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# Informal Formalities: The Government's Attempt to Find Families for Orphan Works

## **Keywords**

orphan works, copyright, legislation

# Informal Formalities: The Government's Attempt to Find Families for Orphan Works

by Mark Tratos\*

## I. INTRODUCTION

Orphan works are the death knell of copyright law. They have been a growing predicament for the United States since January 1, 1978 and there has never been a successful legislative attempt to fix it.<sup>1</sup> That is not to say that there has never been a good proposed solution to the problem though. The Shawn Bentley Orphan Works Act of 2008<sup>2</sup> was the closest the United States Congress has ever come to solving the problem of orphan works. However, the proposed solution would have led to polarizing consequences that affected previously disregarded elements of U.S. copyright law. Instead of simply facilitating the eventual use of orphan works by those engaging in good faith searches to find the owners of orphan works, the Shawn Bentley Orphan Works Act would have imposed a system of “informal formalities” upon copyright owners while functioning in the current “no formalities” system of copyright law. The legislation would have reduced the number of orphan works in the United States by imposing penalties upon copyright owners, forcing those owners to complete specific acts or meet certain requirements in order to ensure their copyrights, while the remedies for copyright infringement would stay intact. This solution would fall in line with the basic foundations of copyright law, but would also force the United States to question where its priorities lie.

This paper will first describe what orphan works are, why they exist under current copyright law, and why they are currently a problem. Second, the paper will review the legislative history regarding attempted solutions for the orphan works predicament. The third portion of the paper will describe how the most

recent attempt at orphan works legislation, the Shawn Bentley Orphan Works Act of 2008, would have created a new type of copyright formality called “the informal formality,” and how that would have impacted copyright owners. The fourth portion of the paper will address possible reactions to the implementation of such a law. The fifth and final section will discuss why such legislation is necessary and how a few changes to the Shawn Bentley Orphan Works Act of 2008 could lead to a more acceptable solution to the orphan works problem.

## II. WHY DO ORPHAN WORKS EXIST?

The term “orphan work” describes a situation where an individual wanting to use a work in a way that would require prior permission from the copyright owner is not able to locate or identify the original owner.<sup>3</sup> The only two requirements to be an orphan work are that a work must be copyrighted, which has become significantly more likely since the elimination of copyright formalities, and that the owner of such a work must be an individual who cannot be located.<sup>4</sup> These two simple requirements, when met, cause problems that only federal legislation can fix.<sup>5</sup>

Orphan works in the United States are the by-product of Congress's war against copyrighted works prematurely entering the public domain and the international community's push for stronger creator rights.<sup>6</sup> Orphan works first appeared on January 1,

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3. U.S. Copyright Office, Report on Orphan Works 1 (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> (traditionally in the form of a license for an exclusive right).

4. *Id.* at 1-2.

5. Letter from Senators Orrin G. Hatch and Patrick J. Leahy to Marybeth Peters, Registrar of Copyrights (January 5, 2005), reprinted in U.S. Copyright Office, *supra* note 3; Letter from Representative Lamar Smith to Marybeth Peters, Registrar of Copyrights (January 7, 2005), reprinted in U.S. Copyright Office, *supra* note 3; Letter from Representative Howard L. Berman to Marybeth Peters, Registrar of Copyrights (January 10, 2002), reprinted in U.S. Copyright Office, *supra* note 3; U.S. Copyright Office, *supra* note 3, at 15-17; see *The Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 678 (S.D.N.Y. 2011) (“The question of who should be entrusted with guardianship of orphan books . . . safeguards are matters more appropriately decided by Congress than through an agreement among private, self-interested parties”).

6. *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. on*

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1. Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976) (informing the public that the Copyright Act of 1976 was to become law on January 1, 1978); Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. (2008); Orphan Works Act of 2008, H.R. 5889, 110th Cong. (2008); Copyright Modernization Act of 2006, H.R. 6052, 109th Cong. (2d. Sess. 2006); Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006).

2. S. 2913

1978, the same day that the Copyright Act of 1976 became effective.<sup>7</sup> The problem became worse in 1989 when the United States agreed to the terms of the Berne Convention.<sup>8</sup> These pieces of legislation eliminated the long-held requirements (or “formalities”) for copyright protection in the U.S.<sup>9</sup>

Copyright formalities were conditions or acts independent from simply creating the work required of a work’s creator to ensure that the work was protected by copyright.<sup>10</sup> If someone wanted to ensure a monopoly on the use of his work and retain the ability to license the exclusive rights associated with that work, he would stringently adhere to the formalities or risk his work entering the public domain forever.<sup>11</sup> This required a number of actions, such as publishing the work, placing notice of copyright protection upon the work, depositing the work with the Library of Congress, renewing the term of copyright protection, and recording the transfer of exclusive rights.<sup>12</sup> One formality almost singlehandedly caused the orphan works problem however.

While U.S. copyright law does not require the registration of an author’s work to gain copyright protection, it is required if an owner wishes to enforce their rights in the United States.<sup>13</sup> In addition, for a rights-holder to recover attorney’s fees or statutory damages, she must register the work before the infringement occurs.<sup>14</sup> This formality incentivized

copyright owners to register their works promptly, even though it was not required to receive a copyright after 1909.<sup>15</sup> Registration would in turn encourage individuals wishing to use the work to search the registry of copyrighted works at the Copyright Office, which serves as the pre-eminent database of copyrighted works.<sup>16</sup> This concept relies on the idea that a search of the U.S. Copyright registry can yield fruitful results.<sup>17</sup> Registration of a work also benefits the owner by serving as a *prima facie* presumption of copyright validity if the author registers the work within five years of its publication.<sup>18</sup>

The formalities that were pervasive throughout the U.S. system of copyrights eventually found themselves extinct after Congress eliminated formalities in four distinct ways. First, the Copyright Act of 1976 granted copyright protection upon the fixation of the work, a change from the previous requirement that an author publish her work with notice or register an unpublished work before it could receive protection.<sup>19</sup> Creators now simply produce their work in order to receive copyright protection.<sup>20</sup> Second, the 1976 Act<sup>21</sup> and later the Copyright Term Extension Act,<sup>22</sup> extended the term of copyright ownership to the life of the author plus an additional seventy years.<sup>23</sup> The term of copyright protection has potentially tripled and the creator is not required to take any additional steps. Third, the alteration and extension of the term of copyright eliminated the renewal requirement found in the Copyright Act of 1909.<sup>24</sup> Fourth, the Berne

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*the Courts, the Internet, and Intellectual Property of H. Com. on the Judiciary*, 110<sup>th</sup> Cong. 1-2 (2008) (Statement of Howard M. Berman, Chairman of the Subcommittee on Courts, the Internet, and Intellectual Property, of the House Committee on the Judiciary); see U.S. Copyright Office, *supra* note 3, at 3.

7. See Letter from Senators Orrin G. Hatch and Patrick J. Leahy to Marybeth Peters, Registrar of Copyrights (January 5, 2005), reprinted in U.S. Copyright Office, *supra* note 3 (“A principal concern is that the current Copyright Act might be creating a class of ‘orphan works’ – works for which no copyright owner can be found, and this which permission to use or to adapt these works cannot be obtained.”).

8. Berne Convention for the Protection of Literary and Artistic Works, art. 5(2), as revised on July 24, 1971, 1161 U.N.T.S. 30, 35 available at <http://treaties.un.org/doc/Publication/UNTS/Volume%201161/volume-1161-I-18338-English.pdf> (eliminating all formalities which could prevent a creator from obtaining a copyright).

9. *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. on the Courts, the Internet, and Intellectual Property of H. Com. on the Judiciary*, 110<sup>th</sup> Cong. 20 (2008) (Statement of Marybeth Peters, Register of Copyright); see U.S. Copyright Office, *supra* note 3, at 3.

10. See U.S. Copyright Office, *supra* note 3, at 60.

11. Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 Colum. J.L. & Arts 311, 321-22 (2009).

12. *Id.* at 315-18.

13. The Copyright Act of 1976, 17 U.S.C. § 411 (2008).

14. *Id.* § 412.

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15. Copyright Act of 1909, Pub. L. No. 60-349, §§ 2, 10 (1909) (holding that publication of a work with notice would suffice requirements for copyright protection).

16. *Derek Andrew, Inc. v. Proof Apparel Corp.*, 528 F.3d 696, 700-01 (9th Cir. 2008) (holding that the awarding of damages that are contingent on registration promotes the early registration of copyrights).

17. *But cf.* John Tehranian, *The Emperor Has No Copyright: Registration, Cultural Hierarchy, and the Myth of American Copyright Militancy*, 24 BERKELEY TECH. L.J. 1399, 1430-31 (2009) (acknowledging that search reports from the U.S. Copyright office will be non-interpretive and search criteria may not accurately identify the work or owner sought out).

