

**ORPHAN WORKS, U.S. COPYRIGHT LAW, AND INTERNATIONAL
TREATIES: RECONCILING DIFFERENCES TO CREATE A BRIGHTER
FUTURE FOR ORPHANS EVERYWHERE**

Coree Thompson*

“The struggle of man against power is the struggle of memory
against forgetting.”¹

On January 26, 2005, the Register of Copyrights issued a Notice of Inquiry (hereinafter “Inquiry”) requesting comments on the “orphan works” problem.² Potential users of orphan works—works whose owners cannot be readily located—continue to face obstacles in tracking down copyright holders for permission and in determining what alternatives they have for justifying use of those works.³ Copyright holders, who are also frequently would-be users, grapple with the same issues, but are weary of advocating the creation of any new legislation that might limit the scope of their rights.⁴ The complexity of arriving at a solution is enhanced by international obligations and treaty restrictions imposed on any legislation that purports to abrogate part of an author’s exclusive rights.⁵ The Register’s Inquiry, thus, was a pivotal step toward the creation of legislation enabling would-be users of orphan works to continue to enhance public knowledge, facilitate cultural preservation, and create new works. The Copyright Office evaluated the various responses⁶ and, in its *Report on Orphan Works*,

* J.D. Candidate, University of Arizona James E. Rogers College of Law, 2007; B.A., Drama and Dance, Colorado College, 2000. I would like to thank Juan Bacalski, Christina Wu, Julia Broggi, and Sally Bassett for their hard work and excellent editorial suggestions. Thanks to Graeme W. Austin for his guidance and to Terry Thompson for reviewing a previous draft of this Note. And thanks to Chris Neumeyer and my family for their constant support.

1. MILAN KUNDERA, *THE BOOK OF LAUGHTER AND FORGETTING* 4 (Aaron Asher trans., First Perennial Classics 1999) (1978).

2. For the purposes of this Note, the author has adopted the definition of “orphan works” as defined by the Register of Copyrights in the Notice of Inquiry: “copyrighted works whose owners are difficult or even impossible to locate.” Notice of Inquiry, 70 Fed. Reg. 3739, 3739 (Jan. 26, 2005).

3. *Id.*

4. *Id.*

5. *Id.*

6. *See generally* REGISTER OF COPYRIGHTS, ORPHAN WORKS INITIAL COMMENTS and ORPHAN WORKS REPLY COMMENTS, <http://www.copyright.gov/orphan> (follow the “Initial Comments” and “Reply Comments” hyperlinks) (last visited Sept. 8, 2006) [hereinafter ORPHAN WORKS COMMENTS].

proposed a new statute.⁷ While the recommended legislation provides a practical and balanced solution to the problem, it remains to be seen whether it can withstand international scrutiny.

I. INTRODUCTION

Over the past few decades, U.S. copyright law has undergone dramatic revisions. A major incentive for these changes was a drive to align U.S. copyright protection with that of the international community.⁸ The Berne Convention⁹ and its successors, like the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),¹⁰ have advanced the goal of “national treatment.”¹¹ The latter concept—essentially an equal-protection standard for foreign copyright holders—has become extremely important in an ever-expanding global marketplace.¹² The number of countries participating in such treaties is continually growing; the Berne Convention alone boasts at least 150 member countries.¹³ As a result, it is crucial for the United States to participate in these treaties to help shape the future of intellectual property policy.¹⁴ The United States exports a great deal of intellectual property.¹⁵ Technological advancements

7. REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS (Jan. 2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> [hereinafter REPORT ON ORPHAN WORKS].

8. *E.g.*, S. REP. NO. 100-352, at 2-5 (1988), as reprinted in 1988 U.S.C.C.A.N. 3706, 3707-10; H.R. REP. NO. 94-1476, at 135 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5751.

9. Berne Convention for the Protection of Literary and Artistic Works, *opened for signature* Sept. 8, 1886, as last revised July 24, 1971, 828 U.N.T.S. 221 [hereinafter Berne Convention].

10. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 81 (1994) [hereinafter TRIPS Agreement].

11. “National treatment” generally means that “works entitled to the benefits of the Convention enjoy in each country of the Berne Union the advantages accorded to the works of nationals of the country where protection is sought.” George P. Schultz, *Department of State Letter of Submittal to the President*, S. TREATY DOC. NO. 99-27 (1986).

12. *See infra* Parts II.C, II.D.2 and accompanying notes.

13. World Intellectual Prop. Org. [WIPO], Contracting Parties: Berne Convention, http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=15 (last visited Sept. 8, 2006).

14. *See generally* Shira Perlmutter, *Participation in the International Copyright System as a Means to Promote the Progress of Science and Useful Arts*, 36 LOY. L.A. L. REV. 323 (2002).

15. *E.g.*, H.R. REP. NO. 83-2608 (1954), as reprinted in 1954 U.S.C.C.A.N. 3629, 3632 (“[T]he United States is the greatest exporter of printed matter.”).

are increasing the frequency and efficiency of that trade.¹⁶ However, with such advancements comes a need to adapt U.S. laws to protect the rights and interests of copyright holders both locally and globally.¹⁷ To that end, U.S. copyright law has shifted away from its traditional structure to both ensure its copyright law meets the exacting requirements of international treaties and to benefit from the protection offered by those treaties.¹⁸

Prior to the Copyright Act of 1976,¹⁹ copyrights were contingent upon an author or other rightholder complying with a number of formalities, such as notice, registration, and renewal.²⁰ Such formalities were intended to strike a balance between the needs to provide incentives for authors and to promote the public knowledge.²¹ Additionally, these formalities provided a mechanism by which one could easily access the information necessary to facilitate business transactions and protect authors' creative and economic interests.²² Some critics found this copyright scheme to be overly harsh because failure to fulfill any one of the many formalities would relegate an author's work to the public domain.²³ However, data suggest that very few works actually have any enduring commercial value.²⁴ Thus, it is unclear whether the detriment to authors under the original copyright scheme greatly outweighed the benefit to the public in having these works available for subsequent creators.

