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Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency

Joshua O. Mausner

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COPYRIGHT ORPHAN WORKS: A MULTI-PRONGED SOLUTION TO SOLVE A HARMFUL MARKET INEFFICIENCY*

*Joshua O. Mausner***

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* First Prize Winner, 2007 Nathan Burkan Memorial Competition (UCLA School of Law).

** Senior Editor, *UCLA Law Review*; J.D. Candidate, UCLA School of Law, 2008; B.A., University of California, Berkeley, 2003. Sincere thanks to Professor David Nimmer and Jeffrey Mausner for their helpful comments, Professor Eugene Volokh for his advice, and Janet Mausner, Jillian Gordon, my family, friends, and classmates for their support.

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I. INTRODUCTION

Orphan works are photographs, motion pictures, musical compositions, and other creative works whose owners cannot be located. Since the adoption of both the 1976 Copyright Act[1] and the Berne Convention Implementation Act,[2] which eliminated registration, notice, and other formalities for copyright protection, the number of orphan works has increased dramatically. In fact, most copyrighted works today are orphans.[3] This creates a problem for potential users of these works who have no way of knowing first, whether a work is still under copyright protection requiring permission for use, and second, how to contact the copyright owner to obtain permission.[4] This can have a potentially stifling effect on the creation of new works, thereby harming a key function of copyright law.[5]

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1. Copyright Act of 1976, 17 U.S.C. § 101.
2. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853.
3. *See* Report on Orphan Works, A Report of the Registrar of Copyrights (Jan. 2006) [hereinafter Report], *available at* http://www.copyright.gov/orphan; Comment of Creative Commons & Save the Music, at 13 (Mar. 2005) [hereinafter Creative Commons Comment], *available at* http://www.copyright.gov/orphan/comments/OW0643-STM-CreativeCommons.pdf.
4. For examples of potential users having difficulty finding a copyright owner, see, e.g., Patricia Aufderheide & Peter Jaszi, Center for Social Media, *Untold Stories: Creative Consequences of the Rights Clearance Culture for Documentary Filmmakers*, *available at* http://www.centerforsocialmedia.org/rock/index.htm; *see also* Scott Carlson, Whose Work Is It, Anyway?, *at* http://chronicle.com/weekly/v51/i47/47a03301.htm.
5. *See* MELVILLE B. NIMMER, NIMMER ON COPYRIGHT § 1.03(A) (1976) ("The primary purpose of copyright is not to reward the author, but is rather to secure 'the general benefits derived by the public from the labors of authors.'" (quoting N.Y. Times Co. v. Tasini, 533 U.S. 483, 519 (2001) (Stevens, J., dissenting)); *see also* Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975) ("Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts.").

Congress has recently recognized this problem and commissioned the Copyright Office to conduct a study of orphan works and potential solutions to the problem.[6] Soon after, the Copyright Office issued a Notice of Inquiry[7] soliciting responses from the public on orphan works issues and proposed remedies. After receiving nearly 850 responses and conducting three days of roundtable discussions, the Copyright Office released a report outlining the problem and proposing a legislative solution.[8] Scholars have also proposed solutions including forfeiture of copyright protection for orphan works, expansion of the fair use defense to copyright infringement, reinstitution of copyright formalities, formation of copyright registries, compulsory licensing, and limitations on remedies for infringement of works classified as orphans. Texas Congressman Lamar Smith has introduced a bill aimed at solving the orphan works problem as well.[9] While scholars, legislators, and others disagree as to the best solution, all agree that orphan works pose a threat to the objectives of copyright and further study of a viable solution is warranted.

Part II of this Article describes the orphan works problem including its sources, ramifications, and what is required of a viable solution. Part III analyzes a number of proposed solutions, including those of copyright scholars and congressional legislation. Part IV proposes a solution that includes: (1) a reasonable efforts search requirement; (2) the establishment of a voluntary registry of copyrighted works; and (3) a judicial presumption that submission of a work into the registry would preclude the work from being classified as an orphan. Copyright owners who register their works would have the benefit of a presumption which assumes that any reasonable search of the registry would have turned up information on the copyright owner. The presumption would incentivize registration of works by copyright owners, thereby lowering search and transaction costs for potential users. Bridging the information gap between copyright

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6. *See* Report, *supra* note 3; Letter from Senators Orrin G. Hatch & Patrick Leahy to Marybeth Peters, Register of Copyrights (Jan. 5, 2005) (showing interest in the subject and requesting that the Copyright Office undertake a review of the issue); *see also* Letter from Congressman Lamar Smith to Marybeth Peters, Register of Copyrights (Jan. 7, 2005); Letter from Congressman Howard L. Berman to Marybeth Peters, Register of Copyrights (Jan. 10, 2005) (all letters on file with the author).

7. Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739, 3739-43 (Jan. 26, 2005).

8. Report, *supra* note 3; Letter from Marybeth Peters, Register of Copyrights, to Senators Orrin Hatch and Patrick Leahy (Jan. 23, 2006).

9. Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006). The legislation was withdrawn from the 109th Congress, but is likely to be reintroduced by Congressman Lamar Smith in the 110th Congress. *See* Status of the Orphan Works Bill, *at* http://www.asmp.org/news/spec2006/orphan_update.php.

owners and potential users would lead to negotiation and voluntary licensing, making this solution preferable to others proposing forfeiture of copyright protection, compulsory licensing, or limited remedies. In addition to helping alleviate the orphan works problem, a properly indexed and searchable registry would also aid in the preservation of copyrighted works for use by subsequent generations, making this solution optimal and in line with the objectives of copyright law.

II. NATURE OF THE ORPHAN WORKS PROBLEM

A. *The Orphan Works Problem Generally*

The Copyright Act of 1976 vests exclusive rights in copyright owners, including the right to reproduce, distribute, publicly perform, and publicly display the copyrighted work, and to prepare derivative works.[10] Any subsequent use of a copyrighted work therefore requires permission from its owner. Potential users will normally contact owners and request a licensed use to avoid possible liability for copyright infringement.

Orphan works are those for which the rightsholder cannot be located after a reasonable search in good faith.[11] When an owner is not found, a potential user cannot know with certainty whether use without permission will lead to liability for infringement. Herein lies the orphan works problem: a potential user who fails to find a copyright owner cannot determine whether the owner has abandoned the work or would disapprove of the potential use.[12] This distinction is important to potential users because it determines the risk involved in using a work without permission.

The risk of incorporating a copyrighted work in a new work is sometimes too great for a potential user. The result is a chilling effect where potential users abandon projects, thereby depriving the public of a new, creative work. Large numbers of copyrighted, yet no longer valuable,[13] works go unused despite the fact that their owners would no

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10. 17 U.S.C. § 106.

11. *See* Jerry Brito & Bridget Dooling, *An Orphan Works Affirmative Defense to Copyright Infringement Actions*, 12 MICH. TELECOMM. & TECH. L. REV. 75, 77 (2005).

12. Creative Commons Comment, *supra* note 3, at 12.

13. Owners who are difficult to find are presumably not receiving payment for use of their works. This means the works are of little or no monetary value to their owners.

longer object to their use.[14] This "chilling effect" is disproportionate to the benefit conferred on the few unknown copyright owners who would actually disapprove of the use of their works.[15]

The "chilling effect" is especially felt by small-scale users and organizations such as archives and libraries.[16] Small-scale users may not have the knowledge or access to legal advice to conduct an owner search,[17] and at the same time may not be able to afford the risk of having to bear the cost of litigation if use is made and an objecting owner surfaces.[18] As for large-scale users such as libraries and archives, the greater probability of search failure in a number of instances could result in abandonment of large preservation and archiving efforts altogether.[19] Without some sort of legal cover for organizations to archive and preserve, works could be lost and the public would be deprived of the benefit of such works.

B. *The Problem of Missing Markets*

The orphan works problem is often described as a missing market form of market failure.[20] An efficient market may exist between a copyright owner and a potential user, but because of a lack of information and prohibitive search costs, neither the owner nor the potential user are able to find one another to negotiate a permissive use.[21] What results is the market inefficiency of unfulfilled demand for use of works.[22]

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14. *See* Kahle v. Ashcroft, No. C-04-1127, 2004 WL 2663157, at *5 (N.D. Cal. Nov. 19, 2004) ("[A] vast number of copyrighted yet no longer commercially valuable works sit idle rather than enriching public knowledge.") (citing CTEA, Pub. L. No. 105-298, ¶ 98).

15. Creative Commons Comment, *supra* note 3, at 12.

16. *Id.*

17. *See* Notice of Inquiry ("many potential users of orphan works, namely individuals and small entities, may not have access to legal advice on these issues and cannot fully assess risk themselves").