18. 17 U.S.C. § 410(c) (2008).

19. 17 U.S.C. § 102(2008); Copyright Act of 1909, Pub. L. No. 60-349, §§ 2, 10 (1909).

20. 17 U.S.C. § 102(a) (noting that something will receive copyright protection if it is an original work fixed in a tangible medium).

21. See Pub. L. No. 94-553, § 302(a) (1976) (extending the term of copyright ownership from 56 years to the life of the author plus 50 years).

22. See Pub. L. No. 105-298, § 102(b), (d) (2008) (extending copyright protection an additional 20 years).

23. 17 U.S.C. § 302(a).

24. See U.S. Copyright Office, *supra* note 3 at 3; Copyright Act of 1909, Pub. L. 60-349 § 24.

# INFORMAL FORMALITIES

Convention, agreed to by the United States in 1989, eliminated the formal requirements that creators had to meet both to receive copyright protection and exercise their exclusive rights associated with copyright, which included the visual notice requirements upon a work.<sup>25</sup> By the new millennium, copyright law protected works in the United States upon fixation, for longer periods, with a much smaller chance for the work entering the public domain, and without requiring identification that the work was actually protected. These four factors suddenly made it much harder to discern whether a work was protected by a copyright.

The abolition of formalities was only one factor in the rise of orphan works. Despite the fact that individuals now had to assume any work they encountered was protected,<sup>26</sup> copyright owners of those works could still be identified, meaning the work is not an orphan work.<sup>27</sup> The methods an individual can use to identify the owner of a copyrighted work, whether in the U.S. or abroad, have never yielded sufficient or wholly accurate results.<sup>28</sup> The U.S. Copyright Office Registry, the singular government-approved database available to individuals wanting to determine who controls the rights to a work, does not provide an effective way to identify the owner of a specific copyrighted work.<sup>29</sup> Since a registry search may not provide the necessary information sought to identify a copyright owner, an individual must find the information in other ways, assuming the copyright owner registered the work in the first place.<sup>30</sup>

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25. Berne Convention for the Protection of Literary and Artistic Works, art. 5(2), as revised on July 24, 1971, 1161 U.N.T.S. 30, 35 available at <http://treaties.un.org/doc/Publication/UNTS/Volume%201161/volume-1161-I-18338-English.pdf> (noting that the requirement for some form of notice upon any copyrighted work was a formality which would not comply with the treaty).

26. See U.S. Copyright Office, *supra* note 3, at 15-16 (noting that automatic copyright protection could exist in cases where circumstances lead people to believe the work has no commercial value).

27. See *id.* at 1 (recognizing one of the requirements of an orphan work is that the creator or rights-holder cannot be found).

28. See also *id.* at 32-34 (determining that factors like the cost of a search, the lack of identifying information on a work, the general obscurity of the work, and the country of the work's origin will hamper a potential licensor's search or decision to conduct a search).

29. See Tehranian, *supra* note 17, at 1430-31 (acknowledging that search reports from the U.S. Copyright office will be non-interpretive and search criteria may not accurately identify the work or owner sought out).

30. When conducting an electronic search of the Copyright Office's public catalogue, search entries will often provide you with a title of the work, the type of work, the year of the work's creation, and the date of the work's publication. The search will not provide you with any contact information in order to make contact with the author. The search entry will also not provide you with an example

of the work to ensure the work or author searched for is the work or author found.

Although the lack of effective search methods and the current insufficiencies of the Copyright Office's Registry have made it hard to identify the owners of copyrights, current technology and the culture surrounding digital works have made the process of identifying rights-holders even more difficult. Recent technological developments have facilitated the availability of works in digital formats and the ability to copy those works multiple times over.<sup>31</sup> Our current technology-heavy, instant gratification culture encourages the distribution of copies to one or two friends, who in turn disperse their copies in similar ways.<sup>32</sup> These copies often contain no information that a searcher could use to identify the author or rights-holder of the work.<sup>33</sup> This is partially because of digital piracy and partially because of the elimination of the notice formality from U.S. copyright law.<sup>34</sup> The problem is particularly pervasive in digital copies of photographs.<sup>35</sup> Current technologies allow users to encounter works in a multitude of ways that often afford no opportunity to identify the author or rights-holder of the work. With no indication of the identity of the copyright owner, potential licensors are forced to use the U.S. Copyright Registry and their own intuition to find the owner, both of which often prove to be unsuccessful.<sup>36</sup> This is how orphan works came to be.

### III. WHY ARE ORPHAN WORKS A PROBLEM?

Both Congress and the Copyright Office believe that the orphan works problem has had a dramatic impact on the economy.<sup>37</sup> The copyright system in the United States has created a market around the

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of the work to ensure the work or author searched for is the work or author found.

31. See Diane Leenheer Zimmerman, *Finding New Paths Through the Internet: Content and Copyright*, 12 TUL. J. TECH. & INTELL. PROP. 145, 146-47 (2009) (recognizing that the Internet facilitates transactions outside the visible market, making transactions hard to monitor and control).

32. See *id.* at 147.

33. U.S. Copyright Office, *supra* note 3, at 23.

34. *Id.* at 26, 41-42.

35. *Id.* at 24.

36. See Tehranian, *supra* note 17, at 1430-31 (acknowledging that search reports from the U.S. Copyright office will be non-interpretive and search criteria may not accurately identify the work or owner sought out).

37. See Letter from Senators Orrin G. Hatch and Patrick J. Leahy to Marybeth Peters, Registrar of Copyrights (January 5, 2005), reprinted in U.S. Copyright Office, *supra* note 3; Letter from Representative Lamar Smith to Marybeth Peters, Registrar of Copyrights (January 7, 2005), reprinted in U.S. Copyright Office, *supra* note 3; Letter from Representative Howard L. Berman to Marybeth Peters, Registrar of Copyrights (January 10, 2002), reprinted in U.S. Copyright Office, *supra* note 3; U.S. Copyright Office, *supra* note 3, at 15-17.



control of exclusive rights to a copyrighted work.<sup>38</sup> If an individual wants to exercise the rights to a particular work she does not own, she seeks out the owner of that work and negotiates a contract or license to use the work.<sup>39</sup> Owners and potential licensors determine the value of the rights to that particular work, thus shaping the market and pushing the economy forward.<sup>40</sup> This system of negotiations and eventual transactions necessitates, however, that an individual can find the author or rights-holder of a work.<sup>41</sup> When searchers cannot find the rights-holders, the copyright market suffers.<sup>42</sup>

The fact that a work is an orphan does not mean that people do not still want to acquire the rights to its use. In fact, the growth of digital works and the Internet has increased the demand for the acquisition of rights from a variety of sources.<sup>43</sup> When individuals are unable to discover or locate the author or rights-holder of a work they wish to exploit, a potential licensor is forced to make a serious decision: does she use the work without permission and risk an infringement lawsuit,<sup>44</sup> or, does she simply abandon her desire to use the work, choosing not to risk liability?<sup>45</sup> Potential licensors often choose not to use the work.<sup>46</sup> This fear of lawsuits has been incredibly debilitating to the market for copyright licenses and to the nation's heritage.<sup>47</sup>

The inability to use orphan works without the fear of infringement suits has affected the entire market of

potential copyright licensors.<sup>48</sup> The Report on Orphan Works from the U.S. Copyright Office identified four general types of users who most often wanted to make use of orphan works, ranging from individuals wanting to incorporate orphan works into their own large-scale creations to individuals who are “small-time” enthusiasts or who wish to obtain the work for private uses.<sup>49</sup> All of these potential users have the ability to bring new life or new audiences to works, but many decide against using the work when they consider the potential liability standing in their way.<sup>50</sup> Potential users of orphan works were unable to conduct business in the market of copyright licenses and therefore Congress proposed orphan-work legislation.<sup>51</sup>

#### IV. ORPHAN WORKS LEGISLATION

There have been a few recent attempts to pass legislation to correct the orphan works problem. Orphan works legislation was first proposed in the United States House of Representatives in 2006<sup>52</sup>, but the Orphan Works Act of 2006 never made it out of the House Judiciary Committee<sup>53</sup>. After it was clear the legislation would never receive enough votes on the floor of the House, supporters subsequently inserted the substance of the 2006 Act into the Copyright Modernization Act of 2006<sup>54</sup>, which was stuck in committee.<sup>55</sup> Attempts at an orphan works solution did not die though, as legislation reemerged in 2008 through two different bills.<sup>56</sup> The Orphan Works Act of 2008 appeared and subsequently died in the House of Representatives,<sup>57</sup> and the Shawn Bentley Orphan Works Act of 2008 (S. 2913), which originated in

38. U.S. Copyright Office, *supra* note 3, at 15.

39. *Id.*

40. *Id.*

41. U.S. Copyright Office, *supra* note 3, at 1.

42. See also *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. on the Courts, the Internet, and Intellectual Property of H. Comm. on the Judiciary*, 110<sup>th</sup> Cong. 19-20 (2008) (statement of Marybeth Peters, Register of Copyright) (asserting that if there is no copyright owner, there is no beneficiary of the copyright terms and that is an enormous waste in the copyright market).

