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Notes and Comments

BRITISH INVASION: IMPORTING THE UNITED KINGDOM'S ORPHAN WORKS SOLUTION TO UNITED STATES COPYRIGHT LAW

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ABSTRACT—A vast amount of American cultural works are left unused and inaccessible to the public because under copyright law, they are considered to be orphan works: their owners cannot be identified or located, and so permission to use the works cannot be obtained. While orphan works have been most frequently discussed in the context of mass digitization like the Google Books Project, they present problems beyond book digitization and beyond American borders. Recent foreign efforts to solve the orphan works issue have resulted in an EU Directive, which in turn resulted in a U.K. Act to provide a licensing scheme for orphan works. The U.S. must not fall behind in providing for an orphan works solution. This Note argues that the U.S. should look to the U.K.'s Act as a framework for enacting its own legislation. The U.K. is a suitable guide because the two nations share an underlying economic rationale for their copyright regimes. Moreover, the U.K. has more than one hundred years' experience in adapting its copyright laws to achieve international harmonization. By passing legislation that comports with international principles, the U.S. can protect the interests of its creators and users abroad and maintain an influential position in shaping global copyright policy.

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INTRODUCTION

In 2002, Google launched an endeavor with wide-reaching ramifications: the Google Books Project.[1] The project's private efforts to digitize the libraries of the world offered the possibility of searching through hundreds of years of accumulated knowledge in just a few keystrokes. At the same time, it highlighted a copyright concern inherent in existing worldwide digitization efforts: the challenge of orphan works.

An orphan work is any copyrighted work whose owner or rights holder[2] "cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner."[3] The owner's apparent absence presents a problem for any

[1] The Google Books Project sought to scan millions of physical books, with both locatable and unlocatable owners, to create a searchable, digital library. *Google Books History*, GOOGLE BOOKS, http://www.google.com/googlebooks/history.html (last visited Jan. 7, 2014); *see* Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, 34 COLUM. J.L. & ARTS 697, 697 (2011). "Mass digitization," while "not a scientific term," generally refers to the "large-scale scanning" of books, as well as the scanning of historical documents by institutions, such as libraries and archives, in an effort to preserve cultural heritage and to allow wider public access to the works. REGISTER OF COPYRIGHTS, U.S. COPYRIGHT OFFICE, LEGAL ISSUES IN MASS DIGITIZATION: A PRELIMINARY ANALYSIS AND DISCUSSION DOCUMENT 8–12 (2011) [hereinafter MASS DIGITIZATION REPORT], *available at* http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf.

[2] Throughout this Note, I will refer to the owner or rights holder of a work simply as the "owner" for ease of reference. This does not imply, however, that rights holders are excluded from my discussion.

[3] REGISTER OF COPYRIGHTS, U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 1 (2006), *available at* http://www.copyright.gov/orphan/orphan-report-full.pdf. This definition, while put forth by

potential user of an orphan work because as long as the work's ownership remains uncertain, the user faces a potential risk that the owner will resurface and bring a copyright infringement claim against the user.[4] While orphaned books posed a problem for Google, any copyrightable subject matter can be orphaned, such as visual art, photography, musical works, and sound recordings.[5]

Google was not alone in facing this difficulty. Several European nations had begun to digitize their wealth of copyrightable works, which they consider to be embodiments of their cultural heritage.[6] The Google Books Project presented a threat to those efforts,[7] and as a result, the European Union sought to resolve the orphan works issue.[8] In October 2012, the EU passed a Directive that permitted some uses of orphan works, including mass digitization by certain institutions, while still preserving certain rights for potential resurfacing owners.[9] The Directive requires each Member State to implement its provisions through national legislation by October 2014.[10]

Concurrent with the EU's initiative,[11] the United Kingdom embarked on an effort to find its own solution, which became law on April 25, 2013.[12] The Enterprise and Regulatory Reform Act established a copyright licensing scheme, giving both individual and institutional users of orphan

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the U.S. Copyright Office, is consistent with international definitions of orphan works. *See, e.g.*, U.K. INTELLECTUAL PROP. OFFICE, IMPACT ASSESSMENT: ORPHAN WORKS 1 (2012), *available at* http://www.ipo.gov.uk/consult-ia-bis1063-20120702.pdf ("A copyrighted work is considered an orphan when it is not possible to locate the right-holders after a diligent search.").

[4] REGISTER OF COPYRIGHTS, *supra* note 3.

[5] *See* 17 U.S.C. § 102 (2012) (listing the types of works that fall within copyright's subject matter).

[6] *See* Katharina de la Durantaye, *Finding a Home for Orphans: Google Book Search and Orphan Works Law in the United States and Europe*, 21 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 229, 275 (2011).

[7] *See id.* at 275.

[8] Note that although some countries have existing orphan works legislation, a comparison to those countries' laws is beyond the scope of this Note, because, as will be discussed, they do not share a foundational copyright policy with the U.S.

[9] Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5.

[10] *See id.* art. 9.

[11] Though the U.K.'s Act did not pass until April 2013, the House of Commons introduced the licensing provisions in an amended Bill in July 2012, before the passage of the EU Directive. Enterprise and Regulatory Reform Bill, 2012, H.C. Bill [61] cl. 59 (U.K.). Moreover, the U.K.'s attention to the orphan works issue dates at least back to 2006, when it was raised in an Intellectual Property Report. *See* ANDREW GOWERS, GOWERS REVIEW OF INTELLECTUAL PROPERTY (2006), *available at* http://www.official-documents.gov.uk/document/other/0118404830/0118404830.pdf. The U.K.'s Intellectual Property Office has indicated its desire to pass a national solution that, while compliant with the EU Directive, is borne of the U.K.'s own domestic policies. *See* Dennis W.K. Khong, *The (Abandoned) Orphan-Works Provision of the Digital Economy Bill*, 32 EUR. INTELL. PROP. REV. 560, 562 (2010).

[12] Enterprise and Regulatory Reform Act, 2013, c. 24, § 77 (U.K.).

works the ability to procure a license to use the work.[13] The licenses will be granted by a newly appointed regulatory body, in lieu of the absent owner, provided that the user has fulfilled the stipulated requirements.[14] Because the Act implements the EU Directive, the U.K.'s new provisions ensure that the orphan works solution is harmonized within the EU.[15]

By contrast, the United States has lagged behind in providing for use of its orphaned works. Though Congress was aware of the need to remedy the issue at least as early as 2005,[16] due to interests of individual users and creators, it has failed to pass any legislation to address the issue.[17] As a major exporter of creative material, the U.S. must engage with ongoing international harmonization efforts in order to maintain its influential position[18] in shaping global copyright and to protect the interests of American creators.

In October 2012, the U.S. Register of Copyrights issued a Notice of Inquiry, calling for a new round of public comments from stakeholders about the orphan works problem,[19] thus renewing governmental efforts to find a solution. The renewed call for comments comes in part as a response to the EU Directive,[20] and in part as a synthesis of the growing academic discussion over orphan works and digitization in the U.S.[21]

Independent of the developing European solutions, the American academic copyright community has increasingly drawn attention to the orphan works issue, especially as a result of the mass digitization efforts. Recent symposia at Columbia Law School[22] and Berkeley Law School[23]

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[13] *Id.* § 77(3) (amending The Copyright, Designs and Patents Act of 1988) (inserting § 116(A)(1)) ("The Secretary of State may by regulations provide for the grant of licences in respect of works that qualify as orphan works under the regulations.").

[14] *Id.* § 77(3) & sch. 22.

[15] Harmonization is the general term for the process by which countries agree on cross-border copyright laws. International copyright is governed by a patchwork of universal conventions and neighboring treaties, of which the Berne Convention is the most important. For a full discussion of the interplay among these treaties, see PAUL GOLDSTEIN & P. BERNT HUGENHOLTZ, INTERNATIONAL COPYRIGHT: PRINCIPLES, LAW, AND PRACTICE 29–92 (3d ed. 2013).

[16] *See* Preservation and Restoration of Orphan Works for Use in Scholarship and Education (PRO-USE) Act of 2005, H.R. 24, 109th Cong. (2005).

[17] *See* Notice of Inquiry, 77 Fed. Reg. 64,555, 64,556 & n.8 (Oct. 22, 2012).

[18] *See* SILKE VON LEWINSKI, INTERNATIONAL COPYRIGHT LAW AND POLICY 588 (2008) ("As regards the trade approach, the USA became one of the driving forces and was in many respects the first and only country to propose certain [copyright] provisions . . . [for] protection of computer programs and those on rental rights.").

[19] *See* Notice of Inquiry, 77 Fed. Reg. at 64,560.

[20] *See id.* at 64,555, 64,559.

[21] *See id.* at 64,558.

[22] *Copyright Exceptions for Libraries in the Digital Age: Section 108 Reform*, a symposium held at Columbia Law School, Feb. 8, 2013, http://www.law.columbia.edu/kernochan/symposia/section-108-reform.

[23] *April 2012 Orphan Works Symposium*, a symposium held at Berkeley Law School, Apr. 12–13, 2012, http://www.law.berkeley.edu/orphanworks.htm. The articles detailing the ideas set forth in the

brought together scholars and practitioners to discuss potential solutions. Such solutions included expanding existing copyright exceptions for institutional users, such as nonprofit libraries and archives;[24] limiting judicial remedies for resurfacing owners;[25] passing legislation that would help all users;[26] and a combination of all three.[27] Each proposal attempted to balance the interests of owners and users within the U.S.

These proposals must not come at the expense of international harmonization. Though this Note does not deny the relevance of these perspectives, the international aspect is often ignored. As the modern economy grows increasingly global and borders become invisible in the face of content consumption, there is mounting urgency for harmonization of disparate copyright principles.[28] The U.S. must ensure that any solution to the orphan works issue complies with international principles; otherwise, it risks further complications when international harmonization is inevitably forced upon the system.

As this Note went to press, the Southern District of New York held the Google Books Project to be fair use.[29] While this gives credence to fair use solutions to orphan works at first glance, the orphan works issue still merits congressional examination because fair use is an exception unique to American copyright law and because orphan works present many problems outside the mass digitization context.[30] Reliance on fair use alone would completely ignore the need for an internationally harmonized solution and would not provide any certainty for nondigitization uses. Accordingly, the U.S. must enact legislation to provide a complete orphan works solution.

This Note argues that the U.S. Congress and Copyright Office should look to the U.K.'s licensing solution as guidance for its own orphan works

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Symposium were published by the Berkeley Technology Law Journal. Symposium, *Orphan Works & Mass Digitization: Obstacles & Opportunities*, 27 BERKELEY TECH L.J. 1251 (2012).

[24] *See* Jennifer M. Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 BERKELEY TECH. L.J. 1379, 1383 (2012).

[25] *See* Ariel Katz, *The Orphans, the Market, and the Copyright Dogma: A Modest Solution for a Grand Problem*, 27 BERKELEY TECH. L.J. 1285, 1286–87 (2012).

[26] *See* Randal C. Picker, *Private Digital Libraries and Orphan Works*, 27 BERKELEY TECH. L.J. 1259, 1261–62 (2012).

[27] *See* Stef van Gompel, *The Orphan Works Chimera and How to Defeat It: A View from Across the Atlantic*, 27 BERKELEY TECH. L.J. 1347, 1349–50 (2012).

[28] *See* GOLDSTEIN & HUGENHOLTZ, *supra* note 15, at 10 ("The reasons for international protection press ever more urgent as markets for cultural goods expand globally, and the media that disseminate these literary and artistic works extend to all corners of the world.").

[29] Authors Guild, Inc. v. Google, Inc., No. 05 Civ. 8136(DC), 2013 WL 6017130 (S.D.N.Y. Nov. 14, 2013). The Authors Guild has stated its intent to appeal the decision. *See* Jacob Gershman & Jeffrey A. Trachtenberg, *Google Wins Dismissal of Book-Scanning Suit*, WALL ST. J. L. BLOG (Nov. 14, 2013), http://blogs.wsj.com/law/2013/11/14/google-wins-dismissal-of-book-scanning-suit/.

[30] It is also worth noting that the decision's finding of fair use applies only to books at present. *Google*, 2013 WL 6017130, at *1–2. However, that finding may likely be extended to other copyrightable subject matter in future disputes.

legislation. The "special relationship"[31] between the U.S. and the U.K. extends to the countries' copyright regimes: both share a common economic foundation, premised on utilitarian interests of the owner and user.[32] By contrast, the Continental European countries base their copyright policies upon the moral rights of the author and creator.[33] Merging substantive domestic laws based on these opposing underlying principles has raised many difficulties along the path to international harmonization. The U.K. has engaged in international harmonization efforts for far longer than the U.S.,[34] and is therefore well positioned to guide the U.S. in adapting its economically based copyright laws to conform to international norms.