18. *See id.* ("[t]hey may not be able to afford any risk of having to bear the cost of defending themselves in litigation").

19. Olive Huang, *U.S. Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans*, 21 BERKELEY TECH. L.J. 265, 276-77 (2006) ("Uncertain legal standing for making copies, even for preservation purposes, discourages libraries from engaging in the venture at all. [A] significant probability of failed searches on a cumulative level would lead a library to abandon digitization efforts of both orphan works and works where the owner is identifiable.").

20. *See, e.g.*, Dennis W.K. Khong, *Orphan Works, Abandonware and the Missing Market for Copyrighted Goods*, 15 INT'L J.L. & INFO TECH. 54, 63 (2007).

21. *See, e.g.*, Hal R. Varian, *Copyright Term Extension and Orphan Works* 1, 6 (Aug. 29, 2006) ("Imagine the difficulties in trying to find the copyright owners for old photographs. The transactions costs of such rights clearance can be prohibitive."), *available at* http://www.ischool.berkeley.edu/~hal/Papers/2006/copyright-policy.pdf.

22. Khong, *supra* note 20, at 63-64.

The reasons for this lack of information are numerous.[23] Most prevalent is the 1976 Copyright Act which changed copyright law from a regime which required registration, notice, and other formalities for copyright protection to a more expansive regime that protects a work at the time creative expression is fixed in any tangible medium of expression.[24] Therefore, even works that are not registered and that lack any identifying information are protected. The lack of mandatory registration, notice, and other formalities deprives potential users of reliable tools to determine a work's ownership information.

Adding to the problem is the extension of the copyright term.[25] A longer copyright term means works are kept out of the public domain, preventing their use without permission, for a longer period of time. A longer term also means that searches have to be conducted for a longer time period, increasing total search costs and allowing for a greater chain of assignments, bankruptcies, and other difficulties in tracking down the owner of a work and requesting permission for use.[26] This may prevent use of a work even when an author no longer has any objection to its use.[27]

C. *Types of Copyrighted Works Affected*

The orphan works problem extends to many different types of creative works including written works, motion pictures, and musical works. But the works most affected are photographs and illustrations. Unlike most other works, photographs are rarely published with credit to the author,[28] and therefore nearly 99.9% of photos processed each year by organizations such as the Photo Marketing Association become orphaned.[29] Photographs are also particularly vulnerable to the loss of identifying information once

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23. For an in depth discussion of some of the sources of the orphan works problem, *see* Huang, *supra* note 19, at 268-77; *see also* Tobe Leibert, Features—The Problem of Orphan Works, *at* http://llrx.com/features/orphanworks.htm (last visited Aug. 8, 2007).

24. 17 U.S.C. § 102(a).

25. *See* Sonny Bono Copyright Term Extension Act, S. 505, 105th Cong. § 102 (1999).

26. *See* Brito & Dooling, *supra* note 11, at 79; *see also* Hannibal Travis, *Building Universal Digital Libraries: An Agenda for Copyright Reform*, 33 PEPP. L. REV. 761, 806 (2006) ("Finding the current address or descendants of an author is 'extremely difficult,' and corporate assignments and bankruptcies frequently leave 'no clear title to works.'").

27. Eldred v. Ashcroft, 123 S. Ct. 769, 804 (2003).

28. *See generally* Report, *supra* note 3; Reply Comment of Professional Photographers of America, at 3 (Mar. 25, 2005) [hereinafter PPA Comment].

29. July 26, 2005 Orphan Works Roundtable, at 19 [hereinafter July 26 Roundtable], *available at* http://www.copyright.gov/orphan/transcript/0726LOC.PDF.

the work is disseminated by the author.[30] Infringers may simply remove the copyright notice or other relevant information from the photograph. Photographers groups have been the most vocal in opposing solutions which would negatively affect the right to sue for copyright infringement or to be eligible for the full range of remedies.[31] Therefore, any solution to the orphan works problem must account for the unique situation of photographs and illustrations with regard to loss of identifying information and propensity for orphanhood.

D. *Requirements of a Viable Solution*

Considering the nature and sources of the orphan works problem, a proper solution should have some key characteristics. The Copyright Office Report explains that any solution should have three main objectives: (1) finding the copyright owner; (2) permitting specific users to make use of works; and (3) efficiency.[32] Any solution should have as its ultimate objective solving the market inefficiency and bringing copyright owners and potential users together.[33] Solutions which merely attempt to allow potential users to use works without permission, and do nothing to actually bridge the market gap, are not adequate. The solution to the problem lies in reducing search and transaction costs to create a voluntary licensing scheme where copyright owners and potential users can efficiently negotiate a licensed use in a true market.[34]

Of course, an efficient market solution cannot be created in every circumstance and there must be a portion of the solution which recognizes this and allows some uses even when an owner cannot be located. But it is important to acknowledge that this must only be a secondary solution.[35]

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30. PPA Comment, *supra* note 28, at 4.

31. *See, e.g.*, *id.*

32. Report, *supra* note 3, at 8.

33. *Id.* at 93 ("[A]ny system to deal with orphan works should seek primarily to make it more likely that a user can find the relevant owner in the first instance, and negotiate a voluntary agreement . . .").

34. *See* Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485, 502 (2004) ("Because licensing is efficient, intellectual property policy generally seeks to encourage it. Of course, licensing will be more prevalent if the transaction costs of negotiating a license are low . . .").

35. *See* Report, *supra* note 3, at 74-75:

> An unspoken assumption in essentially all of the comments was that an orphan works provision is a second-best solution for a situation in which a voluntary, market transaction is not possible. Improving the means by which users and

Use without permission must only be allowed after enough has been done to actually enable potential users to locate and negotiate with copyright owners. Therefore, the solution must come in a two step approach including: (1) reduction of clearance costs by providing potential users more effective tools for locating information regarding copyright ownership; and (2) a fallback provision whereby even those potential users who could not locate copyright owners may sometimes nonetheless use the work and be provided some legal cover. Such a solution would ease the burden on potential users whether the work involved turns out to be orphaned or not.[36]

III. ANALYSIS OF POSSIBLE SOLUTIONS

A. *Determining Orphanhood*

1. Reintroduction of Copyright Formalities

At least one scholar has argued for the reintroduction of copyright formalities which would help alleviate the orphan works problem.[37] Reintroduction of registration, notice, renewal, and other formalities would close the information gap and allow users greater access to owner information. Professor Christopher Sprigman argues for formalities that are nominally voluntary, but are de facto mandatory for any rightsholder wishing to extract commercial value from of a work.[38] Noncompliance with the formalities would result in a perpetual default license with royalties set at a very low level.[39] The idea would be that failure to comply with a formality would result in such low default license rates that the work would essentially be moved into the public domain.[40]

> owners can actually negotiate, and thus reducing the number of orphan works to which any provision would apply, was therefore a very widely agreed goal.

See also July 26 Roundtable, *supra* note 29, at 56 ("The purpose is not to enable users to use works without permission of the copyright owners. It is to try to facilitate getting the users and the copyright owners together so that they can reach an agreement upon the use of a work.").

36. Huang, *supra* note 19, at 272 ("[A] reduction in the monetary and transaction costs of conducting a search . . . could help to alleviate disillusionment with copyright licensing for all users, regardless if the work for which they seek . . . is orphaned.").

37. *See generally* Sprigman, *supra* note 34.

38. *Id.* at 490.

39. *Id.* at 490-91.

40. *Id.*

While this proposal seems appealing in its ability to provide ownership information to users, its compliance with international law is dubious. International law prohibits the attachment of formalities to the enjoyment and exercise of copyright protection.[41] While some minor formalities have been upheld as valid under Berne,[42] virtual entry of a work into the public domain for noncompliance with a formality is a harsh consequence which would seemingly violate Berne.[43] Professor Sprigman counters this assertion by arguing that an author who fails to comply with the new formalities would merely be converting a property right entitlement into a liability right entitlement which is not prohibited under Berne.[44] But Berne and international copyright law call for a property system with attachment of rights upon creation, and not upon any further affirmative steps by authors.[45] Reintroducing formalities, even in a liability system, would condition copyright protection upon more than mere creation and would therefore likely put the system into noncompliance with international law.

2. Reasonable Efforts Requirement

The leading proposal for determining orphan status provides that when a potential user attempts a reasonable, good faith search for a copyright owner and fails, the work acquires orphan status.[46] This is the approach favored by the Orphan Works Act of 2006.[47] A reasonably diligent search

41. Berne Convention for the Protection of Literary and Artistic Works art. 5(2), Paris Act, July 24, 1971, 25 U.S.T. 1341, 828 U.N.T.S. 221, *available at* http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html ("The enjoyment and the exercise of these rights shall not be subject to any formality") [hereinafter Berne].