43. *C.f.* Zimmerman, *supra* note 31, at 153-54 (asserting that the internet is now seen as a place for new artists to be discovered, in addition to being a place where a large amount of piracy of unattributed works occurs).

44. See 154 Cong. Rec. S3437-38 (daily ed. Apr. 28, 2008) (statement of Sen. Orrin G. Hatch); see also 154 Cong. Rec. S3405-06 (daily ed. Apr. 24, 2008) (statement of Sen. Patrick J. Leahy).

45. *Id.*

46. U.S. Copyright Office, *supra* note 3, at 15.

47. See *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. on the Courts, the Internet, and Intellectual Property of H. Comm. on the Judiciary*, *supra* note 42 (asserting that when a copyright owner cannot be identified and potential users abandon the work, several productive projects which may be beneficial to our national heritage are lost); *id.*

48. See *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. on the Courts, the Internet, and Intellectual Property of H. Comm. on the Judiciary*, *supra* note 42 (asserting that when a copyright owner cannot be identified and potential users abandon the work, several productive projects which may be beneficial to our national heritage are lost)

49. U.S. Copyright Office, *supra* note 3, at 36-40 (asserting that the categories of proposed uses are “uses by subsequent creators,” “large-scale access uses,” “enthusiast uses,” and “private uses”).

50. See 154 Cong. Rec. S3405-06 (daily ed. Apr. 24, 2008) (statement of Patrick J. Leahy) (“[O]rphan works . . . often languish unseen, because those who would like to bring them to light, and to the attention of the world, fear the prospect of prohibitively expensive statutory damages.”).

51. See S. 2913; H.R. 5889; H.R. 6052; H.R. 5439.

52. H.R. 5439.

53. See Yeh, Cong. Research Serv., RL 33392, *Orphan Works in Copyright Law* 8 (2010).

54. H.R. 6052 (appearing in Title 2).

55. See Brian T. Yeh, *supra* note 53.

56. Alessandra Glorioso, Note, *Google Books: An Orphan Works Solution?*, 38 HOFSTRA L. REV. 971, 980 (2010).

57. *Id.*; H.R. 5889.

the Senate and was passed by the higher house, was eventually lost in House committee.<sup>58</sup> The Shawn Bentley Orphan Works Act is the focus of this paper not only because the bill represented the culmination of changes deemed necessary after considering the previous legislative attempts,<sup>59</sup> but also because of the likelihood that a bill resembling the Shawn Bentley Orphan Works Act of 2008 could be passed by the United States Senate again, and possibly the House of Representatives in future.

Congress introduced the Shawn Bentley Act of 2008 (S.2913) to solve the problem of orphan works. S.2913's primary goal, as agreed on by the bill's sponsors, was to identify the owners of such works.<sup>60</sup> By encouraging the identification of the authors or rights-holders of the orphan works, the Act would facilitate the licensing of these works to interested parties.<sup>61</sup> The Act was designed to keep the most basic tenets of U.S. copyright law intact, ensuring that a rights-holder may still benefit from their work as they did previously.<sup>62</sup> With these two aims in mind, legislators attempted to re-insert thousands of previously unidentifiable and unusable works back into the licensing market.<sup>63</sup> The way in which the Shawn Bentley Orphan Works Act of 2008 intended to do

this, however, would prove to be truly controversial, challenging the very tenets upon which U.S. and international copyrights currently rely.

The drafters wrote the Shawn Bentley Orphan Works Act of 2008 from the perspective of a rights-holder of an orphan work, with Section 2 of the Act dealing the most damage to said rights-holders. The section informed the rights-holder that there was a limitation placed upon the remedies available to them if someone infringed their work, should the Act deem it an orphan.<sup>64</sup> Section 2 proposed that remedies would be limited if the alleged infringer "performed and documented a qualifying search, in good faith, to locate and identify the owner of the infringed copyright; and was unable to locate and identify the owner of the infringed copyright."<sup>65</sup> After a more meticulous description of what a qualifying search would entail, the Act described the limitations upon remedies, allowing the rights-holder to receive only "reasonable compensation" from the guilty infringer.<sup>66</sup> Rights-holders received a small allowance of injunctive relief, dependent on whether the infringer paid "reasonable compensation" to the owner of the orphan work upon identification of the owner or if infringement litigation occurred.<sup>67</sup> Therefore, while the Act proposed a way for potential licensors to identify the owners of orphan works<sup>68</sup>, it also notified those same owners that the Act limited their enforcement rights and ability to recoup damages, should they remain unidentified when an individual used their work.

Because of this shift, the Act required potential infringers to perform a search for the rights-holders in order to escape the liability for using an orphan work.<sup>69</sup> To conduct a "qualifying search" for the owner of the work, the individual would undertake a "diligent effort that is reasonable under the circumstances to locate the owner of the infringed copyright prior to, and at the time reasonably proximate to, the infringement."<sup>70</sup> The diligent effort to find the rights-holders required a minimum of 5 steps to be taken: (1) a search of all Copyright Office records available to the public; (2) a search of all reasonably available sources of copyright owner and licensor information; (3) the use of all appropriate technologies, publications, and experts to locate the owner; (4) the use of appropriate internet databases to locate the owner; (5) and performance of

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58. S. 2913; see *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. On the Courts, the Internet, and Intellectual Property of H. Comm. on the Judiciary*, *supra* note 42.

59. See also *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. On the Courts, the Internet, and Intellectual Property of H. Comm. on the Judiciary*, *supra* note 42, at 24-25 (statement of Marybeth Peters, Register of Copyrights) (incorporating changes designed to protect visual artists, to document searches, to define "reasonable compensation," and to address the availability of attorney's fees).

60. See also U.S. Copyright Office, *supra* note 3, at 93 ("Any system to deal with orphan works should seek primarily to make it more likely that a user can find the relevant owner in the first instance"); 154 Cong. Rec. S3437-38 (daily ed. Apr. 28, 2008) (statement of Sen. Orrin G. Hatch); 154 Cong. Rec. S3405-06 (daily ed. Apr. 24, 2008) (statement of Sen. Patrick J. Leahy).

61. See 154 Cong. Rec. S3405-06 (daily ed. Apr. 24, 2008) (statement of Sen. Patrick J. Leahy) (believing that the identification of rights-holders will help the owners receive compensation).

62. See *id.* (noting that the act was not designed to change the basic premise of copyright law, that if you use the copyrighted works of others, you must compensate them for such use); see also *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. On the Courts, the Internet, and Intellectual Property of H. Comm. on the Judiciary*, *supra* note 42, at 21 (statement of Marybeth Peters, Register of Copyrights) ("we do not wish to unduly prejudice the legitimate rights of the copyright owner by depriving him of the ability to assert infringement or hinder his ability to collect an award that reflects the true value of his work").

63. 154 Cong. Rec. S3437-38 (daily ed. Apr. 28, 2008) (statement of Sen. Orrin G. Hatch).

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64. S. 2913 § 2.

65. *Id.* § 2(b)(1)(A)(i)(I)-(II).

66. *Id.* § 2(c)(1)(A).

67. *Id.* § 2(c)(2)(A).

68. 154 Cong. Rec. S3,437-38 (daily ed. Apr. 28, 2008) (statement of Sen. Orrin G. Hatch).