Regardless of the delicate balance the original copyright regime attempted to provide, Congress has since radically altered the copyright law of the United States. Congress began its overhaul of U.S. copyright law with the 1976 Act and, shortly thereafter, made further substantive changes to pave the way for

16. *See, e.g.*, H.R. REP. NO. 94-1476, at 135 (1988), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5751.

17. Perlmutter, *supra* note 14, at 325-26.

18. *Id.*; *see infra* Part II.

19. Copyright Act of 1976, 17 U.S.C. §§ 101-1332 (2000).

20. Act of Mar. 4, 1909, ch. 320, 35 Stat. 1075 (codified as amended at 17 U.S.C.).

21. Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485, 487 (2004).

22. *See generally* Zechariah Chafee, *Reflections on the Law of Copyright*, 45 COLUM. L. REV. 503 (1945).

23. *See, e.g.*, H.R. REP. NO. 94-1476, at 134 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5750 (stating that certain formalities, particularly the renewal requirement, are the "cause of inadvertent and unjust loss of copyright"); William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 500 (2003) ("[W]e cannot dismiss the possibility that some fraction of nonrenewals are due to simple oversight, or careless failure to comply with required formalities."); Sprigman, *supra* note 21, at 516-17.

24. *E.g.*, H.R. REP. NO. 94-1476, at 136, *as reprinted in* 1976 U.S.C.C.A.N. at 5752 ("a large majority [now about 85%] of all copyrighted works are not renewed"); Landes & Posner, *supra* note 23, at 496-517 (providing an empirical analysis of copyright registration and renewal).

the U.S. accession to the Berne Convention.²⁵ Subsequent acts have continued to expand the rights of authors or other copyright holders since that time.²⁶ As a result of this flood of legislation, a work now enjoys federal copyright protection at the moment of fixation in a tangible medium²⁷ without any obligation to comply with any formalities.²⁸ Although it was thought that the removal of mandatory formalities from the copyright scheme would have little impact, this seemingly simplistic procedural change has been of more consequence than previously anticipated because, among other things, uncertainty as to ownership of copyrights has increased.²⁹

Despite a marked growth in the national economy since the removal of mandatory formalities and an apparent marked “increase in the nation’s expressive output,” the rate of registration with the U.S. Copyright Office has flatlined.³⁰ This trend presumably is attributable to the changes in the copyright system, which enables an author to enforce an exclusive copyright against all the world without providing any notice of holding the right or otherwise providing contact information for those seeking permission to use the work.³¹ Certainly, authors or rightholders of works with enduring commercial value have been enticed to register their works by the incentives provided by Congress.³² On the other hand, as to the enormous number of unregistered works having little or no commercial value, scholars, historians, preservationists, and others who find in the works

25. *See infra* Part II.C and accompanying notes.

26. Congress has revised and amended, or otherwise altered, Title 17 of the U.S. Code over forty times since the 1976 Act. Kenneth D. Crews, *Looking Ahead and Shaping the Future: Provoking Change in Copyright Law*, 49 J. COPYRIGHT SOC’Y U.S.A. 549, 550 (2001).

27. The Copyright Act defines “fixation” as the embodiment of a work in some tangible form that is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C. § 101 (2000). Thus, the work must be written down, filmed, recorded, or otherwise captured to qualify for federal copyright protection. ROGER E. SCHECHTER & JOHN R. THOMAS, *INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS, AND TRADEMARKS* § 3.2 (West 2003).

28. 17 U.S.C. §§ 302, 401-08.

29. *Compare* S. REP. NO. 100-352, at 19-25 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3706, 3714-30 (concluding that the removal of mandatory formalities is likely to be of minimal impact), *with* Notice of Inquiry, *supra* note 2, at 3739 (identifying a growing concern that the removal of formalities has created much uncertainty surrounding ownership of copyrights and that uncertainty “might needlessly discourage subsequent creators and users” from developing new works or making works available to the public).

30. Sprigman, *supra* note 21, at 496.

31. *See infra* Part II.C and accompanying notes.

32. S. REP. NO. 100-352, at 19-22, *as reprinted in* 1988 U.S.C.C.A.N. at 3724-27 (stating that registration of works is a sound business practice and emphasizing remaining incentives for registration within the U.S. Copyright Act).

some enduring academic or cultural value³³ encounter a substantial obstacle: locating the authors of these works to obtain their permission.³⁴ These works have essentially been orphaned by their respective authors.

On January 5, 2005, the Register of Copyrights was asked by Senators Orrin Hatch and Patrick Leahy of the Senate Judiciary Committee to conduct an inquiry into the issue of “orphan works” and to file a report by the end of the year.³⁵ The Senators’ primary concern was that “the uncertainty surrounding ownership of such works might needlessly discourage subsequent creators and users from incorporating such works in new creative efforts or making such works available to the public.”³⁶ The goal of the inquiry was to discern whether there were “compelling concerns raised by orphan works that merit a legislative, regulatory or other solution, and what type of solution could effectively address [those] concerns without conflicting with the legitimate interests of authors and rights holders” or with international treaties.³⁷ During the initial phase of the inquiry, over 800 individuals and organizations submitted comments on the problems that orphan works create and suggested various solutions.³⁸ The Inquiry and the resulting *Report on Orphan Works* are the impetus for this Note.³⁹

Part II of this Note discusses, as a threshold matter, the domestic and international history behind the problem of orphan works and reveals how the issues evolved. Next addressed, in Part III, are the various difficulties faced by those who deal with orphan works, particularly in a transnational context, and how the current law impedes their efforts. The final section, Part IV, examines the Register of Copyrights’s proposal for new legislation and explores whether it could effectively address the problem of orphan works without conflicting with international treaties.