42. *See, e.g.*, 17 U.S.C. § 412 (2005) ("Registration as prerequisite to certain remedies for infringement").

43. *See* Report, *supra* note 3; Reply Comments of Jane Ginsburg & Paul Goldstein, at 3bi (May 9, 2005) [hereinafter Ginsburg & Goldstein Comment] ("To make non registration determinative of any diminution in the author's rights would likely put the U.S. in non compliance with its international obligations.").

44. Sprigman, *supra* note 34, at 557; *see also* Huang, *supra* note 19, at 281.

45. Brito & Dooling, *supra* note 11, at 93-94.

46. Query whether orphan status refers only to the present user and the present use or whether orphan status carries over to other users as well. *See, e.g.*, Denise Troll Covey, *Rights, Registries, and Remedies: An Analysis of Responses to the Copyright Office Notice of Inquiry Regarding Orphan Works*, FREE CULTURE & THE DIGITAL LIBR. SYMP. 105, 131-32 (2005) (discussing "piggybacking" and whether future users can rely on the reasonable search efforts of previous users in shielding themselves from liability).

47. Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006) (limiting remedies against users who "performed and documented a reasonably diligent search in good faith to locate the owner of the infringed copyright").

in a particular situation would likely depend on the type of work involved,[48] and would include factors such as the amount of identifying information, whether the work is published, the age of the work, whether ownership information is present in public records, whether the author is alive, and the nature and extent of the use including whether the use is commercial and how prominently the copyrighted work figures into the use.[49]

Most of the debate over a reasonable efforts requirement involves what exactly is required for reasonableness. The main rift is over whether the standard should be formal or ad hoc. The Copyright Office Report favors the ad hoc approach for its flexibility and general applicability to a wide variety of works and uses.[50] But, because of its flexibility, the ad hoc approach could be slow and bureaucratic, and may provide little certainty to users in determining whether a search is reasonable and consequently whether a work has been orphaned.[51] The ad hoc approach may therefore not solve the risk and uncertainty that lies at the heart of the orphan works problem.

The formal approach, on the other hand, has the benefit of certainty. A user can know whether a search is reasonable and therefore use a work without much risk.[52] The formal approach also places the burden of providing current contact information on the copyright owner who is best able to bear it.[53] But the formal approach cannot possibly cover every type of copyrighted work and every type of use. An old, unpublished photograph, for example, would require a different type of search than would a more recently written short story. Also, resources and search techniques vary among industries, making a fair and effective formal search standard impossible to create for a broad range of works.[54]

Whether formal or ad hoc, a reasonable efforts requirement itself may have some shortcomings. Any ambiguity in the definition of

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48. *See* July 26 Roundtable, *supra* note 29, at 16.

49. *See* Report, *supra* note 3, at 9-10.

50. *Id.* at 9.

51. *See, e.g., id.*; Reply Comments of Creative Commons & Save the Music, at 18 (May 9, 2005) [hereinafter Creative Commons Reply].

52. While a reasonable search may have been conducted, the cost of actually litigating and proving the issue may still be prohibitive for some users. Therefore, although risk of liability may be reduced, the risk of costly litigation may still be present. Allowing defendants to recover reasonable attorneys' fees upon successful defense may help alleviate this concern and promote broader use.

53. *See* Report, *supra* note 3, at 72; *see also* Creative Commons Reply, *supra* note 51, at 17.

54. This problem could eventually be solved by the creation of industry specific search requirements established by trade organizations. *See infra* text accompanying note 59.

reasonableness would create the same risk and uncertainty that plagues the orphan works problem.[55] Proving reasonable efforts in court would be costly, which could prevent even users who do conduct a reasonable search from using the work anyway.[56] A reasonable search requirement may also create perverse incentives for potential users to hope for a failed search. A potential user may get the best of both worlds by conducting a minimally reasonable search and using the work without permission. By doing so, the user would still bear the risk that an owner will sue for infringement, but because the work is considered orphaned, the amount to be paid after proof of infringement, and with it the expected cost of use, is reduced. Therefore, the user could use the work for free and risk only a minimal penalty if later sued for infringement.[57] This could discourage any further effort above a minimally reasonable search and could therefore harm the objective of enabling negotiation of an efficient, voluntary license.

Despite its possible shortcomings, a reasonable efforts requirement is likely the best approach to defining orphanhood.[58] It creates some incentive for both copyright owners and users to attempt to come together. Owners are incentivized to attach proper identifying information to their works to make the reasonable search requirement a tougher standard for a potential user to meet. Potential users are incentivized to make some effort, although possibly only minimal effort, to find an owner and request

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55. *See* Covey, *supra* note 46, at 123 ("ambiguous definitions or criteria of 'reasonableness' will go the same route as the 'fair use' defense to copyright infringement: self-censorship by creators and gatekeeping by publishers. Ambiguity will yield to requiring permission because the risk of liability is too great.").

56. *See* Brito & Dooling, *supra* note 11, at 109 n.207 ("Some risk would remain because the user would have to do enough of a search to show a court that they had conducted a reasonable search in good faith. It is always possible that a court would not agree, which is what sometimes happens when defendants claim fair use.").

57. Failure to find an owner after a minimally reasonable search allows a user to use the work without paying upfront. The worst possible outcome of such use would be payment of the same fee that the user would have had to pay had the owner originally been found. Any logical user would prefer to pay nothing now when the only risk is later payment of that same amount, but only if caught. *See* PPA Comment, *supra* note 28, at 6.

> The orphan works amendment creates an incentive to fail in searching for an artist. Rather than paying to license works, users will have every incentive not to find the artist, and can proceed to exploit the artist's work without abandon, knowing . . . the artist will only be able to collect a minimal fee.

Id.

58. *See* July 26 Roundtable, *supra* note 29, at 18 ("[A] reasonable effort search, notwithstanding its downsides, is probably the fairest balance of the various approaches.").

permission for use. Eventually, industry specific standards may emerge which would aid potential users in knowing how to conduct a reasonable search, and a greater number of private firms may emerge which specialize in conducting owner searches.[59]

B. *Treatment of Orphan Works*

Once a work is classified as orphaned, a distinction must be made between solutions which have a bearing on the copyright status of the work and those which merely affect the remedy a copyright owner can obtain after proving infringement. The type of solution will affect both its effectiveness and its compliance with domestic and international law.

1. Loss of Copyright Protection Itself

The proposals with the toughest repercussions for orphanhood include forfeiture of copyright protection altogether. The Public Domain Enhancement Act[60] proposes a system whereby a minor renewal fee is imposed on owners after an initial fifty year copyright term. The fee would serve as a test to determine whether a copyrighted work is commercially or otherwise valuable to its owner.[61] Unrenewed works would be presumed valueless and copyright protection would therefore lapse. A similar proposal calls for indefinitely renewable copyright protection allowing owners to renew their rights almost in perpetuity.[62] Once a work goes unrenewed, it would irreversibly enter the public domain.[63]

The result of such forfeiture proposals would be easier entry of works into the public domain for subsequent use without permission or payment. Entry of works into the public domain would be widespread[64] because a

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59. *See* Report, *supra* note 3; Comment of Recording Artist Groups Part 1 [hereinafter Recording Artists Comment], *available at* http://www.futureofmusic.org/news/orphanworks.cfm ("[Potential users] can hire any of several firms that specialize in copyright clearance."); *see also* Brito & Dooling, *supra* note 11, at 110 ("Private firms (perhaps the very same firms offering private registration to rightsholders) might begin to offer search services to potential users at different prices correlated to more or less extensive searches. This would be similar to existing real estate title search companies that scour public records for title information.").

60. Public Domain Enhancement Act, HR 2408, 109th Cong. (2005).

61. *See* Public Domain Enhancement Act FAQ, http://www.eldred.cc/ea_faq.html (last visited Sept. 18, 2007).

62. William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 473 (2003).

63. *See id.* at 474.

