University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

¹⁸⁸ *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 577-578 (1994).

¹⁸⁹ *Ibid.*

¹⁹⁰ See University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 15 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

¹⁹¹ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

¹⁹² Section 12A(2) of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

¹⁹³ The Anton Mostert Chair of Intellectual Property *Commentary on the Copyright Amendment Bill 2015* (2015) 31 available at <http://blogs.sun.ac.za/iplaw/files/2015/08/CIP-Formal-Comments-Copyright-Amendment-Bill-2015-Online1.pdf> as visited on 2016-12-14.

¹⁹⁴ Section 12(1) of the Copyright Act.

¹⁹⁵ Section 12(2) of the Copyright Act.

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of fair use,¹⁹⁶ it is imperative that the application of fair dealing should only be restricted to those uses explicitly specified.¹⁹⁷ All other uses should then be subject to the more general exception of fair use.¹⁹⁸ For this reason it is submitted that use for purposes of parody or pastiche¹⁹⁹ should rather be introduced into South African copyright law as examples of fair dealing, rather than fair use.²⁰⁰ This is important as fair dealing is more certain and consistently applied as is determined by legislation and developed by courts, as opposed to fair use that is determined by courts.²⁰¹ The Bill also makes provision for fair use for purposes of cartoon.²⁰² This is unnecessary as a cartoon is a medium and not a genre.²⁰³

The same cannot be said of the uses explicitly precluded from constituting fair use. The Bill excludes the use of works for commercial purposes²⁰⁴ as well as the use of digitised works for purposes that are not educational.²⁰⁵ To exclude uses for commercial purposes is unabashedly senseless as most of the uses given as examples of fair uses (such as news reporting and criticism) are in fact created for commercial purposes.²⁰⁶ By excluding these uses, the legislature is effectively constraining the freedom of courts to determine what constitutes fair use.²⁰⁷ This can best be illustrated by applying the Bill to the facts of *Author's Guild v Google Inc.*²⁰⁸

¹⁹⁶ See University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 15-16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

¹⁹⁷ See Flynn S, *Copyright Legal And Practical Reform For The South African Film Industry* (2015) 16, The African Journal of Information and Communication, 38, 43.

¹⁹⁸ University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

¹⁹⁹ Section 12A(4) of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

²⁰⁰ Flynn S, *Copyright Legal And Practical Reform For The South African Film Industry* (2015) 16, The African Journal of Information and Communication, 38, 43.

²⁰¹ University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

²⁰² Section 12A(4) of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

²⁰³ The Anton Mostert Chair of Intellectual Property *Commentary on the Copyright Amendment Bill 2015* (2015) 33 available at <http://blogs.sun.ac.za/iplaw/files/2015/08/CIP-Formal-Comments-Copyright-Amendment-Bill-2015-Online1.pdf> as visited on 2016-12-14.

²⁰⁴ Section 12A(6) of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

²⁰⁵ Section 12A(3) of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill.

²⁰⁶ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 25 as read with *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 584 (1994) and *Harper & Row v Nation Enterprises* 471 U.S. 539, 592 (1985).

²⁰⁷ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions.* (2015) 2-3 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

²⁰⁸ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015).

8.2.4.1 GOOGLE BOOKS AND FAIR USE

As mentioned before, the general exception of fair use is recognised in the United States.²⁰⁹ In the United States, fair use of a copyrighted work is determined on an *ad hoc* basis by courts.²¹⁰ Whether the use is deemed to be fair use depends on:

- (1) *the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit (sic) educational purposes;*
- (2) *the nature of the copyrighted work;*
- (3) *the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and*
- (4) *the effect of the use upon the potential market for or value of the copyrighted work.*²¹¹

The exception was created to ensure that copyright did not impede the creation of new works that were created for purposes of *inter alia* criticism, comment, news reporting, education or research.²¹² These types of works can be seen as "*transformative*" as their use of the original work results in a new original work that might be wholly different from the original or beneficial to its utility.²¹³ That is not to say that all transformative uses are fair use and that all fair uses are transformative as a value judgment must be made after all the relevant factors are compared with one another.²¹⁴ It was exactly this value judgment that the United States Court of Appeals for the Second Circuit made in the case of *Author's Guild v Google Inc*²¹⁵ where the digitisation efforts of Google were placed under scrutiny. The similarity between the Google Books Project and the digitisation efforts of orphan works by libraries and archives make this case of fundamental importance to the orphan works dilemma as the works were digitised without the permission of the copyright owners irrespective of whether they were traceable or not.²¹⁶

²⁰⁹ 17 U.S.C. § 107.

²¹⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 15. See also University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

²¹¹ 17 U.S.C. § 107(4).

²¹² 17 U.S.C. § 107.

²¹³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 17.

²¹⁴ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 16-17.

²¹⁵ *Ibid.*

²¹⁶ *op cit* 5.

8.2.4.1.1 THE FACTS

Founded in 1998 by Larry Page and Sergey Brin,²¹⁷ Google Inc. is a \$ 367.6 billion company and the second most valuable brand in the world.²¹⁸ Google offers a wide array of products, such as the Google search engine, the Google Chrome web browser and Google Maps among many others.²¹⁹ One such product is Google Books, which offers users a database of millions of books and magazines to search, preview or read.²²⁰ The focus of the service is however to make the full text of every book ever published searchable.²²¹ It is Google's attempt at creating a modern day Library of Alexandria.²²²

In the version of the website before the Court, the user of the service was asked to enter a search term. The search engine would then search through all of the books and magazines listed in its database and display a list of books containing the search terms.²²³ When the user accessed a specific book from the listed results, a brief description, additional information and sometimes even purchasing information for the book would be displayed, along with a limited excerpt of the text.²²⁴ Google Books would then allow users to view a maximum of three "snippets" of the book, a "snippet" being an eighth of a page.²²⁵ Google Books would disable "snippet view" in cases of books for which one "snippet" would have sufficed, such as dictionaries, or upon the owner of the copyright's requests.²²⁶ It was an opt-out system as opposed to an opt-in system. To ensure that users did not exploit the "snippet view" function to gain access to the entire text, only the first "snippet" in which the search term appears was displayed which resulted in the same search results being displayed no matter how many times the search term was used. Different search terms would reveal different "snippets" with one "snippet" on each page being made unavailable permanently (i.e. "*blacklisted*").²²⁷ Books in the public domain were displayed in their entirety and were also downloadable.²²⁸

²¹⁷ <https://www.google.com/intl/en/about/company/> as visited on 2016-12-14.

²¹⁸ <http://www.forbes.com/companies/google/> as visited on 2016-12-14.

²¹⁹ <http://www.google.com/intl/en/about/products/> as visited on 2016-12-14.

²²⁰ https://support.google.com/books/answer/47576?hl=en&ref_topic=4359341 as visited on 2016-12-14.

²²¹ Toobin J, *Google's Moon Shot* (2007) available at <http://www.newyorker.com/magazine/2007/02/05/googles-moon-shot> as visited on 2016-12-14.

²²² Frosio GF, *Google Books Rejected: Taking the Orphans to the Digital Public Library of Alexandria* (2011) 28, Santa Clara Computer & High Tech. Law Journal, 81, 82.

²²³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 6.

²²⁴ *op cit* 6, 8.

²²⁵ *op cit* 8.

²²⁶ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 9.

²²⁷ *Ibid.*

²²⁸ <http://google.about.com/od/experimentalgoogletools/ht/how2downloadbook.htm> as visited on 2016-12-14.