33. See, e.g., Peter B. Hirtle, *Unpublished Materials, New Technologies, and Copyright: Facilitating Scholarly Use*, 49 J. COPYRIGHT SOC’Y U.S.A. 259, 259-61 (2001) (anecdotes describing the useful nature of orphan works).

34. Notice of Inquiry, *supra* note 2, at 3740-41.

35. *Id.* at 3740.

36. *Id.* at 3739.

37. *Id.*

38. ORPHAN WORKS COMMENTS, *supra* note 6.

39. On January 31, 2006, the Register of Copyrights, Marybeth Peters, issued the *Report on Orphan Works*. This report was a culmination of the Inquiry, roundtable discussions, and individual meetings with interested parties. REPORT ON ORPHAN WORKS, *supra* note 7.

II. HISTORY

A. U.S. Copyright Law Prior to Berne Accession

The provisions of the Copyright Act of 1790⁴⁰ stand in stark contrast with the broad and extensive provisions of the current U.S. copyright law. Article I, Section 8, Clause 8 of the U.S. Constitution provides that “Congress shall have 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.”⁴¹ Under this grant of authority, Congress first enacted a federal copyright scheme in 1790,⁴² granting to authors a monopoly over their respective works for the purpose of “foster[ing] the growth of learning and culture for the public welfare.”⁴³ Congress perceived that the best way to motivate learned individuals to create and share their work with the public was to ensure they were compensated for their efforts.⁴⁴

However, the Act of 1790 arose during a period in which the prevalent themes were an opposition to monopolies and a desire to promote free trade.⁴⁵ Consequently, Congress took great pains when drafting the Act of 1790 to carefully define the limits of copyright protection. Congress employed certain formalities, such as registration, deposit, notice, and renewal, as a means to draw a

40. Act of May 31, 1790, ch. 15, 1 Stat. 124 (codified as amended at 17 U.S.C. §§ 101-603 (2000)).

41. U.S. CONST. art. I, § 8, cl. 8.

42. Act of May 31, 1790, ch. 15, 1 Stat. 124.

43. ABRAHAM L. KAMINSTEIN, REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 3-6 (1961); *see* Act of May 31, 1790, ch. 15, pmbl., §§ 1-2, 1 Stat. 124.

44. *See* Chafee, *supra* note 22, at 506-11 (identifying that the primary purpose of copyright is to benefit the author and exploring the burdens and benefits of a copyright monopoly). This rationale, upon which the U.S. copyright system is based, is also known as the “incentive” theory. *See* SCHECHTER & THOMAS, *supra* note 27, § 1.3.1. The incentive theory is but one of two prevalent theories regarding intellectual property, the other being the “natural rights” theory. The “natural rights” theory supports the proposition that individuals enjoy a property entitlement on their creations and thus possess the fundamental right to control uses of their works. *Id.* § 1.3.2.

45. James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 SPG L. & CONTEMP. PROBS. 33, 53-55 (2003) (citing Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), in 13 THE WRITINGS OF THOMAS JEFFERSON 326, 333-34 (Albert Ellery Bergh ed., 1907); Thomas B. Macaulay, *A Speech Delivered in the House of Commons* (Feb. 5, 1841), in VIII THE LIFE AND WORKS OF LORD MACAULAY 201 (London, Longmans, Green & Co. 1897); Benjamin Franklin, *Autobiography* (1771), in THE WORKS OF BENJAMIN FRANKLIN 1, 237-38 (John Bigelow ed., 1904)).

clear line around the monopoly being granted to authors.⁴⁶ Those formalities were intended to “record publicly full and complete information about a work for which copyright is claimed and to make that work continuously available for public inspection in order that the extent and boundaries of the monopoly may be understood by the public at all times during the life of the copyright.”⁴⁷ Essentially, the formalities established in the Act of 1790 were perceived as a means of assuring a balance between the interests of the author and the public.⁴⁸

46. Copyright protection under the Act of 1790 was available to an author of any “map, chart or book” provided he complied with certain requirements, which included registering the work with a district court clerk and submitting a copy to the Secretary of State. The author, upon complying with the enumerated formalities, was granted an initial copyright term of fourteen years. Thereafter, the author or his heirs could renew the copyright for an additional fourteen-year term by recording and submitting the work a second time, in compliance with all formalities applicable for the initial term, within six months prior to the termination of the initial term. Act of May 31, 1790, ch. 15, § 1, 1 Stat. 124, 124. Finally, an author was required to publish notice as proof of his registration in one or more U.S. newspapers for a period of four weeks. *Id.* § 3, 1 Stat. at 125. Failure to comply with any of the formalities had grave consequences. A single misstep could result in a total loss of copyright protection and the release of the work to the public domain. Failure to register would result in a failure of copyright to arise, and failure to comply with notice and deposit requirements would make the copyright unenforceable. Failure to renew the copyright would result in termination of the copyright at the end of the initial term. *Id.* §§ 1, 3, 1 Stat. at 124, 125.