69. S. 2913 § 2(b)(2)(A)(i)

70. *Id.*

any other actions when searching that could be deemed “reasonable and appropriate” when considering the facts that have been discovered during the course of the investigation.<sup>71</sup> The Copyright Office shaped the search through a statement of recommended practices,<sup>72</sup> which attempted to hone the search for the rights-holder, as legislators rationalized that different search parameters would prove effective for different types of works.<sup>73</sup>

The limitations on remedies in the Shawn Bentley Orphan Works Act of 2008 applied to both monetary relief and injunctive relief. The monetary damages previously available to a registered work include actual damages, statutory damages, costs and attorney’s fees.<sup>74</sup> These damages would no longer be available to the rights-holder if the infringer met the “qualifying search” requirements.<sup>75</sup> Instead, the rights-holder only recovered “reasonable compensation,” which was intended by the Copyright Office and legislators to be the market value of the copyright license if they had engaged in negotiations of a license before the infringement began.<sup>76</sup> Even then, the Act placed the burden upon the copyright owner, not the infringer, to prove that the work in question was worth market value at the time of infringement.<sup>77</sup> If a copyright owner wished to pursue injunctive relief upon the infringer of her copyright, the Act required stringent limitations. Infringers who successfully met the “qualifying search” requirement of subsection (b) recovered monetary damages for the injury that the injunction would cause.<sup>78</sup> In addition the Act provided that, should an infringer meet the requirements of subsection (b) and pay reasonable compensation to the copyright owner in a timely manner, the copyright owner would not have the right to pursue injunctive relief of any kind.<sup>79</sup> Through the limitation of monetary and injunctive

relief for the copyright owner, the Shawn Bentley Orphan Works Act would have created, in essence, a compulsory license for the exclusive rights of any orphan work. As a result of the Act, either the infringer would have found the owner of the orphan work through a qualifying search and hopefully negotiated a reasonable license, or the infringer would have been unable to find the owner and would have used the work anyway. If someone used the work without finding the owner he or she might eventually pay the same reasonable cost of a license, but only if the owner of the orphan work later identified themselves or sued. The only possible options that a copyright owner would have had to prevent his or her work from being used would be to deny the grant of a license when asked by potential users or make sure they could be found by potential users conducting a diligent, qualifying search. In either case, an individual must be able to identify and locate the owner of the copyright. The desire to find the owners of orphan works started to look more like legislators’ desire to use orphan works with or without the owner’s permission.<sup>80</sup>

Members of Congress threw the gauntlet. They legislated a procedure for the potential infringer to follow with the eventual destination being a copyright license. Individuals would know exactly what stops they must take along the route: searching the records of the copyright office, using experts, scouring internet databases, and so on. In fact, the odds were better to get a license if you performed a reasonable search and did *not* find the rights-holder because at worst, you would end up paying reasonable compensation for the license, and that was only if the owner of the orphan work appeared. So when Congress tried to force authors and rights-holders to grant unwanted licenses, Congress said those same authors and rights-holders must do all they can to make sure their works do not become orphans. To do that, creators and rights-holders must purposefully place themselves and their works in the public, assuring themselves that anyone who would wish to license their work would find them, and thus retaining the ability to bring the weight of the United States Judicial System upon infringers.

## V. THE CREATION OF THE INFORMAL FORMALITY

As legislators and the U.S. Copyright Office observed the problems that orphan works were causing in the copyright market, they were left with a

71. *Id.* § 2(b)(2)(A)(ii).

72. *Id.* § 2(b)(2)(A)(iii).

73. *Id.*; see also U.S. Copyright Office, *supra* note 3, at 109-10.

74. 17 U.S.C. §§ 504-05 (2006).

75. S. 2913 § 2(c)(1)(A).

76. *Id.* § 2(c)(1)(B) (holding that reasonable compensation must not be paid if the infringer is a “nonprofit educational institution, museum, library, archives, or public broadcasting entity” or if the infringer proves the infringement was not done to receive a commercial advantage, the infringement was educational in nature, or if the infringers stopped infringement upon receiving a notice of claim of infringement); U.S. Copyright Office, *supra* note 3, at 116.

77. U.S. Copyright Office, *supra* note 3, at 116-17 (noting that reasonable compensation, in many cases, may be found to be zero or royalty-free because similar transactions in the market support such a finding).

78. S. 2913 § 2(c)(2)(A) (holding that the harm to the infringer must be noted by the court before any injunctive relief can be granted).

79. *Id.* § 2(c)(2)(B)-(C).

80. U.S. Copyright Office, *supra* note 3, at 8 (asserting that the first goal of orphan works legislation was to create a system that would make it more likely for users to find a relevant rights-holder and negotiated a license agreement and recognizing that the second goal was to encourage use of orphan works only when the rights-holder could not be found).



predicament. Were they to re-impose the formalities that originally prevented the existence of orphan works, or were they to kneel before the orphan works problem and accept the mess as the new standard? The Shawn Bentley Orphan Works Act of 2008 was an attempt to navigate between the two extremes. Legislators alleged it was not attempting to create formalities for copyright owners to meet; however, they evidently thought that they must put some requirements in place to prevent orphan works from overrunning the market.<sup>81</sup> The concept of informal formality emerged.

An informal formality, as this author defines it, is an action taken by the owner of a copyright to ensure he do not lose any rights associated with that copyright. Unlike formalities however, copyright law does not specifically require or even articulate these actions. An owner will not necessarily lose his rights if he does not complete the formalistic task. Instead, a copyright owner can choose to take this extra step to ensure that there will never be a circumstance in which he will not lose his rights.

Before the creation of the informal formality however, both the legislators and the U.S. Copyright Office knew they could not transgress the international treaty limits.<sup>82</sup> The Berne Convention, as well as other international agreements<sup>83</sup>, has prevented the imposition of formalities upon foreign authors.<sup>84</sup> Specifically, the Convention prevents the imposition of any requirement, other than the creation of the work itself, to ensure an author retains a copyright.<sup>85</sup> Most of the countries that agreed to the Berne Convention no longer require creators to comply with any copyright formality.<sup>86</sup> However, the Berne Convention does not suspend all formalities.<sup>87</sup> There is a notable difference

between formalities that affect ownership of a copyright or rights therein and formalities affecting whether a copyright exists or whether a rights-holder can enforce his rights.<sup>88</sup> Those differences are the reason that sections 411 and 412 of the Copyright Act of 1976 still exist. U.S. Copyright law does not force individuals to register their work with the Copyright Office in order to receive a copyright.<sup>89</sup> Instead, registration gives copyright owners the power to enforce their copyright and to receive different types of monetary damages through infringement litigation.<sup>90</sup> There has been speculation as to the legality of the relief limitations imposed by U.S. copyright law in the face of the Berne Convention.<sup>91</sup> Berne states that any copyright registration system that affects or alters substantive, exclusive rights granted through copyright too closely resembles a formality.<sup>92</sup> If a copyright owner cannot pursue statutory damages or attorney's fees in an infringement action, little would be done to encourage copyright enforcement amongst rights-holders.<sup>93</sup> Despite such a reading, the United States has continued to require registration of a work to commence infringement litigation. It is amongst this quagmire of international conventions and statutory law that the Shawn Bentley Orphan Works Act of 2008 attempted to make its mark.

Despite the fact that the goal of orphan works legislation was to identify the owners of orphan works, the legislation was a roadmap for potential infringers, charting a course on how to search for the owners of orphan works, with the destination being the use of the orphan work in almost every situation. In order to prevent such uncontrolled use of orphan works, copyright owners would have to make sure that they are along the side of the road, waving down each potential infringer, notifying them of who the rights-holder was. This begins with the diligent effort requirement of the "quality search."<sup>94</sup>

The first requirement of the diligent effort was an internet search of the publically available records of the Copyright Office, assuming that the work provides enough identifying information on which a potential licensor can base a search.<sup>95</sup> The registration of a work

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81. U.S. Copyright Office, *supra* note 3, at 61 ("Any legislative solution to the orphan works problem, must not require an author to comply with formalities if failure to comply with those formalities would result in the author becoming unable to enjoy or exercise copyright in the work.")

82. *Id.*

83. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, art. 9.1 Marrakesh Agreement Establishing the World Trade Organization, Annex IC, Legal Instruments-Results of the Uruguay Round vol. 31, 33 I.L.M. 81, 87 (1994); World Intellectual Property Organization Copyright Treaty art. 3, Dec 20, 1996, 36 I.L.M. 65, 69 (1997); World Intellectual Property Organization Performances and Phonograms Treaty art. 20, Dec. 20, 1996 36 I.L.M. 76, 86 (1997).

84. Berne Convention for the Protection of Literary and Artistic Works, art. 5(2), as revised on July 24, 1971, 1161 U.N.T.S. 30, 35 available at <http://treaties.un.org/doc/Publication/UNTS/Volume%201161/volume-1161-I-18338-English.pdf> (noting that the Berne Convention does not apply to a country's imposition of copyright formalities upon its own creators).

85. *Id.*

86. See Ginsburg, *supra* note 11, at 313.

87. *Id.* at 314

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88. *Id.*

89. 17 U.S.C. § 102 (2011).

90. *Id.* §§ 411-12.

91. Berne Convention for the Protection of Literary and Artistic Works, art. 5, Sept. 9, 1886, (amended on Sept. 28, 1979), S. Treaty, Doc. No. 99-27 (1986) ("The enjoyment and the exercise of these rights shall not be subject to any formality").

