

---

January 2011

## Orphan Works and the Google Book Search Settlement: An International Perspective

Bernard Lang

*French National Institute for Research in Computer Science and Control*

Follow this and additional works at: [https://digitalcommons.nyls.edu/nyls\\_law\\_review](https://digitalcommons.nyls.edu/nyls_law_review)



Part of the [Communications Law Commons](#), [Constitutional Law Commons](#), [Intellectual Property Law Commons](#), [Internet Law Commons](#), [Law and Society Commons](#), and the [Legal Remedies Commons](#)

---

### Recommended Citation

Bernard Lang, *Orphan Works and the Google Book Search Settlement: An International Perspective*, 55 N.Y.L. SCH. L. REV. 111 (2010-2011).

This Article is brought to you for free and open access by DigitalCommons@NYLS. It has been accepted for inclusion in NYLS Law Review by an authorized editor of DigitalCommons@NYLS.

BERNARD LANG

## Orphan Works and the Google Book Search Settlement: An International Perspective

**ABOUT THE AUTHOR:** Bernard Lang is Research Director at Institut National de Recherche en Informatique et en Automatique (INRIA) (French National Institute for Research in Computer Science and Control), retired at time of publication; Vice-chair of Association Francophone des Utilisateurs de Logiciels Libres (AFUL) (French Speaking Association for Free Software Users); and a member of Conseil Supérieur de la Propriété Littéraire et Artistique (CSPLA) (French Higher Council on Literary and Artistic Property). He is and has been involved for fifteen years in various organizations concerned with free software and open access to digital resources. Address: 24 rue des Roseaux, 78340, Les Clayes sous Bois, France. E-mail: Bernard.Lang@datcha.net. The author thanks Peter Brantley, Sébastien Canevet, James Grimmelmann, René Mages, Areski Nait Abdallah and Rebecca Pressman, for their support, help, comments, or advice on earlier versions but remains solely responsible for the content of this document.

*Tout le monde ne peut pas être orphelin.*<sup>1</sup>

## I. INTRODUCTION

The first principle of copyright law is that permission to exploit a work can only be granted by its authors or rightsholders. While it is usually agreed that it is their right to not answer requests for such permission, there seems to be a general consensus that specific provisions are needed for situations when permission cannot even be requested because a rightsholder cannot be found, and may remain unaware of his ownership or of third party interest in his work. This is the concept of an orphan work, generally defined as a work whose rightsholder cannot be identified or located, even after a diligent search. The issue of orphan works has recently become significant primarily because digitization has changed the technology and economics of works' exploitation and preservation, and even created new forms of use of existing works, thus reviving interest in a wide corpus of works.

Though already addressed by some legal systems, orphan works attracted wider attention and became a critical issue; raising new questions as to the economic adequacy of existing legal solutions, particularly for large scale uses recently made possible, and for mass-digitization. The first question was whether digitization of orphan works was permitted without the author's consent. The European Directive on Copyright allows it for preservation purposes for all works.<sup>2</sup> Although digitization involves reproducing works without requesting the authors' consent, its use for preservation purposes was probably deemed harmless to the rightsholders' interests, and therefore an allowable exception under existing constraints defined by the three-step test of international treaties.<sup>3</sup> This approach avoided the need for any special treatment of orphan works.

The same reasoning should probably apply to digitization of written works for the production of indexes and search tools, such as the Google Book Search project.<sup>4</sup>

- 
1. JULES RENARD, POIL DE CAROTTE act Coup de Théâtre, sc. 5, available at <http://www.gutenberg.org/ebooks/4559> ("Not everyone can be an orphan.").
  2. Directive 2001/29/EC, of the European Parliament and of the Council of 22 May 2001 on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society, art. 5.2(c), 2001 O.J. (L 167) ("Member States may provide for exceptions or limitations to the reproduction right provided for in Article 2 . . . in respect of specific acts of reproduction made by publicly accessible libraries, educational establishments or museums, or by archives, which are not for direct or indirect economic or commercial advantage."), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2001:167:0010:0019:EN:PDF>.
  3. See *infra* notes 56–59 and accompanying text. Exceptions and limitations are intended to introduce some flexibility, limited by three requirements that constitute the three-step test, in the very rigid system of exclusive rights internationally fixed by several treaties. The test may be used by national legislators to deal, for example, with situations of market failure, presumably to the rightsholders' benefit, and also for specific cases in the public interest when an exception or limitation does not unreasonably harm the rightsholders' interests. The nature of these interests is neither specified nor limited in existing documents, thus allowing for the evolution of interpretation in a changing context.
  4. The initial Google Book Search project aimed only at indexing the world literature in the same way that Google had been indexing the World Wide Web. *About Google Books*, GOOGLE, <http://books.google>.

Digitization for these purposes does not harm the authors and may in fact improve exploitation of the works, provided that it is done in an open and competitive way so as to avoid the possibility of any control on the works' market.<sup>5</sup> On the other hand, because it does turn a profit, it may be reasonable for the rightsholders to get a share of those profits. However, it is a rather unusual interpretation of copyright law because it makes economic, practical, or technical sense only in a collective way. This issue was actually the object of initial lawsuits filed by authors and publishers against Google.<sup>6</sup>

These lawsuits evolved into a class action and the resulting Settlement Agreements<sup>7</sup> have extended the Google Book Search (GBS) project beyond an indexing and search tool into the actual sale of (access to) digital versions of works, with the global income being shared between Google and the known (registered) rightsholders. While this obviously raises no problem for works in the public domain, or for works exploited by known rightsholders deciding on the terms of such exploitation, it leaves open the question of whether other works may be included without explicit permission from their rightsholders. This concerns orphan works, but also other works whose rightsholders do not make their ownership and exploitation choices explicitly known by registering with a registry set up for this very purpose.<sup>8</sup> The latter works are not considered orphan because their rightsholders could be found by a reasonably diligent search.<sup>9</sup> The proposed GBS Settlement Agreement

---

com/googlebooks/history.html (last visited Oct. 12, 2010). However, rightsholders objected on the bases that it entailed making digital copies of the works, and that Google was intending to display snippets of those copies of these works, both without permission from the rightsholders. Class Action Complaint at 2, *Authors Guild, Inc. v. Google, Inc.*, No. 05-CV-8136-JES (S.D.N.Y. Sept. 20, 2005), available at <http://thepublicindex.org/docs/complaint/authors.pdf>.

5. The openness is disputable in the case of Google, which tends to burn bridges after crossing them, via contractual or economic devices. For example, the scanning agreements between Google and libraries essentially excludes other commercial players. In theory, they could pass the same agreement with the same libraries, except for the fact that libraries no longer have any incentive to get scanned copies they already have. So, if at all possible, scanning the same books would be considerably more expensive for any later competitor. Indexing and search engines are a primary means of visibility on the Internet. *See infra* note 107. Hence the control of indexes has converging anti-competitive effects: it reinforces the appeal of the search engines that have exclusive access to them; it can help influence the market through biased ranking of information, though that should be considered an unfair practice; and, it allows more effective advertising through association of indexed content and users queries.
6. *Authors Guild, Inc. v. Google, Inc.*, No. 05-CV-8136 (S.D.N.Y. filed Sept. 20, 2005); *McGraw-Hill Cos. v. Google, Inc.*, No. 05-CV-08881 (S.D.N.Y. filed Oct. 19, 2005).
7. Settlement Agreement, *Authors Guild, Inc. v. Google, Inc.*, No. 05-CV-8136-JES (S.D.N.Y. Oct. 28, 2008), available at <http://thepublicindex.org/docs/settlement/settlement.pdf>. Unless explicitly specified otherwise, this article discusses the initial version of the Settlement Agreement. An Amended Settlement Agreement was subsequently presented on November 13, 2009. *See Amended Settlement Agreement, Authors Guild, Inc. v. Google, Inc.*, No. 05-CV-8136-DC (S.D.N.Y. Nov. 13, 2009), available at [http://thepublicindex.org/docs/amended\\_settlement/Amended-Settlement-Agreement.pdf](http://thepublicindex.org/docs/amended_settlement/Amended-Settlement-Agreement.pdf).
8. Settlement Agreement, *supra* note 7, § 6.1. Under the Settlement Agreement, a registry ("the Registry") must be organized to collectively represent the rightsholders and to ensure the management of the structures set up by the agreement, in particular the Books Database, which is intended to manage and search the information about books. Settlement Agreement, *supra* note 7, §§ 3.1(b)(ii), 6.1.
9. This classification of works is further analyzed in Part IV.B.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

(the “GBS Settlement” or “Settlement Agreement”) actually authorizes inclusion of all works, with a provision allowing rightsholders to explicitly opt out<sup>10</sup> if they wish. This is critical for the project because the cost of identifying and contacting rightsholders far outweighs the cost of digitization and index building, whether or not the works are orphaned.<sup>11</sup>

Orphan works constitute a significant part of our in-copyright literary heritage. Thus, there is a general concern that orphan works should be exploited and made available to the public in digital form, such as in e-libraries, rather than left to rot in physical libraries until they are promoted to the public domain at a time when most people will no longer be interested in, or even aware of, their existence. There is a general consensus that the latter should be avoided, but much less consensus as to how to handle this issue. This is the subject of much international debate, at various levels, and it is not my purpose here to give it a complete review.<sup>12</sup> Rather, this article attempts to analyze identification and exploitation of orphan works in the context of the first version of the Settlement Agreement, by contrasting it with my experience with the debate in the French context.<sup>13</sup> Existing literature on orphan works raises two main issues: First, how is it determined that a work is orphaned? And second, how is exploitation of orphan works to be managed? I will explore these issues, mainly in relation to the Berne Convention;<sup>14</sup> hence also in relation to the World

- 
10. Throughout this document, “opt out” is not meant with respect to the class action settlement, but with respect to the standard management of unregistered works by the Books Right Registry, as described in the Settlement Agreement, *supra* note 7, § 1.122. As a brief note regarding opting out of the class action settlement itself, this might have been considered as “normal acts that authors and other copyright holders must perform routinely to exploit their copyright works,” GÉRAIS, *infra* note 26, if the plaintiff classes had been restricted to rightsholders actually prejudiced by Google’s past actions. Imposing this on all rightsholders, even without any claim against Google, as the plaintiff classes have been defined, no longer seems to fit this classification and can indeed be considered a formality imposed on foreign rightsholders, which is forbidden by Article 5(2) of the Berne Convention. *See* Berne Convention for the Protection of Literary and Artistic Works art. 5, § 2, Sept. 28, 1979, S. TREATY DOC. No. 99-27, [hereinafter Berne Convention].
  11. I discuss works rather than books throughout this article because the Settlement Agreement may also bear on inserts. *See* Settlement Agreement, *supra* note 7, § 1.72. Even the so-called “Books Database” is actually for both books and inserts. *Id.* § 3.1(b)(4). But I do not mean to consider other kinds of works than those concerned by the Settlement Agreement.
  12. There have been several studies and reports on orphan works. *See, e.g.*, Stef van Gompel, *Audiovisual Archives and the Inability to Clear Rights in Orphan Works*, IRIS PLUS, 2007, [http://www.obs.coe.int/oea\\_publ/iris/iris\\_plus/iplus4\\_2007.pdf](http://www.obs.coe.int/oea_publ/iris/iris_plus/iplus4_2007.pdf); U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS: A REPORT OF THE REGISTER OF COPYRIGHTS (Jan. 2006), available at <http://www.copyright.gov/orphan>; European Commission High Level Expert Group—Copyright Subgroup, *Final Report on Digital Preservation, Orphan Works, and Out-of-Print Works* (June 4, 2008) [hereinafter HLEG Final Report], available at [http://ec.europa.eu/information\\_society/activities/digital\\_libraries/doc/hleg/reports/copyright/copyright\\_subgroup\\_final\\_report\\_26508-clean171.pdf](http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/reports/copyright/copyright_subgroup_final_report_26508-clean171.pdf).
  13. Similar discussions have also taken place at the European level, and have led to conclusions that are considerably more open-ended than in the French case. *See, e.g.*, HLEG Final Report, *supra* note 12; *see also* HLEG Meetings, EUROPEAN COMM’N INFO. SOC’Y, [http://ed.europa.eu/information\\_society/activities/digital\\_libraries/experts.hleg.meetings.index\\_en.htm](http://ed.europa.eu/information_society/activities/digital_libraries/experts.hleg.meetings.index_en.htm) (last visited Oct. 14, 2010).
  14. Berne Convention, *supra* note 10.

Intellectual Property Organization (WIPO) Copyright Treaty,<sup>15</sup> and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement,<sup>16</sup> both of which include the substantive provisions of the Berne Convention.<sup>17</sup>

Part II of this article presents the different approaches to the identification, management, and exploitation of orphan works that are currently proposed or used. I then argue in Part III that the exploitation of orphan works, as proposed in the GBS Settlement, can only be permitted under some exceptions or limitations to exclusive rights. However, according to international treaties, any exceptions or limitations have to satisfy the constraints of a three-step test, so I discuss some of the test's possible implications. In Part IV, I argue that the proposed GBS Settlement does not meet these constraints because by always requiring exploitation fees to be paid for accessing works, it does not take into account new models of exploitation of works, such as open access, that have become "normal" in the digital world. The following discussion identifies the various cases covered by the Settlement Agreement and extends the conclusions from the case of orphan works to the case of unregistered rightsholders whose non-orphan works are included in the GBS Settlement and accessible without their explicit consent, even though this cannot be justified by an exception or limitation. Unfortunately, taking into account the historical and practical intent of the requirement, the GBS Settlement's opt-out solution conflicts with the Berne Convention's no-formalities requirement for foreign works.<sup>18</sup>

---

15. World Intellectual Property Organization [WIPO] Copyright Treaty, Dec. 20, 1996, S. TREATY DOC. No. 105-17, available at [http://www.wipo.int/treaties/en/ip/wct/trtdocs\\_wo033.html](http://www.wipo.int/treaties/en/ip/wct/trtdocs_wo033.html).

16. The Agreement on Trade Related Aspects of Intellectual Property Rights is Annex 1c of the final act of the 1986–1994 Uruguay Round of Multilateral Trade Negotiations, signed in Marrakesh on April 15, 1994. General Agreement on Tariffs and Trade: Multilateral Trade Negotiations Final Act Embodying the Results of the Uruguay Round of Trade Negotiations Annex 1c, Apr. 15, 1994, 33 I.L.M. 1125 [hereinafter TRIPS Agreement].

17. Berne Convention, *supra* note 10. The Berne Convention for the Protection of Literary and Artistic Works, first introduced in 1886 in Berne, Switzerland, and revised several times, is the oldest treaty attempting to give equal protection to all creators in the member countries. WORLD INTELLECTUAL PROPERTY ORGANIZATION, INTRODUCTION TO INTELLECTUAL PROPERTY: THEORY AND PRACTICE 385–86 (1997). More recent treaties were needed to deal with the increasing complexity of the types and modes of exploitation of copyrighted works. Specifically, the TRIPS Agreement and the WIPO Copyright Treaty include, without change, the substantive articles of the Berne Convention. The TRIPS Agreement, which is concerned exclusively with economic aspects of intellectual property, does not include article 6*bis* of the Berne Convention on moral rights. Berne Convention, *supra* note 10, art. 6*bis*; TRIPS Agreement, *supra* note 16, art. 2(2), 3rt. 9(1); WIPO Copyright Treaty, *supra* note 15, art. 1(4).

18. See Settlement Agreement, *supra* note 7, § 1.132; Berne Convention, *supra* note 10, art. 5(2).

The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

Berne Convention, *supra* note 10, art. 5(2). However, the protection against formalities does not apply to national works. Berne Convention, *supra* note 10, art. 5(3).

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

Further consideration of exploitation fees shows that the parties to the settlement, unless they are illegitimately granted the right to enforce payment on orphan and unregistered works (a further infringement which could undermine the legitimacy of copyright itself), will have a vested interest in limiting access to the searchable GBS Database, thus severely curtailing its usefulness. The major reason for changing the rules regarding orphan and unregistered works is to revive them as part of our active cultural heritage. Any obstacle, such as a fee or access control, that does not benefit rightsholders, is thus unwarranted and counter-productive.