This Note proceeds in four parts. Part I discusses the common economic principles underlying the American and British copyright systems and traces their different approaches to international harmonization. Part II introduces orphan works and the various issues they present, from their first identification through their present controversy within the mass digitization context. Part III discusses the past and current approaches on the American, British, and European Union stages to solve the orphan works issue. Finally, Part IV evaluates and compares the approaches, arguing that while the U.S. should primarily adopt the system advocated by the U.K., the U.K. system could equally benefit from ideas inherent in the U.S. system.

I. THE ECONOMIC FOUNDATION OF U.S. AND U.K. COPYRIGHT LAW

U.S. federal copyright protection originates in the Constitution.[35] The Framers granted Congress the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[36] This grant of protection for "limited [t]imes" in exchange for an author's contribution

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[31] *See generally* Ray Raymond, *The U.S.–U.K. Special Relationship in Historical Context*, *in* U.S.–U.K. RELATIONS AT THE START OF THE 21ST CENTURY 1, 1 (Jeffrey D. McCausland & Douglas T. Stuart eds., 2006).

[32] VON LEWINSKI, *supra* note 18, at 38.

[33] *See id.* at 50–54.

[34] The U.K. began its international harmonization in 1886 when it signed the Berne Convention, the primary international agreement governing copyright laws. Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 828 U.N.T.S. 221; *WIPO-Administered Treaties*, WORLD INTELL. PROP. ORG., http://www.wipo.int/treaties/en/ShowResults.jsp?treaty_id=15 (last visited Jan. 7, 2014). The U.S., however, did not join the Berne Convention until 1988—over one hundred years after its fellow utilitarian counterpart. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853. The Act entered into force in 1989. TREATY AFFAIRS STAFF, U.S. DEP'T OF STATE, TREATIES IN FORCE 345 (2012), *available at* http://www.state.gov/documents/organization/202293.pdf.

[35] *See* U.S. CONST. art. I, § 8, cl. 8.

[36] *Id.*

to public knowledge was drawn from the Framers' experience with the British copyright regime.[37]

Specifically, the British copyright policy was based on economic and utilitarian rationales, dating back to Smith, Bentham, and Mill, and confirmed by Locke's labor theory: that the act of labor creates a right of ownership in the laborer, allowing him to profit from his work.[38] Applied to copyright, Lockean doctrines promoted creativity and thus furthered public access to such creation. Since the enactment of the Statute of Anne in 1710,[39] the Crown protected authors' rights to do with their works as they pleased, but balanced those rights subject to the users' interests, thereby recognizing the public benefit in accessing the work.[40]

By contrast, most of Continental Europe subscribed to an author's rights, or *droit d'auteur*, system.[41] Based on the Hegelian notion of natural rights and personhood,[42] an author's rights system viewed a work as an extension of the creator's personality. The system thus accorded a different set of rights to the creator and did not consider the users' interests, as the utilitarian systems did.[43] France, for example, recognized author's rights by statute in the nineteenth century, and its system served as a model for many other European laws.[44]

Author's rights are reflected not only in specific provisions,[45] but also in the general terminology used throughout each code and in the code's

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[37] *Id.*; *see* WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 211 (2003) ("Renewals and extensions of patents and copyrights had been common in England in the eighteenth century, . . . and it was English practice that provided the model and inspiration for the copyright clause of the Constitution and for the early federal copyright statutes.").

[38] *See* LANDES & POSNER, *supra* note 37, at 1; VON LEWINSKI, *supra* note 18, at 37.

[39] 8 Ann., c. 19 (Eng.).

[40] *See* VON LEWINSKI, *supra* note 18, at 37 ("The early English and American copyright laws granted limited exclusive reproduction rights for authors, while highlighting the public benefit as a rationale for protection: copyright was seen as an incentive to creation, leading to an enrichment of the public.").

[41] *See id.* at 33.

[42] Under Hegelian personhood or personality theory, the creator's work becomes an extension of his personhood, and thus becomes an inalienable right. *See* LANDES & POSNER, *supra* note 37, at 63–64; Margaret Jane Radin, *Property and Personhood*, 34 STAN. L. REV. 957, 971–78 (1982).

[43] *See* VON LEWINSKI, *supra* note 18, at 38. These moral rights include the rights of attribution (or paternity), integrity, divulgation, and withdrawal. GOLDSTEIN & HUGENHOLTZ, *supra* note 15, at 358–67. For a full discussion of the differences in rights and subsequent laws between the two systems, see VON LEWINSKI, *supra* note 18, at 40–63.

[44] *See* LANDES & POSNER, *supra* note 37, at 270.

[45] *See, e.g.*, CODE DE LA PROPRIÉTÉ INTELLECTUELLE [C. PROP. INTELL.] art. L. 111-1(2) (Fr.); Gesetz über Urheberrecht und verwandte Schutzrechte [Urheberrechtsgesetz] [UrhG] [Copyright Act], Sept. 9, 1965, BFBL. I at 1273 (Ger.), *available at* http://www.gesetze-im-internet.de.

underlying policy statements.[46] For example, the first article of the French Intellectual Property Code states that "[t]he author of a *work of the mind* shall enjoy in that work, *by the mere fact of its creation*, an exclusive incorporeal property right which shall be enforceable against all persons."[47] Compared to the U.S.'s stated policy "to promote the [p]rogress of . . . useful [a]rts," which represents the public's interest in using a work, the Continental policy prioritizes the author's interests in protecting her own work.

A. Internationalization and Evolution of U.K. Copyright

Despite their common domestic copyright policies, the U.S. and the U.K. approached international copyright harmonization on drastically different timelines. The U.K. has gradually evolved from a strict utilitarian system to one of compromise with Continental regimes through a series of Copyright Acts passed in 1886, 1911, 1956, and 1988, whereas the U.S. did not adjust to international norms until the second half of the twentieth century.

Towards the end of the nineteenth century, an international literary congress in Paris sought to unify the then-existing system of bilateral copyright treaties into one multilateral convention to protect author's rights.[48] This ultimately led to the Berne Convention in 1886,[49] which brought together the world's copyright leaders, including the U.K. Notably, the U.S. sent a mere nonvoting observer and did not join the Convention.[50]

Berne members agreed, inter alia, to provide automatic protection to any copyrightable work; that is, the work would be protected immediately upon creation and would not hinge on any formalities of registration or

[46] Author's rights laws generally use words like "limitations" and "exceptions" to represent the author's view, whereas utilitarian systems generally use words like "fair use" and "acts permitted" to represent the public's view. *See* VON LEWINSKI, *supra* note 18, at 39.

[47] C. PROP. INTELL. art. L. 111-1 (Fr.) (emphasis added).

[48] MAKEEN FOUAD MAKEEN, COPYRIGHT IN A GLOBAL INFORMATION SOCIETY: THE SCOPE OF COPYRIGHT PROTECTION UNDER INTERNATIONAL, US, UK AND FRENCH LAW 23 (2000).

[49] *Id.*

[50] Lionel Bently & Brad Sherman, *Great Britain and the Signing of the Berne Convention in 1886*, 48 J. COPYRIGHT SOC'Y U.S.A. 311, 312, 335 (2000). The voting countries were Belgium, France, Germany, Haiti, Italy, Liberia, Spain, Switzerland, Tunisia, and the U.K. *Id.* at 312. The U.K., unsure whether the U.S. would send a Berne representative, hesitated to send a delegate because it feared harming its chance to forge a separate bilateral treaty with the U.S. Though the U.S. ultimately sent a delegate, he acted only as an observer who did not carry the power to vote or to commit the U.S. to a treaty. Nevertheless, the U.K. had already decided to attend and, as a result, was the only voting representative from a utilitarian copyright regime. *Id.* at 325, 334–35.

notice.[51] In addition, the Convention declared that a work must be protected at least for the life of the author plus fifty years.[52]

The U.K. Parliament enacted the International Copyright Act of 1886 to implement its Berne obligations.[53] The Act included only nominal considerations, however, and the U.K. was not truly forced to change its copyright law substantively to comply with Berne until the Berlin Revision of the Berne Convention in 1908.[54] As a result, the U.K. passed the Copyright Act of 1911,[55] which enacted a number of statutory revisions, including: the elimination of the formalities of registration and notice;[56] the origination of copyright protection at creation of the work, and not only at its publication;[57] the adoption of a new copyright duration of the author's life plus fifty years;[58] the adoption of Berne's subject matter provisions;[59] and a broader definition of infringement to include the subject matter of sound recording and film.[60]

After undergoing additional amendments in 1956,[61] the U.K.'s current copyright regime is governed by the Copyright, Designs and Patents Act of 1988.[62] The 1988 Act made "fresh provision[s]" regarding the rights of creators in the U.K. and brought those rights in line with international principles.[63] Its compliance with international harmonization is evident in providing for an entire chapter on moral rights,[64] to meet the terms of the Berne Convention's Paris Act in 1971.[65] Still, the Act reemphasizes its utilitarian foundation by declaring that "[c]opyright is a property right."[66] The U.K. Intellectual Property Office neatly sums up its public access

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[51] Coree Thompson, Note, *Orphan Works, U.S. Copyright Law, and International Treaties: Reconciling Differences to Create a Brighter Future for Orphans Everywhere*, 23 ARIZ. J. INT'L & COMP. L. 787, 796 (2006).

[52] *Id.* at 797.

[53] 49 & 50 Vict., c. 33 (U.K.).

[54] Compare *id.*, with Copyright Act, 1911, 1 & 2 Geo. 5, c. 46 (U.K.).

[55] 1 & 2 Geo. 5, c. 46 (U.K.).

[56] *See id.* §§ 1(1), 36. See *infra* note 68 for a discussion of registration and notice formalities.

[57] *See id.* § 1(1). This brought unpublished works under copyright protection.

[58] *Id.* § 3.

[59] This extended the subject matter of copyright to include "every original literary dramatic musical and artistic work." *Id.* § 1(1).

[60] *Id.* §§ 1(2), 2.

[61] Copyright Act, 1956, 4 & 5 Eliz. 2, c. 74, § 12 (U.K.) (adding special sound recording provisions to comply with the Rome 1928 and Brussels 1948 Berne revisions regarding broadcasting and public performance); *see also* MAKEEN, *supra* note 48, at 140–42 (detailing the exclusive rights provided by the 1956 Act).

[62] c. 48 (U.K.).

[63] *Id.* pmbl.

[64] *Id.* §§ 77–89.

[65] *See* MAKEEN, *supra* note 48, at 142; *see also* VON LEWINSKI, *supra* note 18, at 132–37 (discussing rights required for implementation of the Berne Convention).

[66] Copyright, Designs and Patents Act, 1988, c. 48, § 1 (U.K.).

priorities by declaring that "[c]opyright rewards the making of, and investment in, creative works while also recognising the need for use to be made of those works."[67] As a culmination of the U.K.'s gradual compromises in the twentieth century, the 1988 Act is an exemplary model to show the U.S. how to incorporate author's rights ideas into an existing utilitarian system.

B. Defiant Internationalization of U.S. Copyright

Across the Atlantic, the U.S. took more than a hundred years to join the Berne Convention. For one reason, Berne's strict requirements, especially its prohibition of formalities,[68] were deemed too much in conflict with existing U.S. copyright law at the time of Berne's passing.[69] For another reason, in 1886, U.S. imports of foreign works greatly outnumbered the exports of American-made material.[70] By not joining Berne and thus denying additional protection to imported works, the U.S. was able to consume more content, and so it was momentarily content to remain isolated from the world of international copyright.[71]

This moment of contentment would not last long. After the enactment of the 1909 Copyright Act, motion pictures began to proliferate within the U.S., and as audiovisual embodiments of American culture, they quickly became a major U.S. export.[72] This explosion of American cultural exports was not limited to films alone: American books, magazines, and other published works became so popular internationally that "[b]y 1954, the United States was the greatest exporter of printed material."[73] Still

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[67] INTELLECTUAL PROP. OFFICE, COPYRIGHT: ESSENTIAL READING 2 (2011), *available at* http://www.ipo.gov.uk/c-essential.pdf.

[68] Copyright formalities include the requirements of publication, notice, deposit, and registration. First, the 1790 and 1802 U.S. Copyright Acts required a work to be published in order to be protected by copyright. Copyright Act of 1790, 1 Stat. 124; Copyright Act of 1802, 2 Stat. 171. This publication requirement was eliminated in favor of a "fixation" requirement by the 1976 Copyright Act. Now, a work need only be "fixed in [a] tangible medium of expression," thereby allowing unpublished works to be protected by copyright. Copyright Act of 1976, Pub. L. No. 94-553, § 102(a), 90 Stat. 2541, 2544 (codified at 17 U.S.C. § 102(a) (2012)). Second, public notice of the work in a newspaper was required by the 1790 and 1802 Acts. 1 Stat. 124; 2 Stat. 171. By the 1976 Act, only "reasonable notice" was required, 90 Stat. 2541, and by the 1988 Act, notice became optional, Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (codified as amended in scattered sections of 17 U.S.C.). Third, in 1790 and 1802, a work needed to be deposited with a district court clerk and the Secretary of State. 1 Stat. 124; 2 Stat. 171. By 1909, it merely needed to be deposited with the Copyright Office; this requirement is still in force. Copyright Act of 1909, 35 Stat. 1075; 17 U.S.C. § 407 (2012). Lastly, the early Acts required a work to be registered with the clerk. 1 Stat. 124; 2 Stat. 171. The 1909 Act required registration only before bringing a lawsuit for infringement. 35 Stat. 1075.