92. U.S. Copyright Office, *supra* note 3, at 61; Tehranian, *supra* note 17, at 1439 (including significant remedies).

93. Tehranian, *supra* note 17, at 1439.

94. S. 2913 § 2(b)(2)(A)(ii).

95. *Id.* § (b)(2)(A)(ii)(I)(aa).

with the Copyright Office would be a potentially necessary step if copyright owners wished to be found by potential licensors. The lack of comprehensive results that often occurs after a search of the Copyright Registry, however, made this step unlikely to be fruitful.<sup>96</sup> The creator of a work would not only have to register their work, but also provide a title, name, or keyword that sufficiently described the work in hopes that a potential licensor would consider the same title, name, or keyword when they search for the work. If both the owner and the potential licensor consider the same terms, the likelihood of a successful search of the Copyright Office's public catalog becomes more reasonable. While such searches often prove to be fruitless, registering with the Copyright Office would increase the likelihood that a potential licensor would find the creator of a work. Taking such an opportunity would result in either a potential licensor finding the owner or a court finding that a diligent effort was not made by the infringer to try to locate the owner, thus securing a plethora of monetary and injunctive relief for the rights-holder.

The second diligent effort requirement was a search of sources of copyright ownership, authorship information, and if possible, licensor information.<sup>97</sup> While this search was limited to sources reasonably available to the potential licensor, the criterion did encapsulate a plethora of potential sources of information. This search requirement included the Copyright Card Catalog at the Library of Congress.<sup>98</sup> In addition, the vagueness of the definition of "source of copyright authorship and information" could have allowed the courts to impose numerous other potential searches of information sources upon a licensor, dependent upon the facts of the case. The Copyright Office even predicted that orphan works legislation would develop privately owned and operated sources of copyright authorship information.<sup>99</sup> If such sources appeared, one source, if not more, could become *de facto* components of a diligent search for potential licensors.<sup>100</sup> The growth of private sources of copyright information and the possible creation of *de facto* components would lead to creators and copyright owners finding included indentifying information within those sources. By encouraging a rights-holder

to associate their works with these sources, simply in hopes that the rights-holders would be more easily found, we can assume the rate of publication of works will rise. While publication of a work has not been a requirement of copyright protection in many years<sup>101</sup>, it suddenly may be a way of ensuring that potential licensors find the creators.

The third diligent effort requirement was the use of appropriate technological tools, printed publications, and expert assistance when conducting a search for a copyright owner.<sup>102</sup> This requirement opened the reasonable search criteria for a potential licensor beyond that of the Copyright Office's resources. Resources like internet search engines, address directories, telephone directories, and even ownership information appearing on the orphan works themselves were potential areas requiring reasonable search before limitations could be placed on the liability of a copyright infringer.<sup>103</sup> The growth of high-speed internet, e-mail, and search engines has potentially made it much easier for a rights-holder to be found.<sup>104</sup> If a potential licensor was required to use the internet to search for the owner of an orphan work, there would be impetus for a work owner to then put their work online. Online publication is not required by any statute or regulation, but it would increase the likelihood of finding that the owner of any copyrighted work. This requirement is not limited to online publications. The requirement to search printed publications could lead to the growth of copyrighted works directories, potentially functioning like the Copyright Office Card Catalogue. While the existence of such publications would not require rights-holders to place themselves and their works in the publication, such opportunities could have given creators the best chance of retaining all of their rights to monetary and injunctive relief. Should individuals become experts in locating the rights-holders of orphan works, would it not also be prudent for the creators of orphan works to make themselves known to such experts? Owners should at least associate themselves with or publish themselves within the resources used by those experts so that licensors can identify them.

The fourth diligent effort requirement was the most controversial. This criterion told potential licensors to make "use of appropriate databases, including databases that are available to the public through the Internet."<sup>105</sup>

96. See Tehrani, *supra* note 17, at 1430-31 (acknowledging that search reports from the U.S. Copyright office will be non-interpretive and search criteria may not accurately identify the work or owner sought out).

97. S. 2913 § 2(b)(2)(A)(ii)(I)(bb)

98. *Circular 23: The Copyright Card Catalog and the Online Files of the Copyright Office 1* (Nov. 2010), available at <http://www.copyright.gov/circs/circ23.pdf>

99. U.S. Copyright Office, *supra* note 3, at 103-04.

100. *Id.*

101. Publication has not been a requirement for copyright protection since the enactment of the Copyright Act of 1976 on January 1, 1978. Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976)

102. S. 2913 § 2(b)(2)(A)(ii)(I)(cc).

103. U.S. Copyright Office, *supra* note 3, at 77-78.

104. *Id.* at 104.

105. S. 2913 § 2(b)(2)(A)(ii)(I)(dd).

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This requirement acknowledged the potential faults of the Copyright Office Registry, in that a search of the registry may not provide sufficient results.<sup>106</sup> Instead, the federal legislators preferred to release a potential tidal wave of databases upon rights-holders and licensors.<sup>107</sup> The Copyright Office even acknowledged that the operation of a singular registration system or database would be cost ineffective.<sup>108</sup> The existence of a singular copyright database or registry could also lead to disagreements between system administrators and rights-holders choosing to enter their work in the database, as rights-holders may believe that the database is unable to provide the sufficient resources to chronicle and document the work.<sup>109</sup> Instead, the Copyright Office suggested that multiple registries would solve the orphan works problem, and the fourth requirement encapsulated all those databases in the reasonable search.<sup>110</sup> These would most likely have been private registries, as the private market has better capabilities to market their products to potential rights-holders and desired licensors.<sup>111</sup> While the Copyright Office and legislators desired to distance themselves as much as possible from mandatory registration requirements,<sup>112</sup> they still required the search of registries by those looking to obtain licenses to exclusive rights.<sup>113</sup> If copyright owners wished to protect their ability to receive full monetary and injunctive relief, they must ensure that potential licensors found them. Placing their works in the databases described was a way to, yet again, increase the likelihood of potential licensors finding copyright owners. Take note that a potential licensor would mostly likely not meet the diligent effort requirement by simply searching one database, but many.<sup>114</sup> This leads one to believe that a creator would have to register their work in multiple databases to facilitate their discovery. The legislation encouraged copyright owners to comply with more increasingly burdensome steps to ensure that they are identified and

located along with their work.

The fifth and final explicit requirement of a diligent search was the performance of actions deemed to be “reasonable and appropriate” under the circumstances of the search.<sup>115</sup> This last criterion was the one piece of hope for a rights-holder. If a potential licensor, during the completion of any of the four minimum requirements for a diligent search, located any information about who may own the rights to a work that information could force the licensor to continue his search until the investigation has come to a fruitful end.<sup>116</sup> Once the five requirements of the diligent search were met, however, that did not mean that the potential licensor, or the owner, was free to do as they please.

The Shawn Bentley Orphan Works Act of 2008 also created “recommended practices” for potential licensors. The recommended practices were intended to be the ongoing contribution of the United States Copyright Office to fix the orphan works problem.<sup>117</sup> The Copyright Office noted that potential users desired guidelines to follow when searching for works and owners in different mediums.<sup>118</sup> Recommended practices would allow the Copyright Office to address the requirements of the diligent search with more specificity, guiding licensors to focus on particular criteria of the diligent search for different types of works. The Copyright Office, with this requirement, could determine a *de facto* database to be explored or tool to be used in order to meet the diligent search requirement of S. 2913. The Copyright Office has investigated potential technologies and databases that could have made their way into the “recommended practices,”<sup>119</sup> further spelling out criteria for a diligent search and hinting at locations where copyright owners should make themselves and their works known to prevent their works from becoming orphans. With this power granted to the Copyright Office, the five criteria

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106. See Tehranian, *supra* note 17, at 1430.

107. See U.S. Copyright Office, *supra* note 3, at 104-05.

108. *Id.* (relying on their experience operating a registration database for copyrights, they understand a singular system entails larger costs and burdens than most individuals fail to anticipate).

109. *Id.* (noting that the ambiguous scope of registrations, paired with constant evolution in copyrighted works, may not insure that information in the registry is an effective way of indentifying or cataloging the work).

110. *Id.* at 106 (“[W]e believe that registries are critically important, if not indispensable, to addressing the orphan works problem.”).

111. *Id.*

112. See *id.* at 105 (acknowledging the traps caused by mandatory registration systems).

113. S. 2913 § 2(b)(2)(A)(ii)(I)(dd).

114. See *id.* (requiring that a reasonable search be conducted does not limit the search to one database).

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115. S. 2913 § 2(b)(2)(A)(ii)(II).

116. U.S. Copyright Office, *supra* note 3, at 106 (holding that a reasonable search would entail efforts to identify, locate and make contact with any individuals associated with the work who are probably not the legal owners of any right).

117. See 154 Cong. Rec. S-3437-38 (daily ed. Apr. 28, 2008) (statement of Sen. Orrin G. Hatch) (noting that the disclosure of “best practices” for finding the owner of an orphan work will be the contribution of the Copyright office, which the courts will make determinations as to if searches are diligent and in good faith).