47. *Washingtonian Pub. Co. v. Pearson*, 306 U.S. 30, 43, 48-49 (1939) (Black, J., dissenting) (explaining that the statutory requirements provide a public record for the public’s benefit and that they impose “a simple and easily performed duty—not burdensome in any respect—in return for a [limited term] monopoly”).

48. The drafters of the Constitution and the Act of 1790 were already concerned that even a limited monopoly would be an undue tax on the public. *See Boyle, supra* note 45, at 56 (“[T]here were other more radical opponents who saw copyright primarily as a ‘tax on literacy,’ identical in its effect to the newspaper stamp taxes . . . [R]eformers looked with hostility on anything that seemed likely to raise the cost of reading and thus continue to restrict political and social debate to the wealthier classes.” (citing CATHERINE SEVILLE, LITERARY COPYRIGHT REFORM IN EARLY VICTORIAN ENGLAND: THE FRAMING OF THE 1842 COPYRIGHT ACT 46-48 (1999))); Chafee, *supra* note 22, at 721. Therefore, it seemed important to provide a centralized receiver of information to reduce copyright transaction costs. *See id.* at 732. Under this system, the public would be able to identify the copyright holder, for a minimal search cost, and acquire permission to use a work, thus avoiding infringement liability. *See Notice of Inquiry, supra* note 2, at 3740; U.S. COPYRIGHT OFFICE, HOW TO INVESTIGATE THE COPYRIGHT STATUS OF A WORK (July 2006), <http://www.copyright.gov/circs/circ22.pdf>.

Subsequent amendments in 1831,⁴⁹ 1834,⁵⁰ and 1870⁵¹ continued to develop U.S. copyright law, but the formalities put in place by the Act of 1790 remained intact.⁵² The first omnibus revision of U.S. copyright law came in 1909 when Congress felt compelled to modernize existing copyright law to meet the ever-growing demands of industry.⁵³ A key revision in the Act of 1909 was the establishment of federal copyright protection at the moment a work was published.⁵⁴ Another notable change was the extension of the renewal term to twenty-eight years, creating a potential copyright duration of fifty-six years.⁵⁵ However, the copyright term was still governed by an initial and a renewal term.⁵⁶ As under the Act of 1790, the public continued to enjoy the relatively early release of numerous works into the public domain because the copyrights in works with no future commercial value would not be renewed.⁵⁷

49. Act of Feb. 3, 1831, ch. 16, § 1, 4 Stat. 436, 436 (1831) (codified as amended at 17 U.S.C. §§ 302-04 (2000)). The Act of 1831 extended the initial copyright term to twenty-eight years.

50. Act of June 30, 1834, ch. 157, § 1, 4 Stat. 728, 728 (1834) (codified as amended at 17 U.S.C. § 205). It was in 1834 that Congress established a new formality in copyright law: “[A]ll deeds or instruments in writing for the transfer or assignment of copyrights . . . shall be recorded in the office where the original copyright is deposited and recorded.” This provision became known as the recordation formality. *See, e.g.*, S. REP. NO. 100-352, at 25 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3706, 3730.

51. Act of July 8, 1870, ch. 230, § 85, 16 Stat. 198, 212 (1870). In 1870, Congress provided for a Librarian of Congress who was charged with overseeing all aspects of U.S. copyright law and enforcing compliance with that law. Later, Congress created the Copyright Office and made the Register of Copyrights director of that Office. The Office and its employees are under the supervision of the Librarian of Congress. 17 U.S.C. § 701(a).

52. Sprigman, *supra* note 21, at 493.

53. SCHECHTER & THOMAS, *supra* note 27, § 2.2.4.

54. Act of Mar. 4, 1909, ch. 320, § 9, 35 Stat. 1075, 1077 (“[A]ny person entitled thereto by this Act may secure copyright for his work by publication thereof with the notice of copyright required by this Act.”). Consequently, registration no longer gave rise to copyright protection. Publication with notice was the crucial formality that brought an author into compliance with the copyright law. An author who omitted notice upon publication would lose his common law copyright as well. Unpublished works still remained under the state common law copyright. This change was significant because failure to provide notice upon publication resulted in a complete loss of both federal and state copyright protection and relegated the work to the public domain. Registration was still required in order to secure a certificate of copyright ownership. SCHECHTER & THOMAS, *supra* note 27, § 2.2.4.

55. Act of Mar. 4, 1909, ch. 320, §§ 24-25, 35 Stat. at 1080-82.

56. *Id.*

57. Landes & Posner, *supra* note 23, at 473 (calculating that “fewer than 11[%] of works copyrighted between 1883 and 1964 were renewed at the end of the initial twenty-eight-year term, even though the cost of renewal was small”); Sprigman, *supra* note 21, at 519 (“Historically, approximately 15% of works were renewed, meaning that 85% of works

Other than the general revisions to copyright law in the Act of 1909, the principle features of the U.S. copyright regime remained intact for almost two centuries.⁵⁸ It was not until the Copyright Act of 1976 that any major shift in the copyright laws occurred.