In Part V, I first conclude the analysis by proposing criteria for a registry-based solution similar to that of the settlement, which would resolve most issues without any undue loss to anyone. I contend that only an international registry is compatible with the spirit of Article 5(2) of the Berne Convention. Additionally, I argue that unregistered works, or works with outdated registrations, should be freely available to the public, at least for non-commercial uses, for as long as the rightsholders do not update their registrations. This is similar to the former U.S. copyright system, but for technical and economic reasons that did not exist at that time. After a brief survey of the links between technological evolutions and the hopefully transitory, complexities of the current copyright situation, I conclude the discussion by arguing that, even though the Berne Convention is not self-executing and can thus be ignored by the court, the principles set forth by the international agreements should contribute to the adequacy and fairness of any judicial or legislative solution to the issues raised by the Settlement.

## II. IDENTIFICATION AND EXPLOITATION OF ORPHAN WORKS

### *A. Asserting the Orphan Status of a Work*

A work is said to be orphan when its rightsholder cannot be identified or found, even after a diligent search, so that it is not possible to obtain a license for exploiting protected uses of the work.<sup>19</sup> The problem with this definition is that it is negative: even though it may have been impossible to contact a rightsholder until now, at whatever cost, nothing proves that it will not be possible tomorrow. One way to avoid this difficulty would be to require registration by the rightsholders, so that they can be easily found. However, for reasons that are further explained below,<sup>20</sup> this is prevented by Article 5(2) of the Berne Convention, which stipulates that “[t]he enjoyment and the exercise of these rights shall not be subject to any formality.”<sup>21</sup>

---

19. See *infra* note 23 and accompanying text.

20. See *infra* note 37 and accompanying text.

21. Berne Convention, *supra* note 10, art. 5(2). Actually, pursuant to article 5(3), a country can impose formalities for enjoying copyrights on a work only if it is the “country of origin” of the work. Berne Convention, *supra* note 10, art. 5(3). For the United States, this excludes works first published in a country other than the United States, or simultaneously published in another country when the United States has the longer term of protection, for example Canada. 17 U.S.C. § 101 (2006). Article 3(4) further specifies that “simultaneously” means within thirty days of the first publication. The notion is instantiated to the case of the United States in the definition of a “United States work” in 17 U.S.C. § 101, which is specifically

Indeed, the existence of orphan works in the United States is often attributed, to a large extent, to the 1976 changes to the U.S. Copyright Act, which did away with copyright registration in order to comply with the Berne Convention.<sup>22</sup>

For this reason, legislation allowing exploitation of orphan works that has been studied or enacted requires that the orphan status of the work first be established by the failure of a diligent search to determine the whereabouts of the rightsholders.<sup>23</sup> The protection that is then awarded to the exploiter of the work against infringement suits, damages, and remedies, should the rightsholder reappear, is contingent upon search evaluation criteria that may be evaluated before or after exploitation, depending on the actual or proposed laws.<sup>24</sup>

Some propose to sidestep this problem and the heavy cost of a diligent search by having recourse to some form of compulsory licensing through the collective management of copyrights.<sup>25</sup> Mandatory Collective Management (MCM) requires

---

intended to keep formalities required by 17 U.S.C. § 411 within the limits allowed by the Berne Convention. Berne Convention, *supra* note 10, art. 3(4).

22. Richard Koman, *Free the Orphans: A Look at the Case of Kable v. Ashcroft*, O'REILLY POL'Y (May 6, 2004), <http://www.oreillynet.com/pub/a/policy/2004/05/06/kahleversusashcroft.html>.

If you wanted to extend copyright past a relatively short initial term, you filed for an extension. This meant that the Copyright Office had to keep a registry of works in copyright and the names of the copyright holders.

Beginning in 1976, Congress . . . did away with the renewal requirement . . . . These changes to the copyright laws had an unintended consequence: they created a class of so-called orphan works, works that would have gone out of copyright when their creators failed to renew a copyright claim under the old law, but which are now kept in prolonged copyright. (It's an irony of the law that term is defined by the lifetime of the author, but that no registry of who the authors are or whether they are dead or alive is maintained.)

*Id.*

23. The wording defining the adequacy of the search varies. The two Orphan Acts considered by Congress in 2008, Senate Bill 2913 and House Bill 5889, refer to a "qualifying search" which requires a "diligent effort" described in detail because the user of an orphan work may have to prove *a posteriori* that his search was qualified. See Shawn Bentley Orphan Works Act, S. 2913, 110th Cong. §§ 514(b)(1)(A)(i), (b)(2); Orphan Works Act of 2008, H.R. 5889, 110th Cong. §§ 514(b)(1)(A)(i), (b)(2) (2008). Article 77 of the Canadian Copyright Act requires only "reasonable effort to locate the owner," because the effort is evaluated by a court before permission to use orphan works is granted. Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.). Japanese Copyright Law allows granting compulsory licenses in a similar way when, "after the due diligence, the copyright owner cannot be found for the reason that he is unknown or for other reasons." Chosakuken-Ho [Copyright Law], Law No. 48 of 1970, art. 67, 74 (Japan).
24. See Shawn Bentley Orphan Works Act, *supra* note 23; Orphan Works Act of 2008, *supra* note 23; Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.); Japan Copyright Law, *supra* note 23. Canadian and Japanese law require prior authorization from a court, while the Orphan Acts state requirements that are evaluated by the court *a posteriori* in case of infringement suit.
25. The use of Extended Collective Management is discussed by Stef van Gompel in the case of audiovisual archives. See van Gompel, *supra* note 12, at 4–5; see also Anna Vuopala, European Comm'n, DG Info. Soc'y and Media Directorate-General, *Assessment of the Orphan Works Issue and Costs for Rights Clearance* (May 2010), available at [http://ec.europa.eu/information\\_society/activities/digital\\_libraries/doc/reports\\_orphan/anna\\_report.pdf](http://ec.europa.eu/information_society/activities/digital_libraries/doc/reports_orphan/anna_report.pdf) (discussing Extended Collective Management, using actual examples).



## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

all works of the relevant type (such as music or films) to be collectively managed in a given country by a Collective Management Organization (CMO), which negotiates royalties on behalf of each author or rightsholder.<sup>26</sup> Extended Collective Management (ECM) is a bit less constraining: it gives the right to a representative CMO to negotiate the royalties in the absence of any opposition from the rightsholder. This is actually quite close to the scheme proposed by the GBS Settlement Agreement, with the Registry in the role of the ECM organization. However, ECM is apparently used only in the form of Extended Collective Licensing,<sup>27</sup> i.e., for blanket licenses for a given type of work, whereas Eric Fraser's antitrust analysis notes that "ASCAP and BMI are the closest litigated examples of situations like that in the Google Books settlement" and that "the music organizations have been forbidden since 1941 from offering only blanket licenses," as is intended by the GBS Settlement for subscriptions to institutions.<sup>28</sup> A survey of extended collective licensing in Nordic countries shows that it is used in contexts usually calling for some form of limitation or exception, or for the availability of blanket licensing, such as broadcasting, retransmission, reprography, education, or libraries.<sup>29</sup> Blanket licensing is indeed necessary to build an effective index and to offer a book search service.<sup>30</sup> However, the digital sale or rental of digitized books is a different kind of service that does not require blanket licensing.<sup>31</sup> It is also noted by Daniel Gervais that ECM is "an interesting model for countries where . . . a great part of the material that is the object of licenses comes from foreign countries;" but this is not the case for the GBS Settlement, if "great" is to be understood in a relative sense.<sup>32</sup>

Of course, the problem with such schemes is that they are clearly imposing conditions on the enjoyment or exercise of the rights, though these rights are supposed

---

26. Daniel Gervais, *The Changing Role of Copyright Collectives*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 17 (Daniel Gervais ed., 2006); Dr. Mihály Ficsor, *Collective Management of Copyright and Related Rights in the Digital, Networked Environment: Voluntary, Presumption-Based, Extended, Mandatory, Possible, Inevitable?*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 42 (Daniel Gervais ed., 2006).

27. Henry Olsson, The Ministry for Justice, Stockholm, The Extended Collective License as Applied in the Nordic Countries, Kopinor 25th Anniversary International Symposium (May 20, 2005), available at <http://www.kopinor.no/en/copyright/extended-collective-license/documents/The+Extended+Collectiv+e+License+as+Applied+in+the+Nordic+Countries.748.cms>.

28. Eric M. Fraser, *Antitrust and the Google Books Settlement: The Problem of Simultaneity*, 2010 STAN. TECH. L. REV. 4, 15 (2010), available at <http://stlr.stanford.edu/pdf/fraser-antitrust-and-google-books.pdf>.

29. Tarja Koskinen-Olsson, *Collective Management in the Nordic Countries*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS, *supra* note 26, at 265.

30. In this case, the fair use exemption initially claimed by Google in the lawsuit would have had the effect of a free blanket license for book search services. See Answer, Jury Demand, and Affirmative Defenses of Defendant Google, Inc. at 3, McGraw-Hill, Inc. v. Google, Inc., No.05-CV-8881-JES (S.D.N.Y. Nov. 8, 2005).

31. From an antitrust point of view, it might be wise to oppose this vertical integration of the book search service and the digital access to the books themselves, whether by sale or access subscription. The control of the Books Database could also be separated from the rest.

32. Gervais, *supra* note 26, at 29.

to be exclusive. Some legal scholars argue that under an ECM scheme, enjoyment of the rights remains exclusive and only their management or exercise is concerned. But, as demonstrated unequivocally by Mihály Ficsor,<sup>33</sup> because some provisions of the Berne Convention<sup>34</sup> specify situations when exercising the rights may be limited, this implies *e contrario* that such exercise is not to be limited in all other cases. I show below that this loss of control over the exercise of the exclusive rights goes far beyond the simple loss of royalty negotiation power, as asserted by several legal scholars,<sup>35</sup> so much so that it may impinge qualitatively (purpose and form of the exercise of exclusive rights) rather than quantitatively (royalty negotiation) on the rightsholder's use of his exclusive rights. Thus it clearly becomes a matter of enjoyment, not just of exercise.

Other scholars argue that, in the case of ECM, there is no real loss because the rightsholder can always opt out. They further argue that this is not a formality prohibited by Article 5(2) of the Berne Convention because the opt-out procedure can be very simple and one always has to go through some steps to exercise one's rights.<sup>36</sup> This is wrong in two respects. First, one may want to exercise one's rights by

33. Ficsor, *supra* note 26, at 41, 42.

34. Berne Convention, *supra* note 10, art. 11*bis*. Article 11*bis* of the Berne Convention concerns "Broadcasting and Related Rights" and specifies in section (2) that "[i]t shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but these conditions shall apply only in the countries where they have been prescribed. They shall not in any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority."

35. See, e.g., Silke von Lewinski, *Mandatory Collective Administration of Exclusive Rights—A Case Study on Its Compatibility with International and EC Copyright Law*, UNESCO E-COPYRIGHT BULLETIN (Jan.–Mar. 2007), [http://portal.unesco.org/culture/en/files/34481/11883823381test\\_trois\\_etapes\\_en.pdf/test\\_trois\\_etapes\\_en.pdf](http://portal.unesco.org/culture/en/files/34481/11883823381test_trois_etapes_en.pdf/test_trois_etapes_en.pdf). (Jan.–Mar. 2004), available at [http://portal.unesco.org/culture/en/files/19552/11515904771svl\\_e.pdf/svl\\_e.pdf](http://portal.unesco.org/culture/en/files/19552/11515904771svl_e.pdf/svl_e.pdf).

36. Gervais, *supra* note 26, at 33–35.

"Enjoyment" is thus the very existence of the right while exercise refers in particular to enforcement. It would be patently incongruous to read Article 5(2) as preventing the mandatory doing of anything. Should authors just have to walk into a courtroom (itself a "formality") without having to file a statement of claim? Not have to deal with foreign publishers and distributors because those are "formalities"? Not have to deal with foreign tax authorities to avoid deductions at source in a foreign country? Not have to deal with foreign collectives to ensure the protection of their rights in cases where they cannot or do not want to join a world-wide system through their national collective (if any)? That is clearly not the intent or meaning of Article 5(2). Those are all normal acts that authors and other copyright holders must perform routinely to exploit their copyright works and not—as was made abundantly clear during the adoption and revision of the convention—"formalities" prohibited under Article 5(2).

. . . ERS is not a prohibited formality under Berne. If it is a restriction at all, ERS is a mild one. It guarantees an orderly exploitation of the repertoire that will be licensed but offers authors the option of going back to Level 0 [Full Individual Exercise] by sending a simple notice, perhaps even as simple as an email.

*Id.* This is forgetting that there are now other ways of exercising the rights, and CMOs will not currently consider them, nor would they manage (certainly not for free) the opt-out request with all Extended Repertoire System (ECM) or ECM systems in the world. See *infra* note 93. These given examples of

actually not doing anything at all. Second, it is in opposition to the very substance of article 5(2).<sup>37</sup>

The purpose of this article is to avoid constraining the rightsholder to check the exercise of his rights in each country. Because Extended Collective Management is country-based (until now), it means that the rightsholder has to actually check each country, with potential linguistic problems and—even small—variations in procedures, to keep control of the exercise of his rights, and even of the enjoyment of his rights, if his only intent is to be read rather than to be paid. This is hardly simple, even with the help of modern communication mediums. Furthermore, given the nature of the problem addressed, the formality prohibition is necessarily intended to apply to any type of national formality, however instituted.

Still, it should be noted that given the worldwide availability of the Internet, the institution of an open international world registry, common to the member countries of the Berne Convention Union, would probably not be objectionable pursuant to Article 5(2) of the Berne Convention, at least in substance or intent. Such a world registry should be accessible in all the major languages of the world, so that any copyright holder would be nearly certain to be able to use one of them. This alone would not solve other issues, but might contribute to a solution.

Last, but not least, these CMO-based solutions rest on the hypothesis that, at least for each type of work, the rightsholders form a homogeneous population, sharing the same interests and economic models and differing only marginally in their views of proper rights management, and thus adequately represented by the traditional CMO policy of copyright enforcement. While this may have been mostly true in the paper-printing past, it is clearly no longer the case in the current digitized context, the same context that is giving rise to the Settlement Agreement at hand,

---

“normal acts that authors and other copyright holders must perform routinely to exploit their copyright works” relate only to for-profit exploitation, which naturally entails the usual commercial management constraints, but which is not the only possible form of exploitation. More generally, acts that are dependent on the modalities of exploitation, or intended to specify them, as well as acts required by incidental events such as an infringement, may not be considered formalities. They can indeed qualify as “normal acts that authors and other copyright holders must perform routinely to exploit their copyright works.” *Id.* But acts imposed on all rightsholders to establish their rights, or reset them to the default situation fixed by international instruments, are formalities.

37. Gervais, *supra* note 26, at 31–32 (citing World INTELLECTUAL PROPERTY ORGANIZATION, BERNE CONVENTION CENTENARY: 1886–1986, 94 (1986)). This proposition is supported by a comment on article 2 of the 1886 Convention. Gervais, *supra* note 26, at 32. The former article 2 is the ancestor of the current article 5(2) of the Berne Convention. *Id.* at 31. The comment, which seeks to impose the conditions and formalities required by the country of origin via the Berne Convention Union, states:

This was already a great simplification which will be appreciated if it is recalled that there was a time not so long ago when, to guarantee a work protection in a foreign country, even by virtue of an international convention, it was necessary to register and often even to deposit that work in the foreign country within a certain time limit.

*Id.*; see also World Intellectual Property Organization, Standing Comm. on Copyright and Related Rights, *Survey of National Legislation on Voluntary Registration Systems for Copyright and Related Rights*, Doc. SCCR/13/2, § I(B) (Nov. 9, 2005), available at [http://www.wipo.int/edocs/mdocs/copyright/en/sccr\\_13/sccr\\_13\\_2.pdf](http://www.wipo.int/edocs/mdocs/copyright/en/sccr_13/sccr_13_2.pdf).

because copyright enforcement is no longer essential to finance the dissemination of works, and this opens the door to a greater variety of policies. Hence, the legitimacy of CMOs to represent the interests of rightsholders becomes highly disputable, especially when they claim that their representation can be extended to rightsholders who have not actively chosen to be represented by them.<sup>38</sup>

### B. *Exploiting Orphan Works*

There is a strong lobby in France taking the position that a private organization or organizations should be entrusted with some form of guardianship over orphan works and manage them in place of the actual rightsholder, including granting licenses and collecting fees.<sup>39</sup> There is, however, a consensus, shared by the Canadian Copyright Act,<sup>40</sup> that the licenses thus granted should not be exclusive.<sup>41</sup> This

38. This evolution is best explained in terms of physics. The “natural” socio-economic laws of the copyright world may be seen as a physical system. Until recently, the only way to disseminate works, and books in particular, was through their materialization in a concrete tangible medium. This has a significant cost in production and transport, and thus can be done only in a commercial setting fueled by the revenue from copyright exploitation.