[69] Thompson, *supra* note 51, at 797.

[70] *See id.*

[71] For a full discussion of the U.S.'s role in Berne compliance, see *id.* at 792–800.

[72] *Id.* at 797.

[73] *Id.*

Congress did not choose to overhaul its copyright regulations to comply with Berne; after all, American authors could gain unofficial access to Berne protections through simultaneous publication of their works in Canada, which was a Berne member.[74]

Though it did not enact full Berne compliance measures, Congress took an intermediate step in 1952 by joining the Universal Copyright Convention (UCC) to provide a "more adequate basis" to protect American works abroad.[75] This allowed the U.S. to play a greater role in international copyright policy while still abstaining from the Berne Convention. However, as U.S. membership in the UCC increasingly became an insignificant concession to the international copyright community, and as Berne members grew upset with the American "ruse" of gaining Berne protection through Canadian publication, international pressure mounted on the U.S. and led to the Copyright Act of 1976.[76] The 1976 Act's elimination of some formalities[77] paved the way for the U.S. finally to join the Berne Convention in 1988.[78]

The U.S. joined the Berne Convention for two primary purposes. First, piracy of U.S. works had become a significant concern by 1988. Inadequate protection abroad resulted in approximately $50 billion in losses for the U.S. intellectual property industries in 1986 alone.[79] At a time when the U.S. operated on an overall trade deficit, boosting income from foreign use of copyrighted American works was seen as a worthwhile effort to reduce the trade deficit.[80] Second, the U.S. wanted to take a greater role in shaping and managing international copyright policy.[81] Joining Berne offered copyright relations with twenty-four countries outside the UCC, as well as potential relations with China, a major importer of—and thus a piracy threat to—U.S. works.[82] By joining the Berne Convention, the U.S. took a

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[74] *Id.*

[75] H.R. REP. NO. 83-2608, at 2 (1954), *reprinted in* 1954 U.S.C.C.A.N. 3629, 3630; *see* TREATY AFFAIRS STAFF, *supra* note 34, at 344 (noting that the UCC was signed on September 6, 1952, and entered into force on September 16, 1955).

[76] Thompson, *supra* note 51, at 797–98 (quoting H.R. REP. NO. 83-2608, at 4).

[77] *See supra* note 68.

[78] Because the Berne Convention is not a self-executing treaty, the U.S. passed the Berne Convention Implementation Act in 1988. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (codified as amended in scattered sections of 17 U.S.C.).

[79] S. REP. NO. 100-352, at 2 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3707 ("The U.S. International Trade Commission estimated recently that U.S. companies lost between $43 billion and $61 billion during 1986 because of inadequate legal protection for United States intellectual property, including copyrights.").

[80] *See id.*

[81] *Id.* at 2. The U.S. wanted to influence international copyright for many reasons, one of which was to secure international recognition for phonograms. *See* VON LEWINSKI, *supra* note 18, at 33–34, 430 & n.12.

[82] S. REP. NO. 100-352, at 3 ("First, adherence to Berne will immediately give the United States copyright relations with 24 countries with which no current relations exist. A twenty-fifth country, the

seat at the head table and extended the breadth of its protection to stem the effects of piracy.

Since 1988, U.S. copyright law has been amended four times to respond to technological changes and to comply with international harmonization principles.[83] To stay relevant and to maintain a strong policy-shaping position, the U.S. should join the international copyright community as it tackles the next big hurdle: orphan works.

II. ORPHAN WORKS AND THE PROBLEMS THEY PRESENT

The international copyright community is now wrestling with the orphan works issue. Untraceable copyright owners cause a significant amount of works to be deemed "orphaned." For example, the British Library estimates that forty percent of the works in its repository under copyright are orphan works,[84] and copyright experts[85] estimate such works to number in the millions. This causes problems for prospective individual users who cannot confidently use such works without fear of liability, and thus the works remain unused and unnoticed. The situation becomes increasingly urgent as many museums, archives, and other nonprofit institutions seek to digitize their collections. Not only would the institutions benefit from permission to digitize the orphan works, but also the subsequent digitization of such works would make them available on an

Peoples Republic of China, with more than a billion potential users of American works, has given strong signals that it is considering adherence to Berne.").

[83] *See* Thompson, *supra* note 51, at 803. In 1990, Congress granted a limited set of moral rights to visual artists, including the right of attribution and integrity and the right to prevent intentional distortion or destruction of the work, in the Visual Artists Rights Act, Pub. L. No. 101-650, § 603(a), 104 Stat. 5089, 5128–33 (1990). In 1994, the Uruguay Round Agreements Act added section 104A to the Copyright Act, which restored copyrights in foreign works that had fallen into the public domain. Pub. L. No. 103-465, § 514, 108 Stat. 4809, 4976–81 (1994). In 1998, the Sonny Bono Copyright Term Extension Act extended the duration of copyright protection to the life of the author plus seventy years, or ninety-five years from the date of creation if a work for hire. Pub. L. No. 105-298, § 102, 112 Stat. 2827, 2827–28 (1998). Again in 1998, Congress enacted the Digital Millennium Copyright Act, which created a wide swath of anti-circumvention provisions for technological works and carved out safe harbor exceptions for certain users. Pub. L. No. 105-304, 112 Stat. 2860 (1998).

[84] Amanda N. Wilson, Comment, *Jet-Setting Orphan Works: The Transnational Making Available of Works of Unknown Authorship, Anonymous Works, or Lost Authors*, 23 EMORY INT'L L. REV. 783, 784 (2009).

[85] *See* Golan v. Holder, 132 S. Ct. 873, 905 (2012) (Breyer, J., dissenting) ("There are millions of such works. For example, according to European Union figures, there are 13 million orphan books in the European Union (13% of the total number of books in-copyright there), 225,000 orphan films in European film archives, and 17 million orphan photographs in United Kingdom museums."); *see also* Pamela Samuelson, Op-Ed., *Digitizing Knowledge*, L.A. TIMES, May 1, 2012, at A11 ("Even if the money wasn't a problem, hundreds of thousands—and probably millions—of books are likely to be 'orphan works' whose rights-holders are unknown or can't be found."). Note too that Professor Samuelson refers only to books; orphaned paintings, photographs, recordings, and other types of cultural material would likely increase this figure enormously.

unprecedented scale.[86] Accordingly, this Part will introduce the basic orphan works problem, the dramatic increase in orphan works as a result of international harmonization, and finally, recent litigation concerning mass digitization and orphan works.

A. The Creation and Evolution of the Orphan Works Issue

An artist or institution that wants to use an orphan work faces legal uncertainty and an increased liability risk because the prospective user cannot contact the owner to obtain consent.[87] The user cannot determine "whether or under what conditions the owner would permit use."[88] This creates a liability risk that, while seemingly remote, many users are unwilling to take for fear that the owner might appear and sue for infringement after use of the work has begun.[89] For a large scale example, a film studio whose screenplay is based on an orphaned novel might risk being forced to shut down film production if the novel's author resurfaced before the film's release. On a smaller scale, an individual composer of choral works might risk an infringement suit for using an orphaned volume of poetry in his musical settings if the poet's previously unlocatable heirs came forward after publication and performance of the works.[90]

Moreover, mass digitization projects[91] raise similarly unfortunate situations. The National Jazz Museum in Harlem, for example, may encounter difficulties with digitizing many of its recordings, including previously unheard recordings by Coleman Hawkins, Billie Holiday, and Lester Young, because tracking down their true owners is a costly and time-intensive effort.[92] As another example, Cornell University's library has more than 850,000 pages of literature detailing the development of American agriculture, of which 198 monographs cannot be digitized

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[86] Solving this issue would allow the U.S. to take its role as the world's primary cultural exporter even further, by providing digital access to undeveloped countries and vastly improving research capabilities. *See* Samuelson, *supra* note 85 ("Digital libraries containing millions of out-of-print and public domain works would vastly expand the scope of research and education worldwide, extending access to millions of people in undeveloped countries who don't have it now. It would also open up amazing opportunities for discovery of new knowledge. Being able to conduct searches over a corpus of millions of books allows researchers to learn things never before possible.").

[87] *See, e.g.*, REGISTER OF COPYRIGHTS, *supra* note 3.

[88] *Id.*

[89] *Id.* at 15.

[90] E-mail from Francis Lynch, Chicago composer, to author (May 15, 2013) (on file with the *Northwestern University Law Review*).

[91] *See infra* Part II.C for a more detailed discussion of digitization issues.

[92] Larry Rohter, *Great Jazz, Long Unheard, Is Rediscovered*, N.Y. TIMES, Aug. 17, 2010, at C1. Note that finding the owner of a musical work is often not as straightforward as knowing the performer. Under any number of contractual agreements, the owner of a sound recording or musical work could be the artist, the producer, the record company, or even an uninterested third party. *See id.*

because the copyright owners cannot be located, even after the library spent over $50,000 on the search.[93]

To alleviate these concerns, the U.S. Copyright Office sought to facilitate the digitization of orphan works in two recent efforts. First, the Copyright Office made mass digitization—of all works, not only orphan works—a top priority in its two-year plan, released in October 2011,[94] which resulted in its Report on Mass Digitization later that year.[95] The Report addressed "the relationship between the emerging digital marketplace and the existing copyright framework" by undertaking "an intense public discussion about the broader policy implications of mass book digitization."[96]

Second, the Copyright Office's 2012 Notice of Inquiry specifically asked for commentary on orphan works within the mass digitization context.[97] In addition to digitizing the materials, the Copyright Office also prioritized improving the "nature, accuracy, and searchability" of its historic copyright records, noting that public–private partnerships could be useful in digitizing these records.[98]

Unidentifiable and unlocatable owners undoubtedly present a problem for individual and institutional users, yet this creates an even larger uncertainty that frustrates the goals of an economically based copyright policy in two key ways identified by the U.S. Copyright Office.[99] First, copyright's economic incentive is undermined. Owners cannot be compensated for their labor if they cannot be located. Users are forced to be inefficient by substituting a different work for the orphaned work that might have better suited their needs.[100] Second, the public is inevitably

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[93] *See* Benjamin T. Hickman, Note, *Can You Find a Home for This "Orphan" Copyright Work? A Statutory Solution for Copyright-Protected Works Whose Owners Cannot Be Located*, 57 SYRACUSE L. REV. 123, 124–25 (2006).

[94] *See* MARIA A. PALLANTE, U.S. COPYRIGHT OFFICE, PRIORITIES AND SPECIAL PROJECTS OF THE UNITED STATES COPYRIGHT OFFICE: OCTOBER 2011–OCTOBER 2013, at 5, 15 (2011), *available at* http://www.copyright.gov/docs/priorities.pdf.

[95] MASS DIGITIZATION REPORT, *supra* note 1.

[96] *Id.* at ii.

[97] Notice of Inquiry, 77 Fed. Reg. 64,555, 64,561 (Oct. 22, 2012) (The notice asked: "[h]ow should mass digitization be defined, what are the goals and what, therefore, is an appropriate legal framework that is fair to authors and copyright owners as well as good faith users? What other possible solutions for mass digitization projects should be considered?").

[98] *Id.* at 64,558. SoundExchange is an example of one successful public–private partnership, in that Congress created a new statutory right (a performance right for sound recordings) and the Library of Congress's Copyright Royalty Board gave SoundExchange, a private nonprofit organization, the right to collect and distribute the royalties generated from the right. Of course, in SoundExchange's case, the owners of the works are (or at least should be) readily identifiable, unlike the potential case in the orphan works situation. SOUNDEXCHANGE, http://www.soundexchange.com (last visited Jan. 7, 2014).

[99] Notice of Inquiry, 70 Fed. Reg. 3739, 3741 (Jan. 26, 2005).

[100] *See id.*

harmed because it is deprived of access to the orphan work.[101] The liability risk faced by users "may unduly restrict access to millions of works that might otherwise be available to the public (e.g., for use in research, education, mainstream books, or documentary films)."[102] The public could make significant use of these orphan works to preserve cultural history, create new expression, and increase access for education, science, and the useful arts.[103]

Although current U.S. copyright law does not explicitly address these concerns, it does contain some provisions that, while ultimately insufficient, the user can rely on in order to use an orphan work.[104] Additionally, a number of alternatives are available for a user who chooses to proceed with her planned use of the work without searching for the owner. She may be able to use the work in a noninfringing way, to claim fair use,[105] or to use a substitute work.[106] For example, the National Jazz Museum is able to use noninfringing snippets of the orphaned sound recordings to attract visitors to its collection because using a small portion of the recording qualifies as fair use.[107] Cornell's library has digitized the remaining documents in the agriculture collection, notwithstanding the orphaned monographs.[108] The choral composer may be able to claim fair

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[101] *Id.*

[102] Notice of Inquiry, 77 Fed. Reg. at 64,555.