64. *See Wikipedia Entry* for "Public Domain Enhancement Act" ("[A] huge wave of previously unseen, unused, and forgotten works would spill in to the public domain, free for anyone to tamper with.").

very small percentage of copyrighted works retain value to their owners after a certain period of time.[65] Under the previous copyright system which required registration and renewal for protection,[66] fewer than 11% of works registered between 1883 and 1964 were renewed at the end of their terms, even though the cost of renewal was small.[67] If forfeiture of copyright protection were adopted as an orphan works solution, the public domain would swell with new works for potential users to use freely without risk of litigation.[68]

While this proposed solution may help to solve the orphan works problem, some valuable works may inadvertently and unjustly enter the public domain.[69] Copyright owners could be unaware of the requirement of renewal or simply forget to renew valuable works.[70] This inadvertent loss of copyright protection is a major reason why the 1909 Copyright Act was replaced with a regime that does not require renewal for continued protection.[71] Aside from issues of fairness, loss of copyright protection for orphaned works would also run into Berne compliance issues, as renewal is applied as a precondition to the enjoyment and exercise of copyright protection.

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65. *See* Public Domain Enhancement Act FAQ, *supra* note 61 ("We estimate that of all the work copyrighted between 1923 and 1942 (the first twenty years affected by the Sonny Bono [copyright extension term] Act), only 2% has any continuing commercial value."); *see also* Eldred v. Ashcroft, 123 S. Ct. 769, 804 (2003) (Breyer, J., dissenting).

66. *See* ROBERT A. GORMAN & JANE C. GINSBURG, COPYRIGHT: CASES AND MATERIALS 464 (7th ed. 2006).

67. Landes & Posner, *supra* note 62, at 473.

68. *See* Public Domain Enhancement Act FAQ, *supra* note 61 ("If the proposal were adopted as outlined, then within three years, over 90% of the copyrighted [works created] between 1923 and 1952 would be in the public domain.").

69. For a discussion of inadvertent and unjust consequences attached to forfeiture for failure to comply with copyright formalities, *see* H.R. REP. NO. 94-1476, at *134 (1976) ("A substantial burden and expense, this unclear and highly technical requirement results in incalculable amounts of unproductive work. In a number of cases it is the cause of inadvertent and unjust loss of copyright."); *see also* Brief for Appellee, Kahle v. Gonzales, No. 04-17434 (9th Cir. Mar. 2005), *available at* http://cyberlaw.stanford.edu/attachments/gov't%209cir%20opp%20brief.pdf.

70. *See* Barris v. Hamilton, No. 96 Civ. 9541, 1999 U.S. Dist. LEXIS 7225, at *14 (S.D.N.Y. May 17, 1999), for an example of valuable photographs inadvertently losing copyright protection for failure to renew at the proper time. *See also* Robert W. Clarida, Foreign Publication Pitfalls: Practice Pointers, *available at* http://www.legallanguage.com/lawarticles/Clarida004.html (last visited Aug. 8, 2007) (discussing the ironic and unjust outcome of *Barris*).

71. *See* GORMAN & GINSBURG, *supra* note 66, at 467.

2. Limited Remedies

Unlike solutions involving forfeiture of copyright protection for orphan works, those solutions which retain protection but limit the available remedies for infringement would not entail Berne compliance issues. U.S. copyright law currently requires some minor formalities for plaintiffs to be eligible for full infringement remedies.[72] A limited remedy solution to the orphan works problem would also avoid the inadvertent forfeiture of copyright protection which unfairly burdens copyright owners.

a. Fair Use Affirmative Defense

Some scholars have proposed a fair use affirmative defense to infringement of an orphan work. William Patry and Richard Posner propose an expansion of fair use to include works whose authors fail to take reasonable steps to show the works are still of value to them.[73] Similar to the public domain solutions discussed above, authors who fail to signal the continuing value of their works would be kept from recovering for infringement. But, unlike the forfeiture solutions discussed above, rather than falling into the public domain for the public to use freely, failure to signal value here would allow the affirmative defense of fair use.[74]

Patry and Posner argue that the statutory fair use factors[75] are merely proxies for the feasibility of a market transaction.[76] Because the orphan

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72. *See, e.g.*, 17 U.S.C. § 411 (requiring registration as prerequisite to an infringement action); *see also* 17 U.S.C. § 412 (requiring registration for recovery of statutory damages and attorneys fees).

73. William F. Patry & Richard A. Posner, *Fair Use and Statutory Reform in the Wake of Eldred*, 92 CAL. L. REV. 1639, 1660 (2004).

74. *See* Lessig Blog, Fair Use and Licensing ("[I]t should be considered fair use to copy an old work if the copyright owner hasn't taken reasonable steps to provide notice of his continued rights . . ."), *at* http://www.lessig.org/blog/archives/002114.shtml.

75. The four statutory fair use factors, as found in the Copyright Act, are:

> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> (2) the nature of the copyrighted work;
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107.

76. Patry & Posner, *supra* note 73, at 1650 ("The key point is that it is not the amount copied that is determinative [of the fair use defense] in the present context, although that is one of the

works problem is inherently one of market failure, in any case involving an orphan work, fair use analysis should apply. Patry and Posner further argue that depriving a copyright owner of an infringement remedy through a fair use defense would not be unfair to owners. An owner who fails to signal value and who is therefore hard to locate necessarily would not be extracting any value from licensing the work. Any loss of a remedy would therefore merely be loss of a windfall.[77]

Expansion of the fair use defense does little to actually bring copyright owners and potential users together. Rather, the fair use solution simply attempts to give a legal out to users who fail to receive permission for use. In doing so, the fair use defense does little to remove the uncertainty surrounding a use for which an owner cannot be found. Fair use is often too unpredictable to eliminate the risk of using a work without permission.[78] Although Patry and Posner propose a targeted expansion of the fair use defense after a reasonable search is conducted, the standard of what constitutes a reasonable search remains uncertain for potential users. Therefore, although works deemed orphans would enjoy a blanket fair use defense, uncertainty remains as to which works would be deemed orphans qualified for the defense. This uncertainty, combined with risk aversion to lawsuits, makes a fair use affirmative defense an inadequate solution on its own.[79] Aside from its ineffectiveness, expansion of the fair use defense may also pose problems with international law under Berne if the defense was complete and would thereby interfere with the enjoyment and exercise of the rights in the work.[80]

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optional statutory factors, but the feasibility of a market transaction.").

77. *Id.* at 1646, 1651.

78. *See* Orphan Works, 70 Fed. Reg. 3739, 3740 (Jan. 26, 2005) ("[T]he fair use defense is often too unpredictable as a general matter to remove the uncertainty in the user's mind."); *see also* Covey, *supra* note 46, at 108 ("Relying on fair use is too risky . . .").

79. *See* Huang, *supra* note 19, at 273 ("'[U]ncertainties of the application of the fair use doctrine,' and a significant desire among many art publishers 'to eliminate the risk of an infringement suit entirely' render[] fair use an imperfect solution [to the orphan works problem].").

80. *See* Sprigman, *supra* note 34, at 553 n.240:

> The uncertainty attending . . . expanding fair use would be a more costly and less effective solution than direct reformalization . . . Although a full analysis of these provisions is outside the scope of this Article, suffice it to say that the Berne status of the fair use expansion proposed by Patry and Posner will be subject to debate.

b. Default Licenses

Rather than the complete defense of fair use, some commentators suggest a default license solution that would limit the recovery for infringement of an orphan work to reasonable compensation.[81] This is the approach favored by the Orphan Works Act of 2006,[82] Professor Sprigman in his proposal to reinstitute copyright formalities,[83] and organizations such as Creative Commons and Save the Music in their comments to the Copyright Office Notice of Inquiry.[84]

The Canadian copyright system has created a type of default license scheme whereby potential users can provide notice of intent to use a work[85] for which the owner cannot be located.[86] Users may apply to the Copyright Board of Canada for a license after reasonable efforts have been made to locate the owner.[87] The user must pay a royalty fee which is held by a copyright collective society in case the owner surfaces and sues for infringement within five years of the expiration of the license.[88] If the owner does not come forward, the society may then dispose of the money as it wishes for the benefit of its members.[89] Since 1990, 192 licenses have been issued by the board out of only 198 total applications.[90]

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81. Report, *supra* note 3, at 115.

82. The Orphan Works Act of 2006 reads, in part: "an award for monetary relief (including actual damages, statutory damages, costs, and attorney's fees) may not be made, other than an order requiring the infringer to pay reasonable compensation for the use of the infringed work." H.R. 5439, 109th Cong.§ 2(b)(1)(A) (2006).

83. *See* Sprigman, *supra* note 34, at 490-91 ("Noncompliance with the new-style formalities would subject works to a perpetual and irrevocable 'default license,' with royalties set at a very low level, thus effectively moving works into the public domain.").

84. *See* Creative Commons Comment, *supra* note 3, at 16-19 (proposing a two-tiered default license system for published and unpublished works).