B. The Berne Convention

While the United States continued to develop its formality-based copyright scheme, the European countries worked on a way to prevent theft of intellectual property while continuing to enhance burgeoning international trade.⁵⁹ This European process began with the Paris Convention for Protection of Industrial Property in 1883.⁶⁰ Considered to be the first significant international treaty in the realm of intellectual property, the Paris Convention allowed individuals in one country to obtain protection of inventions, trademarks, and industrial designs in other countries.⁶¹ Shortly thereafter, in September 1886, the Berne Convention was formed to protect authors' rights among union members.⁶² The basic goal was to provide for national treatment, meaning authors would "enjoy in other signatory nations the same protection for their works as those nations grant to their own artists."⁶³ Since its creation, the Berne Convention has become the highest internationally recognized standard for the protection of works of all kinds.⁶⁴

moved into the public domain—by consent of rightholders—after a relatively short term of protection.”). For the majority of works registered, it can be presumed that they did not continue to generate a significant amount of income for their authors after their initial term. Landes & Posner, *supra* note 23, at 501-13 (providing an empirical analysis of copyright depreciation). Of course, there continued to be some instances where an accidental failure to renew resulted in a valuable copyright losing its protection. H.R. REP. NO. 94-1476, at 136 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5752; Notice of Inquiry, *supra* note 2, at 3740 (explaining that some works entered the public domain because the rightholder was unaware that the copyright was up for renewal or that there was a certain period at the end of the initial term in which he was required to renew).

58. *See supra* Part II.A.

59. *See generally* Peter K. Yu, *The Copyright Divide*, 25 CARDOZO L. REV. 331, 337-53 (2003).

60. Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305 (revised July 14, 1967).

61. *Id.*

62. Berne Convention, *supra* note 9.

63. Carol G. Ludolph & Gary E. Merenstein, Note, *Authors' Moral Rights in the United States and the Berne Convention*, 19 STETSON L. REV. 201, 205-06 (1989).

64. S. REP. NO. 100-352, at 2-3 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3706, 3707-08.

Signatories of the Berne Convention must adhere to three basic principles, the first of which is the principle of “national treatment.”⁶⁵ In addition, protection cannot be conditioned upon compliance with any formality—the principle of “automatic” protection.⁶⁶ Finally, protection must be independent of the protection afforded in the country of origin.⁶⁷ The Berne Convention also sets out the minimum standards of protection pertaining to the works and rights to be protected and the duration of that protection. Copyright protection must be extended to “every production in the literary, scientific and artistic domain, whatever . . . the mode or form of its expression.”⁶⁸ Any author that is a national of a signatory must be granted protection for his works, whether published or not.⁶⁹ Additionally, a work may be eligible for protection under the Berne Convention if an author from a non-member country either publishes in a country of the Union or publishes simultaneously in a country within the Union and one

65. SCHECHTER & THOMAS, *supra* note 27, § 12.1.

66. Article 5(2) provides that “[t]he enjoyment and the exercise of these rights shall not be subject to any formality,” which is considered, at least in the realm of the United States, to be one of the key aspects of the Berne Convention. Berne Convention, *supra* note 9, art. 5; see S. REP. NO. 100-352, at 11, *as reprinted in* 1988 U.S.C.C.A.N. at 3716 (“[T]he absence of ‘formalities’ has been generally understood as one of the salient characteristics of the Berne Union.” (citing *U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyrights, and Trademarks of the Comm. on the Judiciary*, 99th Cong. 71 (1985) (statement of Donald C. Curran, Acting Register of Copyrights))).

67. Berne Convention, *supra* note 9, art. 5(2).

68. *Id.* art. 2(1). Article 3 provides illustrative examples of those works that are eligible for protection:

[W]hatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons, and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

Id. art. 3(3)

69. *Id.* art. 3(1)(a).

outside of the Union.⁷⁰ The Berne Convention also requires that the term of protection shall be, at a minimum, the life of the author plus fifty years.⁷¹

The provisions of the Berne Convention were considered by Congress to conflict too greatly with the federal copyright scheme, particularly because of the Berne Convention's blanket proscription on formalities.⁷² Furthermore, there was some concern that eliminating the renewal provisions would undermine the constitutional premise of U.S. copyright law.⁷³ These concerns, perhaps facilitated in the early years by geographic and political isolation, kept the United States from becoming a member of the Berne Convention for over one hundred years.⁷⁴

C. Paving the Road to Berne

The movement for international copyright protection gained some ground after the Act of 1909. Motion pictures and sound recordings appeared in the early 1900s, and radio and television followed shortly behind.⁷⁵ Culture, which included many valuable copyrighted works, quickly became one of the United States' greatest exports.⁷⁶ Furthermore, with each new technological advancement, copyrighted works crossed borders with greater frequency and more efficiency.⁷⁷ By 1954, the United States was the greatest exporter of printed material.⁷⁸ Many U.S. publishers simultaneously published works in both the United States and Canada, which is a Berne Union member, in order to enjoy the full protections of the Berne Convention.⁷⁹ This practice was greatly resented by members of the Berne Union, and they threatened to prevent further use of that "ruse."⁸⁰ Thus, Congress was faced with significant national pressure to secure the United States a more prominent role in international intellectual property regulation.⁸¹ In response, the United States joined the Universal Copyright

70. *Id.* arts. 3(1), (4).

71. *Id.* art. 7(1). Under the Berne Convention, members of the Union are free to increase the term of protection, but they may not impose a term of shorter duration. *Id.* art. 7(6).

72. See SCHECHTER & THOMAS, *supra* note 27, § 12.2.

73. See generally Barbara Ringer, *The Role of the United States in International Copyright – Past, Present, and Future*, 56 GEO. L.J. 1050 (1968).