[103] *See* Thompson, *supra* note 51, at 788.

[104] Section 108(h) allows libraries and archives to "reproduce, distribute, display, or perform" published works within the last twenty years of their copyright term under certain conditions. 17 U.S.C. § 108(h)(1) (2012). This relies on a reasonableness requirement for enforcement, but this reasonableness has not been interpreted to date by any courts. REGISTER OF COPYRIGHTS, *supra* note 3, at 46. Section 115 creates a compulsory license for sound recordings. § 115; *see also* REGISTER OF COPYRIGHTS, *supra* note 3, at 47. Section 504(c)(2) provides a limitation on damages in certain circumstances. § 504(c)(2); *see also* REGISTER OF COPYRIGHTS, *supra* note 3, at 49. The statute of limitations provided in section 507(b) makes damages unavailable against the user of an orphan work three years after the infringement claim accrued. § 507(b); *see also* REGISTER OF COPYRIGHTS, *supra* note 3, at 70. The termination provisions—sections 203 and 304(c)–(d)—in the Copyright Act establish default rules for resolving where the termination notice may be served in the event that an owner cannot be located. §§ 203, 304(c)–(d). These provisions also rely on a reasonableness standard. REGISTER OF COPYRIGHTS, *supra* note 3, at 50–52.

[105] *See* § 107 ("[T]he fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright."). Fair use is used frequently and successfully as a defense to a copyright infringement claim. *See* Urban, *supra* note 24, at 1389–92. The fair use analysis involves evaluating four factors: (1) the "purpose and character of the use" (e.g., whether the work is commercial or noncommercial); (2) "the nature of the copyrighted work"; (3) the "amount and substantiality" of the copyrighted work used; and (4) the market harm of the use. § 107(1)–(4).

[106] REGISTER OF COPYRIGHTS, *supra* note 3, at 52.

[107] *See* Editorial, *Free That Tenor Sax*, N.Y. TIMES, Aug. 22, 2010, at WK7; Steven Seidenberg, *Orphaned Treasures: A Trove of Historic Jazz Recordings Has Found a Home in Harlem, but You Can't Hear Them*, A.B.A. J., May 2011, at 47, 48.

[108] *See* Hickman, *supra* note 93, at 124.

use if his works are performed only with nonprofit organizations, or he may use different poems. While these solutions may be slightly helpful, they are ultimately short-term, incomplete, and inefficient. Moreover, they deprive the public of access to the orphaned work, and increasing access should be the ultimate goal of any U.S. orphan works regulation.[109]

B. How International Harmonization Created More Orphan Works

While existing U.S. copyright provisions[110] create alternative avenues for a user, the copyright provisions added in 1976 and 1988 to implement international norms actually exacerbated the orphan works problem in two ways. First, the elimination of the registration[111] and notice[112] formalities, as required by the Berne Convention, made the search for a work's owner more difficult.[113] Registration made the U.S. Copyright Office aware of the name of the owner and that he wished the work to be protected by copyright. Notice, by contrast, provided the public with the name of the owner and the first year of copyright protection, which enabled a user to determine when the copyright might expire.[114] While the formalities process was not inherently difficult—submitting some paperwork and paying a fee—it served as a "trap for the unwary" and resulted in the loss of some copyrights by owners who were unaware of the process.[115]

When amending the 1976 Act to eliminate the publication requirement, Congress decided that the benefits of the new system, which provided copyright protection immediately upon a work's fixation in a tangible form, outweighed the harms created by a potentially larger orphan works problem.[116] Congress opted instead to protect copyrights of those owners who were unaware of the formalities requirements, at the expense of complicating the search for an orphaned owner.

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[109] Letter from Patrick Leahy, U.S. Senator, & Orrin G. Hatch, U.S. Senator, to Marybeth Peters, Register of Copyrights (Jan. 5, 2010), *in* REGISTER OF COPYRIGHTS, *supra* note 3 (emphasizing lack of public access as one of the major problems with orphan works: "[the inability of a potential user to obtain permission to use an orphan work is] unfortunate and inconsistent with the purpose of the Copyright Act, because in such cases it would seem that although no one objects to the use, the public nevertheless is deprived of access to that work").

[110] *See supra* note 104.

[111] The registration formality was removed by the 1909 Copyright Act. *See supra* note 68.

[112] The notice formality became optional in the 1988 Act. *See supra* note 68.

[113] REGISTER OF COPYRIGHTS, *supra* note 3, at 3–4. Eliminating formalities of registration and notice hindered the search process because the Copyright Office no longer had a registration application to locate every rights holder, and the protected work no longer was required to note the owner of the work and the first year of copyright protection.

[114] *See id.*; *supra* note 68.

[115] REGISTER OF COPYRIGHTS, *supra* note 3, at 43 ("[T]here was substantial evidence presented during consideration of the 1976 Act that the formalities such as renewal and notice, when combined with drastic penalties like forfeiture of copyright, served as a 'trap for the unwary' and caused the loss of many valuable copyrights.").

[116] *Id.*

Moreover, many congressional representatives thought that the orphan works issue would be limited in scope and therefore was unworthy of their concern. They anticipated that scholarly institutions, which could protect themselves using the fair use exception,[117] would be most affected:

> It is true that today's ephemera represent tomorrow's social history, and that works of scholarly value . . . would be protected much longer under the bill. Balanced against this are the burdens and expenses of [formalities] . . . . Moreover, it is important to realize that the bill would not restrain scholars from using any work as source material or from making "fair use" of it . . . . The advantages of a basic term of copyright . . . outweigh any possible disadvantages.[118]

Even though this elimination of formalities contributed to the proliferation of orphaned works, the Register of Copyrights stated "[t]o be clear, Congress amended the law for sound reasons," including stronger copyright protection for U.S. works abroad.[119]

The second way in which international harmonization exacerbated the orphan works issue was through the extended copyright term. The extension of a copyright's duration from life-plus-fifty to life-plus-seventy years made it more difficult for a prospective user to discern whether a work was still protected under copyright.[120] The additional twenty years created an even larger vacuum in which a creator's heir (and thus the work's owner) could disappear; moreover, some scholars question whether the additional term added any value to the copyright at all.[121] Although the U.S. Copyright Office was aware of the exacerbation of the orphan works issue when Congress enacted the Copyright Term Extension Act in 1998,[122] Congress again determined that the benefits of international harmonization outweighed the inevitable confusion over whether a work remained under copyright. As the law stands, "a user generally must assume that a work he wishes to use is subject to copyright protection, and often cannot confirm whether a work has fallen into the public domain."[123]

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[117] *See* Urban, *supra* note 24, at 1389–91 (describing the flexibility of fair use and its application to a variety of situations).

[118] H.R. REP. NO. 94-1476, at 136 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5752.

[119] Notice of Inquiry, 77 Fed. Reg. 64,555, 64,556 (Oct. 22, 2012).

[120] Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, § 102, 112 Stat. 2827, 2827 (1998); Notice of Inquiry, 70 Fed. Reg. 3739, 3740 (Jan. 26, 2005); REGISTER OF COPYRIGHTS, *supra* note 3, at 3.

[121] *See* William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyrigh*t, 70 U. CHI. L. REV. 471, 473–74 (2003) (footnotes omitted) ("[F]ewer than 11 percent of the copyrights registered between 1883 and 1964 were renewed at the end of their twenty-eight-year term, even though the cost of renewal was small. And only a tiny fraction of the books ever published are still in print; for example, of 10,027 books published in the United States in 1930, only 174, or 1.7 percent, were still in print in 2001. These data suggest that most copyrights depreciate rapidly . . . .").

[122] REGISTER OF COPYRIGHTS, *supra* note 3, at 32.

[123] *Id.* at 3–4.

C. Litigation Efforts and the Inevitability of Legislation

Two recent U.S. cases have addressed the issue of orphan works and mass digitization. However, neither case provided a complete solution, and together, both have proven that the orphan works issue must ultimately be addressed through legislation.

First, the Google Books Project sought to create "a future world in which vast collections of books are digitized," which, in the short term, meant that Google embarked on a worldwide effort to scan millions of physical books.[124] This brought on a flurry of concerns, both domestic and international. Some in the EU called the project a "disgrace" to European cultural identity, and even went so far as to call Google's Project "cultural rape."[125] Several U.S. publishers, representing their authors, and the Author's Guild, representing the interests of orphan work owners, brought suit against Google.

Google and the defendants proposed a settlement that would allow Google to move ahead with its Project; in return, Google would pay $125 million, including legal fees, to resolve the authors' existing claims and to establish a Book Rights Registry to aid in locating the owners of orphaned books.[126] The settlement was rejected by the Southern District of New York in March 2011 on grounds that it would be both over- and underinclusive.[127] The settlement "would inappropriately implement a forward-looking business arrangement granting Google significant rights to exploit entire books without permission from copyright owners, while at the same time releasing claims well beyond those presented in the dispute."[128] In its decision, the court stated that sorting out orphan works issues "are matters more appropriately decided by Congress than through an agreement among private, self-interested parties."[129] Google eventually settled privately with the publishers, but not with the Author's Guild; thus, the settlement did not provide any private solutions for the orphan works issue.[130]

Second, the HathiTrust Digital Library was formed to pool the resources of some of the nonprofit libraries that had previously partnered

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[124] *Google Books History*, *supra* note 1; *see also* Samuelson, *supra* note 1 ("[Under the Google Book Search initiative], Google has scanned millions of in-copyright books . . . .").

[125] *See* de la Durantaye, *supra* note 6.

[126] Press Release, Google, Authors, Publishers, and Google Reach Landmark Settlement (Oct. 28, 2008), *available at* http://googlepress.blogspot.com/2008/10/authors-publishers-and-google-reach_28.html.

[127] *See* Authors Guild v. Google, Inc., 770 F. Supp. 2d 666, 669–70 (S.D.N.Y. 2011). The initial proposed settlement was revised twice in response to "hundreds of objections," and in this decision, the court rejected what was referred to as the "Amended Settlement Agreement," the third iteration of the proposed settlement. *Id.* at 669, 671.

[128] Notice of Inquiry, 77 Fed. Reg. 64,555, 64,557 (Oct. 22, 2012).

[129] *Google*, 770 F. Supp. 2d at 677.

[130] Notice of Inquiry, 77 Fed. Reg. at 64,557.

with Google.[131] HathiTrust created an online digital repository of books, with a subproject to digitize orphan works.[132] On October 10, 2012, the Southern District of New York held that HathiTrust's overall activities were protected by fair use.[133] It did not, however, rule on the orphan works issue for lack of ripeness, because HathiTrust had since suspended its Orphan Works Project.[134] HathiTrust won the remaining issues in the case by arguing that all four fair use factors[135] went in its favor.

While the court agreed with the fair use defense, this case still highlighted the urgent need for orphan works legislation. Because fair use is only a defense and not a codified orphan works exemption, future potential individual users cannot rely on fair use alone to protect their use of the works, especially if the use is outside the digitization context. Moreover, relying on fair use alone would stifle any attempt at an internationally harmonized orphan works solution, because fair use is a construct unique to U.S. copyright law, without worldwide parallels.[136] The Google Books Settlement and the *HathiTrust* case are recent examples of why a legislative solution to the orphan works issue presses ever more urgent.

III. PROPOSED SOLUTIONS FOR THE ORPHAN WORKS ISSUE

Both the U.S. and the U.K. have proposed various measures to solve the orphan works issue. Though the U.S.'s initial efforts stalled, its Copyright Office should incorporate international considerations as it undertakes a new initiative, so that the solution does not present further complications resulting from later harmonization attempts. To that end, close examination of the U.K.'s recently enacted solution will be a key guide to pave the way for an internationally harmonized U.S. solution. This Part will discuss the past and present efforts the U.S. and the U.K. have taken to address the orphan works issue.

A. U.S. Efforts

The U.S. must resolve the orphan works dilemma through legislation and not through the judiciary. Supreme Court precedent recognized that it

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[131] *See* Samuelson, *supra* note 1, at 726.

[132] Authors Guild, Inc. v. HathiTrust, 902 F. Supp. 2d 445, 448–49 (S.D.N.Y. 2012).

[133] *Id.* at 464.

[134] *Id.* at 455–56, 465.

[135] *Id.* at 458–64; *see supra* note 105 for articulation of the four fair use factors.