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Google did not display any advertisements to users of Google Books and did not receive any commission or finder's fee for books purchased via the link provided by Google Books.²²⁹ One of Google Books' uses was the gathering of statistical information on the frequency of use of certain words as well as the rise and fall of interests and subjects over centuries and across different regions.²³⁰ This information was available instantaneously, which is remarkable as it would have taken centuries of searching to obtain otherwise, if at all obtainable.²³¹

This was made possible by Google through the uploading of electronic copies of books or through the scanning of physical copies thereof. The books were acquired by Google through its Partner Program and its Library Project.²³² Using the Partner Program as a vehicle, Google was enabled to work in tandem with authors to have their books uploaded to the Google Books database which allowed them to be discoverable, and in some countries, purchasable by users of the service.²³³ This Partner Program ensured that the owners of copyright in works permitted to the works' inclusion on the database which ensured that copyright was not infringed.²³⁴ Google's Library Project, on the other hand, did not rely on the consent of the owners of copyright, but rather on the cooperation of major libraries.²³⁵ By collaborating with these libraries, Google could upload the entire catalogue of these libraries to the Google Books database in return for providing the libraries a digital copy of their corresponding uploaded works.²³⁶ The problem with this was that it inevitably resulted in works being reproduced and displayed to the public without the owners of the copyright's permission.

The issue was brought to the Court by certain authors who claimed that Google's conduct constituted copyright infringement.²³⁷ Google contended that its conduct constituted fair use.²³⁸ After a legal battle that lasted for more than 10 years, the case was finally decided by the United States Court of Appeals for the Second Circuit.²³⁹

²²⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 7.

²³⁰ *Ibid.*

²³¹ *Ibid.*

²³² https://support.google.com/books/answer/43726?hl=en&ref_topic=4359341 as visited on 2016-12-14.

²³³ https://support.google.com/books/partner/answer/3324395?hl=en&ref_topic=3238497 as visited on 2016-12-14.

²³⁴ 17 U.S.C. § 106.

²³⁵ <https://www.google.com/googlebooks/library/> as visited on 2016-12-14.

²³⁶ <https://support.google.com/books/partner/faq/3396243?hl=en&rd=1#2520009> as visited on 2016-12-14.

²³⁷ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 2.

²³⁸ *op cit* 3.

²³⁹ *op cit* 11.



8.2.4.1.2 THE DECISION

The Plaintiffs approached the Court, alleging that the District Court's judgment (that Google's use of the works constituted fair use) was incorrect. Their argument was based on the contentions that Google's use of the works 1) did not constitute fair use, 2) infringed owners of copyright's derivative right by depriving them of revenues obtainable from licensed search markets and 3) exposed owners of copyright to the risk of hackers making their books freely available online.²⁴⁰ The Plaintiffs' contention that the use did not constitute fair use was based on two further contentions. The first contention was that Google's use was not transformative, the second was that Google's ultimate commercial benefits precluded its use from constituting fair use.²⁴¹ The Court's decision regarding each of these arguments will now be discussed.

8.2.4.1.3 THE DETERMINATION OF FAIR USE

The use of a copyrighted work can only constitute fair use if proven to be fair use.²⁴² To determine if a use constitutes fair use, one has to determine whether the allowance of such a use will expand public learning, yet still protect the incentive to create.²⁴³ This is done by weighing up the four factors as listed in the American Copyright Act.²⁴⁴ In its judgment on whether Google's use is to be deemed fair use, the Court sensibly distinguished between the use of the work in the search function and the use of the work in the "*snippet view*".²⁴⁵

8.2.4.1.4 FACTOR ONE – THE PURPOSE OF THE USE

When determining whether the use of a work constitutes fair use, one is obligated to compare the purpose and character of the use of the original work with that of the new work.²⁴⁶ In other words, the purpose of each work is considered for similarities or differences. If the new work has a different purpose or if it is of a distinct character, the work will be seen as transformative.²⁴⁷ Transformative works seek to comment or criticise the original and can therefore be distinguished from derivative works which are normally merely conversions of an original work into a different type of work or a translation thereof.²⁴⁸ Fair use does not

²⁴⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 3.

²⁴¹ *Ibid* as read with 17 U.S.C. § 107(1).

²⁴² *Harper & Row v Nation Enterprises* 471 U.S. 539, 561 (1985).

²⁴³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 15.

²⁴⁴ 17 U.S.C. § 107.

²⁴⁵ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 16, 21, 29, 31.

²⁴⁶ 17 U.S.C. § 107(1).

²⁴⁷ *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 579 (1994).

²⁴⁸ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 18-19. See also the definition for "derivative work" as defined by 17 U.S.C. § 101.

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unequivocally require that the infringing work be transformative,²⁴⁹ but the more transformative a work is, the more readily the work will be accepted as being a non-infringing work based on fair use.²⁵⁰ All transformative works do not necessarily constitute fair use.²⁵¹ A work that merely uses another for its repute or to avoid the effort of creating an original idea, might be transformative, but it will most certainly not constitute fair use. Fair use remains a balancing act where courts are tasked in weighing one factor against the other.²⁵² The lack of a rigid set of legal principles is intentional, as stringent rules would result in the stifling of the creation of new and original works.²⁵³ The statutory exception of fair use was designed to merely provide general guidance that is to be developed through case law on an *ad hoc* basis.²⁵⁴

In its determination on whether Google's search function constituted fair use, the Court was adamant that the search function was a highly transformative use of the original works.²⁵⁵ The Court stated that its ruling can be attributed to the case of *Authors Guild, Inc. v HathiTrust*²⁵⁶ (which had facts similar to this one) where it was held that "*the creation of a full-text searchable database is a quintessentially transformative use.*"²⁵⁷ The Court held that the purpose of Google's search function was to identify books which contained the searched term as well as providing information regarding the book itself.²⁵⁸ It also allowed for the gathering and analysis of information regarding the frequency of the usage of words in books over time periods, information that is not evident from the books themselves but reliant on an algorithm (called the "*ngrams tool*") that calculates these variables.²⁵⁹ The Court emphasised that these uses of the digitised works were transformative due to the fact that they were distinctive and served to further a much different purpose than the original works.²⁶⁰ The Court also mentioned that the proper functioning of the search function necessitated the digitisation of copyrighted works in their entirety.²⁶¹

²⁴⁹ *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 579 (1994) as read with *Sony Corp. v Universal City Studios* 464 U.S. 417, 455 (1984).

²⁵⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 17.

²⁵¹ *Ibid*

²⁵² *op cit* 15.

²⁵³ *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 577 (1994).

²⁵⁴ *Harper & Row v Nation Enterprises* 471 U.S. 539, 561 (1985).

²⁵⁵ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 21.

²⁵⁶ *Authors Guild, Inc. v HathiTrust*, 755 F.3d 87 (2d Cir. 2014).

²⁵⁷ *op cit* 97.

²⁵⁸ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 22.

²⁵⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 22.

²⁶⁰ *Ibid*. See also *Authors Guild, Inc. v HathiTrust*, 755 F.3d 87, 97 (2d Cir. 2014) and *Perfect 10, Inc. v Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir.2007).

²⁶¹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 21.

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With regard to the use of the works in the "*snippet view*" the Court was quick in distinguishing this case from the case of *Authors Guild, Inc. v HathiTrust*²⁶² where works were also digitised in their entirety and were searchable, but not viewable.²⁶³ Irrespective, the Court did not regard the "*snippet view*" as anything more than a logical extension of the search function as it just displayed the context in which the search term is used.²⁶⁴ The "*snippet view*" thus only added to its transformative purpose, as it improved the functionality of the transformative search function.²⁶⁵ The Court gave the rather amusing example of a researcher, interested in the theories of Einstein, who decided to not acquire a book containing 39 usages of the word "*Einstein*" because the "*snippet view*" revealed it to be the name of the author's cat and therefore totally useless to the researcher.²⁶⁶ The "*snippet view*" was designed to reveal only enough of the text as to provide context to searchers without threatening the interests of owners of copyright.²⁶⁷

The American Copyright Act requires that courts take into account whether the use is of a commercial nature when considering the purpose and character of the use.²⁶⁸ Despite not displaying any advertisements to users of the search function,²⁶⁹ the Plaintiffs contended that Google would be able to use its dominance in the book search market as a means to ensure its position as the leading search engine in the world.²⁷⁰ The Plaintiffs essentially claimed that Google used Google Books to garner acceptance and goodwill for its other products, which was an argument that the Court considered fair, but not substantial enough as to preclude a finding of fair use.²⁷¹ The Court made this finding despite the Plaintiffs' reliance on the dictum in *Sony Corporation of America v Universal City Studios, Inc.*²⁷² where it was stated that all commercial uses are presumably unfair.²⁷³ This does not come as a surprise as the Court merely reiterated that this dictum has time and again been proven to be enormously overstated.²⁷⁴ The Court justified its departure from the dictum by correctly indicating that the examples of fair

²⁶² *Authors Guild, Inc. v HathiTrust*, 755 F.3d 87 (2d Cir. 2014).