118. U.S. Copyright Office, *supra* note 3, at 108.

119. *Promoting the Use of Orphan Works: Balancing the Interest of Copyright Owners and Users: Hearing before the Subcomm. on the Courts, the Internet, and Intellectual Property of H. Com. on the Judiciary, supra* note 42 (informing the committee of recent examination of products and databases from Copyright Clearance Center, Digimarc, Google, InfoFlows, PicScout, PLUS, Audible Magic and Corbis).

of the diligent search were suddenly less reliable because the Copyright Office had the power to expand or define the reasonable search criteria at will. Following the roadmap in the statute would no longer be enough.

Lastly, the Act imposed a payment requirement. The legislation informed the potential licensor that qualifying searches might require the use of databases or other technical resources that necessitate a payment or subscription to use.<sup>120</sup> While this element was clearly directed at the potential user, there was nothing to indicate that the databases could not charge the individuals populating the database as well. Some rights-holders would no doubt be comfortable with paying to ensure their exclusive rights stay intact, but others would most likely stay away from using a costly service. Would database owners find more revenue charging the potential licensors who want to find the rights-holders, or charging the rights-holders who just want to be found? It is not clear how this would have worked out, especially in the private sector, but when placed in the hands of unregulated sectors, the potential ramifications should be noted.

While the intentions of the Shawn Bentley Orphan Works of 2008 were grand, were they worth the risks and potential harm placed upon rights-holders? The informal formalities were a dramatic development and the limitations on relief were possibly huge, but on a grander scale, what could have been the ramifications on copyright law?

#### VI. RAMIFICATIONS ON CURRENT COPYRIGHT LAW

The Shawn Bentley Orphan Works Act of 2008 aimed to address the inadequacies of the U.S. copyright system, and while it did that, it challenged some long-standing tenets of copyright law. From statute to case law to international treaty, everything was on the cutting block to cure orphan works.

The Act would have substantially affected monetary relief. As the Act made clear, the only possible monetary relief available to a rights-holder was “reasonable compensation” in the form of the market price for the license prior to the infringement.<sup>121</sup> In current copyright infringement cases, reasonable compensation to a copyright owner would be the “actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages.”<sup>122</sup> Prior to S. 2913, when an infringer used an orphan work, courts would most likely consider the cost of the license when the infringement occurred, so it appears the Act

would not change the allocation of damages at all. The only question is whether the Shawn Bentley Orphan Works Act would have prevented a rights-holder from receiving the profits attributable to the infringement. When a reasonable license fee is lost, there is guarantee to receive profits,<sup>123</sup> so it is unclear if rights-holders would have lost much in actual damages under the Shawn Bentley Orphan Works Act.

Statutory damages are another story. An individual who previously registered their work with the Copyright Office, in doing what orphan works legislation was trying to incentivize,<sup>124</sup> stands to lose up to \$150,000 per work in potential damages.<sup>125</sup> Absent this legislation and a lessening of liability, a court would likely find a potential licensor’s use of an orphan work to be willful infringement, bringing up to \$150,000 in statutory damages.<sup>126</sup> Obviously, judges in such cases examine the totality of the circumstances to determine the appropriate award of damages, but losing a potential \$150,000 because of orphan works legislation is a significant change from current copyright law. This is especially important because statutory damages are considered a reward for registering your work.<sup>127</sup>

Injunctive relief could be rendered non-existent for orphan works under this legislation as well. Section 502 under current copyright law gives federal courts the authority to grant reasonable injunctions to prevent or restrain the infringement of copyrights.<sup>128</sup> This can be more important to the copyright owner than monetary relief, as injunctive relief is the way for a rights-holder to protect the integrity of their work. However, under the orphan works legislation, that option is once again taken away from the copyright owners by the courts asserting the payment of reasonable compensation.<sup>129</sup>

The Shawn Bentley Orphan Works Act arguably would have affected or eliminated Section 201(e) of

123. See *On Davis v. The Gap, Inc.* 246 F.3d 152, 167 (2d Cir. 2001) (“[D]ecisions of this and other courts support the view that the owner’s actual damages may include in appropriate cases the reasonable license fee on which a willing buyer and a willing seller would have agreed for the use taken by the infringer.”).

124. See 17 U.S.C. § 412

125. *Id.* § 504(c)(2); see 17 U.S.C. § 412.

126. *Id.*; see *Island Software & Computer Serv. v. Microsoft Corp.*, 413 F.3d 257, 263 (2d Cir. 2005) (holding that willful infringement requires the defendant being aware that they were infringing another’s copyright).

127. See *Derek Andrew, Inc.*, 528 F.3d at 701 (holding that because the plaintiff waited almost two years from the date of first publication to register its copyright, they should not receive the reward of statutory damages).

128. 17 U.S.C. § 502.

129. S. 2913 § 2(c)(2)(B) (“[A]ny injunctive relief ordered by the court may not restrain the infringer’s continued preparation or use of that new work, if the infringer pays reasonable compensation in a reasonably timely manner.”).

120. S. 2913 § 2(b)(2)(A)(v).

121. *Id.* § 2(c)(1).

122. 17 U.S.C. § 504(b).



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Title 17 as well. Section 201(e) does not allow any government body, official or organization to “seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any exclusive rights under copyright.”<sup>130</sup> Under the orphan works legislation, the government, by granting “licenses” to potential users, would have exercised the right of the copyright holder to grant licenses to all of the exclusive rights under Section 106.<sup>131</sup> Despite the fact that the government ownership of copyrights is rare,<sup>132</sup> the Shawn Bentley Orphan Works Act would have effectively allowed the government to act as if they owned all the orphan works.

A changing of Section 201(e) leads directly to a potential changing of the way we view Section 106. If the government can give any of the Section 106 rights to a potential licensor without the owner’s consent, does the owner really have exclusive rights? It is also unclear what rights a potential licensor would have been allowed to take as well. The right to create a derivative work is clearly at the heart of the orphan works matter, but could it extend to the granting of a license to simply reproduce the work in the same manner as it was originally produced? It is unclear how the courts would handle such a scenario, and until orphan works legislation is passed, it will remain unclear.

One of the rights not represented in Section 106, but that is no less vehemently fought for amongst copyright owners, is the “right to exclude.” The right to exclude anyone from licensing has long been viewed as one of the rights of a copyright owner.<sup>133</sup> This legislation would perhaps change the way that we approach copyright, changing copyright from a property right into something entirely different.

Finally, the Shawn Bentley Orphan Works Act of 2008 arguably stood in the way of the Berne Convention and what it was trying to accomplish, along with many other international copyright treaties. Despite establishing that “the enjoyment and exercise” of all rights associated with copyright protection cannot

be subject to the completion of some formality, the United States Congress has always been comfortable treading a fine line between what is a formality and what is not.<sup>134</sup> The United States does not require an individual to register their work to receive copyright protection, a belief that follows the Berne Convention’s dicta; however, the United States does require registration if one wants to bring an infringement action or receive monetary relief for infringement in the form of statutory damages or attorney’s fees.<sup>135</sup> While the United States has always claimed our registration system is valid in the face of international treaties, requiring registration to enforce your copyright has been deemed by some to have the same effect as forcing registration for protection in the first place.<sup>136</sup> The Shawn Bentley Orphan Works Act of 2008 could have further complicated this scenario by necessitating the registration of your work with not only the Copyright Office, but also with other private databases and directories.<sup>137</sup> Not doing so would lead to the potential loss of your exclusive rights to copyright.<sup>138</sup> While still most likely falling in line with the United States’ rationale that current registries can still function in the wake of Berne and other international agreements, this scenario does add more ammunition to the argument that coerced registration could function as a true formality. The ramifications of orphan works legislation have been noted and there is no doubt that they played a part in this legislation’s demise. The next question is how bodies other than Congress would treat solutions to the orphan works problem.

### VII. REACTIONS

The ideologies on the two opposite sides of the orphan works legislation have been battling for a few years now. It could be argued that the rights-holders are “winning” the battle, as legislation has not passed both houses of Congress, but that also means that the orphan works problem has been allowed to grow exponentially for additional years without a legislative solution. There was, however, a recent attempt at a private solution.

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130. 17 U.S.C. § 201(e).

131. 17 U.S.C. § 106 (transferring the exclusive rights to reproduce the copyrighted work, to prepare derivative works, to distribute copies of the work, to perform the work publicly, to displace the work publicly).

132. See 17 U.S.C. § 105 (denying copyright protection for any work of the United States Government); see *Schnapper v. Foley* 667, F.2d 102 (D.C. Cir. 1981) (allowing the government to acquire ownership of copyrights).

133. *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932) (noting that Article 1, Section 8, Paragraph 8 of the United States Constitution granted the right of an author to license their work, which in turn allows for the owner of a copyright to refuse to license their work).