85. Notice of intent to use registries are discussed *infra* Part III.C.1.

86. The Japanese copyright regime has a similar provision allowing the Commissioner of the Agency for Cultural Affairs to grant a nonvoluntary license where a potential user could not identify or contact the owner of a work despite having made a reasonable search. *See* TERVO DOI, JAPAN § 8[2](D), *in* INTERNATIONAL COPYRIGHT LAW AND PRACTICE (Paul Edward Geller ed., Lexis Nexis 2006).

87. Copyright Board of Canada, Unlocatable Copyright Owners: Brochure, http://www.cb-cda.gc.ca/unlocatable/brochure-e.html (last visited Sept. 4, 2007).

88. *Id.*

89. *Id.*

90. *See* Copyright Board of Canada, Unlocatable Copyright Owners: Decisions/Licences Issued, http://www.cb-cda.gc.ca/unlocatable/licences-e.html (last visited Sept. 11, 2007). While the small number of uses requested from the board may signal some sort of ineffectiveness in the system, a smaller Canadian market for copyright licenses or a fewer number of orphan works may be to blame.

A default license system would have the benefit of avoiding ambiguity and unpredictability in allowing users to better estimate the expected cost of using an orphan work. But users would still have to be certain that a work was actually orphaned and therefore eligible for the limited remedy. On its own, a default license system does little to either bring copyright owners and potential users together, or to signal to potential users that a work is no longer valuable to the author and therefore freely usable. Furthermore, as discussed above, limiting an infringement remedy to only reasonable compensation could create a perverse incentive whereby potential users would prefer to use a work without permission rather than attempt to find an owner and pay a license fee.[91]

The greatest obstacle in establishing a fair default license system is the determination of reasonable compensation.[92] Reasonable compensation has been defined as the reasonable license fee the parties would have agreed to before the infringing use commenced.[93] It is difficult to determine after use what a reasonable license fee would have been had the parties been able to negotiate prior to use. Attempting to establish a reasonable license fee after use entails a hindsight bias that allows the copyright owner to see the value of a work to a user which takes away any bargaining power a user may have had prior to use. Uses that likely would have been licensed for a small, nominal fee could turn out to be attached to new works of unpredictable popularity and value. Having this information would allow the copyright owner to argue for a higher license fee after use and would, in essence, award the copyright owner a windfall.

A default license regime may also fail to account for the non-monetary value of a work to its original author. Authors may object to uses of their products for reasons other than insufficient compensation, which would be difficult to value or ignored completely in determination of a reasonable default license fee. Furthermore, the Copyright Act grants certain moral rights to authors of some works.[94] These rights may also be difficult to value or may be ignored by a default license solution which proposes monetary payment to an author.[95] While some of these valuation issues

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91. *See supra* note 57 and accompanying text.

92. *See* Covey, *supra* note 46, at 127; *see also* PPA Comment, *supra* note 28, at 10.

93. Report, *supra* note 3, at 116.

94. Visual Artists Rights Act, 17 U.S.C. § 106A (providing authors of visual works of art certain rights of attribution and integrity).

95. For example, the economic and license value of a novel may not fully capture the value to its original author of future character development, literary reputation, and the like. *See* Rochelle Cooper Dreyfus, *Commodifying Collaborative Research* 7-8 (New York Univ. Sch. of Law Pub. Law & Legal Theory Working Paper Series, Paper No. 42, 2002), *available at* http://ssrn.com/abstract_id=315020 (noting that "for participants in the creative process there can be a personhood

might be solved with the use of Copyright Royalty Judges similar to those currently found in copyright law,[96] issues of valuation and non-monetary value to authors would pervade any default license system.

C. *Copyright Registries*

Because the lack of a comprehensive registry is directly linked to the orphan works problem,[97] most proposals include the formation of a copyright registry. Creation of some form of registry is included in solutions involving reformalization of copyright,[98] entry of orphan works into the public domain,[99] expansion of fair use,[100] and default licenses.[101] Formation of an effective, reliable registry will best allow potential users and copyright owners to find one another and come to an efficient market solution.

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dimension to intellectual property that is absent in the relationship between that same property and a stranger" so that "the debate over balancing producer and user interests in intellectual property rights will not always fully capture the intimate connection between creators and their own works.").

96. *See* 17 U.S.C.A. §§ 801-805.

97. *See, e.g.*, Khong, *supra* note 20, at 71 ("The problem of unknown owner of a copyrighted work is directly related to the absence of a reliable register system to determine ownership."); *see also* Kahle v. Ashcroft, No. C-04-1127 MMC, 2004 WL 2663157, at *4 (N.D. Cal. Nov. 19, 2004) ("Plaintiffs contend that '[w]ithout notice, there is no clear way to know where copyright is claimed' and '[w]ithout a registry, there is no reasonable method for identifying copyright owners.'"); Landes & Posner, *supra* note 62, at 477 ("Equally immense tracing costs would be required to determine the ownership of a parcel of land if titles to land were not recorded in a public registry. It is not perpetual property rights but the absence of registration that creates prohibitive tracing costs.").

98. *See* Sprigman, *supra* note 34, at 555 ("The simplest solution would be to preserve formally voluntary registration . . .").

99. The Public Domain Enhancement Act reads, in part:

> SEC 4. DUTIES OF REGISTER
> Not later than 12 months after the date of the enactment of this Act, the Register of Copyrights shall—
> (1) establish procedures to minimize the burden of submitting the form prescribed under section 306(c) to title 17, United States Code, including procedures to allow the electronic submission of the form to the Copyright Office; and
> (2) establish procedures to make the information contained in forms submitted under section 306(c) of such title easily accessible to the public.

Public Domain Enhancement Act, H.R. 2601, 108th Cong. (2003).

100. *See* Patry & Posner, *supra* note 73, at 1651 ("search of the registry would be a prerequisite to the assertion of a fair use right to copy.").

101. *See* Creative Commons Comment, *supra* note 3, at 16 ("An Appropriate, Well-tailored Response Would Be to Establish a Registry to Signal Whether Works are Orphaned or Not.").

1. Intent to Use Registry

One registry proposal would have potential users of possible orphan works register their proposed use and leave it to the owner to object.[102] Similar to the Canadian system discussed above, a use registry would require users to post a notice of intent to use as a step in due diligence.[103] The benefits of such a registry would be to help bring copyright owners and potential users together[104] while helping to keep potential users honest in conducting and documenting their search efforts.[105] Furthermore, if potential users are allowed to piggyback[106] on the previous postings of other users, this could lead to greater efficiency by allowing subsequent users to avoid duplicating the search efforts of others.

User registries would, however, also impose great burdens on copyright owners. Owners would have to consistently search the registry to ensure their works were not being used without permission.[107] This would likely be an impermissible requirement under international law[108] and would be inefficient compared to the alternative of having a potential user search an owner registry prior to use.

2. Mandatory Owner Registry

The proposals of both Professor Sprigman and Creative Commons include a de facto mandatory owner registry. Sprigman calls for reinstatement of the registration formality for copyright protection,[109] and the portion of the Creative Commons proposal dealing with published works calls for default licenses for works not registered within twenty-five years of their publication.[110] Registration would be de facto mandatory

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102. *See id.*; *see also* Recording Artists Comment, *supra* note 59.

103. Covey, *supra* note 46, at 130.

104. Brito & Dooling, *supra* note 11, at 111 ("The establishment of an ICANN-like registry may help users of orphan works show their efforts to locate rightsholders, and may help connect potential users with the rightsholders they seek.").

105. Report, *supra* note 3, at 76 ("[R]equiring a prospective user to file a public document, under penalty of perjury, would 'keep the users honest.'").

106. *See supra* note 46.

107. July 26 Roundtable, *supra* note 29, at 67 ("I think it would be very difficult for an individual creator to have to check some type of registry on a continual basis to make sure his or her work was not being used.").

108. *See* Ginsburg & Goldstein Comment, *supra* note 43, § 3(b)(ii) ("[User registries] would violate the very notion of exclusive rights at the heart of Berne/TRIPs.").

109. Sprigman, *supra* note 34.

110. Creative Commons Comment Reply, *supra* note 51, at 11 (The proposal recommends that Congress amend the copyright law to require that "[h]olders of copyrights in *published works* who

because a search of the registry would be sufficient to constitute a reasonable search.[111] Therefore, failure to register or keep contact information current would allow use of the work by others without permission.