The advent of digitization and the Internet has made this cost negligible, especially for books, thereby changing one fundamental law of our physical system, so that dissemination and some forms of exploitation do not necessarily require extracting revenue from copyright, and enforcing copyright exclusivity may even become counterproductive. This change in the physics of copyright is akin to a phase transition in physics, for example when water freezes, so that excellent devices like pumps, conceived for the physics of liquids, no longer work as well. Furthermore, we encounter another physical phenomenon, often associated with phase transition that is still to be further analyzed in the physics of copyright: symmetry breaking. This essentially means that some elements of our physical system, in this case some characteristics of the rightsholders, that were formerly essentially not discernible, are now distinct. It refers precisely to the fact that in the new physics, the best interest of some rightsholders—not all—requires policies other than the enforcement of copyright, which was formerly unavoidable. This translates into new models of creation and exploitation like open access to academic literature, open source software, and open collaboration like Wikipedia, to name the better known examples. We have reasons to believe that this symmetry breaking also takes other forms, with other consequences for rightsholders, but this is still being investigated. Our purpose here is not to dispute the usefulness of CMOs. However, like our water pump, a CMO is a device built on copyright physics. Given the phase transition undergone by copyright, it must be ascertained that CMOs are still working as they used to, and particularly that they remain uniformly representative of the same communities. We contend that this is not the case, even without taking orphan works rightsholders into account. *See infra* note 93 and accompanying text. Also, it raises the question of where these rightsholders would stand in these distinct sub-communities, or subclasses in class action terminology, in addition to the specificity of owning orphan works.

39. *See* Rapport de la Commission sur les oeuvres orphelines, Jean Martin (Président) et Sophie-Justine Lieber (Rapporteur), at 15–17, Conseil Supérieur de la Propriété Littéraire et Artistique Report from the Commission on Orphan Works, Jean Martin (President) and Sophie-Justine Lieber (Reporter), High Council on Artistic and Literary Property March 19, 2008, <http://www.cspla.culture.gouv.fr/CONTENU/rapoeuvor08.pdf> [hereinafter CSPLA Report]; *see also* Livre blanc pour la relance de la politique culturelle, at 70–74, Commission pour la Relance de la Politique Culturelle (CRPC) [White Paper on Boosting Cultural Policy, Commission on Boosting Cultural Policy], February 22, 2007, <http://www.crpc.free.fr/C.R.P.C/page8/files/Livre%20Blanc%20CPI.pdf>.

40. Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.).

41. CSPLA Report, *supra* note 39, at 19. The CSPLA Report rejected exclusivity, even for a very limited time intended to compensate the cost of the diligent search required to assert the orphan status, since

consensus can be contrasted with the settlement proposal which, though not formally exclusive, would place the parties to the settlement in a globally privileged position that may not be attainable again by normal contractual procedure or even through a legal defense based on the GBS Settlement precedent, de facto resulting into an exclusivity granted to Google by the Registry.<sup>42</sup>

According to that French lobby, these guardian organizations should naturally be CMOs. But their purpose is only to control the management of orphan works, not to simplify their access and use. Hence, they do not propose anything like MCM or ECM, which could limit the exclusive rights of rightsholders of non-orphan works, and they explicitly require the preservation of the costly constraint of the diligent search for rightsholders. To summarize, they propose a form of MCM that is mandatory only for orphan works, thus requiring a diligent search. The only public benefit would be the possibility of getting a license at cost, while the guardian CMO would keep the fees for some time in case the rightsholders reappear, then use them for their usual purposes, such as paying other artists, supporting publishers, and promoting creation, which are the “official” descriptions of such purposes.

This extremist, one-sided solution has the advantage of exhibiting where the CMOs see their best interest, which does not necessarily represent that of the whole community. Apparently, their main concern is that free access to orphan works would result in unfair competition to other works; but this economic argument does not really hold, especially where digital versions are concerned.<sup>43</sup> There is also the idea that the public should not take unfair advantage of the fact that the work is orphaned.<sup>44</sup>

Another untold CMO motivation is that any revenue that can be extracted from the public should be extracted, even though it is unlikely to increase the total revenue. Generally, it only changes the slicing of a cake with a fixed size. Ironically, trying to make a profit on orphan works may even be a lose-lose proposition: because of the fee enforcement on orphan works, less works will be accessible to the public; and, because some of the profit from orphan works will be used for other purposes, less

---

this cost is normally incurred only by the first licensee, arguing that it goes against the purpose of this exception to exclusive rights on orphan works. Article 77(2) of the Canadian Copyright Act also stipulates that licenses cannot be exclusive. Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.).

42. This is one of the major criticisms of the settlement, emphasized by many authors. See, e.g., James Grimmelman, *The Google Book Search Settlement: Ends, Means, and the Future of Books*, THE AM. CONST. Soc’y FOR L. & POL’y 10, Apr. 2009, at 11, <http://www.acslaw.org/files/Grimmelmman%20Issue%20Brief.pdf>; see also Randal C. Picker, *The Google Book Search Settlement: A New Orphan-Works Monopoly?* (U. Chi. L. & Econ. Olin Working Paper No. 462, 2009), available at <http://ssrn.com/abstract=1387582>.

43. This economic point is further explored and developed in Bernard Lang, *L’exploitation des oeuvres orphelines dans les secteurs de l’écrit et de l’image fixe*, (Annex to the CSPLA Report), at 19–25 (Mar. 17, 2008), <http://www.datcha.net/orphan/oeuvres-orphelines-BLang.pdf>. Some of the arguments are presented *infra* Part IV.A.

44. *Id.* at 18. This argument was used in working groups, but I have not seen it in writing. The same people making the argument in the French context do not consider it unfair to take the advantage for themselves.

money will be available to pay authors of non-orphan works. Additionally, in the case of the GBS Settlement, authors are limited as to the amount of extra revenue they can receive from such unclaimed funds.<sup>45</sup>

With respect to the GBS Settlement, it is interesting to note that both the Authors Guild and the Association of American Publishers publicly stated their opinion on this issue. The Authors Guild stated that “[t]his fee amounts to an unnecessary tax on users if no owner comes forward.”<sup>46</sup> The Association of American Publishers wrote in a joint statement: “Since copyright holders will be unlikely to come forward to claim the money in true ‘orphan work’ situations, the payments function more like a user ‘tax’ that discourages, rather than encourages, efforts to use these works.”<sup>47</sup> These opinions seem to be in contradiction to the proposed GBS Settlement these groups are now supporting.

Another motivation to propose collective management of orphan works (which is, to some extent, what the proposed GBS Settlement would amount to) is to prevent abuse of the orphan status to justify copyright infringement. This is apparently plaguing the still images community (e.g., illustrators and photographers), which was most vocal against the proposed U.S. Orphan Works Acts,<sup>48</sup> and a strong supporter in France of the proposed scheme for collective management of orphan works.<sup>49</sup> However, the collective management policy proposed in France seems ineffective and possibly self-defeating because the orphan status is always non-obvious,<sup>50</sup> unless its coverage is extended and based on a registry system, as proposed by the Settlement Agreement but opposed by the visual artists.<sup>51</sup> Hence, it is most likely that the still images community would be strongly opposed to the settlement if orphaned graphic

---

45. See Settlement Agreement, *supra* note 7, § 6.3.

46. Letter from Paul Aiken, Exec. Dir., The Authors Guild, Inc., to Jule L. Sigall, Assoc. Reg. for Pol’y & Int’l Aff., U.S. Copyright Office 7 (May 9, 2005), *available at* <http://www.copyright.gov/orphan/comments/reply/OWR0135-AuthorsGuild.pdf>.

47. Letter from Allen Adler, Vice Pres. for Legal & Gov’t Aff., Ass’n of Am. Pub. et al., to Jule L. Sigall, Ass’n Reg. for Pol’y & Int’l Aff., U.S. Copyright Office 6 (Mar. 25, 2005), *available at* <http://www.copyright.gov/orphan/comments/OW0605-AAPP-SIIA.pdf>.

48. There have been several proposals for an Orphan Works Act, the last two being very similar. See Shawn Bentley Orphan Works Act, *supra* note 23; Orphan Works Act of 2008, *supra* note 23.

49. See *How the Orphan Works Bills Affects Visual Artists*, Legislative Action Center, ASIP HOME, <http://capwiz.com/illustratorpartnership/issues/bills/?billid=11320236> (last visited Oct. 23, 2010).

50. See Lang, *supra* note 43, § 4.5. Collective management of orphan works does not give any new leverage against abuse of the orphan status. Either the rightsholder is reachable and then orphan work legislation is irrelevant, but no one can act unless explicitly mandated by the rightsholder, as usual; or it actually is an orphan work, but no one will be willing to pay for a diligent search to prove it, which will prevent any action. And even if someone were willing to pay for the search, collective management of orphan works would enable new possibilities for action against (ab)use only when the work is actually orphan (upon failure of the diligent search), i.e., precisely when its exploitation is not really harming anyone.

51. See Settlement Agreement, *supra* note 7, art. VI; see also *How the Orphan Works Bills Affects Visual Artists*, *supra* note 49.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

works, particularly photographs, were to be included; but not including them may itself be a problem,<sup>52</sup> albeit a smaller one in the U.S. context.

Whatever one may think of these, or any other motivations, and whether they are fair, logical, or make any economic sense, is a topic for long discussions.<sup>53</sup> There are also arguments on both sides. One possible argument against CMO management of orphan works is that attributing the benefits derived from the work of an author to third parties, and particularly to other authors, may demean the rights of authors by eliminating the link between the work and the benefits from the work. This is a dangerous path for authors in the long term. It may degrade what is currently considered a *sui generis* human right into a mere right to payment.<sup>54</sup> Besides, given that the increase of orphan works is a direct consequence of the reduction of the public domain due to longer terms of copyrights, the least that could be done would be to compensate the public domain when it is at no cost to the rightsholders.

### *C. Infringement and Bypassing Exclusive Rights*

Any management of an author's legal or economic rights without a mandate or explicit permission to do so is *a priori* an infringement of those rights which are defined as being exclusive.<sup>55</sup> If it is deemed necessary to institute some form of trusteeship or guardianship for an orphan work, so as to prevent its freezing (i.e., its inability to be exploited) at everyone's loss, then such action must respect at least two basic principles.

1. Any trusteeship should be instituted primarily on the basis of preserving the interest of the party, goods, or estate placed under this trusteeship, taking into account the policy motives for its institution. So far, the motivations identified for supporting collective management do not obey this rule. They are purely concerned with the rightsholders of non-orphan works, specifically: avoiding competition, making more money, and curbing piracy of non-orphan works. There is no real consideration for the best interest of orphan works and their rightsholders. Nor is there any consideration for the public, which is supposed to be the next interested party: a work is primarily a communication between an author and his audience.

---

52. Modifying the books by removing still images may be considered an alteration of the work, which may not be acceptable under the moral rights of some countries.

53. See Lang, *supra* note 43.

54. Universal Declaration of Human Rights, G.A. Res. 217 (III) A, U.N. Doc. A/RES/217(III), at 70 (Dec. 10, 1948) ("Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.").

55. Berne Convention, *supra* note 10, art. 9(1) ("Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.").

2. No solution to the orphan works problem will be found without some change to the current copyright status quo, at least where orphan works are concerned. This being acknowledged, it seems natural to look for a solution which will require minimal change to the existing rules.

The “exceptions and limitations” clauses of existing copyright treaties already address the situation. Rather than being extensively enumerated, the allowable exceptions or limitations to a rightsholder’s exclusive rights over a work are defined in intention by a set of constraints referred to as the “three-step test.”

### III. EXCEPTIONS AND LIMITATIONS: THE THREE-STEP TEST

The three-step test to determine allowable exceptions and limitations was introduced during the Stockholm Intellectual Property Conference in 1967<sup>56</sup> and was incorporated in several international agreements, including the Berne Convention,<sup>57</sup> the WIPO Copyright Treaty,<sup>58</sup> and the TRIPS Agreement.<sup>59</sup> The expression “three-step test” is generally used in reference to these international treaties. From the point of view of U.S. common law, exceptions and limitations to the rightsholder’s exclusive rights to a work often translate into “fair use,”<sup>60</sup> which is an open-ended, catch-all clause for situations not supposed to harm the rightsholder significantly. There are, however, a number of other specific limitations on exclusive rights which are listed in the treaties and in the U.S. Copyright Act of 1976 (the “Copyright Act”) to allow exploitation of works by non-rightsholders in specific situations.<sup>61</sup> The three-step test is a balancing test to be used by courts and legislative bodies to determine if proposed exceptions and limitations to the rightsholder’s exclusive rights to a work are allowable under these international treaties.<sup>62</sup>

The three criteria imposed by the test are that: (1) the exception or limitation is restricted to a special case; (2) it does not conflict with a normal exploitation of the work; and (3) it does not unreasonably prejudice the legitimate interests of the author. The three-step test specifies that exceptions and limitations to exclusive rights are for special cases: orphan works can certainly be seen as a special case because an orphan work characterizes a limited subset of works in a situation that is detrimental

---

56. World Intellectual Property Organization, Records of the Intellectual Property Conference of Stockholm 1144 (1967).

57. Berne Convention, *supra* note 10, art. 9(2).

58. WIPO Copyright Treaty, *supra* note 15, art. 10(2).

59. TRIPS Agreement, *supra* note 16, art. 13.

60. 17 U.S.C. § 107 (2006 & Supp. 2010). Note that fair use is about the free use of works in specific ways and circumstances. Exceptions and limitation have the same open-ended logic controlled by a balancing test, but not necessarily for free, non-paying uses. *Id.*

61. *Id.* §§ 108–12, 117, 119–21, 122.

62. See generally Jennifer Suzanne Bresson Bisk, *Book Search is Beautiful?: An Analysis of Whether Google Book Search Violates International Copyright Law*, 17 ALB. L.J. SCI. & TECH. 271 (2007) (providing further discussion on the relationship between fair use and the three-step test).



## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

to all interested parties, and that is likely not to be known to, or desired by, the concerned rightsholders. However, the idea that an exception should be limited to a special case indicates that it should be motivated by that special case, and that the motivations should be explicit or obvious—otherwise anything could be construed as a special case.<sup>63</sup> This also implies that the exception should be minimal, i.e., limited to whatever steps are necessary to meet the need that motivates the exception. The other two steps of the test also indicate that disruption of the interests of rightsholders should be minimal. Those interests should be assessed in the context of the exception, taking into account the nature of the exception and the situations or issues that justify it.

These principles do not seem to have guided either the solution proposed in France, or the proposed GBS Settlement, where orphan works are concerned. Furthermore, in the specific case of missing rightsholders, the responsibility of managing the works should not be entrusted to a private party having a clear conflict of interest. Such a conflict is quite transparent in the case of the French lobby, claiming the trusteeship of orphan works (directly or indirectly) while endorsing policy choices based on their own interests. The effective position of the authors/publishers class in the settlement seems very similar, if less candid.<sup>64</sup>

The GBS Settlement would clearly create a situation that, without explicit consent, would infringe on the exclusive rights of the rightsholders of works included in the registry, including orphan works. This calls for two remarks. First, the proposed Settlement Agreement as a class action would in effect authorize systematic infringement of the exclusive rights of two specific subclasses of rightsholders, one being the subclass of orphan works rightsholders, which, by its very definition, cannot have anyone representing them and their interests in this lawsuit.<sup>65</sup> Second, international treaties are very clear that such infringement is permissible only under exceptions and limitations to copyrights, and such exceptions and limitations are permissible only if they pass the three-step test. This is the point I develop below.