[136] *See* VON LEWINSKI, *supra* note 18, at 36. Note that the U.K. and Canada have fair use corollaries, the doctrine of "fair dealing," but they are more limited in scope than U.S. fair use. *See* MAKEEN, *supra* note 48, at 156–64; VON LEWINSKI, *supra* note 18, at 36.

is "Congress's responsibility to adapt the copyright laws in response to changes in technology."[137]

In the wake of the Supreme Court's confirmation of the Copyright Term Extension Act in *Eldred v. Ashcroft*,[138] Congress recognized the increasing urgency of the orphan works problem as a result of the longer copyright term. In separate letters to the Copyright Office, members of the Senate and House Subcommittees on Intellectual Property requested that the Office investigate the orphan works problem and report to Congress. They requested that the report address issues of international harmonization,[139] the creation of databases,[140] and preservation of works by cultural institutions.[141]

1. The 2006 Report on Orphan Works.—Following this Congressional request, the Copyright Office solicited comments on the orphan works problem from the public, calling on stakeholders such as professors, interest groups, and associations representing the core copyright

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[137] Authors Guild v. Google, Inc., 770 F. Supp. 2d 666, 677 (S.D.N.Y. 2011) (citing Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 430–31 (1984)); *see also Sony Corp. of Am.*, 464 U.S. at 430–31 (footnotes omitted) ("From its beginning, the law of copyright has developed in response to significant changes in technology. Indeed, it was the invention of a new form of copying equipment—the printing press—that gave rise to the original need for copyright protection. Repeatedly, as new developments have occurred in this country, it has been the Congress that has fashioned the new rules that new technology made necessary.").

[138] 537 U.S. 186 (2003). Lead Petitioner Eric Eldred ran a website that digitized works upon the expiration of their copyright term and their entrance into the public domain. When the 1998 Sonny Bono Copyright Term Extension Act (CTEA) added twenty years to the term of all works under copyright, Eldred's website could not add new works until 2017, when the next works fell into the public domain. Complaint at ¶¶ 16, 24–25, Eldred v. Reno, 74 F. Supp. 2d 1 (D.D.C. 1999) (No. 01-618), 1999 WL 33743484. Eldred, along with a number of commercial and noncommercial parties who relied on works in the public domain, claimed that the CTEA was unconstitutional for two reasons: first, it violated the "limited times" requirement, and second, it violated petitioners' First Amendment rights. *Eldred*, 537 U.S. at 193. Justice Ginsburg, writing for the majority, rejected both arguments and held that the CTEA was constitutional. *Id.* at 194. Many copyright academics saw this as the beginning of a slippery slope that could lead to a perpetual copyright term. *See, e.g.*, Landes & Posner, *supra* note 121, at 471–75 (exploring the economics of a hypothetical perpetual copyright in light of multiple congressional efforts to extend copyright duration, up to and including the CTEA).

[139] Letter from Lamar Smith, Member of Cong., to Marybeth Peters, Register of Copyrights (Jan. 7, 2005), *in* REGISTER OF COPYRIGHTS, *supra* note 3 ("[O]ther countries have created mechanisms to address both the commercialization of works with unlocatable copyright owners and the accessibility issue.").

[140] Letter from Howard L. Berman, Member of Cong., to Marybeth Peters, Register of Copyrights (Jan. 10, 2005), *in* REGISTER OF COPYRIGHTS, *supra* note 3 (advocating the creation of an "accurate, updated, and electronically searchable database of copyright ownership").

[141] *See* Preservation and Restoration of Orphan Works for Use in Scholarship and Education (PRO-USE) Act of 2005, H.R. 24, 109th Cong. 1, 1–2 (2005) (a bill that would have exempted "the preservation and restoration of copyrighted works for research, scholarly, and educational purposes" from infringement claims); Letter from Howard L. Berman to Marybeth Peters, *supra* note 140 (referencing his support for H.R. 24 but recognizing that the Bill "constitute[d] only a partial solution" to the orphan works problem, and thus encouraging further exploration of solutions to the issue).

industries.[142] After receiving over 850 comments, the Report on Orphan Works proposed specific legislation to "provide a meaningful solution" to the problem.[143] The Report is noteworthy because it was the first comprehensive look at the orphan works issue by the U.S. government and accordingly set the framework for American policy, however tentative, on the subject.

The Report stated that any U.S. orphan works legislation should fulfill the following primary goals:

1. Locate the owner,[144] subject to (A) a reasonably diligent search and (B) attribution.[145]
2. Provide for situations where the owner cannot be found. If the owner cannot be located, the system must balance the user's reliance interests with the owner's original interests.[146]
3. Promote efficiency by minimizing transaction costs of stakeholders, including owners, users, and the federal government.[147]

Consistent with these goals, instead of a blanket exemption for orphan works use, the Report proposed[148] to limit the remedies provision of the Copyright Act for orphan works, contingent on a given set of circumstances.[149] The legislation would have two primary sections: first, the "threshold requirements of a reasonably diligent search" for the owner and

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[142] These groups include, inter alia, the Association of American Publishers, The Authors Guild, Library of Congress, Stanford University Libraries, The Metropolitan Museum of Art, Smithsonian Institution, The Harry Fox Agency, Recording Industry Association of America, American Society of Composers, Authors and Publishers, Motion Picture Association of America, Electronic Frontier Foundation, and Google. REGISTER OF COPYRIGHTS, *supra* note 3, at 17–18.

[143] *Id.* at 7, 17. The Report also considered various nonlegislative solutions suggested by commenters, but they were ultimately deemed to be insufficient. *See id.* at 5, 69. As discussed in Part IV, these alternative solutions are ultimately incomplete, inefficient, and at odds with economic copyright rationales. *See infra* notes 276–78 and accompanying text. Such solutions ranged from limiting statutory damages to abolishing copyright protection for orphan works altogether. *See id.* Others have suggested drawing solutions from patent law, such as requiring owners to search for users. *See* Katz, *supra* note 25; *see also* Tun-Jen Chiang, *The Reciprocity of Search*, 66 VAND. L. REV. 1 (2013) (advocating same solution for patent law); Tun-Jen Chiang, *The Common Cause of Trolls and Orphans*, PRAWFSBLAWG (Aug. 30, 2012, 2:48 PM), http://prawfsblawg.blogs.com/prawfsblawg/2012/08/the-common-cause-of-trolls-and-orphans.html.

[144] REGISTER OF COPYRIGHTS, *supra* note 3, at 93.

[145] *Id.* at 96.

[146] *Id.* at 94.

[147] *Id.* at 8, 95.

[148] In proposing the legislation, the Report noted that "[t]he Copyright Office does not currently have any regulatory authority to address the orphan works issue in any meaningful way," and so left the proposed legislation open to suggestions from the stakeholders and the Judiciary Committee. *Id.* at 93.

[149] *Id.* at 95–96.

subsequent attribution;[150] and second, a limitation on remedies sought against a user who has performed such a reasonably diligent search.[151]

a. Reasonably diligent search and attribution.—"Almost every commenter" pushing for a limitation-on-remedies approach agreed that a search should be a "fundamental requirement" of fixing the orphan works problem.[152] The first prong of the search requirement is the search itself. The Report recommended a reasonably diligent search conducted with good faith and diligence.[153]

The Report did not require any formal guidelines for what would constitute a reasonably diligent search and ultimately recommended an ad hoc, case-by-case approach. This broad standard would account for the tremendous variety of works and their potential uses within the wide range of industries covered by copyright[154] and would present two significant benefits. First, it would account for new search technologies, which will inevitably change the determination of whether a search is reasonable.[155] Second, it would encourage voluntary development of industry-specific guidelines for various types of searches.[156]

The Report also considered creating registries or databases, whether mandatory or voluntary, to catalog prospective uses and users' searches.[157] It ultimately decided not to recommend enacting provisions for any type of registry; instead, it deferred to the marketplace to create private databases.[158]

The second prong of the search requirement is attribution: the user must provide attribution to the owner when using the new work.[159] As a form of notice, attribution might encourage market transactions by connecting the user and owner.[160] It could also "curb abuse" by would-be infringers, by reminding the user that she does not own the work.[161]

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[150] *Id.* at 8.

[151] *Id.*

[152] *Id.* at 5–6.

[153] *Id.* at 98.

[154] *Id.* at 6, 9, 98.

[155] *Id.* at 98, 104. The Report listed six factors that could ultimately be used by a court to determine the reasonableness of a search: (1) information displayed on the work itself; (2) whether the work was published or unpublished; (3) the age of the work; (4) the availability of public records about the work; (5) whether the author is still alive, the corporate owner still exists, and whether a record of any copyright transfers exists; and (6) the nature, extent, and prominence of the proposed use, including whether it is commercial or noncommercial. *See id.* at 9–10, 99–107.

[156] *Id.* at 10.

[157] *Id.* at 70, 73–77.

[158] *Id.* at 95.

[159] *Id.* at 8, 10.

[160] *Id.* at 111.

[161] *Id.* at 111–12.

Because attribution is a type of moral right, and because the U.S. policy is not premised on the recognition of moral rights, the attribution requirement is a step in the right direction by the U.S. to harmonize its policies with countries that follow an author's rights regime.[162] Of the four sticks in the bundle of moral rights, attribution is the most friendly to a utilitarian regime.[163] Attribution is simply about recognition: even those authors and creators who are currently willing to permit wide dissemination and reuse of their works on a royalty-free basis—through a system like the Creative Commons licenses—still request attribution in such licenses.[164]

b. Limitation on remedies.—Once a user can prove that she has carried out a reasonably diligent search, the limitation on remedies would become available to her should an owner resurface.[165] The Report recommended a two-pronged approach to limiting remedies: first, limiting monetary relief for all uses, and second, limiting injunctive relief for derivative uses, both of which are subject to a residual provision protecting the user.

First, the recommended legislation would limit monetary relief to "reasonable compensation," which primarily protects direct uses.[166] This would limit awards of statutory damages and attorney's fees, which would be beneficial "because those remedies create the most uncertainty in the minds of users."[167] Limiting monetary relief would thereby remove the financial deterrent effect of orphan works.[168]

Second, injunctive relief would not be available where the orphan work was incorporated into a derivative work with "substantial expression [added by] the user,"[169] but it may be available in all other cases, provided that the court "account for and accommodate" the user's reliance interest.[170] In keeping with the economic rationale, a user's derivative work would be afforded greater protection because she has "contributed new expression to the public benefit."[171] Protecting derivative works would primarily be beneficial for filmmakers and book publishers, who would otherwise risk a

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[162] *See id.* at 89, 110–12.

[163] The four sticks include the rights of attribution (or paternity), integrity, divulgation, and withdrawal. *See supra* note 43.

[164] REGISTER OF COPYRIGHTS, *supra* note 3, at 111.

[165] *Id.* at 8.

[166] *Id.* at 115.

[167] *Id.* at 7, 115.

[168] *Id.* at 115.

[169] While injunctive relief would not be available for derivative works with substantial user-added expression, the user must provide "reasonable compensation" to the original owner. *See id.* at 120.

[170] *Id.*

[171] *Id.*

potential injunction if an owner were to resurface just as a film is released or a book is going to press.[172]

This would also reduce the injunctive risk for modern visual and performance artists who use expressive forms that inherently incorporate existing works, like collage, found-object art, and sampling. Some creators, like the mash-up and digital sampling artist Girl Talk,[173] may continue to create and perform their works under the fair use defense,[174] but others may not be so "brave (or reckless)."[175] An elimination of injunctions for derivative works would protect the more risk-averse artists.

Lastly, the proposed residual provision is most indicative of the utilitarian approach to protect the user and subsequent public access. It stipulates that any condition that does not fall explicitly under the injunctive relief provision should protect the *user*'s reliance interest.[176] Once the user has undertaken a reasonably diligent search, the court should balance the interests of the owner *and* the user.

c. Miscellaneous and missing provisions.—The Report also recommended that legislation include a savings clause[177] and an automatic ten-year sunset provision.[178] This would force Congress to revisit and reexamine the utility of the legislation.[179]

Notably, the Report did not propose any licensing or fee-payment system. Some commenters proposed instituting a system of licensing orphan works at fees subject to variable or reasonable rates, or at low statutory fees to be paid into an escrow account.[180] As discussed below in Part III.B, the U.K. supports such a system and has recently enacted provisions for its implementation.[181] The U.S. Copyright Office, however,

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[172] *Id.* at 119–20.

[173] GIRL TALK, http://illegal-art.net/girltalk/ (last visited Jan. 7, 2014) (Gregg Gillis, performing under name Girl Talk).

[174] Robert Levine, *Steal This Hook? D.J. Skirts Copyright Law*, N.Y. TIMES, Aug. 7, 2008, at E1 ("Because his samples are short, and his music sounds so little like the songs he takes from that it is unlikely to affect their sales, Mr. Gillis contends he should be covered under fair use.").

[175] Laura N. Bradrick, Note, *Copyright—Don't Forget About the Orphans: A Look at a (Better) Legislative Solution to the Orphan Works Problem*, 34 W. NEW ENG. L. REV. 537, 553 (2012).

[176] *See* REGISTER OF COPYRIGHTS, *supra* note 3, at 115. Injunctive relief would be limited for derivative works that incorporate the orphaned work. Outside of a derivative work situation, then, the court would be instructed to prioritize the interests of the user. *See id.*

[177] *Id.* at 121 ("[The Savings Clause would] make[] clear that nothing in the new section on orphan works affects rights and limitations to copyright elsewhere in the Copyright Act, which is consistent with the structural approach on placing the provision in the remedies chapter.").

[178] *Id.* (providing that "the provision sunset after ten years, which will allow Congress to examine whether and how the orphan works provision is working in practice, and whether any changes are needed").