²⁶³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 22.

²⁶⁴ *op cit* 23.

²⁶⁵ *Ibid.*

²⁶⁶ *Ibid.*

²⁶⁷ *Ibid.*

²⁶⁸ 17 U.S.C. § 107(1).

²⁶⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 7.

²⁷⁰ *op cit* 24.

²⁷¹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 24.

²⁷² *Sony Corp. v Universal City Studios* 464 U.S. 417 (1984).

²⁷³ *Ibid* 451.

²⁷⁴ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 24 as read with *Perfect 10, Inc. v Amazon.com, Inc.*, 508 F.3d 1146, 1166 (9th Cir.2007) and *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 577 (1994).

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uses given by the American Copyright Act (such as criticism, research and news reporting *inter alia*)²⁷⁵ are all normally carried out for purposes of making a profit.²⁷⁶ Despite a commercial motivation always weighing against a finding of fair use, the Court found that the transformative purpose of Google's use was so persuasive and convincing that a finding of fair use could not be denied purely on these grounds alone.²⁷⁷

8.2.4.1.5 FACTOR TWO – THE NATURE OF THE COPYRIGHTED WORK

Despite being expressly mentioned by the American Copyright Act as a factor determining fair use, the nature of the work rarely plays a significant role,²⁷⁸ if any, in a finding of fair use.²⁷⁹ This factor used to be interpreted as implying that a finding of fair use is more generally accepted when the infringed work is a factual work as opposed to one of fiction, an interpretation that was refuted by the Court, despite the digitised works all being factual in nature.²⁸⁰ The Court correctly observed that authors of factual works are equally entitled to copyright protection as those of works of fiction and that their works cannot be freely copied merely because of their factual nature.²⁸¹ The Court ultimately found that the transformative nature of Google's use was so compelling that the nature of the copyrighted works had little to no bearing on the decision of the Court.²⁸²

8.2.4.1.6 FACTOR THREE – THE AMOUNT AND SUBSTANTIABILITY OF THE PORTION USED

A finding of fair use is more likely when the portion used is trivial.²⁸³ From case law it seems as though the substantiability (i.e. the qualitative importance) of the portion is more important than the actual scope of the portion used.²⁸⁴ This explains why a finding of fair use will not necessarily be precluded in the case where an entire work is reproduced²⁸⁵ or that it will not necessarily constitute fair use where merely 300 words of a sizable book is

²⁷⁵ 17 U.S.C. § 107.

²⁷⁶ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 25 as read with *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 584 (1994) and *Harper & Row v Nation Enterprises* 471 U.S. 539, 592 (1985).

²⁷⁷ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 26.

²⁷⁸ *Blake v Google Inc.*, 412 F.Supp.2d 1106, 1118 (D. Nev. 2006).

²⁷⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 27.

²⁸⁰ *Ibid* as read with *Harper & Row v Nation Enterprises* 471 U.S. 539, 563 (1985).

²⁸¹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 27-28.

²⁸² *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 28.

²⁸³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 29.

²⁸⁴ *Harper & Row v Nation Enterprises* 471 U.S. 539, 569 (1985).

²⁸⁵ *Authors Guild, Inc. v HathiTrust*, 755 F.3d 87, 98 (2d Cir. 2014).



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reproduced.²⁸⁶ What is important is whether the heart of the work²⁸⁷ is used in a way that substitutes the original, thereby causing economic harm to the owner of the copyright.²⁸⁸

With regard to Google's search function a reproduction of the entire work is necessary for the search function to accurately determine if the searched term can be found within the book itself.²⁸⁹ The question is therefore whether a finding of fair use is possible even though the entirety of the work was reproduced. The Court argued that this is indeed possible due to the nature of how fair use is determined.²⁹⁰ The factors are not evaluated in isolation, but are weighed against one another.²⁹¹ It may be true that the works were used in their entirety by Google, but they were used for a purpose so transformative that it permitted a finding of fair use.²⁹² The extent to which a use is transformative will determine how much of the work can be used and still be deemed fair use.²⁹³ The fact that Google did not display the works in their entirety to the public also weighed heavily in their favour.²⁹⁴

The Court also regarded the "*snippet view*" as not to preclude a finding of fair use.²⁹⁵ From the facts, it is evident that Google went to great lengths to ensure that its use of the works was fair and the Court commented on this mentioning the limitation to the number of "*snippets*" viewable, the blacklisting of snippets among other measures taken by Google.²⁹⁶ The final nail in the coffin for the Plaintiffs' argument was when it was revealed to the Court that searchers, after a time consuming search with the purpose of exploiting the search function, were only able to access an aggregate of 16% of the text of a specific book.²⁹⁷ This text was not sequential or coherent, it merely added up to 16% of the text and therefore did not offer a meaningful substitute to the original.²⁹⁸ Were it coherent, the Court might have precluded a finding of fair use, but the Court wisely refrained from making a decision on this hypothetical situation.²⁹⁹

²⁸⁶ *Harper & Row v Nation Enterprises* 471 U.S. 539, 569 (1985).

²⁸⁷ *op cit* 564-565.

²⁸⁸ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 29 as read with 17 U.S.C. § 107(3)-(4).

²⁸⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 30. See also *Authors Guild, Inc. v HathiTrust*, 755 F.3d 87, 98 (2d Cir. 2014).

²⁹⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 29.

²⁹¹ *op cit* 16-17.

²⁹² *op cit* 29-30.

²⁹³ *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 586 (1994).

²⁹⁴ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 30.

²⁹⁵ *op cit* 33.

²⁹⁶ *op cit* 31-32.

²⁹⁷ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 33.

²⁹⁸ *Ibid.*

²⁹⁹ *Ibid.*

8.2.4.1.7 FACTOR FOUR – THE EFFECT OF THE USE UPON THE WORK’S VALUE OR POTENTIAL MARKET

The fourth factor, in an inquiry as to whether a use is considered fair use, is the evaluation of the economic impact of the use.³⁰⁰ This factor is considered to be the most important factor of them all as fair use "*is limited to copying by others which does not materially impair the marketability of the work which is copied.*"³⁰¹ Were fair use not limited to these cases only, it would not be internationally accepted, as it would fail to comply with TRIPS which requires that copyright exceptions only be limited to cases that would not be unreasonably prejudicial to the owners of copyright.³⁰² With this in mind, it is patently clear that the search function cannot offer a competing substitute without the "*snippet view*".³⁰³ The effect of the "*snippet view*" is difficult to define as the "*snippet*" displayed to searchers is reliant on the term searched.³⁰⁴ These "*snippets*" might have contained enough of the text to satisfy the needs of a searcher.³⁰⁵ It is therefore not unfathomable that the "*snippet view*" could have resulted in a loss of sales of the original works.³⁰⁶ This would normally be the case where the searcher is in search of facts as opposed to authorial expression.³⁰⁷ This distinction is important as facts are not subject to copyright, but the manner in which they are expressed is.³⁰⁸ This is not to say that the "*snippet view*" would never have provided substantial authorial expression.³⁰⁹ Irrespective, the disjointed and random nature of the "*snippets*" minimised the potential for a loss of sales³¹⁰ and the Court therefore found that the negative effect of the use upon the potential market is not as considerable as the benefits the public derived from its transformative purpose.³¹¹ The Court thus came to the conclusion that Google’s search function and "*snippet view*" was fair use.³¹²

The Court unfortunately failed to mention the legality of Google’s failure to acquire the digitised books legally. Google’s unauthorised digitisation was mentioned, but the Court chose

³⁰⁰ 17 U.S.C. § 107(4).