A first remark is that an exception or limitation to exclusive rights should be a general rule, applicable to all, and not a special decision exclusively in favor of a

63. Ficsor, *supra* note 26, at 61. On the basis on the context and the debates as reflected in the records of the 1967 Stockholm Revision Conference, Mihály Ficsor states “that the concept of ‘special cases’ includes two aspects: first, an exception or limitation must be limited as regards to its coverage as no broad exception or limitation with a general impact is permitted and, second, it must be also special in the sense that there must be a specific and sound legal-political justification for its introduction. ‘Sound legal-political justification’ means that exceptions and limitations cannot serve any kind of political objective. There is a need for a clear and well-founded justification, such as freedom of expression, public information, public education and the like for an author’s rights may not be curtailed in an arbitrary way.” *Id.*

64. See Grimmelmann, *supra* note 42, at 15 (noting this conflict of interest).

65. Unregistered non-orphan rightsholders form another group whose exclusive rights would be infringed. Members of that group who would choose to exploit their rights following the traditional exploitation policies, the only one actually represented by the plaintiffs, can be considered as being represented by the existing class. However, those members of the group who would rather choose new exploitation models not compatible with exploitation policies used by CMOs are not represented and should thus constitute a new subclass. This is further analyzed in Part IV of the article.

single party. As noted by Ficsor, “there must be a specific and sound legal-political justification for its introduction”; an international rule, enforced by three treaties, cannot take exception favoring one private interest.<sup>66</sup>

Even if we were to ignore the Berne Convention’s prohibition on formalities and accept the principle of a class action binding rightsholders by default, this would hardly be applicable to orphan works because they are excluded by nature from opting out, and cannot be represented at any time. Then how could it be possible to rule in favor of a settlement that runs contrary to international treaties by allowing a clear copyright infringement, without the cover of a recognized exception or limitation? Under U.S. law, such a limitation could only exist as some form of fair use because there is no other explicit provision for it. However, the GBS Settlement is precisely intended to avoid a court deciding whether Google has been acting within the limits of fair use regarding all works under copyright, including orphan ones.

It could be argued that a fair use claim in the GBS Settlement would differ from the original fair use claim of the lawsuit. But the difference is mainly that fair use would be invoked only for orphan works because, by not opting out, the rightsholders of other unregistered works are supposedly agreeing to Google’s exploitation.<sup>67</sup> Thus an important part of the agreement would still concern the original fair use issues, precisely for the very subclass that is not, and cannot be, represented. Furthermore, the GBS Settlement involves actual exploitation of the works rather than a simple book search service, and fair use can hardly be invoked to justify direct commercial exploitation.

Of course, the United States can introduce new exceptions or limitations, either by extending fair use through judicial ruling, which is actually what the GBS Settlement tries to avoid, or through an act of Congress, which is what the proposed Orphan Works Acts have attempted to do, so far without success.<sup>68</sup> This failure can even be interpreted *e contrario* as indicating that there is currently no applicable exception or limitation in the U.S. legal system, even limited to the case of orphan works and that a court ruling could well run afoul of international regulations. If at all possible, introducing new exceptions or limitations would make them available to all, thus resolving some of the antitrust aspects of the case.

From the point of view of U.S. law, the class action strategy chosen by the parties seems to be an elegant way of circumventing most legal difficulties.<sup>69</sup> The GBS Settlement Agreement, if approved, would result in exceptions or limitations to the exclusive rights without the explicit consent of rightsholders. But, with respect to international treaties, it is immaterial which legal mechanism is invoked to achieve

---

66. Ficsor, *supra* note 26, at 61.

67. In this article, I also dispute the assertion that all rightsholders of non-orphan works are properly represented by the CMOs party to the GBS settlement. *See supra* Part II.A.

68. *See, e.g.*, Marybeth Peters, *The Importance of Orphan Works Legislation*, U.S. COPYRIGHT OFFICE (Sept. 25, 2008), <http://www.copyright.gov/orphan/> (giving a brief account of the U.S. “orphan works” legislative effort and its historical motivations).

69. Grimmelmann, *supra* note 42, at 2 (“Laundering orphan works legislation through a class action lawsuit is both a brilliant response to legislative inaction and a dangerous use of the judicial power.”).

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

such a result: any national law or institution that leads to this result should be bound by the constraints of the treaties.<sup>70</sup> It is not obvious how this settlement could be acceptable as is, according to international constraints. However, it is worth considering whether it can be amended into a more open solution, i.e., giving no specific privilege to anyone, and interpretable as a new allowable exception or limitation. Again, whether it is instituted by a class action rather than a legislative act seems immaterial from the point of view of international instruments.

Of course, this concerns all in-copyright books scanned and otherwise exploited without explicit permission, i.e., without registration by the rightsholders. However, at this point, the discussion is restricted to orphan works alone. So, what would be an adequate policy regarding orphan works? Because the policy should conform to the principle of exceptions and limitations, the choices should be guided by the three-step test. Therefore, they:

1. should be limited to a special case;
2. should not conflict with the normal exploitation of the work;  
and
3. should not unreasonably prejudice the legitimate interests of the rightsholder.

In order to apply these guidelines to the GBS Settlement, we must first understand what these three requirements can mean in the case of orphan works, and particularly digitized orphan works, because the GBS Settlement is only about digitization and digitized works. This requires answering some questions, such as: Why do we want an exception or limitation for the special case of orphan works? What are the legitimate interests of a creator or a rightsholder who cannot be reached and is most likely not to be reachable in the future? What is normal exploitation of the work?

Regarding the special case of orphan works, the motivation should be clear: no one wants them to be “frozen,” i.e., not exploitable, because that would deprive everyone in the cultural ecology (e.g., the public, scholars, new authors, and cultural industries) without any benefit to the rightsholders. Thus the exception or limitation should provide a way of making the work exploitable, even though the rightsholder is not available to grant a license to do so, or to collect royalties, as well as meeting the second and third steps of the test, and possibly other accepted constraints of copyright law.<sup>71</sup>

---

70. Indeed, the very fact that international instruments might be invoked in defense of the exclusive property rights of people in the class that is supposed to benefit from the class action settlement gives a strange, questionable flavor to this settlement. It seems that an alternative settlement could have allowed the indexing of all works, as well as the sale of digital versions of registered works, when so desired by the rightsholders, without infringing the usual exploitation rights of unregistered rightsholders.

71. For example, a generally accepted rule is that the work must have been legally disclosed at some point since an author might not want his work disclosed at all. Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.). This does not necessarily mean that the work was previously published.

## IV. EXPLOITATION FEES

*A. The Payment of Exploitation Fees*

Canadian and Japanese law implement such an exception to the exclusive right to an orphan work, in accordance with the Berne Convention, by entrusting the management of the orphan work's rights to a court of justice that can grant non-exclusive exploitation licenses and fix a fee to be paid to the rightsholder.<sup>72</sup> While Japan always requires the fee to be paid and kept in escrow, the Canadian copyright law is more flexible: the fee may be nil, may be postponed until the rightsholder reappears, or may have to be paid and kept in escrow for the missing rightsholder.

It must be kept in mind, however, that both laws are quite old (twenty-five years for Canada and forty years for Japan) and predate the digital world as we know it; the Internet and the possibility of digitally exploiting works without marginal cost was not envisioned at the time either was enacted. In fact, both laws are actually seldom used.<sup>73</sup>

Therefore, imposing a reasonable copyright fee on orphan works exploitation was not really an issue at the time these laws were enacted. The entire printing and publishing industry started from the fact that exploiting works in a material world requires investment and has a non-negligible per unit cost. It is necessarily a business. Whether the author benefited from the copyright fee or not, the very existence of the fee did change the per-unit cost, but it did not change much the economics of the exploitation system and the availability of the works. Furthermore, copyright law was addressing professionals:<sup>74</sup> in many cases, for professionals, works are much more substitutable than they may be for the public or for libraries, and the fee may indeed prevent unfair competition of orphan works with non-orphan works.

This no longer holds true in the digital world, especially where libraries and the public are concerned. For them, the works are not substitutable. Whatever they are

---

72. Chosakuken-Ho [Copyright Law], Law No. 48 of 1970, § 8, art. 67, 74 (Japan).

73. Only 46 licenses have been granted since 1970 under the Japanese law. AGENCY FOR CULTURAL AFFAIRS, DESCRIPTION OF THE PAST DECISIONS RESULT (Japan), available at [http://www.bunka.go.jp/1tyosaku/c-1/results\\_past.html](http://www.bunka.go.jp/1tyosaku/c-1/results_past.html) (last visited Oct. 17, 2010). The Canadian law has done somewhat better with 249 licenses in twenty years. COPYRIGHT BOARD OF CANADA, DECISIONS: UNLOCATABLE COPYRIGHT OWNERS, available at <http://www.cb-cda.gc.ca/unlocatable-introuvables/licences-e.html> (last visited Oct. 17, 2010).

74. See Gervais, *supra* note 26, at 4–7. Gervais remarks that “copyright rights (and related rights) apply in specific cases and, in theory, with the view of organizing access, not denying it,” and that new problems are now encountered in the context of the digital world of the Internet “because copyright was used by (or against) and transacted between professionals of the copyright industries, such as authors, publishers, producers, distributors and professional pirates, not individual end-users.” He discusses this point at length in the subsequent discussion, and states for example that “even if the *droit d’auteur* tradition can be seen as a child of the Enlightenment tradition of individual human rights, Josef Kohler made it clear that copyright’s purpose was to be used by and between professionals,” Gervais further notes that “in many cases, these professionals were intermediaries with no interest in the content itself (i.e., they could have sold shoes or food instead of books or music).” While Gervais’s point is mainly to analyze the inadequacies or lack of effectiveness of existing copyright law in the digital world, my own point is more to show that one cannot use the same economic analysis for professionals and for end-users. *Id.*

able to save on works available for free can be spent on works that are not. Making orphan works available for free would eliminate the competition with other works, rather than increase it.<sup>75</sup> This remark should do away with the competition objection, though it is not actually a legal issue.

Regarding the second step of the test, one could argue that orphan works are not being exploited at all, and that the issue of conflicting with normal exploitation is thus immaterial. However, one could also argue that conflicts should be avoided with future exploitation of the work, in the rare cases where the rightsholder reappears. But this is an unsolvable question if the purpose is to actually allow the exploitation of the work in case the rightsholder does not reappear. Indeed, the very purpose of the exception is to enable normal exploitation of the work, so as to preserve the economic rights and other interests of the rightsholder as much as makes sense. Thus the only meaningful question is to define what normal exploitation may be. Concretely, some organization, for example a court in Japan or Canada, must be assigned the management of the rights, with the dual task of achieving the stated goals of the exception—normally exploiting the works—and not unreasonably prejudicing the legitimate interests of the rightsholders, which include their economic rights.

As noted above, it was considered quite normal twenty or thirty years ago to impose a fee on such exploitation, and to request that this fee be escrowed before the exploitation began, even though that was not a compulsory rule in Canada. Indeed, except for rare cases, paying a fee for exploiting a work was the norm, and the economics of any exploitation were such that a reasonable fee had no adverse effect on the exploitation. Hence, according to the three-step test, and short of other considerations found in other kinds of exceptions or limitations, this was naturally part of a normal exploitation permitted under an orphan exception.<sup>76</sup>

---

75. The effects of competition are very different depending on whether the concerned goods are substitutable. For example, if two compatible—hence substitutable—text processors are available on the same market, lowering the price of one, or making it available for free, will reduce the sales revenue of the other, because no one needs both. On the other hand, songs and singers are not substitutable; if two singers are competing on the market, and one of them decides to give his songs for free, that will leave more customer money available for buying the songs of the other singer and possibly increase his revenue. The point I am making is that material—non-digitized—exploitation is necessarily a business; hence, works are pretty much substitutable when they have the same commercial value, making it more profitable for the printer/publisher—actually acting as a gatekeeper—to give preference to works that require no fee at the expense of works with known or protected rightsholders. For example, this was observed in the nineteenth century, when U.S. copyright did not protect foreign works. Philip V. Allingham, *Nineteenth-Century British and American Copyright Law*, THE VICTORIAN WEB, <http://www.victorianweb.org/authors/dickens/pva/pva74.html> (last modified Jan. 5, 2001). When dealing directly with the public, as is possible with digitized works over the Internet, the works are generally no longer substitutable, and the absence of a fee for orphan works will leave more purchasing power for other works. In addition, it should be recalled that the very purpose of copyright is to promote original creation. U.S. CONST. art. I, § 8, cl. 8; 17 U.S.C. § 102 (2006). Substitutability is hardly the hallmark of original creation in literary work; it should not call for special economic protection beyond that already provided by copyright.

76. Even at that time, one could still have questioned whether the exploitation license should be conditioned on just fixing a price to be paid to resurfacing rightsholders, or whether the fee had necessarily to be escrowed, which raised the question of its use when not claimed.

However, as Mihály Ficsor remarked, changing technology changes the conditions of exploitation, thus also changing what a normal exploitation may be, and that necessarily alters the interpretation of the three-step test.<sup>77</sup> Indeed, in the context of digital exploitation of works (which is the only one directly related to the GBS Settlement), we are dealing with new economic structures that allow exploitation with no marginal cost to the exploiting party. This is not the only possible mode of exploitation, of course, but it has become one of the normal forms of exploitation of works, literary or otherwise. Furthermore, the absence of significant marginal cost has led many authors (or rightsholders) to make their works freely available on the Internet. Examples include the ever-growing open access to academic literature,<sup>78</sup> the

---

77. Ficsor, *supra* note 26, at 39–40.

Digital technology, and in particular the ever more widespread use of the Internet, on the one hand, has raised complex challenges to the rightsholders, and on the other hand, individual exercise of rights—through the application of technological protection measures (TPMs), electronic rights management information (RMI), and their combination as complex digital rights management systems (DRMs)—has become possible and practical in a broadening field. This influences the scope of those exceptions to and limitations of exclusive rights that may be justified and acceptable on the basis of the “three-step test” provided for in Article 9(2) of the Berne Convention for the protection of literary and artistic works (Berne Convention), Article 13 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), Article 10 of the WIPO Copyright Treaty (WCT) and Article 16 of the WIPO Performances and Phonograms Treaty (WPPT). For example, the distribution of copies through interactive transmissions supported by DRM—resulting in what is regarded now as “private copying”—is becoming a basic form of exploitation of works; therefore, in the cases where rightsholders apply DRM systems, and in particular TPMs, it would not be in accordance with the requirements of the “three-step test” to reduce the exclusive right of reproduction, in general, to a mere right to remuneration.

*Id.* It should however be remarked that this analysis does not hold regarding DRMs, as they have since proved largely ineffective technically and even counter-productive socially and commercially. Nevertheless, this does not affect Ficsor’s fundamental point that changes in the technology may modify the possible forms of exploitation, and “this influences the scope of those exceptions to and limitations of exclusive rights that may be justified and acceptable on the basis of the ‘three-step test.’” *Id.*

78. See Peter Suber, *Open Access Overview*, EARLHAM COLL., <http://www.earlham.edu/~peters/fos/overview.htm> (last visited Oct. 19, 2010). Open access developed primarily with periodicals, but many books of all types are now published under open access licenses. *Id.* The importance of open access in the academic world is strongly argued in the context of the Google Book Settlement in a letter sent to the court by academic authors:

As the UC Academic Council letter to the court in this matter explains, the proposed Settlement Agreement “does not explicitly acknowledge that academic authors might want to make their books, particularly out-of-print books, freely available under a Creative Commons or other open access license. We think it is especially likely that academic authors of orphan books would favor public domain or Creative Commons-type licensing if it were possible for them to make such a choice through a convenient mechanism.” If the Authors Guild had been truly representing the interests of academic authors during the negotiations leading up to the Settlement Agreement, it would have recognized and insisted upon open access options for academic authors.

Letter from Pamela Samuelson, Professor of Law & Info., Univ. of Cal., to Judge Denny Chin (Sept. 3, 2009), <http://thepublicindex.org/docs/letters/samuelson.pdf> (quoting a letter from Mary Croughan, Chair of the Academic Council of the Univ. of Cal., et al., to J. Michael McMahon (Aug. 13, 2009),

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

free availability in digital form of the novels by the popular science fiction author Cory Doctorow,<sup>79</sup> and the set of high school mathematics textbooks developed by Sésamath,<sup>80</sup> available in both print and digital form. Moreover, we are only witnessing the beginning stages of this evolution.