[179] *See id.*

[180] *Id.* at 7.

[181] *See infra* notes 234–48 and accompanying text.

declined to recommend an escrow-based licensing system in its 2006 Report because it claimed that such a system would violate the efficiency goal of its proposed legislation.[182] Instead, the Report recommended further congressional study to establish a small claims court or other system of dispute resolution to consider orphan works licensing issues.[183] As discussed below, this failure to include a licensing system may have contributed to the recommendation's demise.

2. Failed Bills.—After examining the Report, Congress proposed two bills in 2008[184] to incorporate the recommendations. The proposed Shawn Bentley Orphan Works Act of 2008[185] came the closest to implementing orphan works legislation. The Bill proposed a limitation on remedies, split into the two prongs of (1) a reasonably diligent search requirement and (2) a limit on remedies available to a resurfacing owner.[186] Congress nearly passed the Bill shortly before the 2008 election, but did not adopt the measure before adjourning at the end of the term.[187] The reasons for the Bill's failure are not entirely clear. Some point to the broad vagueness of the diligent search requirements and the negative reaction from stakeholder industries.[188]

Photographers and independent musicians were the most vocal stakeholders opposed to the Bill, and they remain so today.[189] Photographers may have the most to lose if a photo is deemed to be orphaned; because a photo typically focuses on a third party or an inanimate object or landscape instead of the photographer herself, the work lacks any inherent identification information.[190] Moreover, with the dominance of digital technology, any information incorporated into a digital photo's metadata can be stripped from the photo with relative ease, allowing the photo to be passed off as an orphan.[191]

Similarly, independent musicians typically do not have the financial or technological resources of a large music label, and so fear that their works might be used for profit without their consent, whether standing alone or

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[182] REGISTER OF COPYRIGHTS, *supra* note 3, at 11, 113–14.

[183] *Id.* at 11, 114.

[184] Notice of Inquiry, 77 Fed. Reg. 64,555, 64,556 (Oct. 22, 2012).

[185] S. 2913, 110th Cong. (2008).

[186] *Id.*; Notice of Inquiry, 77 Fed. Reg. at 64,556.

[187] Notice of Inquiry, 77 Fed. Reg. at 64,556.

[188] *See* Bradrick, *supra* note 175, at 559, 565.

[189] *See, e.g.*, RICH BENGLOFF, AM. ASS'N OF INDEP. MUSIC, IN THE MATTER OF ORPHAN WORKS AND MASS DIGITIZATION (2012), *available at* http://www.copyright.gov/orphan/comments/noi_10222012/American-Association-Independent-Music-A2IM.pdf; AM. PHOTOGRAPHIC ARTISTS ET AL., PROPOSAL FOR ORPHAN WORKS LEGISLATION (2013), *available at* http://www.copyright.gov/orphan/comments/noi_10222012/American-Photographic-Artists-APA.pdf.

[190] Compare this to a sound recording by a popular artist whose voice is recognizable and thus less susceptible to a false orphan status.

[191] *See* AM. PHOTOGRAPHIC ARTISTS ET AL., *supra* note 189.

incorporated in derivative works.[192] These stakeholders fear that any legislation condoning uses of orphan works would create a loophole for users to misappropriate photos and sound recordings without the artist's consent, simply by claiming that the freelance photographer or the independent musician could not be located.

3. The 2012 Notice.—Though the Report and legislation ultimately failed, they laid the groundwork for the American stance on orphan works. In light of increased international discussion, it is time to try again. On October 22, 2012, the Copyright Office renewed its efforts to solve the orphan works issue by issuing a Notice of Inquiry.[193] The Notice asked scholars and interested parties to comment on two issues: first, what might have changed since the 2008 Bill and the 2006 Report, and second, how orphan works fare within the mass digitization context.[194] The Notice suggested discussion of the following topics:

> The merits of limiting remedies; the interplay between orphan works and fair use, section 108, section 121, or other exceptions and limitations; the role of licensing; the types of orphan works that should be implicated; the types of users who should benefit; the practical or legal hurdles to forming or utilizing registries; international implications; and the relative importance of the Register's plans to improve the quality and searchability of Copyright Office records.[195]

The Notice also acknowledged the myriad international actions on the orphan works front, even acknowledging the European Union's October 2012 Directive in the Notice's first paragraph.[196] This recognition of foreign progress emphasizes the U.S.'s desire to contribute to and comply with the international copyright system.

The U.S. Copyright Office received ninety-one initial comments and eighty-nine reply comments in response to the Notice.[197] Taking these

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[192] *See* BENGLOFF, *supra* note 189.

[193] Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

[194] *See id.* at 64,560–61.

[195] *Id.* at 64,560.

[196] *See id.* at 64,555.

[197] *See Comments on Orphan Works*, U.S. COPYRIGHT OFFICE, http://www.copyright.gov/orphan/comments/noi_10222012/ (last visited Jan. 7, 2014); *Comments on Orphan Works*, U.S. COPYRIGHT OFFICE, http://www.copyright.gov/orphan/comments/noi_11302012/ (last visited Jan. 7, 2014). Many of the reply comments synthesized the opinions that emerged from the initial comments, largely endorsing the 2006 Report's proposals and recommending the incorporation of fair use into any new proposal. *See, e.g.*, JUNE M. BESEK & JANE C. GINSBURG, KERNOCHAN CENTER FOR LAW, MEDIA & THE ARTS, REPLY COMMENTS SUBMITTED PURSUANT TO NOTICE OF INQUIRY ON ORPHAN WORKS AND MASS DIGITIZATION (March 6, 2013), *available at* http://www.copyright.gov/orphan/comments/noi_11302012/Columbia-Law-School-Kernochan-Center.pdf; DAVID HANSEN ET AL., BERKELEY DIGITAL LIBRARY COPYRIGHT PROJECT, REPLY COMMENTS TO ORPHAN WORKS AND MASS DIGITIZATION NOTICE OF INQUIRY, 77 FED. REG. 64,555 (OCT. 22, 2012) (March 6, 2013), *available at*

comments into account, this Note will evaluate international actions to synthesize and recommend the best approach for a U.S. orphan works solution to be consistent with international harmonization.

B. U.K. Efforts

Uncertainty surrounding orphan works is equally detrimental to the United Kingdom's copyright policy. In a modern economy, protection of such intellectual property grows more imperative as the U.K. seeks to maintain its status as a world economic power.[198] Accordingly, it undertook a similar process of issuing reports and recommendations, resulting in new legislation. The recently enacted licensing system, discussed below,[199] is a first step to ensuring that British creators are afforded their economic rights as owners within the creative industries.[200]

1. Past U.K. Efforts.—Before the recent legislation, some provisions of the U.K. copyright code[201] addressed the orphan works issue, but as with existing U.S. copyright law, these provisions were narrow in scope and ultimately insufficient. The Copyright, Designs and Patents Act creates an exception that a copyright cannot be infringed for works whose copyright can reasonably be assumed to have expired, and for works whose owner cannot be ascertained "by reasonable inquiry."[202] While this is insufficient for a user to have confidence that her liability risk has been eliminated, the provision at least reduces concerns related to the copyright's duration.[203]

In 2006, the U.K.'s Chancellor of the Exchequer commissioned a report on whether the U.K.'s intellectual property system was well positioned in an era of globalization and technology, which included an

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http://www.copyright.gov/orphan/comments/noi_11302012/Berkeley-Digital-Library-Copyright-Project.pdf.

[198] *See* Press Release, Intellectual Prop. Office, Modernising Copyright to Help Strengthen Contribution to Growth (July 2, 2012), *available at* http://www.ipo.gov.uk/about/press/press-release/press-release-2012/press-release-20120702.htm ("Harnessing the value and making the most of the UK's intellectual property is a vital element of a vibrant and modern economy. The measures outlined today will form an important part of the Government's growth strategy, making sure the UK is one of the best places to start, finance and grow a business.").

[199] *See infra* notes 244–46 and accompanying text.

[200] *See* Press Release, Intellectual Prop. Office, *supra* note 198 (U.K. Business Minister Norman Lamb noted: "It is vital that we make the most of our creative industries, boosting their contribution to the economy while ensuring protection of the rights holders. The copyright licensing system has been behind the times and we need to modernise and make it fit for the 21st century.").

[201] Note that the U.K. orphan works situation is somewhat complicated because the government may in fact be the largest holder of orphan works: under the Companies Act, "all copyright last owned by a dissolved company under the Companies Act pass to the Crown." Khong, *supra* note 11, at 561. Nevertheless, the U.K.'s current and proposed orphan works measures make government-owned works exempt from these provisions.

[202] c. 48, § 57(1) (U.K.).

[203] *See* Notice of Inquiry, 70 Fed. Reg. 3739, 3741 (Jan. 26, 2005).

analysis of the orphan works situation.[204] The resulting Gowers Report offered three recommendations regarding orphan works. First and primarily, it called for the U.K. to develop a proposed solution to the orphan works situation, and it suggested waiting for the European Commission to issue a Directive before taking any action of its own.[205] Second, it suggested defining parameters for a "reasonable search" for the copyright owner.[206] Third, it proposed establishing a voluntary register of copyrighted works.[207]

Separately, the U.K. Intellectual Property Office (IPO)[208] consulted the British Copyright Council, a trade group representing stakeholders, about the Gowers Report.[209] The IPO's response to the Gowers Report was "uncharacteristically terse,"[210] and the IPO stated its intention to legislate nationally rather than forward the proposal to the European Commission.[211] Furthermore, it stated that the parameters of a diligent search would be considered only after the passage of relevant legislation, and that the copyright industries were in the process of developing databases and licensing schemes of their own.[212]

In 2009, Parliament proposed the Digital Economy Bill, which included a proposal for licensing orphan works.[213] After a rushed period of debate before an imminent dissolution of the Parliament, the orphan works provisions were eliminated from the final draft of the Bill and not included in the resulting Digital Economy Act.[214] Some suspect that the licensing proposal was doomed from the start and that the Bill was deliberately delayed so that the provisions could be thrown out during this "wash-up"

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[204] *See* GOWERS, *supra* note 11, at 1, 3–4. The Report was named after its committee chairman, Andrew Gowers, former editor of the *Financial Times*. *See* Khong, *supra* note 11.

[205] *See* GOWERS, *supra* note 11, at 6, 71.

[206] *Id.* at 71–72.

[207] *See id.* at 72.

[208] The IPO is an Executive Agency of the U.K.'s Department for Business Innovation and Skills, *see Our Mission*, INTELL. PROP. OFF., http://www.ipo.gov.uk/about/whatwedo.htm (last visited Jan. 7, 2014), which is one of twenty-four Ministerial Departments in the U.K. *See Departments, Agencies & Public Bodies*, GOV'T UNITED KINGDOM, https://www.gov.uk/government/organisations (last visited Jan. 7, 2014). The Chancellor of the Exchequer is the head of the HM Treasury, another Ministerial Department, and thus these reactions reflect the policies of different departments. *See Ministerial Role*, GOV'T UNITED KINGDOM, https://www.gov.uk/government/ministers/chancellor-of-the-exchequer (last visited Jan. 7, 2014).

[209] Khong, *supra* note 11.

[210] *Id.*

[211] *Id.*

[212] *Id.*

[213] Digital Economy Bill, 2009-10, H.L. Bill [1] cl. 42 (U.K.) (enacted without the orphan works section); *see* Khong, *supra* note 11, at 563.

[214] *See* Khong, *supra* note 11, at 563. *Compare* Digital Economy Bill, 2009-10, H.L. Bill [1] cl. 42 (U.K.), *with* Digital Economy Act, 2010, c. 24 (U.K.).

period.[215] Indeed, although the Parliamentary record does not reflect any debate over these orphan works provisions, the record does indicate that parts of the Bill were "highly contentious" and were deliberately left out during the wash-up period.[216]

More importantly for future legislation, however, the proposal was not complete by any means and lacked several necessary stipulations. For example, the term "orphan works" was never defined. Additionally, the Bill's "broad and sweeping measures" faced opposition from many other stakeholder groups, including professional photographers.[217] A group of professional photographers created a website to argue that the Bill's orphan works clause would "take away their livelihood from negotiated licensing fees . . . as users could easily claim that the copyright owners are not identifiable or located."[218]

Despite its failure to pass, the proposal reflected the British legislative approach to an orphan works solution, at least as of 2010. The licensing provision would have empowered the Secretary of State to make regulations to create two new licensing schemes: one for individual orphan works, and one for extended collective licensing.[219] Further, the Secretary would have been allowed to regulate on an industry-specific basis.[220] Lastly, the Secretary would have been granted the power to create and oversee a relevant licensing body "to adopt a code of practice" to deal with various matters arising under the schemes, including handling royalty accounts and reporting back to the Secretary.[221] This basic framework set the stage for the Enterprise and Regulatory Reform Act two years later.

2. European Union Directive on Orphan Works.—While U.K. attempts had stalled, the European Union passed a Directive[222] on October

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[215] *See* Khong, *supra* note 11, at 565.