The benefits of a mandatory registry include near certainty regarding orphanhood and a large step toward bringing owners and potential users together to negotiate a licensed use. But a mandatory registry would have major drawbacks as well and would likely not comply with the requirements of international law. The justification for a mandatory registry relies on the assumption that only works which are no longer valuable to their authors will go unregistered. This assumption may not be true as authors may either forget to register or are simply unaware of the requirement that they do so. The old 1909 Copyright Act was abandoned in great part to avoid such inadvertent and unjust forfeiture of copyright protection.[112] With a new registration requirement, authors stand at risk of having their copyright protection lapse inadvertently. Furthermore, mandatory registries may actually be counterproductive by serving as a disincentive to licensing. Any system which forfeits copyright protection based on noncompliance with a formality would encourage use without permission rather than voluntary licensing.[113] Therefore, a mandatory registry may not serve the interest of promoting voluntary licensing but would instead simply provide a legal out for users.[114]

A mandatory registry may also run afoul of Berne's requirement that no formalities be imposed which limit the enjoyment and exercise of copyright protection.[115] Under a mandatory registration system, a copyright owner would suffer a diminution of protection by not registering.[116] Therefore, requiring registration could be an impermissible

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wish to retain the full scope of remedies that current copyright law provides must *register* their works within a 25-year period following publication." (emphasis in original)).

111. Creative Commons Reply, *supra* note 51, at 12 ("A search of the registry would be enough to constitute the 'reasonable' inquiry required to determine that a work is [an] orphan.").

112. *See supra* text accompanying notes 69-71.

113. Report, *supra* note 3, at 74 ("[A]ny system that causes an owner to lose all rights upon failure to satisfy a formality discourages, not encourages, voluntary licensing, because it gives an incentive not to negotiate with an owner who failed to comply with formalities.").

114. *Id.* at 73 ("[A mandatory registry] fail[s] to address the fundamental problem of the orphan work situation—*i.e.*, market failure—and instead just 'define[s] it away.'").

115. *See* Brito & Dooling, *supra* note 11, at 102 ("Nothing in the Creative Commons proposal overcomes the issues that make both the Lessig and Sprigman solutions incompatible with the Berne convention.").

116. *Id.*

precondition to copyright protection.[117] While proponents of mandatory registration argue that failure to register would not lessen copyright protection,[118] most would agree that making orphanhood (and with it free or cheaper use) dependant on owner registration would be a diminution of protection and would therefore not be permissible under Berne.[119] While the idea of a registry could work to bring owners and potential users together, submission must not be mandatory or the registry will be Berne noncompliant.

3. Voluntary Owner Registry

The benefits of a registry can be achieved without some of the drawbacks by making submission of a work into the registry voluntary. A voluntary registry would make owners easier to find and would therefore facilitate negotiation and licensing.[120] A purely voluntary registry would also comply with the provisions of Berne, as submission would not be a required formality to copyright protection.[121]

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117. *See id.* at 92 ("Therefore, compliance with formalities under [a mandatory registration] system is a precondition to *full* enjoyment and exercise of copyright in violation of Berne." (emphasis added)).

118. *See, e.g.*, Creative Commons Comment, *supra* note 3, at 16-17:

> Failure to register within a 25-year period following publication . . . does not vitiate copyright, but moves the work into "orphan" status. . . . It is important to emphasize that failure to register . . . would not remove the work's copyright protection; it would, rather, serve as a signal that the unregistered work was an orphan, and, therefore, that the rightsholder was no longer exploiting the work . . .

119. *See, e.g.*, Ginsburg & Goldstein Comment, *supra* note 43, § 3(b)(i):

> Inability to find an owner through the Copyright Office register, or, for that matter, another publicly accessible registry, such as the ASCAP database, may be probative of "orphaned" status, but it cannot, standing alone, suffice to justify the designation. To make non registration determinative of any diminution in the author's rights would likely put the U.S. in non compliance with its international obligations.

See also Report, *supra* note 3, at 74 ("Another frequent criticism of a mandatory owner registry was that it would . . . violate Article 5(2) of the Berne Convention. Most of the commenters who held this view appeared to consider the violation so obvious as not to require any in-depth analysis . . .").

120. Report, *supra* note 3, at 75 ("Voluntary registries of owners, obviously, would make the owners easier to find, and thus would facilitate negotiation.").

121. *See* Sprigman, *supra* note 34, at 541 ("Those provisions of U.S. law that provide for voluntary formalities—i.e., voluntary notice, registration, and recordation of transfers—and that

To pass muster under Berne, the registry would have to be truly voluntary. Failure to submit a work to the registry must not materially hinder the enjoyment and exercise of the rights in a work.[122] But the voluntary nature of the registry could limit its effectiveness. A major concern would be the incentive to register without the existence of a penalty for non-submission.[123] The problem of orphan works is somewhat attributable to inactive rightsholders who would not be likely to submit works in a purely voluntary system.[124] Therefore, any proposal including a voluntary registry needs to create enough incentive for owners to submit their works or the registry will be incomplete and ineffective.

Other possible limitations of a voluntary registry are cost and efficiency.[125] The cost of creating and maintaining a registry may outweigh its benefits, especially if the registry is incomplete due to its voluntary nature. Searchability of the registry would also be a factor, especially for certain types of works such as photographs.[126] Any viable proposal including a voluntary registry must therefore account for these possible limitations.

IV. PROPOSAL: A MULTI-PRONGED SOLUTION

This Article proposes a multi-pronged solution to the orphan works problem including: (1) a reasonable efforts requirement; (2) a voluntary registry; and (3) a presumption that submission to the voluntary registry would preclude orphan status. This proposal serves the ultimate purpose of an orphan works solution by actually aiding potential users in locating and negotiating with copyright owners.

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provide incentives for compliance either apply only to U.S. works . . . or are not the type of formality that Berne prohibits.").

122. *See* July 26 Roundtable, *supra* note 29, at 107 ("It has to be a voluntary registry and there can be no consequences for not being in the registry.).

123. *See id.* at 102, 123 (asking what incentives there would be for registration in a voluntary registry); *see also* 70 Fed. Reg. 3739, at 3742 (Jan. 26, 2005) ("Would there be sufficient incentive for copyright owners to register in a permissive system?").

124. *See* Creative Commons Comment, *supra* note 3, at 21 ("A change of law is needed because the problem lies with inactive rightsholders who are by definition, not likely to opt in to a voluntary system.").

125. *See* Report, *supra* note 3, at 75; *see also id.* at 6 ("Some copyright owners expressed concern about even voluntary registries as not offering much efficiency in certain cases, such as photographs.").

126. *See id.* at 75.

A. *Reasonable Efforts Requirement*

The solution proposed by this Article adopts the reasonable efforts requirement as set forth in the Orphan Works Act of 2006.[127] A potential user should be required to make a good faith, reasonable effort to attempt to locate and request permission from a rightsholder. This requirement would provide proper incentives for rightsholders to provide adequate identifying information, and for potential users to attempt to locate owners to negotiate a mutually beneficial licensing arrangement. Once a potential user complies with the reasonable efforts requirement, copyright protection in the orphaned work should not be forfeited, but some sort of limited remedy should be imposed.

As discussed above, the main limitation of a reasonable efforts approach is defining a reasonably diligent search. This Article adopts the ad hoc approach to reasonable efforts which would include such factors as the amount of identifying information included with the work, whether the work is published, the age of the work, whether the author is alive, the nature and extent of the use including whether the use is commercial and how prominently the copyrighted work figures into the use, and whether ownership information is present in public records.[128] The presence of ownership information in public records will play an important role in the proposed regime.

B. *Voluntary Owner Registry*

To aid potential users in their reasonable efforts to locate rightsholders, a voluntary registry of copyrighted works should be established and maintained by the Copyright Office. The registry should include digital copies of works and/or detailed descriptions indexed in a searchable format. Copyright owners should be encouraged to include ownership and contact information in a manner similar to some registries currently in existence,[129] and would be responsible for keeping information current

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127. *See supra* text accompanying note 47.

128. *See supra* text accompanying note 49.

129. *See, e.g.*, Visual Arts Registry:

> (c)(2)(i) Identification of the artist, including name, current address, age, and telephone number, if publicly listed.
> (c)(2)(ii) Identification of the work or works, including the title, dimensions, and physical description of the work and the copyright registration number, if known. Additionally, it is recommended that one or more 8 x 10 photographs of the work

upon change in contact information or change in ownership. A voluntary owner registry will help alleviate the orphan works problem by helping to define the requirements of a reasonably diligent search.[130] Search of the registry would be probative of whether a particular search was reasonably diligent[131] but would not be dispositive,[132] thereby keeping the registry from conflicting with international law.

1. Benefits of a Voluntary Owner Registry

a. Benefits to the Orphan Works Situation

As discussed above, an owner registry would help provide information to potential users thereby helping to alleviate the market breakdown which keeps users from finding and negotiating permission from copyright owners.[133] The combination of such a registry with a reasonable efforts

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> on good quality photographic paper be included in the submission; the images should be clear and in focus.