³⁰¹ *Harper & Row v Nation Enterprises* 471 U.S. 539, 566-567 (1985).

³⁰² Article 13 of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement available at http://www.wipo.int/treaties/en/text.jsp?file_id=305907#part2.1 as visited on 2016-12-14.

³⁰³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 34. See also *Authors Guild, Inc. v HathiTrust*, 755 F.3d 87, 103 (2d Cir. 2014).

³⁰⁴ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 8.

³⁰⁵ *op cit* 35.

³⁰⁶ *Ibid.*

³⁰⁷ *op cit* 33-34.

³⁰⁸ *Hoehling v Universal City Studios, Inc.*, 618 F.2d 972, 974 (2d Cir. 1980).

³⁰⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 36.

³¹⁰ *Ibid.*

³¹¹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 35.

³¹² *op cit* 36-37.

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instead to focus on the fact that the digital copies were not shared with the public.³¹³ One can only assume that Google had taken measures to limit its employees' exposure to these works in the same manner as it protected its own confidential information, as alluded to by the Court.³¹⁴ Though obvious, it should be noted that Google, as a legal entity, was not capable of enjoying the works digitised by it. It therefore follows that everyone is not entitled to start their own digitisation projects as all four factors of fair use must still be considered and weighed against one another in every case.³¹⁵ Take for example an individual who digitises all the works of a local library and allows two friends to do a full text search of the works on a local area network. This will not be fair use as the economic impact of the use (the potential loss of sales by allowing the individual unauthorised access to a digital copy of the work) will outweigh its purpose (of allowing two other individuals to search if the texts contain certain search terms). The importance of Google's infrastructure in the Court's decision cannot be understated. Fundamental to the Court's decision, yet not explicitly mentioned, was the fact that Google's search function was available to nearly every person with access to the Internet.³¹⁶ For this reason it is submitted that this case can be used as authority permitting national libraries, archives and large corporations to conduct similar digitisation efforts.

8.2.4.1.8 DERIVATIVE RIGHTS

In terms of section 106 of the American Copyright Act, an owner of copyright has the exclusive right to prepare derivative works based on the original work.³¹⁷ The Plaintiffs contended that this includes the right to apply search and "snippet view" functions to their works.³¹⁸ The Plaintiffs essentially contended that the "snippet view" of the original work was a derivative work. The Court did not agree with this argument and held that a derivative work is a work that contains the expressive content of the original work.³¹⁹ In its explanation the Court utilised a vivid example from the case of *United States v American Society of Composers, Authors and Publishers*³²⁰ where a company called RealNetworks Inc. allowed the preview and download of ring tones.³²¹ These ring tones, like "snippets", were excerpts of the original work, but, unlike "snippets", were derivative works as they contained the excerpts of the most beloved

³¹³ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 30.

³¹⁴ *op cit* 42.

³¹⁵ *op cit* 16-17 as read with 17 U.S.C. § 107.

³¹⁶ <http://techcrunch.com/2010/04/19/google-censorship/> as visited on 2016-12-14.

³¹⁷ 17 U.S.C. § 106(2).

³¹⁸ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 37.

³¹⁹ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 38.

³²⁰ *United States v American Society of Composers, Authors and Publishers*, 599 F. Supp. 2d 415 (S.D.N.Y. 2009).

³²¹ <http://caselaw.findlaw.com/us-2nd-circuit/1539469.html> as visited on 2016-12-14.



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passages from the original copyrighted work and not just an excerpt of a searched term.³²² The Court also dismissed the argument that owners of copyright were deprived of a derivative right which allowed owners of copyright to garner revenue from paid licencing markets stating that the mere existence of a market did not support the existence of the derivative right.³²³ Consequently, the Court dismissed the notion of a derivative right in search and "snippet view" functions as it was without merit.³²⁴

8.2.4.1.9 THREAT OF HACKING

Despite being an argument that was merely hypothetical and possibly, as some might argue, ludicrous³²⁵ the Court addressed the argument that Google's database of books left owners of copyright vulnerable to threats of hacking that might have resulted in the works being freely distributed online. The Court dismissed the argument stating that the measures taken by Google to guard against attempts of hacking was sufficient as the same protective measures was used by Google to protect its own confidential information.³²⁶ Though the Court admitted that the same could not be said of the security of the participating libraries' servers,³²⁷ it sensibly distinguished between the responsibility of Google and the participating libraries. The Court stated that, had the libraries to digitise their collections themselves for purposes of using them for digital searches, the libraries' conduct would amount to fair use and therefore not infringe copyright.³²⁸ The fact that the libraries hired the services of an expert to do the digitisation on their behalf did not cause the digitisation to be infringing.³²⁹ If the libraries had used the digitised reproductions in a way that amounted to copyright infringement, it followed that Google could not have been held liable as there would be no basis on which to impose this liability.³³⁰

The Court's findings on the possibility of the hacking of digitised data is of great importance to orphan works. The Court recognised a duty to protect digital reproductions of copyrighted works.³³¹ This, though entirely necessary and logical, is unfortunate for libraries

³²² *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 40-41.

³²³ *op cit* 39.

³²⁴ *op cit* 37.

³²⁵ <https://www.techdirt.com/articles/20141204/07133929328/authors-guild-argues-that-google-books-should-be-infringing-because-aaron-swartz.shtml> as visited on 2016-12-14.

³²⁶ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 41-42.

³²⁷ *op cit* 45.

³²⁸ *op cit* 44.

³²⁹ *op cit* 44-45.

³³⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 45-46.

³³¹ *Ibid.*



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and archives given the current copyright regime in the United States. According to the American Copyright Act, an owner of an infringed copyright is entitled to actual damages or statutory damages.³³² The statutory damages awarded may not be less than \$ 750 per work.³³³ If the infringer was unaware that his or her conduct constituted infringement which results in the minimum amount will be reduced to \$ 200 per work.³³⁴ The statutory damages can nevertheless be remitted if the infringer is a library or archive or is an individual in the employ of a library or archive and believed the infringing conduct to be fair use.³³⁵ As a defence of fair use is now subject to sufficient protection of digitised works, it follows that libraries and archives will only be entitled to this remission if they sufficiently protect their digitised works.³³⁶ When one considers the fact that the hacking of an insufficiently protected digitised work can result in damages of a minimum amount of \$ 200 being payable per work, it becomes clear that libraries might not be able to afford sufficient security as public libraries, on average, have 90 269 books each³³⁷ and (if one accepts the statistics provided by the Carnegie Mellon University Library as representative of other libraries) it is quite possible that 78% of these works will be orphan works.³³⁸ Seeing as though it was not the participating libraries, but Google, that appeared before the Court, it is understandable that the Court did not address this issue in much detail.

8.2.4.2 THE IMPORTANCE OF THE JUDGMENT TO SOUTH AFRICA

Authors Guild, Inc. v Google, Inc. is not merely a vivid example of the proper application of the doctrine of fair use,³³⁹ but is of considerable importance to solving the orphan works dilemma as digitisation efforts on a grand scale can now be deemed an example of a fair use.³⁴⁰ The case has been criticised for exceeding the bounds of fair use, but most of these criticisms

³³² 17 U.S.C. § 504(a).

³³³ 17 U.S.C. § 504(c)(1).

³³⁴ 17 U.S.C. § 504(c)(2).

³³⁵ 17 U.S.C. § 504(c)(2).

³³⁶ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 45.

³³⁷ Rounded figure calculated by dividing 808 000 000 books divided by 8951 libraries. See <https://nces.ed.gov/fastfacts/display.asp?id=42> as visited on 2016-12-14.

³³⁸ Henning DK, *Copyright's deus ex machina: reverse registration as economic fostering of orphan works*, (2007-2008) Journal, Copyright Society U.S.A. 201, 203.