74. SCHECHTER & THOMAS, *supra* note 27, § 12.2.

75. H.R. REP. NO. 94-1476, at 47 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5660.

76. SCHECHTER & THOMAS, *supra* note 27, § 12.2.

77. H.R. REP. NO. 94-1476, at 135, as reprinted in 1976 U.S.C.C.A.N. at 5751.

78. H.R. REP. NO. 83-2608 (1954), as reprinted in 1954 U.S.C.C.A.N. 3629, 3632.

79. See *id.*, as reprinted in 1954 U.S.C.C.A.N. at 3632-33.

80. *Id.*

81. *Id.*

Convention (UCC)⁸² in 1955 “to provide a more adequate basis than presently exist[ed] for copyright protection abroad of writings, music, art, motion pictures, and similar cultural and scientific creations of United States citizens.”⁸³ It was the general perception that the United States could maintain its basic copyright scheme while continuing to play an active role in the development of international copyright policy through the UCC.⁸⁴

Unfortunately, membership in the UCC did little to assuage international criticism of the United States’ refusal to adopt the minimum protections of the Berne Convention.⁸⁵ In addition, U.S. publishers continued to rely on the “back-door” to Berne protection.⁸⁶ These conflicting realities were key considerations during the copyright law revisions leading to the Copyright Act of 1976.⁸⁷ Additionally, many legislators felt that accession to the Berne Convention had become inevitable if the United States desired to play any part in the future of intellectual property policymaking.⁸⁸

With these considerations in mind, Congress implemented key substantive changes to U.S. copyright law through the Act of 1976. One of the major changes was the establishment of a single copyright term based on the life of the author, which was specifically adopted from the Berne Convention.⁸⁹

82. Universal Copyright Convention, Sept. 6, 1952, *as last revised* 25 U.S.T. 1341, 943 U.N.T.S. 178.

83. H.R. REP. NO. 83-2608, *as reprinted in* 1954 U.S.C.C.A.N. at 3630.

84. *Id.*, *as reprinted in* 1954 U.S.C.C.A.N. at 3630-33. The UCC, like the Berne Convention, was engineered with the intent to provide national treatment to authors from member states. The United States helped to create the UCC, though, because it still considered the Berne Convention provisions “foreign to our concept of copyright.” *Id.*, *as reprinted in* 1954 U.S.C.C.A.N. at 3630. The UCC thus served as an alternative for those countries that did not want to conform to the standards established by the Berne Convention. As Congress explained, the UCC “does not seek to eliminate differences in copyright theory which exist throughout the world or to harmonize national laws, but instead recognizes existing differences.” *Id.* The primary difference between the UCC and the Berne Convention lies in their construction: whereas the Berne Convention provides extremely specified rights, the UCC speaks in generalities and declines to enumerate the rights that must be accorded to works originating in other member states. S. REP. NO. 100-352, at 2-3 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3703, 3707-08. The lower standards of the UCC enticed many other countries to join the treaty. H.R. REP. NO. 83-2608, *as reprinted in* 1954 U.S.C.C.A.N. at 3630-33.

85. H.R. REP. NO. 94-1476, at 135 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5751.

86. *Id.*

87. *Id.* at 135-36, *as reprinted in* 1976 U.S.C.C.A.N. at 5751-52.

88. *Id.* at 135, *as reprinted in* 1976 U.S.C.C.A.N. at 5751.

89. Berne Convention, *supra* note 9, art. 7(1). In regard to the 1976 term revision, the Committee on the Judiciary stated in its House Report that without a change to the duration of copyright “the possibility of future United States adherence to the Berne Copyright Union would evaporate, but with it would come a great and immediate improvement in our copyright relations.” The Committee based this finding upon

Another significant change in the Act of 1976 influenced by the Berne Convention was the provision for copyright to subsist in a work the moment it is fixed in a tangible form of expression, as opposed to subsistence upon publication.⁹⁰ These changes brought the U.S. copyright regime closer to the substantive standards of the international community.⁹¹

However, it was only after ten more years of intense congressional study that the United States finally moved to accede to the Berne Convention through the Berne Convention Implementation Act of 1988 (BCIA).⁹² Two primary reasons compelled Congress to join the nearly century-old treaty. First, the Berne Convention would secure the highest available level of multilateral copyright protection for U.S. artists, authors, and other creators.⁹³ Second, “adherence [would] also ensure effective U.S. participation in the formulation and management of international copyright policy.”⁹⁴ As the world’s largest exporter of copyrighted material, the United States simply had to secure a strong and credible position amidst the international community.⁹⁵

In preparing to join the Berne Convention, Congress conducted numerous studies and inquiries into what aspects of U.S. copyright law needed to be revised,⁹⁶ their ultimate goal was to implement only those changes absolutely

testimony that some countries were considering proposals for retaliatory legislation that would prevent American authors from being able to enjoy the longer copyright terms provided for abroad. Incidentally, the shifting of copyright protection to a single term resulted in the removal of a renewal requirement for all works created after the effective date of the Act. H.R. REP. NO. 94-1476, at 135-36, *as reprinted in* 1976 U.S.C.C.A.N. at 5751-52.

90. *See supra* note 89; 17 U.S.C. § 302(a) (2000). This particular revision brought U.S. law into compliance with articles 2 and 3 of the Berne Convention.

91. *See supra* Part II.B.

92. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988) (codified as amended in scattered sections of 17 U.S.C.); *see* Ludolph & Merenstein, *supra* note 63, at 202 (brief overview of enactment of BCIA).

93. S. REP. NO. 100-352, at 2 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3706, 3707.

94. *Id.*

95. *Id.* at 2-5, *as reprinted in* 1988 U.S.C.C.A.N. at 3707-10.