Actually, many authors get more indirect benefits from the larger audience made possible by such new models than they might get by making their works available for a fee. In *Jacobsen v. Katzer*, open access, or free use of copyrighted works, was recognized as a relevant economic model for software.<sup>81</sup> Hence, even in the restricted economic interpretation of the World Trade Organization panel,<sup>82</sup> open access is a normal exploitation in the sense of the second step,<sup>83</sup> with its own economic importance for the authors or rightsholders.

---

[http://www.universityofcalifornia.edu/senate/reports/8\\_13\\_09\\_Council%20Members2Court\\_Google%20book%20search%20settlement\\_FINAL.pdf](http://www.universityofcalifornia.edu/senate/reports/8_13_09_Council%20Members2Court_Google%20book%20search%20settlement_FINAL.pdf).

79. Cory Doctorow, CRAPHOUND, <http://www.craphound.com> (last visited Oct. 15, 2010) (offering free downloads of Cory Doctorow's regularly published novels in a variety of official formats and as fan-created translations.).

80. SÉSAMATH, <http://www.sesamath.net/> (last visited Oct. 16, 2010).

81. See *Jacobsen v. Katzer*, 535 F.3d 1373, 1379 (Fed. Cir. 2008) (“There are substantial benefits, including economic benefits, to the creation and distribution of copyrighted works under public licenses that range far beyond traditional license royalties. For example, program creators may generate market share for their programs by providing certain components free of charge.”). The court decision includes a long discussion of the increasing role of open exploitation of works, not limited to software, noting that it “serves to advance the arts and sciences in a manner and at a pace that few could have imagined just a few decades ago.” *Id.* at 1378.

82. See Panel Report, *United States—Section 110(5) of the U.S. Copyright Act*, WT/DS160/R (June 15, 2000), [http://www.wto.org/english/tratop\\_e/dispu\\_e/1234da.pdf](http://www.wto.org/english/tratop_e/dispu_e/1234da.pdf); see also Request for the Establishment of a Panel by the European Communities and their Member States, *Annex I*, WT/DS160/5 (Apr. 16, 1999), [http://www.wto.org/english/tratop\\_e/dispu\\_e/1234db.pdf](http://www.wto.org/english/tratop_e/dispu_e/1234db.pdf) (interpreting the three-step test as predominantly economic); see also Christopher Geiger, *The Role of the Three-Step Test in the Adaptation of Copyright Law to the Information Society*, UNESCO E-COPYRIGHT BULLETIN (Jan.–Mar. 2007), [http://portal.unesco.org/culture/en/files/34481/11883823381test\\_trois\\_etapes\\_en.pdf/test\\_trois\\_etapes\\_en.pdf](http://portal.unesco.org/culture/en/files/34481/11883823381test_trois_etapes_en.pdf/test_trois_etapes_en.pdf).

83. Ficsor, *supra* note 26, at 61–62.

What requires interpretation in this context is rather the adjective “normal.” It may be understood in two different ways: either as an empirical conclusion about what is common in a given context, or as an indication of some normative standards. The records of the Stockholm Revision Conference, in the form of the following statement, clearly indicate that the latter meaning was taken into account: “all forms of exploiting a work, which have, or *likely to acquire, considerable economic or practical importance*, must be reserved to the authors.”

*Id.* (emphasis added). See Intellectual Property Conference of Stockholm, *supra* note 56, at 112.

With technological development, it is becoming even clearer that the adjective “normal” simply cannot be of a mere descriptive, empirical nature, and that it is rather a normative requirement. New means and forms of reproduction keep emerging, and when, at the beginning, they are applied for the first time, certainly it would be difficult to speak about a form of exploitation that might be described—in the empirical sense of the word—as “usual,” “typical” or “ordinary.” At the same time, these new forms of reproduction may be very important for the owners of copyright to extract market value

One can make an even stronger case, though not an economic one, where orphan works are concerned. Because experience shows that the rightsholders seldom reappear, the only interest they may have in the work is their intellectual influence, even anonymous, and the memory or fame that the work may associate with their name. Most likely, they will never benefit from whatever fee could be extracted from the exploitation of the works. Any unnecessary constraint, whether legal or economic, that restricts the exploitation of their work will then unreasonably prejudice their only remaining legitimate interests, as well as defeat the very purpose of an orphan works exception, thus undermining the justification of its very existence.<sup>84</sup>

This is not to say that the economic interests of the unreachable rightsholders should be ignored, but is to say that they should be considered in a balanced way, compatible with all models of normal exploitation of the works, as was indeed proposed in the Orphan Works Acts.<sup>85</sup> One characteristic of these Acts was that they did not require any actual payment unless claimed by the rightsholder.<sup>86</sup> Hence, claiming a fee would still remain the decision of the rightsholder, and all models of exploitation would be left open until one appears. Indeed, the currently proposed variants for an Orphan Works Act appear to be the closest one can get to a balanced exception to the exclusive rights for orphan works, with due consideration of the three-step test in the current technological environment.<sup>87</sup>

However, the implementation of such a requirement would be difficult. Specifically, if digitized works are to be made available over the Internet, then keeping track of all the people who get a copy of a work, so as to make them pay individually at some later time if the rightsholder is found, seems very difficult, unreliable, costly, and is likely to entail intractable privacy issues.<sup>88</sup> Therefore, the solution of fixing a price that may have to be paid should probably be reserved for

---

from the right of reproduction, the more so because they usually replace some other, more traditional forms.

*Id.*

84. With respect to digital exploitation of orphan works, rightsholders generally means the author or his inheritors because, in most cases, no digital rights were ever granted for the simple reason that they did not exist at the time the rightsholders could be located.
85. See Shawn Bentley Orphan Works Act, *supra* note 23; Orphan Works Act of 2008, *supra* note 23.
86. See *supra* note 23. Article 77 of the Canadian Copyright Act does not require prior escrow of payment, but leaves the choice to the license issuing court, who usually requires it. Japanese Copyright Law requires prior payment, as did the French Senate Bill pertaining to orphan visual works. See *infra* note 112. These laws bring more security to users than the Orphan Acts because a license is actually issued after checking the diligence of the search for rightsholders, and the licensing fee is fixed at that time. Postponing payment until it is claimed by the rightsholder would make them compatible with more exploitation policies.
87. See Shawn Bentley Orphan Works Act, *supra* note 23; Orphan Works Act of 2008, *supra* note 23. However, this is not intended as an assessment of all other aspects of the proposed Orphan Works Acts.
88. Though it does require prior payment, the Google online access scheme also entails unacceptable privacy issues, which represented authors could well find objectionable regarding their own work.



## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

cases where the work is further exploited commercially rather than just accessed by end users.<sup>89</sup>

Indeed, in the case of accessibility of orphan works via a Google server, Google is actually the party exploiting the works commercially, even when not actually selling copies. Given that Google does turn a profit from such an exploitation, as admitted in the proposed Settlement Agreement, part of this profit could be used to cover the rare claims of authors who reappear, rather than given without cause to parties who have no rights to those works.<sup>90</sup>

Regarding the definition of the classes in this class action, some remarks based on the discussions of this section and the end of Part II.A above are necessary:<sup>91</sup>

- In the new context of dissemination of digitized work over the Internet, the CMOs constituting one party to the class action represent only those rightsholders who wish to exploit their rights by perceiving royalties in the traditional publishing way. They cannot claim to be representing rightsholders who use other means to exploit or disseminate their work. The compatibility of new copyright management models with existing CMOs has been analyzed in the French context in a CSPLA committee.<sup>92</sup> This work led to negative conclusions for several reasons.<sup>93</sup> In

---

89. This may seem abusive. However it is practically the existing situation in the United States regarding works that are not registered with the copyright office. Because § 412 of the Copyright Act then excludes statutory damages and attorney fees, even for non-U.S. works, the legal protection against individual infringements is not cost-effective.

90. See Settlement Agreement, *supra* note 7, § 4.5(a)(ii) (“Net Advertising Revenues. Google shall pay to the Registry, on behalf of the Rightsholders, the Standard Revenue Split for Advertising. The ‘Standard Revenue Split for Advertising,’ paid by Google to Rightsholders, through the Registry, is seventy percent (70%) of Net Advertising Revenues.”). The original intent of the Google Book Search project was to extract revenue only from advertising.

91. See discussion *supra* note 38. It should be recalled that the technical and economic changes that led to this analysis are precisely the same ones that now allow the new type of practices that led to the GBS Settlement. It would therefore make little sense to assess the Settlement Agreement without taking into account all the known consequences of this new context on the copyright ecology. Returning to the physicist view of footnote 38, this would be akin to analyzing an ice processing device on the basis of the physical laws governing liquid water.

92. See La Mise à Disposition Ouverte des Oeuvres de l’Esprit, Rapport de la Commission spécialisée sur la mise à disposition ouverte des oeuvres de l’esprit, § 69–77, Valérie-Laure Benabou et Joëlle Farchy (Présidentes), Damien Botteghi (Rapporteur), Conseil Supérieur de la Propriété Littéraire et Artistique (CSPLA) [Open Availability of Works of the Mind, Report of the Specialized Commission on Open Availability of Works, Valérie-Laure Benabou and Joëlle Farchy (Presidents), Damien Botteghi (Reporter), High Council on Artistic and Literary Property], June 2007, <http://www.cspla.culture.gouv.fr/CONTENU/miseadiposouverterapp.pdf>.

93. *Id.* The relations between open access and CMOs are analysed in *id.* ch. 3.1., 3.2, § 69–77. For a summary, see *id.* § 10 of the findings at the end of the report: “L’articulation des licences ouvertes avec la gestion collective est, en l’état des pratiques, problématique. . . [Les SPRD] considèrent que les systèmes de mise à disposition ouverte ne sont pas compatibles avec leurs règles actuelles de fonctionnement, . . . .” [“Coordination of open licensing and collective management is problematic in

particular it should be noted that traditional CMOs (like those involved in the GBS Settlement) need resources to operate, and that this is not straightforwardly compatible with new rights management models.

- Given that CMOs can represent only “traditional” rightsholders, there is no way to know whether the rightsholder of an orphan work would choose to have his rights managed in the CMO way, or would rather use a new rights management model for exploiting his works. Therefore, no one knows whether he is adequately represented in the class action.
- In the specific situation of orphan works, our analysis shows that the remaining interest of authors (or their heirs) is better served by new exploitation models based on open access than by an exploitation restricted by financial constraints. Even when the rights have been transferred, the unreachable rightsholder has nothing to win, while the author has much to lose. But authors or rightsholders of orphan works are unlikely to speak for themselves.
- It is, of course, in the best interest of the CMOs that are party to the class action to settle successfully by asserting that they represent the whole gamut of concerned rightsholders. They also have a clear financial interest in including true orphan rightsholders, or even unwary authors (often precisely those who do not wish to enforce their copyright) in the registry so as to benefit from their works.

### *B. Exploiting Unregistered Works*

The preceding analysis is about orphan works only, and several commentators have expressed their own concern about the role and future of orphan works in this settlement. Unfortunately, there is often some confusion about the type or scope of the works concerned. So far, the analysis has distinguished three types of works: public domain, orphan works (which are always in-copyright), and in-copyright, non-orphan works. But this is inconsistent with the GBS Settlement which considers a different classification: public domain, unregistered, and registered works.<sup>94</sup>

---

the current state of practices. . . . [CMOs] estimate that open access systems are not compatible with their current operating procedures, . . .”].

94. Throughout this document, the words “registered” and “unregistered” apply to a work’s (or a rightsholder’s) registration with the Books Rights Registry under the GBS Settlement Agreement. *See* Settlement Agreement, *supra* note 7, art. VI. When registration with the Copyright Office is meant, it will be made explicit.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

Indeed, the GBS Settlement Agreement is a denial of the existence of orphan works.<sup>95</sup> Although it is found in the title of many commentaries about the GBS Settlement Agreement, the word “orphan” itself appears only four times in the whole document, including attachments, and only in reference to the possibility of a future Orphan Works Act.<sup>96</sup> This is somewhat surprising, given the recent and considerable worldwide interest in orphan works, particularly in the context of the settlement. But this may be explained by the analysis below, which also supports dissenting views of what should be done with unregistered works.

Based on the above analysis and the GBS Settlement Agreement, there are actually four types of works and corresponding rightsholders:

1. public domain: no rightsholders;
2. (in-copyright) orphan: unreachable, inactive rightsholders;
3. unregistered non-orphan: reachable, inactive rightsholders; and
4. registered: active rightsholders.

The unregistered works are thus composed of a mix of all orphan works and some of the in-copyright, non-orphan works whose rightsholders could be found if one were willing to pay the cost of a diligent search.<sup>97</sup>

Much of the literature about the settlement has somehow equated orphan works with unregistered works by considering all unregistered in-copyright works as orphan, including all works willfully or unwittingly ignored by their rightsholders.<sup>98</sup> But the accepted definition operates the other way around: it is up to a prospective user to diligently seek the rightsholders, and he may find them even though they did not know they had any such rights.

The confusion between unregistered and orphan is quite understandable. Many people feel instinctively, and probably rightly, that the concept of orphan works, and

---

95. See Settlement Agreement, *supra* note 7. This denial is to be expected. The rightsholders of orphan works are by definition unable to speak for themselves, and the settlement is based on the presumption that all works have rightsholders that can opt out in order to have their work treated differently. If the existence of orphan works and orphan rightsholders were recognized for what they actually are, they would form a class of their own so that their specific interests would have to be taken into consideration, and, as we have shown, these interests may differ from those of other rightsholders. See *supra* notes 91–93 and accompanying text.

96. The four instances of the word “orphan” are related to provisions regarding a future amendment of the U.S. Copyright Act to allow use of orphan works. Settlement Agreement, *supra* note 7, §§ 3.8(b), 7.2(b) (v); see also Attachment I to Settlement Agreement, *Authors Guild, Inc. v. Google, Inc.*, No. 05-CV-8136-JES (S.D.N.Y. Oct. 28, 2008), § I, available at <http://thepublicindex.org/docs/settlement/OriginalSettlementAttachments/Attachment-I-Notice-of-Class-Action-Settlement.pdf>.

97. To make things even more complicated, it is not always easy, or even possible, to determine whether a work is still in copyright. However, this is probably a less important issue, which we shall ignore for the sake of simplicity.

98. Peter Hirtle, *Why the Google Books Settlement is Better Than Orphan Works Legislation*, LIBRARYLAW BLOG (May 27, 2009), <http://blog.librarylaw.com/librarylaw/2009/05/why-the-google-books-settlement-is-better-than-orphan-works-legislation.html>.

any legislation based upon this concept, “simply wouldn’t do much good . . . because the cost of a ‘diligent effort’ is not going to be cheap.”<sup>99</sup> Hence they prefer to rely on the rightsholder’s explicit interest, expressed through registration. The confusion may also stem from a memory of the opt-in copyright system that was used in the United States until 1976: the U.S. Copyright Act of 1909 avoided orphan works and was somewhat similar to the registry system of the GBS Settlement Agreement.<sup>100</sup> The main difference is that, under the pre-1976 copyright system, unregistered works were left in the public domain, which is not the case with the proposed Registry, under which works will not be freely accessible to the public.<sup>101</sup> Finally the observed confusion could simply result from an inadvertent identification of the two partitions of works in three types, public domain, orphan, and in-copyright non-orphan on the one hand, and public domain, unregistered, and registered on the other hand.

The GBS Settlement Agreement is itself the best reason not to make a distinction between orphan works and unregistered works. The works in consideration are essentially part of the “long tail” of works that will be exploited only in digital form.<sup>102</sup> Because this form of exploitation of works is permitted by the Settlement Agreement without the permission of the works’ rightsholder and for the benefit of Google and the registered rightsholders, no one will ever have an incentive to search for the works’ rightsholders, diligently or otherwise—even though the GBS Settlement Agreement makes a weak statement that the Registry “will attempt to locate Rightsholders with respect to Books and Inserts,”<sup>103</sup> without further indication as to the means.<sup>104</sup> Hence, for all practical purposes, there is no useful distinction to be made between unregistered and orphan, whether for works or rightsholders.

---

99. Lawrence Lessig, *Little Orphan Artworks*, N.Y. TIMES, May 20, 2008, <http://www.nytimes.com/2008/05/20/opinion/20lessig.html>. Lessig’s comment is indeed supported by the very small number of orphan licenses that have been requested or awarded in both Canada and Japan. *See supra* note 73.

100. *See* Notice of Inquiry, 70 Fed. Reg. 3739, 3739–40 (Jan. 26, 2005).