³³⁹ See Hari P, Is Scanning Books Really Fair Use?: The Next Chapter in the Google Books Litigation (2016) 7, Charlotte Law Review, 111, 128-133. See *contra* Morris C, *Transforming "Transformative Use": The Growing Misinterpretation of the Fair Use Doctrine* (2015) 5:1 Pace Intellectual Property, Sports & Entertainment Law Forum, 10, 26-29.

³⁴⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 36-37.

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have been based on the case's debateable³⁴¹ incompatibility with precedents.³⁴² This will not affect incorporation of the doctrine in South Africa legislation, as the cases are not binding on South African courts.

Using this case as authority, it can be argued that libraries and archives will now be able to digitise copyrighted works (regardless of their status as orphan works) without fear of their conduct resulting in liability for copyright infringement, provided that the digitised files are properly protected.³⁴³ This simplifies the digitisation of orphan works as it is therefore not required to determine if the work is an orphan work and it circumvents the need to perform a reasonable search for the owner of the copyright for each and every work digitised.³⁴⁴ The importance of this cannot be overstated as most libraries and archives would not have been able to afford the costs associated with these searches.³⁴⁵

The case does not however give clarity on the matter of the use of orphan works, as this aspect was not discussed, despite orphan works being digitised.³⁴⁶ It is argued that fair use might even be wide enough to permit certain uses of orphan works.³⁴⁷ South Africa is currently planning on assimilating fair use into the South African Copyright Act.³⁴⁸ What the legislature might not have realised at the time is that it inadvertently might have assimilated the United States' solution to the orphan works dilemma along with it, as far as libraries and archives are concerned.³⁴⁹

The fair use doctrine is highly adaptable as it was designed to be developed by courts.³⁵⁰ The open-ended nature of the fair use doctrine effectively allows a copyright system to respond to technological change because of this.³⁵¹ The fundamental problem with this adaptability is

³⁴¹ Sites B, Fair Use and the New Transformative (2016) 39:4, Columbia Journal of Law & the Arts, 513, 523.

³⁴² Morris C, *Transforming "Transformative Use": The Growing Misinterpretation of the Fair Use Doctrine* (2015) 5:1 Pace Intellectual Property, Sports & Entertainment Law Forum, 10, 26 and Valente M, *Transformativeness in the Age of Mass Digitization* (2016) 90, St John's Law Review, 233, 260-261.

³⁴³ Authors Guild, Inc. v Google, Inc., No.13-14829 (2d Cir. Oct 16, 2015) 45.

³⁴⁴ Walker RK, *Negotiating the Unknown: A Compulsory Licensing Solution to the Orphan Works Problem* (2013-2014) 35, Cardozo Law Review, 983, 1000.

³⁴⁵ Walker RK, *Negotiating the Unknown: A Compulsory Licensing Solution to the Orphan Works Problem* (2013-2014) 35, Cardozo Law Review, 983, 1000.

³⁴⁶ See <http://www.ipwatchdog.com/2011/05/01/the-google-book-settlement-and-orphan-works/id=16733/> as visited on 2016-12-14.

³⁴⁷ United States Copyright Office, *Orphan Works and Mass Digitization* (2015) 70 available at <http://copyright.gov/orphan/reports/orphan-works2015.pdf> as visited on 2016-12-14.

³⁴⁸ Section 12A of the Copyright Act as proposed by Section 14 of the Copyright Amendment Bill.

³⁴⁹ Compare Sections 12A, 19C and 22A of the Copyright Act as proposed by sections 14, 22 and 27 of the Copyright Amendment Bill respectively.

³⁵⁰ Lipton JD, *Copyright and the Commercialization of Fanfiction* (2014) 52 Houston Law Review 425, 445.

³⁵¹ Elkin-Koren N et al, *Taking Users' Rights to the Next Level: A Pragmatist Approach to Fair Use* (2015) 33, Cardozo Arts & Entertainment Law Journal, 1, 7.

it results in an inherent lack of *ex ante* legal certainty when using this exception.³⁵² Despite courts being able to clear up this legal uncertainty, it remains problematic as fair use is an affirmative defence that must be proven by the defendant in cases of alleged copyright infringement.³⁵³ It logically follows that an individual seeking to avoid liability will only rely on fair use for uses that he or she believes will be proven to be fair. The fairness of most of these uses will be self-evident. If the fairness of the use is less evident, risk-averse users will refrain from using the work. This is called the "*chilling effect*".³⁵⁴ The uncertainty can also result in the unnecessary acquisition of licences, which promote a "*clearance culture*".³⁵⁵ It is nevertheless submitted that the benefits offered by this adaptability outweighs its chilling effect. Fair use, when appropriately restrained by clear guidelines from case law, does not offer courts free rein to authorise infringing uses of copyright, but allows courts to authorise uses that should be considered fair.³⁵⁶ It is impossible for the legislature to specify every example of fair use as the fairness of the use is highly reliant on the context in which it is used³⁵⁷ and it would be unviable for the legislature to respond to technological change in a timely manner.³⁵⁸ This might not have been the case when copyright was created, but in an era of constant technological change, this adaptability is truly essential.³⁵⁹ A general fair use exception is not only practical, but necessary, as South African copyright is in dire need of being updated.³⁶⁰

8.2.5 CRITIQUE OF THE COPYRIGHT AMENDMENT BILL

When discussing the Bill's solution to the orphan works dilemma it is important to differentiate between the licencing of the orphan works, the regulation of works of unlocatable, unknown or dead owners and the exception of fair use. With regard to the specific orphan

³⁵² Lipton JD, *Copyright and the Commercialization of Fanfiction* (2014) 52 Houston Law Review 425, 445.

³⁵³ Stanton JF, [SONG ENDS] -Why Movie and Television Producers Should Stop Using Copyright as an Excuse Not to Caption Song Lyrics (2015) 22:157 UCLA Entertainment Law Review, 157, 174.

³⁵⁴ Elkin-Koren N et al, *Taking Users' Rights to the Next Level: A Pragmatist Approach to Fair Use* (2015) 33, Cardozo Arts & Entertainment Law Journal, 1, 7.

³⁵⁵ *op cit* 8.

³⁵⁶ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2-3 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

³⁵⁷ *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 577-578 (1994).

³⁵⁸ University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

³⁵⁹ Shahshahani S, *The Nirvana Fallacy in Fair Use Reform* (2015) 16:1, Minnesota Journal of Law Science & Technology, 273, 286.

³⁶⁰ <http://www.moneyweb.co.za/news/south-africa/copyright-amendment-bill-boggles-legal-minds/> as visited on 2016-12-14 and The Anton Mostert Chair of Intellectual Property *Commentary on the Copyright Amendment Bill 2015* (2015) 30 available at <http://blogs.sun.ac.za/iplaw/files/2015/08/CIP-Formal-Comments-Copyright-Amendment-Bill-2015-Online1.pdf> as visited on 2016-12-14.

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works exception, the Bill's solution raises more issues than it solves, mostly due to its poor drafting.³⁶¹ The Bill defines orphan works as works of which the right holder is unlocatable.³⁶² Despite a separate orphan works exception,³⁶³ the Bill proceeds to create an additional provision regulating *inter alia* works of unlocatable owners.³⁶⁴ The legal uncertainty and incompatibility of these provisions are however negligible as the provisions regulating works of unlocatable owners will be unconstitutional as it amounts to a forfeiture of the public domain and an expropriation of copyright.³⁶⁵

8.2.5.1 THE LICENCING OF COPYRIGHT IN ORPHAN WORKS

As was seen with Canada's orphan works solution, a solution reliant on the state issuing licences to use orphan works is expensive to implement.³⁶⁷ Not only that, but it is also difficult, costly and time consuming to ascertain when a reasonable search has taken place.³⁶⁸ This is exacerbated by the multitude of often redundant formalities attributed to the process of applying for these licences, making it highly likely that use of this process will be avoided.³⁶⁹ This is in part due to the inadequate way in which orphan works and the reasonable search requirements are defined. If a licencing scheme was to be implemented it is recommended that an orphan work be defined as "*a work of which the existing owner of the copyright cannot, after a reasonable search, be traced*" and that the requirements of a reasonable search not be specified in legislation, but in a code of best practices which is flexible, comprehensive and differentiates between the different types of copyrighted works.