37 C.F.R. § 201.25; *see also* Jessica L. Darraby, Art, Artifact & Architecture Law § 9:03[5][e] (2001 ed.). VARA is 17 U.S.C. § 106(A):

> (3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building, may record his or her identity and address with the Copyright Office. The Register shall also establish procedures under which any such author may update the information so recorded, and procedures under which owners of buildings may record with the Copyright Office evidence of their efforts to comply with this subsection.

17 U.S.C. § 113(d)(3).

130. *See* Varian, *supra* note 21, at 15 ("As we have hinted, a very natural interpretation of 'effort' would be the effort required to register or look up a work in a centralized database. [W]e could expect that a copyright registry along with a 'diligent search' requirement would come close to solving the problems outlined above.").

131. *See* Report, *supra* note 3, at 103 ("One of the most important factors in determining whether a search was reasonable is the extent to which information about the copyright owner's identity and location are available in publicly available registries, databases, or other sources.").

132. *See* Orphan Works, 70 Fed. Reg. 3739, at 3742 (Jan. 26, 2005) ("If optional, the registry might serve as just one factor in determining whether the copyright owner was locatable."); *see also* August 2, 2005 Orphan Works Roundtable 141 [hereinafter Aug. 2 Roundtable] ("I do think that the registry idea is just one step in the identification of orphan works.").

133. *See supra* Part III.C.

requirement would provide for greater information and further facilitation of negotiated use.[134]

Although it is assumed that the registry would contain accurate and up to date information, even erroneous contact information may provide some benefit to those users who are not sure whether a work has been orphaned. Even where an owner's information has changed or when copyright ownership has been transferred, presence in the registry may still serve as a signal that the work is valuable and has not been orphaned.[135] Therefore, a voluntary registry would serve two important functions which would help to alleviate the orphan works problem: (1) when the owner information is accurate, the registry would help to bring owners and users together; and (2) when the owner information is not accurate, the registry would provide a signal to users that a work is still valuable and is therefore off limits for use without permission.

b. Additional Benefits Beyond the Orphan Works Situation

Aside from helping to solve the market failure contributing to the orphan works problem, a registry would have additional benefits in line with the objectives of copyright law. Notably, collection and digitization of works into a registry would aid in archiving and preservation efforts, thereby enabling the dissemination and future use of these works.[136]

(1) Preservation and Archiving of Creative Works

Mass collection and digitization of copyrighted works would aid archiving and preservation efforts to ensure works are not lost to future generations.[137] This applies both to works currently under copyright protection and to those whose term of protection has lapsed and who have

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134. *See* July 26 Roundtable, *supra* note 29, at 112 ("a multi-pronged approach, one part of which was reasonable efforts and one part of which was a voluntary registry which would allow the copyright holder their ability to be found for the works to not be orphaned if that was their wish.").

135. Aug. 2 Roundtable, *supra* note 132, at 103 ("[T]here's a second and very important function that registration serves. And that is even if . . . the information's not up to date, you can treat it as a signal. And that signal is this work is not [an] orphan . . .").

136. *See* Brief for the Internet Archive as Amicus Curiae Supporting Petitioners, Eldred v. Ashcroft, 123 S. Ct. 769, at *13 (2003) (No. 01-618) ("the Internet—the dominant platform for access to digital archives—provides relatively unlimited low cost capacity to support both the archiving of, and universal access to, traditional printed works, as well as audio, video, and still images.").

137. *See id.* at *3 ("digitization will greatly reduce the cost of preserving our cultural history and eliminate deterioration caused regularly through the physical handling of cultural artifacts.").

entered the public domain. Having both protected and public domain works in a centralized registry promotes the use of these works in new creative endeavors,[138] thereby furthering one of the major objectives of copyright law.[139]

(2) Dissemination of Creative Works to the Public

A digital registry would also increase public access to works in situations where access costs would have otherwise been prohibitive.[140] A centralized registry would be a cheaper and more efficient way to search for existing works. The facilitation of broad access to creative works is a major objective of copyright protection[141] which is promoted by the establishment of a centralized registry of copyrighted works.

2. Possible Limitations of a Voluntary Owner Registry

a. Cost

Concern is often expressed regarding the cost of creating and maintaining a digital registry.[142] Marybeth Peters, the Register of Copyrights, estimates that digitizing what is currently on record with the

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138. *See id.* ("Digital technology allows us the opportunity to build a 'universal' library that dwarfs the collections of the Alexandria Library and even our modern Library of Congress . . . accessible in formats that uniquely support and promote creativity in the arts and sciences . . ."); *see also id.* at *16 ("Digital Archives Support Rich and Diverse Use of Our Cultural Heritage . . . Digital archives foster new and innovative use of works in the public domain.").

139. *See* NIMMER, *supra* note 5, § 1.03(A) n.2 (noting that copyright law is "intended to motivate the creative activity of authors and inventors by the provision of special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired." (quoting Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 429 (1984)); also noting that "it is clear that the real purpose of the copyright scheme is to encourage works of the intellect, and that this purpose is to be achieved by the reliance on the economic incentives granted to authors and inventors by the copyright scheme." (quoting Univeral City Studios, Inc. v. Sony Corp., 659 F.2d 963, 965 (9th Cir. 1981), *rev'd* 464 U.S. 417 (1894))).

140. *See* Brief for Internet Archive as Amicus Curiae Supporting Petitioners, Eldred v. Ashcroft, 123 S. Ct. 769, at *15 (2003) ("Digital archiving . . . eliminates many of these barriers and makes our vast resources available to almost anyone who wishes to use them.").

141. *See* Eldred v. Ashcroft, 126 S. Ct. 769, 800 (2003) (Stevens, J. dissenting) ("But as our cases repeatedly and consistently emphasize, ultimate public access is the overriding purpose of the constitutional provision.").

142. *See, e.g.*, Report, *supra* note 3, at 29-30 n.46 ("Many participants suggested that [digitizing] would greatly reduce the search costs associated with searching for Copyright Office records that are not currently available online. However, doing so would involve a significant expenditure of resources.").

Copyright Office would cost approximately $35 million.[143] It is argued that the costs associated with such a project would outweigh any benefit.[144]

Digitization of certain types of works may not actually be as costly as one would assume.[145] The Copyright Office has commissioned a study regarding the cost and feasibility of converting its records to digital form[146] and has already begun digitizing works in its possession.[147] Notably, the cost argument against a digital registry only applies to those works already on record with the Copyright Office. While digitization of works already on record may have a large one-time cost, the marginal cost of entering future works into the registry could be minimal if not zero. Submission of works to the registry can be accomplished by owners themselves through an online submission process. The Copyright Office would initially receive a work in its digital form, thereby minimizing digitization costs for entry into the registry. While some digitization costs may be minimized, there would still remain maintenance and other costs associated with a registry.

Regardless of any dispute over the magnitude of costs associated with a digital registry, these costs are not without offsetting benefits. As discussed above, a digital registry would help alleviate the market failure contributing to the orphan works problem and would also carry important external benefits in line with the objectives of copyright protection. While the benefits may be difficult to value nominally, the creation of new works and preservation of old works for future use are at the heart of copyright protection[148] making any tool which furthers these objectives a valuable addition to the copyright regime.

b. Searchability

Another concern with a digital registry would be its value and searchability, particularly with visual works[149] such as photographs and

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143. July 26 Roundtable, *supra* note 29, at 43-44.

144. *See* Report, *supra* note 3, at 95 ("such systems would likely entail more resources and efforts than the proponents anticipate or are readily available without providing offsetting benefits . . .").

145. *See, e.g.*, PPA Comment, *supra* note 28, at 16 ("Regarding attributed works, a registry of authors/owners may be established using current technology and at minimal cost and burden to authors and owners.").

146. Report, *supra* note 3, at 103 n.358.

147. July 26 Roundtable, *supra* note 29, at 43.

148. *See supra* text accompanying note 139.

149. *See* July 26 Roundtable, *supra* note 29, at 23 ("In terms of the visual arts it's very hard to search for images even if they are registered with the Copyright Office.").

illustrations.[150] The large quantity of copyrighted visual works could make a search for a particular work prohibitively difficult.[151] Most photographs are not accompanied by any textual information which would make it difficult both for the Copyright Office to index the works and for potential users to search for them.[152] Search costs may therefore outweigh the benefits of use leading potential users to abandon projects.