[216] 6 Apr. 2010, PARL. DEB., H.C. (2010) 829 (U.K.) ("The wash-up following the decision to dissolve Parliament is, by tradition and convention, always uncontentious and by agreement. Significant parts of the Digital Economy Bill are highly contentious and it is the view of many that it should not be debated at all following the announcement of Dissolution and that it could and should properly be left to a future Government, which could be done very swiftly indeed.").

[217] Khong, *supra* note 11, at 564.

[218] *Id.* at 562.

[219] Digital Economy Bill, 2009-10, H.L. Bill [1] cl. 42 (U.K.). An individual licensing scheme would grant licenses for a single work, such as a poem used as text for a choral work. An extended licensing scheme would grant licenses for multiple works, which would be necessary for a library's efforts to digitize a large collection of works. *See* Khong, *supra* note 11, at 562–63.

[220] *See* Digital Economy Bill, 2009-10, H.L. Bill [1] cl. 42 (U.K.).

[221] *Id.* at sch. 2; *see also* Khong, *supra* note 11, at 563.

[222] EU Directives set out policies that must be implemented in each EU Member State. Each state may decide for itself how to adapt its laws accordingly. *See What are EU Directives?*, EUR. COMMISSION, http://ec.europa.eu/eu_law/introduction/what_directive_en.htm (last visited Jan. 7, 2014).

25, 2012, entitled "On Certain Permitted Uses of Orphan Works."[223] The Directive imposes a two-year deadline by which all Member States, including the U.K., must pass national orphan works legislation to implement the Directive.[224] The EU was motivated to enact the Directive because of the impending threat from the Google Books litigation; its Parliament sought to prevent a "knowledge gap" between the U.S. and the EU in the event that the Google Books Settlement was approved.[225]

The Directive establishes "an exception or limitation to the right of reproduction" for certain uses of orphan works[226] by organizations with "public-interest missions" within the Member States.[227] While the Directive grants such limited use only to public institutional users,[228] it encourages these users to engage in "public–private partnership agreements."[229] Despite its critics,[230] the Directive allows each Member State to carry out the Directive's aims while tailoring its goal to the Member State's own needs. Moreover, it explicitly exempts stand-alone photography from the subject

[223] Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5. The Directive is part of a program to create a "Digital Single Market," which is part of a multistep, overarching "Digital Agenda for Europe" undertaken by the EU. *See id.*; *Digital Agenda for Europe*, EUR. COMMISSION, https://ec.europa.eu/digital-agenda/en/our-goals/pillar-i-digital-single-market (last visited Jan. 7, 2014). The very first two action steps delineated in the Agenda concern orphan works: Action 1 calls for "[s]implifying pan-European licensing for online works," and Action 2 calls for "[p]reserving orphan works and out of print works." *See Digital Agenda for Europe*, *supra*.

[224] Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, art. 9, 2012 O.J. (L 299) 5, 10.

[225] Notice of Inquiry, 77 Fed. Reg. 64,555, 64,559 (October 22, 2012). See de la Durantaye, *supra* note 6, for a full discussion of the European Union's response to the Google Books Project and its ensuing litigation, and the impact it has had on European attempts to enact legislation to solve the orphan works problem and embark on a mass digitization process.

[226] Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, art. 6, 2012 O.J. (L 299) 5, 9.

[227] *Id.* art. 1, 8.

[228] Public institutional users include "publicly accessible libraries, educational establishments and museums, . . . archives, film or audio heritage institutions and public-service broadcasting organisations." *Id.*

[229] *See id.* para. 21.

[230] The EU Directive has been criticized for being too broad, too expensive, and too permissive in "open[ing] the door to the commodification of orphan works." *EU Orphan Works Draft Disappointing, Some Lawmakers, Consumer Activists Say*, WASH. INTERNET DAILY (Sept. 14, 2012) (LEXIS). These critics, however, overlook the manner in which the Directive will be implemented. Because each Member State is required to pass its own national law to comply with the Directive, the State can tailor the Directive's goals to its own needs, thus narrowing the scope of the Directive's aims. For example, the U.K.'s Enterprise and Regulatory Reform Act carries out the Directive's aims while tailoring to its own needs: it narrows the scope by permitting industry-specific regulations, Enterprise and Regulatory Reform Act, 2013, c. 24, § 77(3) (U.K.) (amending The Copyright, Designs and Patents Act of 1988) (inserting § 116D(1)(c)), and it compromises with author's rights principles by making allowances for a resurfacing owner, *id.* (inserting § 116C(5)–(6)(a)).

matter of the Directive and calls for additional review on this subject,[231] thereby addressing one of the main concerns of licensing's critics. For other users to qualify under the exception, they must undertake a diligent search and register their works in a single European orphan registry, the creation of which is also mandated by the Directive.[232]

3. Successful Legislation in the U.K.—On April 25, 2013, the U.K. Parliament implemented the EU Directive by passing orphan works legislation as part of its omnibus Enterprise and Regulatory Reform Act 2013.[233] Introduced in July 2012[234] just before the adoption of the EU Directive, the Act is the most recent example of the U.K.'s continued commitment to harmonization of international copyright principles.

The Act grants powers to the Secretary of State to dispatch an orphan works solution.[235] Primarily, the proposed provision creates a licensing scheme for commercial and noncommercial uses of orphan works, which includes both individual and voluntary extended collective licensing on a nonexclusive basis.[236] The Act allows the Secretary of State to appoint a regulatory body to grant licenses to works that are deemed to be orphaned.[237]

The Act requires a diligent search, but notably, it does not define what criteria should be used to determine the appropriateness of such a search.[238] Rather, it defers to the regulatory body that was created by the Act to promulgate specific search regulations.[239] While the diligent search language echoes the U.S. proposal, the U.K. Act goes much further by allowing for industry-specific regulations.[240]

Furthermore, as a concession to author's rights, the Act protects the rights of owners by stipulating that the user of an orphan work will not be

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[231] Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, art. 10, 2012 O.J. (L 299) 5, 10.

[232] *Id.* paras. 16, 17. Note that this single European registry does not preclude the use of any similar registries or databases that may be established by member states. *See id.* While a full discussion of the orphan works provisions in other countries is beyond the scope of this Note because they do not follow an economic regime, Canada, Denmark, Finland, France, Hungary, India, Japan, and Korea have all adopted legislation governing the use of orphan works. Notice of Inquiry, 77 Fed. Reg. 64,555, 64,560 (October 22, 2012).

[233] c. 24, § 77(3) (U.K.) (amending The Copyright, Designs and Patents Act of 1988).

[234] Enterprise and Regulatory Reform Bill, 2012, H.C. Bill [61] (U.K.).

[235] Enterprise and Regulatory Reform Act, 2013, c. 24, § 77(3) (U.K.) (amending The Copyright, Designs and Patents Act of 1988) (inserting §§ 116A(1), 116B(1)).

[236] *Id.*; *see also* Notice of Inquiry, 77 Fed. Reg. at 64,559–60.

[237] Enterprise and Regulatory Reform Act, 2013, c. 24, § 77(3) (U.K.) (amending The Copyright, Designs and Patents Act of 1988).

[238] *Id.* (inserting § 116A(3)).

[239] *See id.*

[240] *Id.* (inserting § 116D(1)(c)).

granted exclusive rights over the work.[241] Additionally, an owner can always "limit or exclude the grant of licen[s]es,"[242] and a resurfacing owner maintains the right to revoke the license after it has been granted to a supposedly orphaned work.[243]

Lastly, the Act stipulates that the regulations must provide for the collection of royalties reaped from the licenses.[244] The royalty provisions must specify how to allocate administrative costs, how long to hold royalties, and how to treat the royalties after the designated period has ended.[245] The U.K. Impact Assessment suggested that such royalties be kept in an escrow-type account for five or six years, after which time they would be returned to the Crown, to be used as the Crown sees fit, though with a suggestion that the proceeds be reinvested in maintaining the copyright registries.[246] This royalty provision would be an excellent model for the suggested, but not implemented, U.S. fee system because it collects fees that can be given to an owner who resurfaces within a specified statute of limitations. Moreover, if the owner does not resurface, the collected fees are used to help find owners of other works by maintaining registries and databases.

The Act is not without its opponents. Some stakeholders had predicted a firestorm of international litigation if the Bill were to pass, claiming that "[t]he prospect of unknown, ongoing unlicensed usage of foreign works in the U.K. will prevent any rights holder in any country from licensing exclusive rights to any party."[247] Indeed, some of the most vocal opponents are actually American artists who fear loss of rights abroad;[248] this provides all the more reason for the U.S. to follow the U.K.'s lead once again and pass orphan works legislation of its own.

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[241] *Id.* (inserting §§ 116A(5)(b), 116B(4)).

[242] *Id.* (inserting § 116B(3)).

[243] *Id.* (inserting § 116C(5)–(6)(a)).

[244] *Id.* (inserting § 116C(4)).

[245] *Id.*

[246] U.K. INTELLECTUAL PROP. OFFICE, *supra* note 3, at 6.

[247] Letter from Eugene Mopsik, Exec. Dir., Am. Soc'y of Media Photographers et al., to Dr. Vince Cable, Sec'y of State for Bus., Innovation and Skills, House of Commons (U.K.) (Nov. 8, 2012), *available at* http://asmp.org/pdfs/US_UK68ERRB.pdf; *see also Organizations Representing Visual Artists Protest Proposed UK Copyright Law Changes*, BUSINESSWIRE (Nov. 16, 2012, 9:58 AM), http://www.businesswire.com/news/home/20121116005549/en/Organizations-Representing-Visual-Artists-Protest-Proposed-UK.

[248] *See, e.g.*, SAM MOSENKIS ET AL., AM. SOC'Y OF COMPOSERS, AUTHORS AND PUBLISHERS & BROADCAST MUSIC, INC., JOINT COMMENTS OF THE AMERICAN SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS AND BROADCAST MUSIC, INC. REGARDING ORPHAN WORKS (Feb. 4, 2013), *available at* http://www.copyright.gov/orphan/comments/noi_10222012/; JEAN M. PREWITT, INDEP. FILM & TELEVISION ALLIANCE, RE: NOTICE OF INQUIRY ISSUED ON OCTOBER 22, 2012 BY THE U.S. COPYRIGHT OFFICE IN CONNECTION WITH ORPHAN WORKS AND MASS DIGITIZATION [DOCKET NO. 2012-12] 8–9 (Feb. 4, 2013), *available at* http://www.copyright.gov/orphan/comments/noi_10222012/ (discussing the draft Enterprise & Regulatory Reform Bill).

IV. SYNTHESIZING AN IDEAL ORPHAN WORKS SOLUTION

Looking forward, the U.S. must continue down the path of international harmonization by resolving the orphan works issue, as advocated by Justice Breyer,[249] to further the two principles initially stated in the Berne Convention Implementation Act. First, the U.S. should help shape global copyright policy,[250] especially with respect to mass digitization. Second, the U.S. must ensure that its authors are protected, as it has now completed the shift from major importer to major exporter amid a growing piracy threat.

These policy goals are complicated, however, when confronted with the orphan works problem. Indeed, there is a certain irony in that abolishing formalities to comply with international harmonization greatly contributed to, if not directly created, the very problem of orphan works, which can now be solved by looking to international norms. However, because the U.K. eliminated formalities and extended its copyright's duration well before the U.S. took the same steps that would exacerbate the orphan works problem,[251] its Parliament has greater familiarity with this issue.[252] Thus, the U.K.'s extensive experience can suitably guide U.S. legislation. Moreover, the shared economic copyright rationale gives the U.K. and the U.S. a common platform from which to embark on continued international harmonization.

Despite the *Google* fair use holding, the exemption of orphan works from the Project and *HathiTrust* confirm that court remedies alone are insufficient to provide an internationally harmonized orphan works solution that gives certainty to all prospective users. Moreover, private market solutions look increasingly less viable as they would present obstacles to Berne compliance.[253] Accordingly, the U.S. orphan works issue must now be addressed along the only avenue remaining: through Congress.

This Part will suggest that the U.S. should adopt the U.K.'s licensing scheme, and that the U.K. could, in turn, benefit from incorporating parts of the U.S.'s limitation on remedies approach.

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[249] Golan v. Holder, 132 S. Ct. 873, 905 (2012) (Breyer, J., dissenting) ("Congress has done nothing to ease the administrative burden of securing permission from copyright owners that is placed upon those who want to use a work that they did not previously use, and this is a particular problem when it comes to 'orphan works'—older and more obscure works with minimal commercial value that have copyright owners who are difficult or impossible to track down. Unusually high administrative costs threaten to limit severely the distribution and use of those works—works which, despite their characteristic lack of economic value, can prove culturally invaluable.").

[250] Thompson, *supra* note 51, at 788.

[251] REGISTER OF COPYRIGHTS, *supra* note 3, at 3.

[252] *See supra* Part I.A.