96. The Ad Hoc Working Group on United States Adherence to the Berne Convention (“Ad Hoc Working Group”) was formed by the State Department to identify changes necessary in order to accede to Berne. *Id.* at 6, 15, *as reprinted in* 1988 U.S.C.C.A.N. at 3711, 3720. Overall, the Ad Hoc Working Group determined that the United States would be able to retain all the statutory formalities for national authors but would need to excise all such formalities in relation to foreign authors. Ad Hoc Working Group on U.S. Adherence to the Berne Convention, *Final Report*, 10 COLUM.-VLA J. L. & ARTS 514 (1986). These conclusions were based upon the language of the Berne Convention: Article 5(3) of the Berne Convention states that “protection in the country of origin is governed by domestic law.” Berne Convention, *supra* note 9, art. 5(3).

Additionally, the U.S. Copyright Office provided a report to Congress based on its research and interpretation of the Berne requirements. *See* S. REP. NO. 100-352, at 11-28, *as reprinted in* 1988 U.S.C.C.A.N. at 3716-33. The U.S. Copyright Office concurred

necessary to ensure Berne compliance.⁹⁷ Formalities—the most prominent feature of the traditional U.S. copyright scheme—were determined to be the most disharmonious with the Berne Convention.⁹⁸ Consequently, every mandatory formality, including registration, notice, deposit, and recordation, was altered in order to make compliance optional for both national and foreign authors.⁹⁹ However, national authors are still required to register their works in order to file an infringement suit.¹⁰⁰

D. And Everything After

Prior to the 1976 Act, large amounts of time typically lapsed between revisions to U.S. copyright law, but since the BCIA in 1989, there has been a

with the findings of the Ad Hoc Working Group, making an exception only for the registration requirement. U.S. Copyright Office, *Implementing Legislation to Permit U.S. Adherence to the Berne Convention: A Draft Discussion Bill & Commentary*, 10 COLUM.-VLA J. L. & ARTS 621, 621-23 (1986). According to the U.S. Copyright Office, the existing registration requirements were permitted under the Berne Convention, and their removal would undermine the U.S. copyright regime:

A registration system has always been a part of our copyright laws and has long assured to any member of the public the realizable right to information about the existence, scope, ownership and exercise of copyright in intellectual materials Adequate inducements will have to be provided to maintain the completeness and integrity of the registration system should changes . . . be required for Berne adherence.

Id. at 636-37. Ultimately, however, Congress found the Copyright Office's argument to be unpersuasive because such an interpretation would set an undesirable precedent for other countries that desired to accede to the Berne Convention. S. REP. NO. 100-352, at 17, *as reprinted in* 1988 U.S.C.C.A.N. at 3722 ("If the world's largest exporter of copyrighted goods takes the position that a government agency may, without violating Berne standards, be entrusted with the keys to the courthouse door in infringement actions, other countries may seize upon this precedent.").

97. S. REP. NO. 100-352, at 11, *as reprinted in* 1988 U.S.C.C.A.N. at 3716 ("With respect to formalities, S. 1301 . . . charges the Copyright Act to eliminate those provisions, and only those provisions, that the committee believes to be incompatible with the directive of Article 5(2) of the Berne Convention.").

98. *Id.* at 11-12, *as reprinted in* 1988 U.S.C.C.A.N. at 3716-17. Article 5(2) of Berne expressly prohibits the enjoyment and exercise of copyright to be conditioned upon compliance with formalities. Berne Convention, *supra* note 9, art. 5(2).

99. *See generally* 17 U.S.C. §§ 205, 401-12 (2000).

100. 17 U.S.C. § 411(a).

flurry of intellectual property legislation on both national and international levels.¹⁰¹

1. International Developments and Policy Concerns

Although the Berne Convention is venerated as the most prominent copyright treaty, it has two flaws that have necessitated the creation of other treaties. First, any revision to the Convention must be achieved through consensus,¹⁰² which is inordinately difficult to achieve amongst such diverse countries representing diverse interests. Second, all disputes must go before the International Court of Justice, which has no authority to enforce its decisions.¹⁰³ Consequently, there are three important treaties that have since adopted the Berne Convention's substantive provisions and taken additional steps to advance its protections. The first of these is the Agreement on Trade-Related Aspects of Intellectual Property Rights, generally referred to as TRIPS.¹⁰⁴ Its substantive provisions are more readily enforced because ratification of TRIPS is a compulsory requirement of World Trade Organization (WTO) membership.¹⁰⁵ Furthermore, all disagreements between WTO members must go through the WTO Dispute Settlement Body; failure to abide by their rulings may permit the injured party to suspend certain obligations toward the offending party under TRIPS.¹⁰⁶ The other major developments in international copyright law are the completion of the World Intellectual Property Organization (WIPO) Copyright

101. See Crews, *supra* note 26, at 550-51.

102. Berne Convention, *supra* note 9, art. 27(3).

103. Ralph Oman, *The United States & the Berne Union: An Extended Courtship*, 3 J.L. & TECH. 71, 115 (1988) ("To seek redress for this piracy through Berne's enforcement authority, the International Court of Justice, would most likely be futile; to date, jurisdiction in that Court has never been invoked.").

104. TRIPS is an international treaty that sets down minimum standards for most forms of intellectual property regulation within all member countries of the World Trade Organization (WTO) and advances "national treatment" and "most-favored nation" principles. TRIPS Agreement, *supra* note 10. This treaty adopted the substantive obligations of the Berne Convention, articles 1-21, excepting article 6*bis* ("bis" signifies an addition to the Convention). *Id.* art. 9. TRIPS also provides additional protection for computer programs and data compilations. *Id.* arts. 9-10. In 1986, prior to the BCIA, the United States was already involved in developing an intellectual property code within the General Agreement on Tariffs and Trade (GATT) that would include a section on copyrights based upon Berne-level standards. This process, which included over 125 countries by the time it concluded and covered almost all aspects of trade, was known as the Uruguay Round. By the time it was completed in 1994, the GATT was transformed into the WTO. See SCHECHTER & THOMAS, *supra* note 27, § 12.3.