Technology exists today which would alleviate the burdens of searching through a large number of works. The use of computers has made it infinitely easier to conduct an efficient search.[153] Smart search engines currently exist[154] or are being developed[155] which would allow greater ease and success in searching the registry. Optical character recognition[156] and image recognition[157] software is also currently available

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150. *See* Report, *supra* note 3, at 24 ("The comments show that this obstacle is most pervasive—by far—with photographs.").

151. *See* PPA Comment, *supra* note 28, at 14 ("The sheer numbers of photographs (both digitized and not) would almost certainly frustrate any effort to create a comprehensive registry allowing a meaningful search for the author of anonymous orphaned works.").

152. *See* Report, *supra* note 3, at 113 n.375 (it is "difficult to index [the works] in a way that is meaningful for users trying to locate an image with no identifying textual data").

153. *See* Travis, *supra* note 26, at 763 ("With the widespread use of personal computers and the Internet, it has finally become feasible to create open access, efficiently searchable, infinitely reproducible digital libraries on the scale of the world's great physical libraries.").

154. *See, e.g.*, Creative Commons Comment, *supra* note 3, at 9-10 (discussing use of the Creative Commons search function *available at* http://search.creativecommons.org); *see also* Copyright Office search engine *available at* http://www.copyright. com.

155. *See* Brief for Internet Archive as Amicus Curiae Supporting Petitioners to Eldred v. Ashcroft, 123 S. Ct. 769 (2003), at *16-17.

> [Digital archives] also offer the opportunity to exploit highly efficient and productive search tools. For example, the Library of Congress ("LOC") preserves a collection of nearly 121 million items . . . one can simply go to www.loc.gov and search their catalogue within minutes . . . Such technologies are either currently available or quickly developing.

Id. at 16-17; *see also* July 26 Roundtable, *supra* note 29, at 31 ("I think technology is going to change and over time will make searches easier . . . as databases increase and technology improves.").

156. Optical character recognition is a process by which a program will take a document, identify each word on each page, and then allow a search of another document for every occurrence of the word. For a full description of the technology, see Adobe Acrobat Capture 3, *at* http://www.adobe.com/products/acrcapture/fullfeature.html; *see also* Brief for Internet Archive as Amicus Curiae Supporting Petitioner to Eldred v. Ashcroft, 123 S. Ct. 769 (2003), at *16-17.

157. Image recognition is "[t]he identification of objects in an image. This process would probably start with image processing techniques such as noise removal, followed by (low-level) feature extraction to locate lines, regions and possibly areas with certain textures." *See* Free

allowing for more efficient registry searches for both textual and visual works.[158] Current and future technology will increase the ease by which potential users will be able to use a digital registry as an effective tool to locate information regarding seemingly lost owners. In addition to advances in search technology, the rebuttable presumption proposed by this Article would account for searching difficulties in particular cases.[159]

c. Incentive to Voluntarily Submit Works

As discussed above, the greatest barrier to the formation and effectiveness of a voluntary registry is the lack of incentive to submit a work when not required to do so.[160] Limiting the enjoyment and exercise of copyright protection for failure to register is not allowed under Berne, but without some sort of incentive structure, a voluntary registry will be incomplete and therefore inefficient to use. This would discourage some searches and projects which would otherwise have been made.[161]

C. *Presumption Against Orphanhood*

To solve the incentive problem, this Article proposes a legal presumption against orphanhood which would attach to works submitted to the registry. Proper submission would, in effect, serve as constructive notice of ownership information similar to provisions already codified in the Copyright Act.[162] It would essentially be presumed that a reasonable

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Dictionary, Image Recognition, *at* http://computing-dictionary.thefreedictionary.com/image+recognition (last visited Nov. 15, 2007).

158. *See* July 26 Roundtable, *supra* note 29, at 23 ("There [are] a number of image recognition companies that are starting to come on the market. I've seen testing of someone named E-day in Canada and [PicScout] in Israel that have almost changed images into a thumb print that will be easier to search and find them."); *see also* Aug. 2 Roundtable, *supra* note 132, at 112 ("we have photo search engines on the web . . . staganographic techniques . . ."). For examples of such image recognition tools, *see, e.g.*, PicScout Web Site, *at* http://www.picscout.com/; LTU Technologies Web Site, *at* http://www.ltutech.com/en/; Attrasoft Web Site, *at* http://attrasoft.com/.

159. *See infra* Part IV.C.

160. *See* Varian, *supra* note 21, at 15 ("As we have seen, the seller must have an incentive to enter and update its information in a copyright registry and the buyer must have an incentive to look there.").

161. Knowledge of the incomplete nature of the voluntary register will serve to decrease the expected success of a search while increasing or keeping constant the expected cost. This would serve to deter some searches which would have otherwise been made had the possibility of success been greater.

162. *See* 17 U.S.C. § 205(c), which reads:

search of the registry would have returned the desired owner information. A subsequent user who fails to obtain permission for use would have to overcome this presumption if the work was duly and accurately submitted to voluntary registry. This could be a valuable benefit to copyright owners thereby incentivizing registration.

The proposed solutions discussed above and most proposals to solve the orphan works problem focus on the loss or diminution of copyright protection for failure to attach contact information or to signal that a work is still valuable to its owner. These proposals seem to presume that a work has been orphaned based on the existence of some set of circumstances. Such a presumption is often unwarranted and would also likely violate international law under Berne.[163]

This Article proposes to turn this presumption on its head. Rather than presume orphanhood from a certain set of circumstances, the law should presume non-orphanhood from a different set of circumstances, namely submission of the work into the voluntary registry. Unlike the proposals discussed above, this presumption would be a positive benefit attached to an act rather than a loss of right attached to an omission. Non-registration would not result in any loss of protection, but rather only forbearance of a possible benefit. While a presumption favoring orphanhood for failure to register would likely fail as an impermissible formality,[164] the reverse presumption against orphanhood would be an enhancement of copyright protection allowed under Berne.

It must be noted that the presumption against orhpanhood would be rebuttable. Particular users who conduct a reasonable search, including a

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> Recordation of a document in the Copyright Office gives all persons constructive notice of the facts stated in the recorded document, but only if--
>
> (1) the document, or material attached to it, specifically identifies the work to which it pertains so that, after the document is indexed by the Register of Copyrights, it would be revealed by a reasonable search under the title or registration number of the work; and
>
> (2) registration has been made for the work.

163. *See* Recording Artists Comment, *supra* note 59, at 5 ("there should be no presumption that a work has entered into a period in which it can be recognized as an orphan work. Such presumption is not warranted and may impose unwanted formalities.").

164. *See* July 27, 2005 Orphan Works Roundtable, at 113, *available at* http://www.copyright.gov/orphan/transcript/0727LOC.PDF (noting that defining orphanhood by failure to register would "de facto raise international formalities issues, in the sense that as a matter of practice someone, an author for example, would essentially have to register in one of these so-called voluntary registries in order to forestall an orphan works designation, and the limitations and remedies that it might entail . . .").

search of the registry, and fail to find the desired information would have the ability to argue that facts particular to the situation warrant reversal of the presumption. The rebuttable presumption would therefore serve as a catchall for the drawbacks of the registry discussed above.[165] Problems with searchability of photographs, the high cost and low chance of finding a particular work, and other concerns would be addressed in determining whether, in a particular case, the presumption should be rebutted.[166] But, because a user would have the burden of rebutting the presumption, the copyright owner would have an advantage and therefore an incentive to voluntarily register the work.

V. CONCLUSION

The problem of orphan works poses a serious threat to creativity and to the objectives of copyright protection. Many solutions have been proposed, but most fail to get to the root of the problem. A proper solution does all it can to bring potential users and copyright owners into contact with one another to negotiate an efficient, mutually beneficial arrangement. The best way to achieve this objective is to create incentives for users to find owners, and for owners to be found. The combination of a reasonable efforts requirement, a voluntary registry, and a presumption against orphanhood for works submitted to the registry makes for an efficient solution which complies with the requirements of domestic and international law. With a proper functioning registry and incentives on both sides to make use of it, we will get a little closer to solving the orphan works problem and at the same time help to ensure that new works are created, old works are preserved, and the well of creativity will not run dry.

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165. *See supra* Part IV.B.2.b.

166. For example, owner information for an old photograph of a common landscape may prove difficult to retrieve in the registry after a lengthy search. The user may deem this search reasonable and use the work assuming it has been orphaned because it was not found in the registry. In an action for copyright infringement, the owner of the photograph would enjoy the benefit of the presumption against orphanhood which comes with submission to the registry. The user, however, would have the opportunity to rebut the presumption with evidence of facts particular to this photograph such as its age, its common subject matter, and other facts which make the work difficult to find even if properly submitted to the registry.