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134. See *Tehrani*, *supra* note 17, at 1438-39 (holding that copyright registration is not a formality when it only affects copyright remedies and not copyright subsistence).

135. 17 U.S.C. § 411-12.

136. See *Tehrani*, *supra* note 17, at 1439 (noting that copyright owners who did not register their work previous to infringement are often left to extralegal means to reverse the infringement, thus eliminating the legal effect of having copyright protection).

137. S. 2913 § 2(b)(2)(A)(ii) (requiring potential licensors to search various databases and directories as required under reasonable circumstances).

138. See S. 2913 § 2(b)(3).

In 2004, the Google Corporation undertook a project to digitally copy books and other written works, with the eventual purpose that Google users could search through a book's text online, amongst other goals.<sup>139</sup> The project was met with a great deal of resistance from publishers and rights-holders.<sup>140</sup> Eventually an agreement was reached between the Author's Guild and Google allowing Google to continue the digitizing books, sell subscriptions to an electronic books database, sell access to individual books, and to make other prescribed uses.<sup>141</sup> The settlement would have created a registry of all the rights-holders of the works scanned in the Google Books Project.<sup>142</sup> Should the owner of the work choose not to have their previously digitally scanned work used by Google or not to have their work digitized in the first place, they could have their book and/or their records removed from the registry.<sup>143</sup> Although this system seemed like a reasonable agreement amongst consenting parties, there was a great deal of contention regarding orphan works.<sup>144</sup> While Google was required to use all reasonable efforts to find the owners of the works,<sup>145</sup> Google would, under the terms of the agreement, gain the rights to use the orphan works unless the rights-holder purposefully opted out of the registry.<sup>146</sup>

While the Google Books agreement is not completely analogous to the Shawn Bentley Orphan Works Act, the similarities between the two scenarios are worthy to note. These similarities were not lost on the federal court judge in charge of approving or denying the settlement, Judge Chin, either, who said it has been the charge of Congress to further copyright policy.<sup>147</sup> While the issue was in front of him however, he held that the Google Books settlement was not "fair, adequate, or reasonable."<sup>148</sup> Judge Chin held that it is inconsistent with the longstanding purpose of U.S. copyright law to force rights-holders to come forward to protect their rights when Google first copied the

works without seeking permission.<sup>149</sup> In addition, the judge found it to be very unlikely that most copyright owners would actually know to come forward to enforce their copyrights by removing their works from the registry.<sup>150</sup> The court also held that the agreement would have a massive impact on foreign rights-holders, who would most likely find it more difficult to receive notification of what they must do to protect their work than it would be for U.S. rights-holders.<sup>151</sup> Judge Chin finally took note that foreign digital libraries, which are in line with international treaty agreements, would not receive control over orphan works that Google was trying to obtain with the agreement.<sup>152</sup>

While the first private attempt at a solution to the orphan works problem failed in federal court, this does not mean that a legislative attempt at a similar solution would not be successful. All the ruling does is reinforce the basic concept that current copyright law will in no way provide for a solution to the orphan works problem. Congress's changes to copyright law enabled the orphan works situation, and it is only when U.S. copyright law changes again that the problem will disappear; the Shawn Bentley Orphan Works Act was an attempt at that change. The question is, is the United States Congress ready to sacrifice many of the current elements of copyright law to reach that solution? The Senate was in 2008. Moreover, while that attempt was meant to shape the actions to be taken by all copyright holders, that may not have been a bad thing. In fact, it may have been the right solution for U.S. copyright law.

#### VIII. THE SHAWN BENTLEY ORPHAN WORKS ACT WOULD HAVE BEEN GOOD FOR THE UNITED STATES COPYRIGHT MARKET, AND THUS GOOD FOR THE UNITED STATES

The Shawn Bentley Orphan Works Act of 2008 was no doubt a controversial piece of legislation. This controversy does not necessitate that the legislation be unsuccessful, does not attempt to incorrectly legislate, nor does it place the legislation outside of the "goals" of copyright law. In fact, the Shawn Bentley Orphan Works Act might have been the most successful attempt to get the United States back to what copyrights originally were meant to be and do in the United

139. *The Authors Guild*, 05 Civ. 8136, slip op. at 2-3.

140. *Id.* at 4.

141. *Id.*

142. *Id.* at 7-8.

143. *Id.* at 8.

144. *Id.* at 23-24 (holding that Congress has attempted to solve the orphan works problem, signifying it may not be the role or right of a private agreement to do so).

145. *Id.* at 9.

146. *Id.* at 32-34.

147. *Id.* at 23 ("The question of who should be entrusted with guardianship of orphan books . . . safeguards are matters more appropriately decided by Congress than through an agreement among private, self-interested parties.")

148. *Id.* at 1.

149. *Id.* at 35.

150. *Id.* at 35-36.

151. *Id.* at 43-44 (noting the concerns of foreign rights-holders that they are unable to accurately search the records of the Copyright Office without traveling to Washington, D.C. or paying a fee of \$330).

152. *Id.* at 45 (noting that the German digital library "Deutsche Digitale Bibliothek" must still license the rights of orphan works in order to use them).

# INFORMAL FORMALITIES

States.<sup>153</sup>

The solution to the orphan works problem is to make every rights-holder locatable when an individual wishes to license the work. It seems clear that the legislation, with its imposition of informal formalities, would have done that. Individuals could license orphan works under certain reasonable search criteria, and that would in turn encourage current and future rights-holders to make themselves known to potential licensors. That is not what makes the legislation controversial though; what makes this legislation truly novel and insightful are the requirements that rights-holders must satisfy to maintain their rights. Why should this be such a controversy though? The greater controversy might, in fact, be the changes to U.S. copyright law that led us to the problems in the first place.

The first copyright law in the United States was a law populated with formalities to receive copyright protection. The Copyright Act of 1790 gave copyright protection (the sole right and liberty of printing, reprinting, publishing and vending) for 14 years to any individual who registered their work with the U.S. government.<sup>154</sup> To extend protection another 14 years, the rights-holder would have to renew their work with the government again.<sup>155</sup> The protection would never be granted unless individuals deposited a copy of their work with the government as well.<sup>156</sup> From the birth of this nation, copyright holders were expected to perform certain actions to receive copyright protection.

The belief that formalities were beneficial and necessary for copyright protection was held firm in U.S. law until the implementation of the Copyright Act of 1976 and the Berne Convention, which eliminated copyright formalities from U.S. copyright law. Even as the United States moved away from copyright formalities, it does not appear that was ever the true intent of the Copyright Office. The Register of Copyrights did not approve the instant granting of copyright protection when Congress looked to revise copyright law in the 1970s.<sup>157</sup> The Register believed

that when the public's interests and the interests of the artist were to conflict, the interests of the public were of greater priority.<sup>158</sup>

Such favoritism of copyright formalities in our legislative past shows that the United States was never a nation that treated a copyright as a natural right.<sup>159</sup> One could assume that if a copyright were a natural right, created upon inception of a work, an individual would have to do nothing other than create the work to receive protection.<sup>160</sup> Instead, the U.S. Government traditionally viewed copyrights as a government-granted monopoly over the rights associated with a work.<sup>161</sup> It was the “thinkers” and authors of treatises who instead believed in the “natural rights of authorship,” viewing formalities as hurdles in the path of that right.<sup>162</sup> Therefore, while the “thinkers” and most Western European countries believed that copyrights were natural rights,<sup>163</sup> the United States continued to legislate and adjudicate that copyrights were government-granted monopolies, subject to the strictest formalities.<sup>164</sup>

By acknowledging the United States' rationale on copyright's origins and what was required to receive them, one can foresee the potential problems that the United States would have by eliminating copyright formalities to fall in line with international conventions. The U.S. copyright system was based on the principle that someone must do more than simply create the work to own a copyright in it. So when Congress decided to retreat from that principle, problems arose, the most significant being orphan works. Recognizing this problem, Congress attempted to re-impose the formalities through the creation of informal formalities in the Shawn Bentley Orphan Works Act. Forced to function in between U.S. copyright principles and international beliefs, orphan

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153. See U.S. CONST. art. 1, § 8, cl. 8 (noting that the copyright clause is not meant to benefit individual people, but “to promote the Progress of Science and useful Arts” for the people).

154. Copyright Act of 1790, 1 Stat. 124 (protecting only maps, charts, or books).

155. *Id.*

156. *Id.* at 125.

157. Ginsburg, *supra* note 11, at 333 (citing the *Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law* (1961), available at [http://en.wikisource.org/wiki/Report\\_of\\_the\\_Register\\_of\\_Copyrights\\_on\\_the\\_General\\_Revision\\_of\\_the\\_U.S.\\_Copyright\\_Law](http://en.wikisource.org/wiki/Report_of_the_Register_of_Copyrights_on_the_General_Revision_of_the_U.S._Copyright_Law) (“The Constitution does not establish copyrights, but provides that Congress shall have the power to grant such rights if it thinks best. Not primarily for the benefit of the

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author, but primarily for the benefit of the public, such rights are given.”).