The Bill's regulation of orphan works is, however, compatible with the Berne convention as the orphan work status of the works is determined on an *ad hoc* basis by a central body and the sources that are to be consulted are not expressly mentioned and differ from one application to the next.³⁷⁰ Despite all of this, it is submitted that a licencing scheme with regards to orphan

³⁶¹ See <http://blogs.sun.ac.za/iplaw/2015/08/05/dti-dishes-up-a-hopeless-curates-egg> as visited on 2016-12-14. The Anton Mostert Chair of Intellectual Property *Commentary on the Copyright Amendment Bill 2015* (2015) 30-31 available at <http://blogs.sun.ac.za/iplaw/files/2015/08/CIP-Formal-Comments-Copyright-Amendment-Bill-2015-Online1.pdf> as visited on 2016-12-14.

³⁶² The definition of "orphan works" in section 1 of the Copyright Act as proposed by section 1(g) of the Copyright Amendment Bill.

³⁶³ Section 22A of the Copyright Act as proposed by section 27 of the Copyright Amendment Bill.

³⁶⁴ Section 3(3)(c) of the Copyright Act as proposed by section 2 of the Copyright Amendment Bill.

³⁶⁵ See paragraphs 8.2.3.1 and 8.2.3.2 *supra*.

³⁶⁷ See Chapter 7 *supra*.

³⁶⁸ Flynn S, *Copyright Legal And Practical Reform For The South African Film Industry* (2015) 16, The African Journal of Information and Communication, 38, 45.

³⁶⁹ *Ibid.*

³⁷⁰ See Brannon P, *Reforming Copyright to Foster Innovation: Providing Access to Orphaned Works* (2006-2007) 14 Journal of Intellectual Property Law, 145, 171.

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works is unfortunately not an economically viable one or one that is practical in South Africa. Given the Bill's inclusion of fair use, it is peculiar that an express provision on orphan works was also drafted, as fair use might be a preferable solution.

8.2.5.2 FAIR USE

Fair use, as is, is a very broad³⁷¹ and legally uncertain provision.³⁷² To improve its legal certainty, it is reasonable to include examples of uses deemed to be fair.³⁷³ For the purposes of South Africa's Copyright Act these examples should rather be incorporated in the provision on fair dealing (or prescribed as an exception to copyright by regulation)³⁷⁴ as their inclusion in the test for fair use will unnecessarily restrict the discretion of courts when judging the fairness of a use.³⁷⁵ It therefore follows that the broad provision on fair use will only be applicable in cases where the narrow provision on fair dealing does not specifically find application.³⁷⁶

The application of fair use will ensure that libraries and archives are authorised to digitise copyrighted works.³⁷⁷ Digitisation done purely for purposes of preservation is a fair use, irrespective of whether the work digitised is an orphan work or not.³⁷⁸ This is opportune as it negates the necessity to classify certain works as orphan works, thus avoiding the complex process of defining precisely what an orphan work is and applying this definition in practice.³⁷⁹ Fair use will also solve the problem of *opera nullius*. Seeing as no owners of copyright exist

³⁷¹ University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

³⁷² Grzelak VA, *Mickey Mouse & Sonny Bono go to court: The Copyright Term Extension Act and its effect on current and future rights* (2002) 2, John Marshall Review of Intellectual Property Law 95, 113. University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 16 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14. Contra Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2-3 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

³⁷³ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 1 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14. See *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 579 (1994).

³⁷⁴ Section 13 of the Copyright Act.

³⁷⁵ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14. See *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 579 (1994).

³⁷⁶ University of Cape Town Intellectual Property Unit *Written Comments on the Copyright Amendment Bill 2015* (2015) 15 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14. Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 1 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14. See *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 579 (1994).

³⁷⁷ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 44.

³⁷⁸ op cit 26.

³⁷⁹ See Chapter 4 *supra*.

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where the work involved is an *opus nullius*, no legal person exists to litigate against infringing uses of the work.³⁸⁰ It follows that the use of an *opus nullius* must be fair as there cannot be a negative impact on the potential market or the value of the work.³⁸¹ There will thus be no need for a specific provision excluding *opera nullius* from orphan works as the use of both can be meaningfully regulated by the fair use provision.

Prospective authors desirous to use a work, for which it is impossible to attain the relevant permission to do so, might also benefit from the fair use provision.³⁸² As courts are obligated to take the nature of the work into consideration, in terms of fair use,³⁸³ it follows that courts will be forced to acknowledge the work's status as an orphan work.³⁸⁴ This does not mean that all uses of orphan works will be fair, but it will deter courts from ordering payment of damages that exceed the value of reasonable royalties.³⁸⁵ The fairness of the use and the amount of the damages awarded will largely be determined by the use's effect on the potential market. Prospective authors desirous to use a work will not be deterred from using an orphan work if they are ensured that their use will either result in a finding of fair use or the awarding of damages equal to the value of reasonable royalties the user of the work would have paid for its use. This reasonable royalty will arguably be comparable to the royalty issued by the CIPC in terms of the licencing scheme and will only be payable if the owner of the copyright claims for copyright infringement, which might not even happen. It is therefore imperative that courts be consistent, precise and just in their application of fair use.³⁸⁶ The fear of litigation works both ways and if it is clear that the courts are lenient in cases where an orphan work is used, it might deter owners of copyright to litigate where the copyright infringement of an orphan work is claimed..

Another aspect of fair use that requires mention is that it is internationally accepted as a valid exception to copyright.³⁸⁷ Exceptions specifically applicable to orphan works seek to

³⁸⁰ See Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

³⁸¹ *Ibid.*

³⁸² United States Copyright Office, *Orphan Works and Mass Digitization* (2015) 70 available at <http://copyright.gov/orphan/reports/orphan-works2015.pdf> as visited on 2016-12-14.

³⁸³ See 17 U.S.C. § 107(1).

³⁸⁴ See Hetcher S, *Orphan Works and Google's Global Library Project* (2007-2008) 8, Wake Forest Intellectual Property Law Journal, 1, 20.

³⁸⁵ Sections 24(1A)-(1C) of the Copyright Act 98 of 1978.

³⁸⁶ Morris C, *Transforming "Transformative Use": The Growing Misinterpretation of the Fair Use Doctrine* (2015) 5:1 Pace Intellectual Property, Sports & Entertainment Law Forum, 10, 29-31.

³⁸⁷ University of Cape Town Intellectual Property Unit Written Comments on the Copyright Amendment Bill 2015 (2015) 16-17 available at http://ip-unit.org/wp-content/uploads/2015/09/CopyrightAmendmentBill_IPUnitSubmission092015.pdf as visited on 2016-12-14.

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bring about the authorisation of the use of works, which means that the copyright in the work can be limited based on the owner's failure to remain traceable.³⁸⁸ This implicitly subjects the enjoyment of copyright to an obligation on owners of copyright to remain traceable. This is not acceptable in terms of the Berne Convention that prohibits a system of copyright subject to any formalities.³⁸⁹ Fair use is able to avoid this fate due to its focus on the context in which a work is used, rather than the type of work used.³⁹⁰ The application of fair use, as opposed to a specific orphan works exception, also allows owners of copyright to retain the right to withhold a work from the public.³⁹¹ It is submitted that the use of a work cannot be deemed fair if such use was done with the knowledge that the owner of the copyright does not want the work to be used, unless the purpose of the use is of such a nature that courts deem otherwise.³⁹² The list of factors courts are obligated to consider when determining whether the use is fair is not a *numerus clausus* as evidenced by the usage of the words "*shall include*" in the proposed section.³⁹³ Fair use can therefore be said to be a viable and simple solution to the orphan works dilemma. It not only addresses all the aspects of the orphan works dilemma, but will also help improve the South African Copyright Act's adaptability. It is therefore submitted that if South Africa is to address the orphan works dilemma, it should do so by incorporating a fair use exception into the Copyright Act and not to include a separate orphan works exception. This will afford courts the opportunity and flexibility to address the issues in a manner that is fair.³⁹⁴

Geiger C et al, *The Three-Step-Test Revisited: How to Use the Test's Flexibility in National Copyright Law* (2014) 29(3), American University International Law Review, 581, 612-616.