101. Another confusion to be avoided is “free” or “open access” vs. “public domain.” While public domain is a permanent legal status of works, free access is a policy chosen by the rightsholder, or imposed by a legal device such as an exception or limitation. With the possible exception of moral rights, the public domain is unrestricted. But a free access policy may have restrictions, for example, regarding commercial exploitation or derived works. *See* Suber, *supra* note 78. This article suggests that allowing free access in some situations is in the interest of both the rightsholders and the public. It is not intended to address possible changes regarding the public domain. A more subtle point is that a free/open access can prohibit a third party from making the same work available elsewhere. However, inasmuch as the intention here is not to impose the burden of making available on anyone, openness must include the right to make available (for as long as the rightsholder does not step in). When necessary, a search engine can find out where a work has been made available.

102. *See* Chris Anderson, *The Long Tail*, WIRED, Oct. 2004, <http://www.wired.com/wired/archive/12.10/tail.html>.

103. Settlement Agreement, *supra* note 7, § 6.1(c).

104. Actually, one could consider using the revenue of unregistered rightsholders to perform the diligent search to find some of them. But it is not clear that the revenue would be sufficient to help significantly, given their expected number of approximately 4.75 million unregistered books, about two-thirds of the scanned corpus, according to Peter Brantley’s evaluation. Peter Brantley, *The Orphan Monopoly*, PETER BRANTLEY’S THOUGHTS & SPECULATIONS (Mar. 15, 2009), <http://blogs.lib.berkeley.edu/shimenawa>.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

The obvious consequence is that most of what has been said about orphan works, here or in other analyses of the GBS Settlement, applies to all unregistered works as well. This is certainly true of the conclusion in Part IV.A above that the best interest of rightsholders is to have a larger public, even a non-paying one, when the situation is such that they will not receive any copyright fee. Given that when not being paid, it is better for an author (and not any worse for an indifferent rightsholder) to have greater public access to the work, the default situation should be to leave the works freely available to the public because those rightsholders who wish to be paid can register while those whose interest is not to be paid often cannot make it known.<sup>105</sup> Of course, the practical details need to be worked out. For example, free access could be put on hold for, perhaps, five years to give rightsholders the time to react to the change and register if they choose.

The absence of significant differences between non-orphan unregistered works and orphan works may also be relevant to an antitrust analysis of the settlement based on the fact that, short of a class action, it is impossible to contract with the rightsholders of orphan works. It may be possible to contract with the non-orphan unregistered rightsholders; however, this would require a diligent search for all unregistered rightsholders, including the rightsholders of all orphans works, because one cannot know the difference beforehand. This would make the cost of contracting separately with all non-orphan rightsholders so high that doing so could only be seen as a theoretical possibility, not a practical one, even assuming these rightsholders would be willing to contract. These close similarities between orphan and unregistered works certainly contribute to the previously discussed terminology confusion. However, there are legal differences with respect to international instruments that cannot be ignored.

The original and only purpose of the Google Book Search project was the creation of a book search index. Such an index does require a blanket license for scanning copies of the works.<sup>106</sup> Furthermore, these copies are really technical “non consumptive” copies, and their use is specific enough that it may be considered a limitation on, or an exception to, the rightsholders’ exclusive rights (the first step of the three-step test). In addition, an index easily passes the rest of the three-step test because, at worst, it improves the normal exploitation of the work without prejudicing

---

php/2009/03/15/the-orphan-monopoly. Hence it seems wiser to look for another more effective solution. However, it is conspicuous that the authors of the GBS Settlement Agreement had only other uses in mind for that resource.

105. See *infra* Section IV.C for further discussion of this point.

106. The blanket license is needed to avoid “the enormous cost associated with trying to track down copyright owners to ask their permission, especially for out-of-print and orphan works.” Bisk, *supra* note 62, at 297. As discussed in Part II.A, this is a typical situation for Extended Collective Licensing, which is what the opt-out solution would amount to, provided it is available to all competitors and given that the revenue is shared. See *supra* notes 27–35 and accompanying text. But exceptions and limitations do not necessarily require a sharing of revenue, fair use is an example, and it can even be disputed whether the technical digital copy needed is an infringement.

the interests of rightsholders in any significant way.<sup>107</sup> Furthermore, it is also significantly useful for the public.<sup>108</sup> Of course, turning the creation of a book search index into an allowable exception or limitation would imply that it is a permissible undertaking for anyone, thus eliminating any antitrust issues.

Hence a U.S. court could recognize, within the constraints of international treaties, that the building of an index for the book search project is a form of fair use. Alternatively, a specific limitation could be instituted by Congress. Google was arguably within the range allowed by international law,<sup>109</sup> provided it was implemented by U.S. law, and still is regarding the book search part of the GBS Settlement Agreement. Scanning the works to make them available in digital form, known as Display Uses,<sup>110</sup> is a more complex matter. There is of course no problem for registered works, when scanning is done according to the wishes of the rightsholders. For orphan works, which are necessarily unregistered, there seems to be a consensus (at least for textual works)<sup>111</sup> that scanning is a special case that could be handled by an appropriate exception or limitation.<sup>112</sup> We have seen, however, that there is a lack of consensus regarding how to implement this exception or limitation.

The remaining case is that of non-orphan, unregistered (in-copyright) works. The first observation is that there is nothing specific about these works, other than having been scanned or being subject to scanning, by Google. Making these works available, with or without payment, on paper or on the Internet, is a normal and basic

---

107. Actually, indexing of copyrighted works has been an accepted practice on the Web since the first search engines began to operate fifteen years ago. In order to facilitate opt-out, a robot exclusion protocol was developed—long before Google came into existence—and is now one of the oldest standards of the Web. Martijn Koster, *A Standard for Robot Exclusion*, THE WEB ROBOTS PAGES, <http://www.robotstxt.org/wc/robots.html> (last updated Aug. 23, 2010). Content providers are actually vying to be the most well-indexed, to such an extent that helping them to improve their search visibility has become a profitable activity, and that indexing algorithms include safeguards against individual attempts for better indexation.

108. It probably is a good example of the “new exceptions and limitations that are appropriate in the digital network environment” that are provided for in Article 10 of the WIPO Copyright Treaty of 1996, as commented in the agreed statement concerning Article 10. WIPO Copyright Treaty, *supra* note 15, art. 10.

109. Jennifer Suzanne Bresson Bisk does not quite agree with this conclusion regarding the initial Book Search that led to the class action. Bisk, *supra* note 62.

110. Settlement Agreement, *supra* note 7, § 1.48.

111. The visual artists object to the creation of such an exception or limitation, but their objections are related more to their perception of the defense of the interests of rightsholders of non-orphan visual works than to the criteria of the three-step test. *See supra* note 49.

112. The approach considered in France is allegedly not an exception or limitation, because no such exception or limitation is permitted by the Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001, *supra* note 2. An Orphan Works legislation, derived from the CSPLA Report, *supra* note 39, which for the most part failed to pass in the French Senate, tried to circumvent the issue with a dubious legal device intended to be similar to an already existing one called “gestion d’affaire.” Loi 441 du 12 mai 2010 relative aux oeuvres visuelles orphelines et modifiant le code de la propriété intellectuelle [Senate Bill pertaining to orphan visual works and modifying the intellectual property code], Journal Officiel de la République Française [J.O.] [Official Gazette of France] May 12, 2010. <http://www.senat.fr/leg/pp109-441.html>. The bill is now reduced to a simple definition of orphan works.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

form of exploitation that does not call for any specific provision. In other words, there is no reason that might justify an exception to, or limitation on, a rightsholder's exclusive rights for exploiting digitized versions if the work is not known to be an orphan work.

There is, however, a way out for some works. Article 5(2) of the Berne Convention, precluding formalities for the enjoyment and the exercise of the rights, does not apply in the country of origin of the work.<sup>113</sup> Thus, whenever the country of origin is the United States, i.e. for United States works, formalities can be imposed for the enjoyment and the exercise of exclusive rights so that the settlement can indeed be implemented.<sup>114</sup> Of course, this obviously applies also to U.S. orphan works, so that no specific exception or limitation was really needed for them, at least where international agreements are concerned.<sup>115</sup> However, the works covered under the GBS Settlement are not all U.S. works, so this is only a partial solution. For example, a book by a U.S. author, even registered with the U.S. Copyright Office, but published for the first time simultaneously in the United States and in Canada, will have Canada as its country of origin.

This leads us to another classification of works:<sup>116</sup>

1. U.S. works not registered with the U.S. Copyright Office;
2. U.S. works registered with the U.S. Copyright Office; and
3. Works that are not U.S. works, but are subject to a Copyright Interest in the United States.<sup>117</sup>

The definition of a "Book" in the GBS Settlement Agreement is explicitly limited to the latter two kinds (provided they are in-copyright).<sup>118</sup> A "jurisdictional" interpretation by the courts of the registration requirement in § 411 of the Copyright Act prevents the inclusion of the first kind of works.<sup>119</sup> And these works can be safely excluded under § 412.

---

113. Berne Convention, art. 5(3), *supra* note 21.

114. *Id.*

115. This is apparently why Lawrence Lessig suggested solving the orphan works problem for U.S. works by requiring registration, rather than the Orphan Works Act. *See* Lessig, *supra* note 99.

116. The GBS Settlement Agreement actually uses this classification for works as they stood on the Notice Commencement Date of the proposed Settlement. Settlement Agreement, *supra* note 7, § 1.16.

117. "Copyright Interest" is defined in the Settlement Agreement. Settlement Agreement, *supra* note 7, § 1.38.

118. Settlement Agreement, *supra* note 7, § 1.16.

119. James Grimmelman, *An Informal Rant About Formalities*, THE LABORATORIUM (Jan. 2, 2009, 4:07 PM), [http://www.laboratorium.net/archive/2009/01/02/an\\_informal\\_rant\\_about\\_formalities](http://www.laboratorium.net/archive/2009/01/02/an_informal_rant_about_formalities).

Legal Copyright Status → ↓		U.S. Work		Non-U.S. Work	Legal Solution (for the row)
		Unregistered with © Office	Registered with © Office		
Public Domain					No Copyright Problem
Unregistered	Orphan			Impractical	An Exception or Limitation may be instituted
	Non-Orphan			No Legal Solution	No specific exception or Limitation may be instituted
Registered					Explicit Agreement by Rightsholder
Legal Solution (for the column)		Excluded from GBS Agreement because of § 411		Exercising Copyright is Protected Against Formalities in the United States by Berne Article 5(2)	
		Formalities (such as registration) may be imposed by U.S. Copyright Law to exercise Copyright			

Figure 1: A chart summarizing the different cases to be considered in the analysis of a structure like that to be created by the GBS Settlement. Rows and columns define the legal copyright status of a work, as indicated in their first cell, with respect to the structure analyses (that of the GBS Settlement here), the U.S. Copyright Act and the Berne Convention. Each of the twelve center cells corresponds to a case having the legal characteristics specified in its row and column. The last cell of a row or column indicates how the corresponding legal status can be dealt with, and/or the nature of existing legal constraints.

This last cell of a row (respectively, the last column) has a light gray background if the corresponding legal status itself offers no way to deal with works in that row (respectively, column), though the intersecting column (respectively, row) may provide a solution. The dark gray cell corresponds to the case when neither the row nor the column offers a legal way of including the work. The cell above is marked light gray and impractical because, though the row does offer an escape, it is difficult and costly to establish that this row (orphan) actually applies, i.e., that the work is orphan. Blank cells correspond to the cases of work that can be included legally by some means.

Note that the column “U.S. Work Unregistered with Copyright Office” is marked here as simply excluded from the GBS Settlement Agreement because the status is incompatible with a class action, as explained in the text. But it would have to be considered if the structure were set up by a means other than a class action.



Combining these two classifications of works, as done in Figure 1, shows that the formality problem remains only for unregistered works that are not U.S. works. This is very precisely what Article 5(2) of the Berne Convention is supposed to avoid. It is somewhat disconcerting that Congress would go through such efforts and legal disruption to adapt the U.S. Copyright Act to the constraints of the Berne Convention—and the other international agreements that include the Berne Convention’s substantive articles—only to have its will and the corresponding legislative work circumvented by a class action lawsuit.

One simple solution would be to exclude from digital exploitation under the settlement all works other than U.S. works, unless their rightsholders choose to register with the Books Rights Registry (BRR) created by the Settlement Agreement.<sup>120</sup> After all, the settlement already excludes U.S. works that have not been registered with the U.S. Copyright Office—apparently more to accommodate the effects of § 411 of the Copyright Act than to implement a consistent choice. This does not necessarily preclude indexing these non-U.S. works, which is legally defensible, as discussed above. Furthermore, it is clearly not in the interest of rightsholders or authors to be excluded from a major book search index, and one could imagine situations when they would actually pay for the service, which is not that different from the marketing and advertising paid for in traditional publishing.

A more constructive and global solution would have to be an international one: to keep the existing prohibition on formalities outside the country of origin, but to institute a single worldwide international books database where rights should be declared before they can be exercised.<sup>121</sup> This is now technologically feasible, and would essentially solve problems, for all countries, with minimal change to existing legislation.<sup>122</sup> And it would also be a greater resource for scholars and culture in general, than the already acclaimed Books Database of the GBS Settlement Agreement.

### C. *Enforcing the Exploitation Fee*

From the analysis in the previous Part of this article, it appears that, though their legal status may be different, there may not be much of a practical distinction between orphan works and unregistered works. The difference is largely dependent on the definition of “diligent search,” which may be more or less “reasonably diligent.” In

---

120. See Amended Settlement Agreement, *supra* note 7, at §§ 1.19, 7.2(b)(v). A close approximation of this solution was actually adopted in the Amended Settlement Agreement. Regarding orphan works, an adequate exception or limitation could theoretically allow keeping their exploitation in the Settlement Agreement, but it is not really practical to do it on a large scale, given the cost of their identification.

121. Berne Convention, *supra* note 10, art. 5. To keep in line with article 5 of the Berne Convention, this should be required only for works that have Earth as planet of origin.

122. Press Release, Viviane Reding, European Union Comm’r for Telecoms & Media Digital Europe, The Ludwig Erhard Lecture (July 9, 2009), *available at* <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/09/336&format=HTML&aged=0&language=EN&guiLanguage=en>. Viviane Reding has already been suggesting such an international registry for European countries, to include all orphan and out of print works. The suggestion does not give details on the modalities regarding the uses of that registry. *Id.*

other words, there is a continuum, which suggests, as I have already observed, that policies appropriate for orphan works might be worth considering for all unregistered works, provided these policies can be made legally acceptable. Hence, I first consider the case of orphan works, for which there is a fairly large consensus that an exception or limitation could be appropriate, even though there may not be a consensus on the modalities and, specifically, on the payment of an exploitation fee.

### 1. *The Case of Orphan Works*

Fixing a license fee to be paid immediately to the trustee for the use of an orphan work is, of course, meaningless if there is no provision to enforce the payment. The French lobby on orphan works is aware of the issue, and their choice of CMOs for the trusteeship of orphan works is explicitly intended to make sure that the trustee will have the right and the will to prevent unauthorized uses of these orphan works.<sup>123</sup> Otherwise, any would-be exploiter would have no strong incentive to actually pay the trustee, especially after performing a diligent search (considered compulsory in any case) indicating that the rightsholder is unlikely to ever be found. Actually, things are somewhat more complex, as enforcement has unexpected counter-productive aspects. It is an incentive to ignore the diligent search altogether, at least for minor exploitations of works that seem likely to be orphan, because no one is then likely to be legally able to enforce payment. Alternatively, it is an incentive not to publish the result of a fruitless search, because the trustee organization is powerless to request the fee as long as the orphan status is not effectively known to it, and it would most likely be unwilling to pay on its own the cost of a diligent search.<sup>124</sup>

---

123. Les oeuvres Orphelines dans le Secteur de l'Écrit, Groupe de travail CFC, at 4 [CFC Working Group, Orphan Works in the Publishing Sector,], note d'étape, 2 octobre 2007 [Progress Note, Oct. 2, 2007], <http://www.datcha.net/orphan/documents/france/CFC-NOTE-D-ETAPE-2007.10.02.pdf>.