[253] *See* U.K. INTELLECTUAL PROP. OFFICE, *supra* note 3 ("Private sector attempts to create a market are prohibited by the law, which renders anyone attempting to exploit orphan works liable to civil pursuit if the owner should reappear, and to criminal penalties for exploitation on any commercial scale.").

A. Applying the U.K. Approach to the U.S.

The U.S.'s limitation on remedies approach is ultimately insufficient as a sole solution to the orphan works issue. Under such a regime, while an owner need not register his work in order to receive copyright protection,[254] an owner must register his work in order to bring a copyright infringement claim.[255] A work that is deemed an orphan after a diligent search is not likely to be subject to an infringement claim: if the work had been registered with the U.S. Copyright Office, the user would likely be able to identify the owner through the Copyright Office's records, and the work would not be designated as an orphan.[256] Thus, a limitation on remedies alone is insufficient.[257] Additionally, this highlights the need for the creation of comprehensive databases, as acknowledged by Congress.[258]

The U.S. and U.K. approaches are similar in their basic search requirements and their treatment of derivative works. Both countries agree that requiring the user to conduct a diligent search for the copyright owner is a fundamental threshold requirement. The U.K. Act, however, takes a more tailored approach by calling for industry-specific search regulations.[259] Though the U.S. raised this as a possibility,[260] it could greatly benefit from making it a legislative reality. By acknowledging that various industries have different needs, such regulations would be consistent with the economic principle of protecting the interests of the user and the public.

Furthermore, both countries agree that derivative works should be afforded additional protection in return for their additional creative contribution to the public. The U.S. proposal allows creators of derivative works that incorporate an orphan work and add "substantial expression of the user" to avoid injunctive relief and makes them subject only to reasonable monetary damages.[261] The U.K. implicitly suggested a protection for creators of derivative works by requiring the regulations to

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[254] 17 U.S.C. § 408(a) (2012).

[255] *See id.* § 411("[N]o action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made . . . .").

[256] *See supra* note 113. If a work were registered with the Copyright Office, a prospective user of a work would only need to search the Office's records to find the work's owner, thereby eliminating the likelihood of finding that the work was an orphan. *See* REGISTER OF COPYRIGHTS, *supra* note 3, at 115 n.378.

[257] *See* REGISTER OF COPYRIGHTS, *supra* note 3, at 115 n.378.

[258] *See* Letter from Howard L. Berman to Marybeth Peters, *supra* note 140.

[259] *See supra* note 240.

[260] *See* REGISTER OF COPYRIGHTS, *supra* note 3, at 10 ("Our recommendation permits, and we encourage, interested parties to develop guidelines for searches in different industry sectors and for different types of works.").

[261] *Id.* at 120.

provide for the rights of a user if a resurfacing owner should revoke the license.[262]

On the other hand, the approaches differ drastically with respect to licensing and mass digitization. First, their primary difference is that the U.K.'s Enterprise and Regulatory Reform Act establishes a licensing scheme. The U.S. could greatly benefit from instituting both an individual licensing system and an extended licensing system of its own, because such systems would provide security, confidence, and legal certainty for each user.[263] Different types of users have different needs and risk tolerances;[264] by providing a multifaceted strategy, the U.S. would ensure that both its individual users and its institutional users need not face the risk of an infringement lawsuit from a resurfacing owner, which can be accomplished by providing individual and extended licenses.

An orphan works license would be particularly useful to alleviate an intermediate user's risk of secondary liability. For example, a photo reprint service might be wary of copying an orphaned photograph if the user is unable to show that she has the right to use the work. The U.S.'s limitation on remedies approach inherently requires a risk assessment, and such risk-averse intermediaries would likely feel more secure in their legal certainty and reduced risk with a licensing structure in place.[265] Indeed, the U.S. Copyright Office has recognized, though not acted upon, the potential usefulness of licenses, especially in the context of mass digitization.[266] In lieu of a licensing solution to this problem, however, the Register encouraged a market solution calling for photography associations to come up with guidelines governing such secondary liability issues.[267] While a market solution may have been initially helpful, a legislative licensing solution like the U.K.'s will provide more long-term certainty.

The licensing option necessarily creates a concern of whether and how to create a fee structure for royalties, and to whom the royalty proceeds should be distributed if the owner does not resurface. The suggested U.K. scheme holds the royalties in an escrow account for a period of time, after which time the proceeds are given to the Crown for general use, albeit with a strong suggestion that the royalty proceeds be used to maintain the registries.[268] Similarly, the EU Directive includes provisions to require "fair

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[262] Enterprise and Regulatory Reform Act, 2013, c. 24, § 77(3) (U.K.) (amending The Copyright, Designs and Patents Act of 1988) (inserting § 116C(5)–6(a)).

[263] Indeed, Professor Samuelson has pushed for the Copyright Office to explore such licensing schemes. *See* Samuelson, *supra* note 85.

[264] *See* van Gompel, *supra* note 27.

[265] Khong, *supra* note 11.

[266] *See* Notice of Inquiry, 77 Fed. Reg. 64,555, 64,559 (October 22, 2012); *see also* MASS DIGITIZATION REPORT, *supra* note 1, at 29–39.

[267] REGISTER OF COPYRIGHTS, *supra* note 3, at 126.

[268] *See supra* notes 245–46 and accompanying text.

compensation" for uses of each orphan work to be held for a resurfacing owner,[269] and to allow public institutions to "generate revenues" from their efforts and reinvest them in their digitization projects, which may include database maintenance.[270] While this scheme would help alleviate any funding problems in the creation of such databases, adopting a similar system in the U.S. could implicate a number of issues,[271] including a resurfacing owner's argument that the government unconstitutionally took the license fees, and therefore his property, without his consent. The U.S. should ultimately adopt a similar royalty structure, but would first need to consider and overcome such concerns.

Second, the U.S. legislation is perhaps most noteworthy for its lack of any specific provisions for, or even discussion of, digitization. Notwithstanding the 2012 Notice of Inquiry's call for comments on mass digitization,[272] the U.S. has already fallen behind the EU and the U.K. by not providing for the digitization of its cultural materials.[273] This could be for any number of reasons: the U.S. legislation may have been abandoned before the need for digitization became apparent, or there may have been a lack of technological understanding by lawmakers. This will slowly change, however, as Congress delegates information gathering to the U.S. Copyright Office, which in turn solicits commentary from tech-savvy stakeholders.

A lack of existing U.S. solutions could also reflect an underlying U.S. preference to leave digitization to private enterprises, like the Google Books Project. Perhaps the Copyright Office was waiting to see whether such private initiatives would provide a viable solution.[274] Abandoning the mass digitization initiative to the private market entirely, however, would surely create a harmonization problem in which the eventual U.S. private system would conflict with the recently enacted EU public system. The two systems could be reconciled, however, by relying to some extent on public–private partnerships to create databases and registries.

Opponents of any U.S. orphan works legislation that would create a licensing system have valid concerns[275]: some claim that a limitation on remedies is sufficient and that a licensing system would unduly harm owners.[276] Others claim that fair use is the only necessary protection for

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[269] Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, art. 6(5), 2012 O.J. (L 299) 5, 10.

[270] *Id.* art. 6(2).

[271] *See* REGISTER OF COPYRIGHTS, *supra* note 3, at 114.

[272] Notice of Inquiry, 77 Fed. Reg. 64,555, 64,560–61 (October 22, 2012).

[273] de la Durantaye, *supra* note 6, at 247–58.

[274] *See id.* at 257.

[275] *See supra* Part III.A.2.

[276] *See* Katz, *supra* note 25, at 1287, 1297–303; *see also* Lydia Pallas Loren, *Abandoning the Orphans: An Open Access Approach to Hostage Works*, 27 BERKELEY TECH. L.J. 1431, 1455–66 (2012)

nonprofit institutions as they embark on digitization, and thus no legislation of any kind is needed.[277] Yet these arguments are limited in scope. They consider only the needs of institutional users, and do nothing to help the risk-averse individual user.

Moreover, they overlook that the creation of a registry and a diligent search requirement would aid stakeholders more than it would harm them. First, the individuals and organizations who expressed concerns about such legislation are necessarily aware of the potential loophole in the legislation. This awareness will serve them well: they will be diligent in enforcing their rights as owners, showing that these are not the owners of orphans that the legislation is intended to protect. Second, stakeholders like photographers and independent musicians are admittedly adept at facilitating the dissemination of their work on the Internet,[278] and so are in the best position to make their ownership known through registries. Finally, the variation in concerns among different stakeholder groups further supports a broad diligent search standard, with more specific search requirements regulated by each industry, as suggested above.

B. Applying the U.S. Approach to the U.K.

The U.S.'s limitation on remedies proposal could also be beneficial to the U.K. and the EU in that it applies to all users, not just nonprofit organizations like museums, archives, and libraries. The remedies approach still preserves and provides "meaningful relief" to all authors and owners,[279] whereas the EU approach only creates carve-outs for nonprofits to facilitate their efforts in mass digitization.[280]

An individual amateur user, like the choral composer, would benefit most from the U.S.'s limitation on remedies approach. Such users "typically. . . [have] expertise or interest in a particular subject and wish[] to make use of works, such as old journals, books or articles, that relate to [an] area of interest."[281] Such users are arguably at the greatest risk in using orphan works for three reasons. First, they may have less experience with orphan works issues, whereas a library is likely to be well-versed in potential orphan works legal entanglements. Second, enthusiasts are likely to have less legal expertise in general and so may not even be aware of such copyright concerns. Finally, if enthusiasts are indeed unlucky enough to find themselves on the defensive end of a lawsuit, they may not have the

(advocating a judicially created limitation on remedies through use of existing equitable doctrines, including fair use).

[277] *See* Urban, *supra* note 24.

[278] *See* BENGLOFF, *supra* note 189.

[279] REGISTER OF COPYRIGHTS, *supra* note 3, at 121.

[280] *See* Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, art. 1, 2012 O.J. (L 299) 5, 8.

[281] REGISTER OF COPYRIGHTS, *supra* note 3, at 125.

financial resources to defend themselves, as a library or museum would.[282] Thus, the U.S. approach would be enormously helpful in protecting the interests of an individual enthusiast user.

However, even an enthusiast user would be expected to undertake a diligent search before using the orphan work. The 2006 Report's detailed discussion of the requirements of a diligent search could lend support to the U.K. regulatory body as it seeks to develop search requirements. While the U.K.'s Gowers Report briefly acknowledged that searches would likely vary by industry,[283] the U.S.'s 2006 Report's aggregation of comments led to the proposed solution of a case-by-case search through voluntary industry-specific databases.[284] These detailed suggestions could prove useful to the U.K. regulatory body when promulgating search regulations.[285]

CONCLUSION

As enacted by the U.K., a licensing system makes the most sense for an economically based regime because it balances the interests of the user, and by extension the public at large, with the interests of the owner. It provides an industry-specific approach, gives legal certainty to the user, and compensates owners who resurface within the statute of limitations.

As proposed by the U.S., a limitation on remedies system suitably restricts the rights of a resurfacing owner, but does nothing to explicitly permit the user to incorporate an orphan work. Such users still face the legal uncertainty that existed before any such limitation. There may be some merit in limiting remedies for the individual user, as advocated by some stakeholders. This should only be done within the context of a licensing system, however, and should be considered a last resort. The individual user, no matter how small the project or the institution, should

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[282] For example, the University of Michigan and the Institute of Museum and Library Services have spent over $1 million to determine the copyright status of some of its collection. *See* Golan v. Holder, 132 S. Ct. 873, 905 (2012) (Breyer, J., dissenting). While that amount was not used specifically to cover litigation, it shows that institutions and organizations have greater resources than most individual users to enforce ownership rights.

[283] GOWERS, *supra* note 11, at 72 ("The loci for 'reasonable searches' will vary by medium. For example, someone wishing to track down the rights holder of a piece of music must consult Catco, the UK record industry's sound recordings database, and follow up on any biographical information held there. For a work of literature, one must search at the British Library, and for film at the National Film and Television Archive. Given that many searches require knowledge of the date of death of the artist and the subsequent owners, this would have to be reflected in the search parameters.").

[284] REGISTER OF COPYRIGHTS, *supra* note 3, at 71–79.

[285] Though not specifically referencing the search requirement suggestions, Parliament's Impact Assessment of the orphan works problem noted that it was aware of the U.S.'s work and had drawn on some of its principles in shaping the legislative recommendations. *See* U.K. INTELLECTUAL PROP. OFFICE, *supra* note 3, at 4 ("[W]e have drawn on the experience of . . . countries who have tried to address [the orphan works issue, such as the] USA . . . through other legal means.").

still undertake the diligent search and licensing process to reach the proper balance of interests between owner and user.

The international copyright regime still has a long way to go in providing for effective and seamless use of orphan works. To spur the discussion, the U.S. must reclaim its position as a leader in international harmonization of copyright by proposing and passing orphan works legislation. To do so, Congress and the U.S. Copyright Office should look to the U.K., the U.S.'s sister in economically based copyright, to guide its establishment of a licensing system for both nonprofit and commercial use of orphan works.