³⁸⁸ See, for example, section 77 of the Canadian Copyright Act.

³⁸⁹ Article 5(2) of the Berne Convention.

³⁹⁰ *Authors Guild, Inc. v Google, Inc.*, No.13-14829 (2d Cir. Oct 16, 2015) 15.

³⁹¹ See copyright's negative definition in Klopper HB et al, *Law of Intellectual Property* First Edition (2012) Printburo 13.

³⁹² *Campbell v Acuff-Rose Music, Inc.*, 510 U. S. 569, 579 (1994).

³⁹³ Strba SI *International Copyright Law and Access to Education in Developing Countries: Exploring Multilateral Legal and Quasi-Legal Solutions* First Edition (2012) Martinus Nijhoff Publishers, 116. See <http://fairuse.stanford.edu/overview/fair-use/four-factors/> as visited on 2016-12-14.

³⁹⁴ See *contra* Shahshahani S, *The Nirvana Fallacy in Fair Use Reform* (2015) 16:1, Minnesota Journal of Law Science & Technology, 273, 277-279.

-CHAPTER 9: CONCLUSION-

9.1 OVERVIEW OF THE RESEARCH?

There is no doubt that South Africa can no longer afford to ignore the existence of orphan works. It must act and it must act soon. The Legislature has indicated the intention to regulate orphan works in past.¹ This would have been a source of comfort, if it were not for the fact that no orphan works legislation has been enacted since this intention was made clear in 2009.²

The biggest problem with orphan works is what is called the orphan works dilemma.³ Without an orphan works exception, parties desirous to use orphan works are left with one of two options in that they can either use the work and risk a claim of copyright infringement or they can rather not use the work. This fact that a lot of parties tend not to use these works is to be expected, as copyright infringement claims are very expensive. The fact that these works are not being used is unfortunate as it is resulting in a situation where no new works incorporating orphan works are created and existing works are not being reproduced for purposes of preservation through digitisation efforts.⁴ This is of particular concern to libraries and archives as the copyright exceptions available to these institutions are not sufficient to allow for digitisation.⁵

It is therefore clear that a solution must be found. Before this can be done it is imperative that the concept of orphan works be defined. This definition will determine the scope of the orphan works regulation, because orphan works is a creature of statute and whether a work is deemed an orphan work is wholly based on one's definition of orphan works. It is submitted that an orphan work should be defined as "*work of which the existing owner of the copyright cannot, after a reasonable search, be traced.*"⁶ This definition isolates the four elements required for proper regulation of orphan works, i.e. a work (in which copyright subsists),⁷ the existence of an owner of the copyright,⁸ a reasonable search⁹ and the inability to trace the owner of the copyright.¹⁰ It does so without focusing on irrelevant, but often confusing concepts like the orphan work's commercial availability.¹¹

¹ See General Notice 1218 of 2009 as well as the Copyright Amendment Bill.

² See General Notice 1218 of 2009.

³ See paragraph 3.1 *supra*.

⁴ See paragraph 3.2 *supra*.

⁵ See paragraph 3.3 *supra*.

⁶ See paragraph 4.1 *supra*.

⁷ See paragraph 4.2 *supra*.

⁸ See paragraph 4.3 *supra*.

⁹ See paragraph 4.4 *supra*.

¹⁰ See paragraph 4.5 *supra*.

¹¹ See paragraph 4.6 *supra*.

In an attempt to find a solution, multiple solutions from different jurisdictions were analysed. The first was that proposed by the Shawn Bentley Orphan Works Act, which would have limited the remedies of owners of copyright in cases where the infringer could prove that a reasonable and diligent search was done in good faith and the owner could not be located or identified.¹² What constituted a reasonable and diligent search was to be determined on an *ad hoc* basis, but statements on Recommended Practices was to be drafted in an attempt to alleviate vagueness.¹³ It is submitted that, for purposes of South Africa, this approach should ultimately be rejected due to it being inoperable. The solution posed will not alleviate the fear of litigation to such an extent that would entice parties desirous to use orphan works to do so. This is especially true of large-scale digitisation efforts, as claims of copyright infringement are calculated per work. If one takes into account the scope of the orphan works problem and the scale of modern digitisation efforts (such as Google Books), it quickly becomes clear that this solution is not viable. It also creates an implied duty on owners of copyright to remain locatable and identifiable, which renders it incompatible with the Berne Convention's prohibition on copyright subsisting subject to formalities or requirements.¹⁴

The solution posed by the European Union was also analysed. The solution authorises the use of orphan works by institutions such as libraries, museums and film or audio heritage institutions.¹⁵ What is of note is that a work will only be deemed to be an orphan work after a diligent search is carried out in good faith. These searches are to be recorded by a central body. The sources that has perused is also specified and includes a searchable electronic database called ARROW.¹⁶ This solution was ultimately rejected as a solution viable for South Africa due to the financial burden a reliance on state-funded databases would cause. The specific nature of the list of sources to be perused creates an obligation on owners of copyright to ensure that their works are not listed on one of these sources, which makes this solution incompatible with the Berne Convention. This solution also does not address the needs of parties, other than the listed institutions, who are desirous to use orphan works for purposes other than those listed. The scope of the solution is therefore too narrow.¹⁷

¹² See paragraph 5.2 *supra*.

¹³ See paragraph 5.6 *supra*.

¹⁴ See paragraph 5.7 *supra*.

¹⁵ See paragraph 6.3 *supra*.

¹⁶ See paragraphs 6.4 and 6.5 *supra*.

¹⁷ See paragraph 6.6 *supra*.

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The Canadian approach to the orphan works dilemma was to create a licencing scheme through which the Canadian Copyright Board would be able to licence the use of orphan works, subject to the payment of a royalty the Copyright Board deemed fit.¹⁸ The Canadian solution is not however limited to the specific orphan works provision, but is wholistic and include many copyright exceptions beyond the orphan works exception. An example of this is the exception permitting individuals to make backup copies of works and the exception permitting the format-shifting of works by Libraries and archives. It should also be noted that, in terms of the laws of Canada, the Librarian and Archivist is tasked with the preservation of Canada's documentary heritage. Not only is Librarian and Archivist permitted to reproduce works of historical or archival value, but publishers are required to submit copies of each of its publications to the Librarian and Archivist. It is therefore clear that the solution is all-encompassing and will alleviate the orphan works dilemma immensely.¹⁹ The reason this solution was ultimately rejected was the economic and administrative burden it would have placed on the Companies and Intellectual Property Commission (the South African equivalent of the Canadian Copyright Board). One must not forget the difference of the socio-economic situation in Canada and South Africa. Based on the statistics gathered from the last 27 years, the Canadian solution clearly will not pose any financial benefits. This makes it inoperable despite its compatibility with the Constitution and the Berne Convention²⁰

The solutions proposed by South Africa were also evaluated. The first solution was that of the Local and Digital Content Development Strategy, which proposed that the state should be custodian of the copyright in orphan works (paradoxically called unlocatable right holders). This solution can hardly be called a solution as it is clearly incomplete and inoperable. It does not reference when a work acquires orphan work status or how one should go about if one is desirous to use the orphan works in a manner subject to copyright. It does however show an intention by the state to regulate orphan works, but only serves as an example on how not to regulate orphan works.²¹

The second South African solution was that of the Copyright Amendment Bill, which created a specific exception with regards to orphan works as well as incorporating the fair use doctrine into South African law. The Bill unfortunately failed to properly define the concept of orphan works, by making the mistake of defining the right holder in an orphan work as the

¹⁸ See paragraph 7.4 *supra*.