124. Enforcement of the prohibition of uses without explicit authorization from rightsholders seems seldom accounted for in the literature. Many countries have no provision for it, while others do allow it, but with quite different modalities. Looking for examples in the Nordic countries, which seem to have similar approaches to these issues, we see significant differences. This prohibition can be enforced in Norway by organizations in charge of Extended Collective Licensing, "in the absence of any objection from the right holder." Copyright Act (Act No. 2 of May 12, 1961) (Norway) c. 2, §38(b), *available at* [http://www.wipo.int/wipolex/en/text.jsp?file\\_id=129004](http://www.wipo.int/wipolex/en/text.jsp?file_id=129004).

In Sweden, enforcement can be requested "by a party that, on the basis of a license, has the right to exploit the work." Act on Copyright in Literary and Artistic Works 2009, c. 7, art. 53(b) (Sweden), *available at* [http://www.sweden.gov.se/download/20edd6df.pdf?major=1&minor=15195&cn=attachment\\_Duplicator\\_0\\_attachment](http://www.sweden.gov.se/download/20edd6df.pdf?major=1&minor=15195&cn=attachment_Duplicator_0_attachment). In Denmark, enforcement is "at the instance of the aggrieved party," which seems to mean the rightsholders. Consolidated Act on Copyright (No. 202, 2010), c. 7, § 81(1) (Denmark), *available at* [http://www.wipo.int/wipolex/en/text.jsp?file\\_id=191420](http://www.wipo.int/wipolex/en/text.jsp?file_id=191420). However, exclusive rights are generally understood as covering both the right to authorize and the right to prohibit, which is natural since the right to prohibit can open the door to forms of censorship—explicitly allowed for Governments only by Article 17 of the Berne Convention, which indicates *e contrario* that it is not allowed for anyone else. This understanding is made explicit as "the exclusive right to authorize or prohibit" in the Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001, *supra* note 2. Swedish law is apparently not compliant. The exclusive character of the right to prohibit is even more important in the digital world, where an increasing number of authors wish to have their work widely disseminated and read, rather than be paid and have to manage authorizations. This

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

Of course, none of this should occur if the minimalist principle is followed.<sup>125</sup> As I argued above, imposing payment of license fees not claimed by the rightsholders defeats the very purpose of an orphan exception or limitation without benefiting the rightsholders. It would also be a further infringement on the exclusive rights of the orphan works rightsholder to grant any organization the right to enforce such payment. Again, that would be detrimental to the purpose of the exception without benefit to the rightsholders. Thus it clearly should be avoided. This line of reasoning also applies to the use of technical devices to control the dissemination of works, such as digital rights management tools (DRM).<sup>126</sup> Using such devices without explicit consent from the rightsholders would be a further infringement on the exercise of their exclusive rights, and it would be defeating rather than furthering the purpose of an orphan exception. Hence, while Google has the right to use such devices on public domain works, it should be restrained from doing so on orphan works, as is the declared intent of their technical business model.<sup>127</sup> However this question is probably largely rhetorical because it is doubtful whether there exists any technical means to control the dissemination of the written word. Unlike most other works, text is naturally digital, since writing was invented, and it can be reproduced without loss of information if it can be read at all. At worst, this can be made inconvenient. Nevertheless, the question is not so rhetorical where privacy issues are concerned, given the technical remote access model intended by the clauses of the GBS Settlement Agreement. Actually, like all forms of DRM or other digital control, this is just another incentive to access works by other channels.<sup>128</sup> This does not mean that Google cannot require payment or make advertising profit for the service of making works available online, which they intended to digitize anyway for indexing purposes, but only that they cannot exert further control over those works, nor differentiate the payment according to the nature of the works.

### 2. *The Case of Unregistered Works*

The situation is naturally a bit different when considering all unregistered works. I assume that their Display Use is somehow made legal by some device, such as a registry, whether that of the settlement or an international one as I suggested. Even though I am no longer considering a limitation or exception, nor a special case as

---

management is far from obvious to many authors, especially when considering that the legal status of automated licensing often remains to be clarified.

125. See *supra* Part II.C.

126. Declan McCullagh & Milana Homs, *Leave DRM Alone: A Survey of Legislative Proposals Relating to Digital Rights Management Technology and Their Problems*, 2005 MICH. ST. L. REV. 317, 318 (2005) (“Digital rights management is a general term that refers to technology-based protections that aim at permitting a rights holder to restrict a user’s access to and control of digital content.”).

127. See Settlement Agreement, *supra* note 7, § 4.2.

128. This has been remarked independently by numerous people, including this author. Bernard Lang, *La face cachée de la loi sur le droit d’auteur*, [The Hidden Side of Copyright Law], 544 LE SNESUP 23 (2006), available at <http://www.datcha.net/ecrits/liste/face-cachee-droit-auteur-snesup.pdf>.

required by the three-step test, such use is still infringing on what is generally intended to be an exclusive right. Hence the policy intent, i.e., the motivation for this infringement, should be made clear and the minimalist principle should also be followed in this case, limiting the infringement to the steps necessary to achieve the policy objectives. Of course, this is discussed from the point of view of international instruments, but it makes little sense in the context of a U.S. class action GBS Settlement Agreement, which is not intended to implement a policy and does not consider such uses as unauthorized to begin with. This difference is precisely the heart of the problem.

Assuming that the primary policy justification is the better use of our cultural heritage—the very reason why so many people support the idea of the settlement even while criticizing its modalities—will confirm what I have said previously,<sup>129</sup> that the default situation should be to leave unregistered works freely available to the public, with appropriate initial modalities. It is, after all, close to the practical effect of the current policy of the U.S. Copyright Office under 17 U.S.C. §§ 401–412, particularly regarding U.S. works not registered with the U.S. Copyright Office.<sup>130</sup> One may actually wonder why there should be two registries—except for the fact that the first was instituted by Congress according to international agreements and is a prerequisite for copyright enforcement for U.S. works, while the second is intended to channel royalties to rightsholders under conditions that circumvent international agreements. This questionable and inconsistent redundancy is yet another argument in support of James Grimmelmann’s remark that the “Google Book Search settlement . . . is a judicial solution to a legislative problem.”<sup>131</sup> Finally, as in the case of orphan works, Google and the Registry should be restrained from any unnecessary further infringement, such as exerting further control over the unregistered works made available through Display Use, or basing their profit on the nature of the works rather than the service provided.

To summarize, assuming that works can be made legally accessible in digital form, no work should be made available for a price covering more than the access service, or fettered with some form of DRM, without explicit consent of the rightsholder. This is not quite returning the work to the public domain, because its availability in digital form can be associated with clauses that return the work to the control of its resurfacing rightsholder, or set conditions on for-profit uses, in line with what has been proposed or implemented for orphan works so far. It can nevertheless be seen as compensation—without cost to the neglectful rightsholders—to the public domain for the increases of copyright term.<sup>132</sup>

This conclusion is actually reinforced by other considerations, which relate directly to the context of the GBS Settlement Agreement, without even considering international agreements. If approved, the Settlement Agreement would give an

---

129. *See supra* text accompanying notes 104–05.

130. *See supra* note 89; *see also infra* Part V.A.

131. *See Grimmelmann, supra* note 42, at 12.

132. The importance of the issues discussed here is largely a consequence of the duration of copyright term.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

exploitation license to Google for orphan works and unregistered works,<sup>133</sup> but would not give anyone the rightsholders' exclusive right to enforce payment for the use of these works.<sup>134</sup> Hence, for any work that is not claimed in the searchable online Books Database<sup>135</sup> of the Registry, individual users would have a significant incentive to not pay anything, given that the rightsholder is unlikely to reappear and the individual prejudice is very small when making or exchanging one copy. In other words, it should be expected that digital versions of works known to be orphaned or simply unregistered will be widely exchanged for free over the Internet. And it will probably be an impossible task to convince anyone that there is anything wrong with that, because there is no real legal or moral basis to prevent it and leave the privilege of benefiting from unregistered works to the class action parties.<sup>136</sup> Furthermore, attempts at enforcement might severely undermine the public perception of the legitimacy of general copyright enforcement on the Internet, as well as efforts to educate the public about the "rightfulness" of such enforcement. That probably would be true even if the settlement were to transfer to the parties the rightsholders' exclusive right to enforce payment for the use of unregistered works.<sup>137</sup>

The Books Database is useful primarily to Google and the registered rightsholders.<sup>138</sup> There is no reason its cost should be covered by revenues from the

---

133. At this point in the discussion, it is not worth distinguishing orphan and unregistered works, for the reasons expounded in the previous section, and simply because the GBS Settlement Agreement does not make any difference. *See generally* Settlement Agreement, *supra* note 7.

134. The Settlement Agreement states explicitly in section 3.1(a) that "nothing in this Settlement Agreement or a Library-Registry Agreement shall operate to transfer any copyright ownership in Books or Inserts." Settlement Agreement, *supra* note 7, § 3.1(a). The agreement is intended only to grant Google permission to exploit the works in various ways, sharing the revenue with the Registry, while all rightsholders retain their exclusive rights. Indeed, much of the debate about the settlement concerns the possibility for other interested parties to get exploitation rights under conditions as favorable as those obtained by Google, given that no one has authority to speak for orphan works rightsholders, outside the very disputable device of a class action settlement. The settlement describes in considerable detail how users will be contractually constrained in their use of the digitized books provided by Google, independently of whether they are in-copyright. However, these are only contractual constraints that do not have the strength and the wide protection of copyright. It is doubtful that these constraints can be enforced in any way against any third party who has somehow obtained a copy of a digitized book, short of a copyright action by a rightsholder, which naturally would not be possible in the case of orphan or public domain work. Furthermore, as remarked at the end of Part IV.C.1, protection measures are not effective on the written word.

135. Settlement Agreement, *supra* note 7, § 3.1(b)(ii). Note that despite its name, the Settlement's Books Database contains book metadata, but not the books themselves.

136. *See supra* notes 44 and 70. The legitimacy of the Registry exploiting those unclaimed works for its own benefit is questionable. The public will see no good reason not to share the advantage.

137. *See* Reding, *supra* note 122. Viviane Reding notes in her lecture that, in her view, "growing internet piracy is a vote of no-confidence in existing business models and legal solutions. It should be a wake-up call for policy-makers." *Id.*

138. Indeed, there is no indication in the settlement that it might be made available to anyone else.

There is too little specificity in the Agreement about how transparent the BRR will be about what books are in or out of copyright, in or out of print, who the rightsholders for particular books are, how to contact them, and what books are true "orphans." This

works of the rightsholders who do not benefit from it. The fact that it can help some rightsholders make known their rights to some works does not change this, because when they are no longer unregistered, they can contribute to the Books Database that helped them.

On the other hand, if the settlement is approved as is, the parties to the class action settlement will want to preserve the revenue they can expect from unregistered works. The obvious way to do so would be to make it unsafe for would-be users of unregistered works to actually attempt to use them by restraining access to the Books Database, so that they will not know whether works are registered or not, nor even whether they are in the public domain. Consequently, the parties to the class action would all have a vested interest in significantly limiting the accessibility of the Books Database, thus severely curtailing its usefulness to the cultural and academic ecology.<sup>139</sup> As maintainers of the Books Database, they would also have a vested interest in not trying too hard to determine whether a work is in the public domain or is an orphan or unregistered work.<sup>140</sup> And one should keep in mind that, according to some estimates, unregistered works could well constitute between one-half<sup>141</sup> and two-thirds<sup>142</sup> of the corpus of works being considered in the GBS Settlement.

## V. CONCLUSION: BRIDGING THE DIGITAL TRANSITION

### A. *Does it Make Sense?*

After analyzing the issues raised by the GBS Settlement, identifying some of the potential problems, and proposing solutions or guidelines, it is time to identify more precisely and more concisely what would be the elements of an adequate answer to the question of evolving the copyright system to best take advantage of technological evolution. That answer would need to make technical, economic, sociological, and

---

information could be important to academic researchers. A scholar, for instance, may want to digitize her collection of books on a given subject, which she believes are orphan works. It is unclear whether she would be able to get up-to-date information from the BRR to determine if a rightsholder has come forward for any of those books or to get from Google or the BRR information that they might possess about the “orphan” status of particular books.

Letter from Pamela Samuelson, Professor of Law & Info., Univ. of Cal., to Judge Denny Chin, (Apr. 27, 2009), <http://www.scribd.com/doc/14744864/Samuelson-Letter-to-Judge-Chin-42709>.

139. James Grimmelmann, *How to Fix the Google Book Search Settlement*, J. INTERNET L. 1, 11, Apr. 2009, [http://works.bepress.com/cgi/viewcontent.cgi?article=1022&context=james\\_grimmelmann](http://works.bepress.com/cgi/viewcontent.cgi?article=1022&context=james_grimmelmann) (“Public goods should be widely available. Just by providing the search and download services and by processing payments, Google and the Registry will assemble some immensely useful databases about book copyright information. These databases are classic public goods, and neither Google nor the Registry will need exclusive rights over them as an incentive.”).

140. Google would even have a vested interest in not indexing, or ranking poorly, copies of orphan works made available on the web by any other party. Furthermore, there is no provision for allowing anyone else to check that the registry is properly maintained, for example regarding public domain works.

141. See Grimmelmann, *supra* note 42.

142. See Brantley *supra* note 104.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

legal sense; and these suggestions would need to be consistent with the history and principles of copyright, so as to not be extremist, revolutionary, or abusive. The first guidelines arrived at are as follows:

1. Eliminate the problem of orphans and the high cost of finding rightsholders. The answer to this is, as proposed by the GBS Settlement Agreement, to have a registry maintaining a books database.
2. Books that are not registered may be freely accessed and copied digitally for reading, scholarly, and not-for-profit purposes.<sup>143</sup> This permission stops when the book is registered, unless the rightsholder agrees to its continuation.

Some people and organizations object to such an open policy on various grounds that are briefly described above, but which have little to do with the preservation of the interests of rightsholders or the cultural ecology. Whatever one may think of it, this policy must have some reasonableness and compatibility with accepted practices and recognized rights and interests. As noted above,<sup>144</sup> it is very close to the rule currently applied to copyright enforcement pursuant to §§ 411 and 412 of the Copyright Act. The rule applies to all uses, whether for-profit or not,<sup>145</sup> but with respect to another registry: the Copyright Office Registry. Only non-U.S. works are excused from this constraint because of Article 5(2) of the Berne Convention, though § 412 will then limit their protection.

This remark underscores the baroque nature of the GBS Settlement Agreement and its creation of a second registry. It requires authors, already registered with the U.S. Copyright Office, for the purpose of fully exercising their exclusive rights, to register again with the settlement-created Book Rights Registry to actually exercise the same rights within the settlement and to collect their royalties.<sup>146</sup> Why this need for a second registration? Apparently because the first one is not up-to-date or complete enough, and is therefore useless for identifying and contacting the rightsholders of works. Obviously, a single registration in a unique books database, with the obligation of maintaining up-to-date information, would be a wiser and simpler solution. The Copyright Office's registry originally had this property, to some extent, when the U.S. Copyright Act of 1909 required rightsholders to renew their registration after

---

143. It seems difficult to find another policy that would make payment contingent on rightsholder demand, and preserve at the same time the privacy of the public. For other uses, policies like those proposed in the Orphan Works Acts, without the constraint of the search, could be considered. *See supra* note 48.

144. *See supra* note 89 and Part IV.C.2.

145. Actually, the U.S. Copyright Act does not distinguish uses. However, while § 412 does offer protection against statutory damage, there is none against other remedies, and it might be unwise to rely on it for any use other than transitory. 17 U.S.C. § 412 (2006).

146. Settlement Agreement, *supra* note 7.

twenty-eight years in order to maintain their copyright.<sup>147</sup> But this obligation disappeared with the Copyright Act of 1976.<sup>148</sup>

So I add the following third and fourth requirements:

3. There should be only one books database, where all necessary information regarding management of the rights is stored; and
4. The registration information should be up-to-date, in order to be effective.

The implementation of this fourth requirement is open to various methods. For example, a simple method would be for the books database system to ask for an electronic confirmation from the rightsholders at regular time intervals, and to mark the registration as obsolete if the database does not receive a proper response for some number of years. This does not cancel the copyright, but only its enforcement until the registration is updated. It is a very simple formality, because the maintenance confirmation can be on a rightsholder basis, and not for a specific work. It is more lenient to rightsholders than the 1909 rule because it only suspends enforcement of the copyright, without canceling the copyright outright.<sup>149</sup>

Finally, because national formalities<sup>150</sup> cannot be imposed, the fifth and last requirement is simply this:

5. The books database must be international.

This does not necessarily require a unique structure. This requirement can be implemented as a collection of interconnected and interoperable national databases, provided it can be seen as a whole by users, and accessed from any country, whether for registration or for other purposes.