158. *See id.*

159. *See id.* at 319

160. *See id.* at 318-19 (noting that the imposition of formalities reflects the concept that creating a work alone does not justify protection).

161. *See id.* (holding that a government-granted monopoly would most likely require the copyright holder to meet certain requirements to receive the copyright).

162. *See id.* at 320.

163. *See also Circular 38A: International Copyright Relations of the United States*, 1 (Nov. 2010) (noting that France, Germany, the United Kingdom, Italy, Portugal, and Spain agreed to the Berne Convention, and subsequent elimination of copyright formalities, in the 19<sup>th</sup> century).

164. *See* Ginsburg, *supra* note 11, at 320-21 (recognizing that federal legislation and subsequent federal court decisions that enforced the “highly restricted view of copyright” that prevailed throughout the 19<sup>th</sup> century in the United States).

works legislation danced the fine line between freely granting copyrights and asking owners to do more than simply create. Orphan works legislation simply acknowledged that the United States has always treated copyrights differently than most of the world, and that formalities, albeit informal, will be necessary.

#### IX. THE NEXT STEP FOR ORPHAN WORKS LEGISLATION

So where can we go from here? All attempts at legislation have failed. It does not appear that another attempt at solving the orphan works problem will be made in the current political climate. If another attempt were made though, some changes could make the solution more amiable for all.

A simplification of the proposed legislation could go far to increase the likelihood that orphan works legislation would be passed. Referring back to the proposed statutory language from the Copyright Office's Report on Orphan Works, the legislation would call for a "reasonably diligent search to locate the infringed copyright" when "performed in good faith."<sup>165</sup> There were no criteria for specialized databases to be searched or for tools to be used, not even a mandatory search of the Copyright Office Registry.<sup>166</sup> Instead, the legislation required only a diligent search.<sup>167</sup> This could lessen the formalistic requirements placed on every rights-holder while still encouraging preemptive actions to make themselves known to potential licensors. The searches would still be required, and a possible loss of exclusive rights might occur, but no longer would the rights-holders be told where their works should go. By giving creators more control over their own works and how they are to make themselves known to the world, rights-holders are given more freedom to protect their works as they see fit. All that would be required to accomplish this is a simplification of the legislation's language.

By not statutorily defining the criteria for a diligent search, Congress would not be limiting itself to specific ways that potential licensors could find the owners of works. The Report on Orphan Works spoke of the rise of new tools to identify and protect works<sup>168</sup>; however, the Shawn Bentley Orphan Works Act attempted to require the use of these tools before it was known what tools would prove useful in the first place<sup>169</sup>. The Report on Orphan Works frequently

emphasized the need for flexibility in defining what constitutes a reasonable search.<sup>170</sup> By eliminating the factors of a diligent search (records of the Copyright office, technological tools, appropriate databases, etc.), Congress would encourage the development of new resources to find rights-holders instead of forcing those resources to fall into specific categories.

The elimination of the diligent search criteria could also encourage the development of a more reasonable diligent search. The Report on Orphan Works acknowledged the prevalence of "private users" who wished to obtain a license to use an orphan work.<sup>171</sup> These private users would be the least likely to use the orphan work for commercial benefit and it could be assumed that they also had limited funds to conduct a diligent search. Such uses would harm rights-holders the least, and yet orphan works legislation still required every potential user to complete every step of the diligent search. Despite the limited impact of private users on the licensing market, the licensors would still be required to conduct ineffective searches of copyright records, occasionally paying Copyright Office staff to conduct such a search in addition to potentially paying for expert assistance or the right to use technological databases.<sup>172</sup> Such monetary requirements would still deter private users from appropriating orphan works, and the deterrence of the least harmful uses of orphan works is antithetical to the purpose of the legislation.<sup>173</sup> The elimination of diligent search criteria would no doubt facilitate the use of orphan works by private users, a goal that is supposedly the focus of this legislation.<sup>174</sup>

Finally, instead of mandating specific search criteria for a potential licensor<sup>175</sup>, future legislation should address the factors that courts would use to

170. U.S. Copyright Office, *supra* note 3, at 104.

171. *Id.* at 125. (noting the prevalence of individuals wishing to reproduce old family photographs).

172. S. 2913 § 514(b)(2)(A)(ii) (requiring searches of the records of the Copyright Office, technological databases, and the use of expert assistance to conduct a reasonable search).

173. *See* U.S. Copyright Office, *supra* note 3, at 38-40 (noting that small-time users would might be willing to pay small fees to use a work, but only if it would ensure finding the owner of the copyright).

174. U.S. Copyright Office, *supra* note 3, at 8 (asserting that the first goal of orphan works legislation was to create a system that would make it more likely for users to find a relevant rights-holder and negotiated a license agreement and recognizing that the second goal was to encourage use of orphan works only when the rights-holder could not be found).

175. *See id.* (requiring that every diligent search entail a search of the records of the Copyright Office, as search of available sources of copyright authorship, the use of appropriate technological tools while searching, and the use of appropriate databases while searching).

165. U.S. Copyright Office, *supra* note 3, at 127.

166. *Id.*

167. *Id.*

168. *Id.* at 104 (noting that the growth in technology, particularly internet based technology, would factor into what qualified as a reasonable search as it would be much easier to identify and locate authors).

169. *See* S. 2913 § 514(b)(2)(A)(ii) (requiring specific steps to be taken to qualify as a diligent search).



determine if a reasonable search actually occurred. The Report on Orphan Works acknowledged that what is a reasonable search in certain circumstances might not be a reasonable search in others.<sup>176</sup> The reasonability of a search would often depend on numerous factors, which would have to be balanced by the courts.<sup>177</sup> Arguably, the most important factor to determine reasonability is the nature and extent of the use.<sup>178</sup> The Report stressed that the more commercial the use of an orphan work by the potential licensor, the greater the effort the licensor must expend in finding the rights-holder.<sup>179</sup> This factor will truly protect the rights-holder, as the potential licensor's search for rights-holders, while intending to profit, would be scrutinized for good faith and diligence. Orphan works legislation must focus upon this factor in order to persuade rights-holders that they will be sufficiently protected from licensors who stand to benefit from attempting to skirt the reasonable search requirements, or those licensors who perform the bare minimum when conducting the search. Instead of establishing strict diligent search criteria for the licensor, orphan works legislation should establish statutory factors that courts will use to determine the reasonability of the search, with the nature and extent of the use being the most influential. Such a statutory construction has proven to be effective in the past, with federal courts embracing and shaping the four factors of copyright fair use.<sup>180</sup> By giving the courts factors that would shape what constitutes a reasonable search instead of strictly defining it, the legislation could be friendlier to both parties involved. The private users who wish to license orphan works would, in theory, not be forced to waste money on costly and ineffective searches. The rights-holders should, in turn, be able to make themselves known as much or as little as they would choose. They could choose to identify themselves everywhere, likely increasing that odds that every licensor would find them, or they could choose to put themselves in only a few small places, hopefully allowing those who truly wished to profit off their work would find them, letting the private users with limited means use the orphan work freely. This flexibility is essential for orphan works legislation to succeed.

By simplifying orphan works legislation and replacing the diligent search criteria with the factors

of a reasonably diligent search, a more flexible, and therefore workable, standard will be created. Such a standard will assuage the fears of rights-holders and make orphan works legislation easier to pass, all the while accomplishing the goals of previous orphan works legislation.

## X. CONCLUSION

There seems to be unanimous agreement that orphan works are a devastating problem for copyright law; however, there is no agreement as to what should be done about them. The most recent legislative attempt at fixing that problem, the Shawn Bentley Orphan Works Act of 2008, was novel, but by creating informal formalities, the bill might have been doomed from the start. When you look at the beginnings of copyright protection in the United States though, the idea behind informal formalities seems to fall in line with the country's goals. The United States, through legislation and common law, has always treated a copyright as something that is earned, not freely given. It is with this goal in mind that Congress must continue to shape its orphan works legislation, perhaps by eliminating search criteria and instead creating factors for courts to use in determining what constitutes a reasonable search. By taking these actions, Congress may be able to eliminate orphan works and establish the copyright license market as a functional part of our national economy.

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176. U.S. Copyright Office, *supra* note 3, at 98.

177. *Id.* at 98-108 (holding that the reasonability of a search would be shaped by identifying information on the work itself, the public nature of the work, age of the work, whether identifying information exists in publically available records, and the status of the author).

178. *See id.* at 107-08.

179. *See id.*

180. *See* 17 U.S.C. § 107.