¹⁹ See paragraph 7.5 *supra*.

²⁰ See paragraph 7.6 *supra*.

²¹ See paragraph 8.1 *supra*.

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creator of the work or a successor in title. This is problematic as it confuses the author with the owner of the copyright.²²

The Bill's specific orphan works provision was also found to be problematic. It basically proposed the integration of the Canadian Copyright Act's licencing scheme into South African law. The South African solution does however differ from the Canadian solution in that it requires publication of one's intent to apply for a non-exclusive licence to use an orphan work. Due to the illiteracy in South Africa it was argued that the usefulness of such a publication was limited.²³

The Bill also, quite controversially, proposed that the ownership in all works by unlocatable, unknown or dead owners would perpetually vest in the state. This provision was found to be unconstitutional²⁴ based on its unreasonable and unjustifiable limitation on the right to freedom of expression²⁵ and the right to property.²⁶

The Bill's fair use provision was also evaluated. Given the recent decision by American courts in *Authors Guild, Inc. v Google, Inc.*, it can be argued that any work, regardless of its status as an orphan work, can legally be digitised by libraries and archives. The benefit of using a fair use provision to cases of digitisation is that it negates the need to evaluate whether the work is an orphan work. This reduces the costs of digitisation as the costs related to conducting a reasonable search is avoided in its entirety. Fair use is also a truly adaptable exception. Due to this adaptability, it is possible to argue that any use of an orphan work could potentially qualify as a fair use. Whether the provision is intended to be as far-reaching should however be made clear *ab initio* as a lack of clarity will result in what is called a "*chilling effect*", which will only be remedied through case law. This adaptability is probably the most important reason that a general fair use exception can be recommended is that South Africa is in dire need of copyright legislation that is able to respond technological change immediately. Fair use has also proven to be compatible with the Berne Convention. A fair use provision will allow South Africa to do so. It was for these reasons that this exception was accepted and recommended.²⁷

²² See paragraph 8.2.1 *supra*.

²³ See paragraphs 8.2.2 and 8.2.5.1 *supra*.

²⁴ See paragraph 8.2.3 *supra*.

²⁵ See paragraph 8.2.3.1 *supra*.

²⁶ See paragraph 8.2.3.2 *supra*.

²⁷ See paragraphs 8.2.4 and 8.2.5.2 *supra*.



9.2 WHERE TO FROM HERE?

The orphan works dilemma is a legitimate issue worthy of being addressed and multiple solutions have already been implemented internationally to curtail or solve it.²⁸ These solutions might serve their purpose and function properly in their respective jurisdictions, but that does not necessarily mean that the solutions are compatible or viable in South Africa. The existence of solutions nevertheless offers the legislature the opportunity to learn from past mistakes and successes of other jurisdictions. It is important to remember that any solution must not only solve the problems faced by prospective authors desirous to use an orphan work, but also those faced by libraries and archives eager to digitise and preserve orphan works.²⁹ After the examination of all the solutions posed, it is ironic that the ideal solution is the simplest. It is proposed that South Africa should address the issue of orphan works by importing a fair use exception into the Copyright Act.

Despite the legislature's valiant attempt to create a unique provision on fair use,³⁰ it is submitted that the fair use provision of the United States of America is preferable due to its broader nature.³¹ It is thus proposed that the Copyright Act be amended by the mere insertion of the following section:

"Section 12A: Fair use

Fair use of a copyrighted work is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include -

- (1) *the purpose and character of the use;*
- (2) *the nature of the copyrighted work;*
- (3) *the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and*
- (4) *the effect of the use upon the potential market for or value of the copyrighted work.*"³²

²⁸ See Law Library of Congress, *Report for the Supreme Court November 2011 - Legislation on Orphan Works* (2012) Global Legal Research Center LL File No. 2012-006812 available at http://www.loc.gov/law/help/reports/pdf/2012-006812_Final_RPT.pdf as visited on 2016-12-14.

²⁹ See United States Copyright Office, *Report on Orphan Works - A Report of the Register of Copyright January 2006* (2006) 122-126 available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> as visited on 2016-12-14.

³⁰ Compare section 12A of the Copyright Act as proposed by section 14 of the Copyright Amendment Bill with 17 U.S.C. § 107.

³¹ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions.* (2015) 2-3 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

³² A near-verbatim quote of 17 U.S.C. § 107.

9.3 CONCLUDING REMARKS

This fair use exception is drafted as an exception with a broad application as the idea is to narrow it down with specific exceptions of fair dealing.³³ The interplay between fair dealing and fair use will result in a copyright system that is not only adaptable, but is also more certain than other general fair use exceptions as certain uses, such as criticism and review, will be fair. The incorporation of fair use into our copyright law is long overdue.³⁴ Its vagueness will initially result in a measure of legal uncertainty, but proper and consistent application thereof by courts will alleviate this.³⁵ Its broad nature is actually its strength as it ensures its application to new developments as it allows copyright law to swiftly adapt to technological change.³⁶ Whether or not a solution so reliant on litigation will solve the orphan works dilemma remains to be seen,³⁷ but it is arguably the only solution that will fairly balance the interests of owners of copyright, prospective users of copyrighted works as well as the public. If the overbroad nature of the fair use does however result in a "*chilling effect*", it is submitted that a fair dealing exception, specifically targeted at alleviating the chilling effect be incorporated into the Copyright Act. This should be done with caution as it might create the impression that an unfair use might be deemed fair. It is logical that a use specifically listed as a form of fair dealing will seem to be fair *prima facie*, despite the dealing not meeting the requirements of fairness. This impression might lead to the situation where owners of copyright will not challenge unfair dealings with regards to their work. This is one of the reasons why a fair use provision is preferred to a specific orphan works provision or a fair dealing exception specifically applicable to the use of orphan works.

Regardless of whether this solution is implemented, it is imperative that the issue of orphan works be addressed. To protect the cultural heritage in physical media it is crucial that we digitise these works. Physical media deteriorates and is susceptible to the elements. The same can be said of digital media, but digital media is nevertheless more durable. By digitising these works we can ensure that these works remain available despite the deterioration thereof.

³³ See Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 2 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

³⁴ See <http://blogs.sun.ac.za/iplaw/2015/08/05/dti-dishes-up-a-hopeless-curates-egg> as visited on 2016-12-14.

³⁵ See <http://infojustice.org/archives/34863> as visited on 2016-12-14. See *contra* Shahshahani S, *The Nirvana Fallacy in Fair Use Reform* (2015) 16:1, Minnesota Journal of Law Science & Technology, 273, 277-279.

³⁶ Ncube C et al *Statement on balanced copyright and the importance of flexible exceptions*. (2015) 1-2 available at <http://infojustice.org/wp-content/uploads/2015/09/SA-Bill-Joint-Academic-Comment-.pdf> as visited on 2016-12-14.

³⁷ Mausner JO, *Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency* (2007-2008) Journal, Copyright Society U.S.A. 521.

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It is for this reason that it is submitted that, even if a fair use provision is deemed to only allow for the digitisation of orphan works, it must be deemed a success. The effect of orphan works on works currently in existence is much larger and fundamentally important than that of its effect on parties desirous to create works incorporating orphan works. A fair use exception will guarantee the prior and potentially cover the latter. The fact that it will dramatically assist in updating South African copyright legislation is a bonus.

"We have our own history, our own language, our own culture. But our destiny is also tied up with the destinies of other people - history has made us all South Africans."

- Chief Mangosuthu Buthelezi.³⁸

54168 WORDS

³⁸ Mwakikagile G, *South Africa as a Multi-Ethnic Society* First Edition (2010) Continental Press, 142.

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rights, including the assembling of public and private-sector representatives as a European Observatory on Infringements of Intellectual Property Rights available at http://ec.europa.eu/internal_market/ipenforcement/docs/observatory/20120419-ohim-regulation_en.pdf.

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