A more sensitive issue is the financing of the books database. It will be fairer, more useful, and probably more accurate, if it can be used with open access, whether to maintain—with appropriate precautions—or to search its content. It would be premature to attempt here a precise answer, but one could certainly imagine that the

---

147. Copyright Act of 1909, Pub. L. No. 349, 35 Stat. 1075, 1080 (repealed 1976).

148. *See supra* note 21.

149. Orphan Works, 70 Fed. Reg. 3740 (Jan. 26, 2005).

Prior to the 1976 Act, the term of protection was limited to 28 years if the copyright was not renewed. Under this system, if the copyright owner was no longer interested in exploiting the work, or a corporate owner no longer existed, or, in the case of individual copyright owners, there were no interested heirs to claim the copyright, then the work entered the public domain. Of course, it also meant that some copyrights were unintentionally allowed to enter the public domain, for instance, where the claimant was unaware that renewal had to occur within the one year window at the end of the first term or that the copyright was up for renewal.

*Id.*

150. Berne Convention, *supra* note 10, art. 5(2). Actually, Article 5(2) of the Berne Convention precludes all formalities, not just national ones. The distinction made here follows the analysis above regarding the actual intent of this article as it appeared historically. *See supra* note 37 and accompanying text.



## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

cost of an automated database could be at least partly covered by advertising and possibly other services offered to the database patrons. Because the books database is a collective resource, it could also be partially financed by the profits from the authorization to implement a book search service, which is itself based on collective use of the books.

### *B. Bridging the Transition*

The U.S. reader of this article may naturally feel that it was absurd to abandon the registration system in the late 1970s only to come back to it less than thirty years later, out of necessity. This very analysis may seem a confused mess to many readers, as it first did to its author. But there is a logic to it.

The legal systems, whether common law, civil law, or international agreements, are themselves only a technology built on the natural laws (in this case, technical and socioeconomic laws) of their domain of applicability—written creation and copyright in our case. But as I said earlier, the natural socioeconomic laws of copyright have changed with the development of the digital world. Hence, reusing the physics analogy above,<sup>151</sup> my analysis must account simultaneously for two states of the world with properties as similar as those of ice and water: the digital world of the Internet and the physical world of tangible goods.

The digital world of the Internet cannot be a legal “no man’s land.” But that does not imply that the applicable laws should be identical to the laws used so far in the physical world. Indeed, it is not even clear that the laws of the physical world make any sense in the digital world, perhaps not any more than the text of a law or a contract has the same effect when interpreted in a different legal system. Even though copyright now extends far beyond making physical copies, the most prominent example is the concept of a copy itself, which is at the heart of copyright and gave copyright its name. The reason was that making physical copies was the primary cost for making works available, as the stationers or the monks could confirm. Even then, copyright was created for the stationers, but not for the monks even though their copies were more expensive, and that should give some food for thought. Copyright was created when making copies became an industry. It was more an art than an industry for the monks, and it ceased to be an industry in the digital world because it did not cost anything. What has remained an “industry” is selling copies, more so than producing them. Actually, the making of copies is part of the very existence of digital entities: because of rapid physical or logical obsolescence;<sup>152</sup> because of the permanent need to make back-ups; because of all the tools, such as caching, to efficiently manage digital entities;<sup>153</sup> and because of the needed inter-operability

---

151. *See supra* note 38.

152. This may be the most fundamental role of copying if we are to preserve our digital heritage; physical media for digital information degrade quickly, and the often complex techniques of information representation on these media evolves constantly, at the risk of being forgotten.

153. Caching is a very general information processing optimization technique, based on the use of temporary copies of data in a specific memory, called a cache, usually to share or speed up access.

between the fast-changing variety of material tools used for digital content. This is so true that the lawmakers are now distinguishing copies with “no separate economic value of their own” or “no independent economic significance.”<sup>154</sup> And the GBS Settlement itself has created the concept of a “non-consumptive” use of a work.<sup>155</sup> None of this was needed with the physical world of tangible goods; at worst, even with technological change, the very cost of material copies prevented technology from changing fast enough to become a problem.

The constraints of the Berne Convention make good sense as long as we are confined to the physical world that we have known until the Internet. The “no formality” constraint of article 5(2) is the only way to ensure that individuals will see their work protected everywhere (at least within the confines of the Convention Union members) without having to endure the excessive legal hassle of satisfying the formalities of each country. And, without computers and the Internet, it would be unthinkable to have a single, unified formality system available worldwide. Orphan works are not too much of a problem because they can be accessed in libraries, and it is very seldom the case that anyone would want to exploit them. Exploiting anything is expensive, and preference is generally given to the more popular works, which are more likely to be cared for by their rightsholders. In sum, there is no long tail.<sup>156</sup> And given the cost of exploitation, spending some money to find the rightsholders, or to conduct a fruitless diligent search, as in Canada or Japan, can remain a sensible decision. Similarly, because it is impossible to disseminate the works without making copies (at a cost), without protecting the necessary investment with copyright, it can be reasonably assumed that copying without explicit permission is always undesirable even when no profit is sought.

But all this changes in the digital world. To begin with, it becomes technologically sensible to consider a single world database to register in-copyright works, including at least, books and other textual works. Then the arguments developed by some legal scholars<sup>157</sup> suggesting that formalities are not really a problem make sense, and we can reasonably agree with Lawrence Lessig’s suggestion<sup>158</sup> to revert back to registration, not just for American works, but for all works, de facto eliminating all problems related to the country of origin. With a world registration of works, and free access to unregistered works, orphan works disappear and works are easily known as either freely accessible,<sup>159</sup> or under active protection, thus simplifying usage policies and making everyone’s life simpler and cheaper.

---

154. Council Directive 2001/29, recital 33, 2001 O.J. (L167) 10 (EU); Council Directive 2001/29, art. 5.1(b), 2001 O.J. (L167) 10 (EU).

155. Settlement Agreement, *supra* note 7, § 1.90.

156. *See* Anderson, *supra* note 102 and accompanying text.

157. *See* von Lewinski, *supra* note 35.

158. *See* Lessig, *supra* notes 99 & 115.

159. Unregistered works would be freely accessible, but for-profit uses and derivative works could require a proper authority to set a fee to be paid to resurfacing rightsholders, or some other negotiation procedure.

## ORPHAN WORKS AND THE GOOGLE BOOK SEARCH SETTLEMENT

Indeed, creation of copies and dissemination of works becomes practically costless. Hence it can no longer be implicitly assumed that a fee is required by the rightsholder. He may not care, or he may even prefer to maximize his readership by giving free and open access to his work. He may even have economic models that depend on free access, such as shared production. In addition, there are technical copies that are part of the medium rather than part of the copyright economy. The very idea of controlling digital copies probably has to be reconsidered in context. The point is not to do away with copyright, but to understand how it can be best implemented to benefit authors and “to promote progress of science and useful arts” in the digital world of today.<sup>160</sup>

So, joining the Berne Convention thirty years ago made sense for any democratic country that believed in copyright worldwide. But some parts of the Berne Convention, and other treaties have to be rethought and reinterpreted,<sup>161</sup> if not rewritten, to fit the very structure of the digital world while preserving the tradition of a balanced copyright regime. This must be an international undertaking. The GBS Settlement is raising a host of good questions, but the Settlement Agreement in its current form is unlikely to be the right answer. Still, properly amended, it could provide a strong incentive, and even leadership, for a global solution that takes into account the new reality of the copyright world and contributes to better use, and preservation, of our literary heritage.

### *C. Does it Matter?*

The analysis presented here rests largely on international considerations and aspects of the copyright treaties. But, does it matter for this class action? First, these treaties are not self-executing, which means that a U.S. district court is under no obligation to take them into account.<sup>162</sup> However, if approved, the very nature of this class action would be to allow the institution of practices that would actually require the enactment of new legislation in many other countries. And new legislation is not

---

160. U.S. CONST. art. 1, § 8, cl. 8.

161. Changing the letter of the Berne Convention is probably close to impossible. It seems however that it leaves enough freedom of interpretation for our purpose. Even though U.S. law is supposed to be compliant with the Berne Convention, article § 412 of the Copyright Act assumes a rather weak interpretation of the “no formalities” requirement of Berne Convention Article 5.2, since foreign works only get limited protection when not registered with the U.S. Copyright Office. 17 U.S.C. § 412 (2006); Berne Convention, *supra* note 10, art. 5(2). This could serve as a precedent for establishing a worldwide registry.

162. This is stated very explicitly in § 2(1) of The Berne Convention Implementation Act of 1988. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988). However, though it states in § 2(3) that “the amendments made by this Act, together with the law as it exists on the date of the enactment of this Act, satisfy the obligations of the United States in adhering to the Berne Convention and no further rights or interests shall be recognized or created for that purpose,” this does not mean that U.S. legislation can be later changed without regard for the Convention. The same situation holds for the WIPO Treaty on Copyright and the TRIPS agreements. WIPO Copyright Treaty, *supra* note 15; TRIPS Agreement, *supra* note 16.

supposed to ignore international agreements.<sup>163</sup> Exerting control over orphan works, and all unregistered works, looks like a very good deal for those parties effectively participating in the GBS Settlement. If the profit will be as small as they claim,<sup>164</sup> why bother creating “a user ‘tax’” that discourages, rather than encourages, efforts to use these works?<sup>165</sup>

It is not a question of underestimating the invaluable contribution to culture and scholarship that would result from the availability of these books.<sup>166</sup> As a scientist, an academic, and a book lover, and for many other reasons, the author will never deny this potential. But the fact is that book digitization would come anyway, in some form or other, albeit probably more slowly without Google’s leadership, as witnessed by other e-library projects around the world. Accelerating this process is good business for Google and for the other parties to the settlement, but is it good policy for all?

The main argument of this article is that the world of creation has just been through a drastic change: works no longer must be paid for to be disseminated because digitization has done away with marginal costs related to printing and distributing. There are positive consequences of this, such as open access, free software, and the possibility of having the world’s literary heritage available online. There are also negative consequences, such as the development of non-commercial individual piracy, a phenomenon nearly unknown and certainly not of concern before the digital age. Other consequences are less visible. Some actors are trying to take advantage of this revolution, and the parties to the settlement are no exception. The game is changing and could lead to all kinds of abuses, some more systemic than individual piracy, unless a referee steps in and interprets the rules of the game to preserve a fair, acceptable, and enforceable balance between the players. This includes the authors, the public, publishers, and libraries, and between the different ways, especially the new ways, of playing the game. This may mean not preserving situations that are no longer warranted, such as the domination of for-profit publishers over scientific periodicals.

---

163. Grimmelman, *supra* note 42, at 12, 16. James Grimmelman notes “[t]he Google Book Search settlement, then, is a judicial solution to a legislative problem. . . . But . . . legislative problems demand legislative solutions,” and suggests that “[w]e should also think about going back to Congress.” *Id.* But that is not an option for achieving a similar result, unless it passes the three-step test, if Congress is to follow the current international commitments of the country. *Id.*

164. See Roy Blount, *Let’s Not Lose Our Heads Over a “Monopoly” of Orphans*, AUTHORS GUILD (June 24, 2009), <http://www.authorsguild.org/advocacy/articles/roy-blount-on-google-orphans.html>.

165. See Letter from Paul Aiken to Jule Sigall, *supra* note 46 (stating that “[t]his fee amounts to an unnecessary tax on users if no owner comes forward”).

166. Many commentators largely overestimate the benefits of the settlement, by considering it a first order improvement, when it actually is only second order. See, e.g., Grimmelman, *supra* note 42. E-libraries are coming anyway, and Google was prepared to create the index even without actually selling access to books. The only benefit of the settlement for the public is that this evolution may come a bit earlier, a matter of when, not of if; of how fast we get there, not of whether we will. Hence, the cost of the settlement to the public is to be balanced against this differential, and not against the global value of digitized access to book collections.

Actually, the settlement to a class action lawsuit is supposed to be just that: “fair, reasonable, and adequate.”<sup>167</sup> The three-step test is a balancing test intended to achieve precisely that purpose and designed and analyzed by copyright specialists for the very type of situation that is being discussed. That should be enough to consider using it, even if the requirement is not self-executing. The same is true of the “no formalities” Article 5(2) of the Berne Convention, designed to ensure “fair” treatment of authors outside their own country.

Copyright as we know it is primarily the daughter of the printing press and its economic models. Before printing presses, there was no reason for authors to enforce anything but moral rights. Indeed, being copied was a form of recognition and resulted in a better chance for influence, fame, and survival of one’s work. If, with the printing press, copyright became a source of revenue for some authors, it also became the best chance for all authors to ensure fame, or at least survival, by financing dissemination of their works.<sup>168</sup> But this justification for copyright is now virtually gone, although others remain. Now, the best chance for readership and intellectual survival in the digitized world is open access, coupled with good search facilities. Digitization and the Internet are a revolution on the same order as the printing press, and there is no chance that this revolution will leave copyright, nor most of the activities revolving around it, unchanged.

In this changing context, the principles of constitutional and international agreements, intended to protect the author’s rights without being too specific regarding the nature of those rights, are more likely to provide appropriate general guidelines. The three-step test has this characteristic,<sup>169</sup> as does the Progress Clause of the U.S. Constitution, which says nothing about giving the benefits of exclusive rights to anyone other than the authors.<sup>170</sup> And “the progress of science and useful arts” will certainly be better promoted by giving better access to knowledge, when it is at no loss to rightsholders.<sup>171</sup>

Arbitration by international instruments is also advisable in a context that will necessarily be international because of the international role of Google,<sup>172</sup> the

---

167. FED. R. CIV. P. 23(e)(2).

168. This explains why copyright started with the stationers: they were doing the dissemination.

169. See Panel Report, *supra* note 82. The WTO panel did give a strongly economic reading of the three-step test, but that is to be appreciated in context. The WTO is only concerned with economic issues, as witness the fact that it explicitly did not include in the TRIPS agreements article *bis* on moral rights of the Berne Convention. But the three-step test appears in several others treaties. *See, e.g.*, WIPO, *supra* note 15. Therefore it would likely have other emphasis, if legally invoked before the corresponding international bodies.

170. U.S. CONST. art. I, § 8, cl. 8.

171. *Id.* § 1.8. (“The Congress shall have Power . . . . To promote Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”).

172. Picker, *supra* note 42 (“Of course, a project such as the one envisioned by Google—the world’s information online—would necessarily intersect with copyright laws across the planet and across time.”).

international character of the authorship in the concerned libraries, and because it will necessarily concern an international public.

A major issue is preserving the legitimacy of copyright internationally. While anyone can understand that an author needs to make a living, or simply may want some concrete reward for his contribution to society, any attempt to arbitrarily collect fees by people or organizations who have no legitimate rights demeans copyright itself, and the will to respect its constraints. The technological context will make it nearly impossible to enforce copyright on works, especially written works, when it will be known that it does not even benefit the author or any legitimate rightsholder. Nothing can be more noxious than a law or a rule that is perceived to be unwarranted, unfair, and unenforceable, not to mention the fact that the implementation proposed in the settlement will add insult to injury by jeopardizing the privacy of the end users.<sup>173</sup>

Finally, it is rather strange to see such a taste for collectivism coming out of the United States. The initial lawsuit against Google was based on a collective reading of copyright, trying to extract a profit from the making of an index where none of the works exist as such (unlike an anthology), and where each contributes only as part of the whole. The GBS Settlement aims at a collective management of unregistered works, in the interest of the collective rather than that of the individual authors. The digital revolution will change copyright, but one would have expected that the additional individual freedom would have consequences in some other direction.

---

173. After Amazon's "1984" unintended demonstration, it is unlikely that the public will trust future corporate statements to the contrary, especially if there is no possibility of control. *See generally*, Brad Stone, *Amazon Erases Orwell Books From Kindle*, N.Y. TIMES, July 18, 2009, <http://www.nytimes.com/2009/07/18/technology/companies/18amazon.html> (discussing Amazon deleting some digital editions of two George Orwell books on Kindle devices in 2009).