105. See SCHECHTER & THOMAS, *supra* note 27, § 12.3.

106. TRIPS Agreement, *supra* note 10, arts. 1-5 (setting forth administrative and provisional measures).

Treaty (WCT)¹⁰⁷ and the WIPO Performances and Phonograms Treaty (WPPT).¹⁰⁸ Like TRIPS, the WCT and WPPT also adopted the substantive obligations of the Berne Convention and then built upon them.¹⁰⁹ The purpose of these two treaties is to update national laws in order to provide protection for copyrighted works in the digital realm.¹¹⁰

International activity in the realm of copyrights extends well beyond the formation of these prominent treaties. The extraordinary developments in technology that aid in the creation and dissemination of works also lead to greater innovations in piracy, which threaten intellectual property generally.¹¹¹ National governments constantly struggle to keep on top of new developments to ensure they are providing the utmost protection to copyrighted works.¹¹² An inactive government runs the risk of inadvertently permitting individuals or corporations within its nation's boundaries to engage in practices that can threaten the rights of foreign rightholders, thus invoking criticism from the international community.¹¹³ Furthermore, failure to provide adequate protection can have consequences of even greater severity. As previously noted,¹¹⁴ in order to enjoy the greater international trade benefits that the WTO provides, a country must first have in place intellectual property protection that meets the fundamental provisions of the Berne Convention.¹¹⁵ While weak intellectual property protection can act as a

107. World Intellectual Property Organization Copyright Treaty, *adopted* Dec. 20, 1996, 36 I.L.M. 65 (1997) [hereinafter WCT].

108. World Intellectual Property Organization Performances and Phonogram Treaty, *adopted* Dec. 20, 1996, 36 I.L.M. 76 (1997) [hereinafter WPPT].

109. The WCT provides copyright protection similar to TRIPS for computer programs and data compilations but goes further to provide legal protection for technological protection measures and rights management information. WCT, *supra* note 107, arts. 3-4, 10-13. The WPPT deals primarily with the protection of performers and producers of phonograms. Many of its provisions are identical to those of the WCT. WPPT, *supra* note 108.

110. S. REP. NO. 105-190, at 9-10 (1998); H.R. REP. NO. 105-551(II), at 20-21 (1998).

111. Perlmutter, *supra* note 14, at 327.

112. *Id.* at 324-25.

113. Yu, *supra* note 59, at 332-33 (“[C]opyright holders have been known for using, or encouraging their government to use, coercive power to protect their creative works. Only a decade ago, the U.S. copyright industries lobbied their government to use strong-armed tactics to coerce China into protecting intellectual property rights.”).

114. *See supra* Part II.D.1.

115. *See* Yu, *supra* note 59, at 366-67. An example of the extent to which intellectual property policy invades international politics is seen in China's efforts to join the WTO. *Id.* at 354-73. China's accession to the WTO was approved in 2001, yet this process essentially began in 1978 when the country reopened its borders to the international community. *Id.* at 354-55. There were many issues that China faced in attempting to make institutional reforms, not least among them a need to improve the protection and enforcement of intellectual property rights. *Id.* at 355-66. Professor Peter Yu posits that “it would not be too far-fetched to argue that China might still remain outside the WTO had it not strengthened its protection of intellectual property rights.” *Id.* at 372.

barrier to participation in other international organizations, it can also have more immediate repercussions: economic sanctions, trade wars, and withdrawal of certain benefits, such as “most-favored nation” status.¹¹⁶ In this current political environment in which the enhancement of intellectual property protection plays a prominent role, pressures between the players are clearly a driving force behind the emendation of copyright laws on national levels.

2. U.S. Expansion of Copyright Law Post-Berne

It is not clear whether the United States’ constant activity in the area of copyright law has been driven more by the desire to further harmonize U.S. law with international standards or by a reaction to the development of technology that facilitates dissemination of works and piracy of those works, but it is certain that both of these factors play a prominent role.¹¹⁷ As the market for U.S. copyrighted works expands, so does the piracy of those works.¹¹⁸ In 1987, as the United States prepared to accede to the Berne Convention, the core copyright industries generated a trade surplus of over \$1.5 billion.¹¹⁹ This amount would have been greater, but the U.S. International Trade Commission estimated that U.S. companies lost between \$43 billion and \$61 billion during 1986 because of inadequate legal protection for U.S. intellectual property.¹²⁰ Accordingly, ensuring adequate protection for U.S. works abroad was perceived as a primary benefit to be gained through participation in the international copyright system and a chief motivating factor in the revision of the U.S. copyright regime.

After the enactment of the Act of 1976, Congress worked hard to harmonize the U.S. copyright regime with the international community.¹²¹ A

116. *Id.* at 359.

117. *See generally* Perlmutter, *supra* note 14.

118. *See generally* STEPHEN E. SIWEK, INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE, COPYRIGHT INDUSTRIES IN THE U.S. ECONOMY: THE 2004 REPORT (2004), available at http://www.iipa.com/pdf/2004_SIWEK_FULL.pdf (presenting estimates of U.S. copyright industries’ contributions to the U.S. gross domestic product).

119. S. REP. NO. 100-352, at 2 (1988), as reprinted in 1988 U.S.C.C.A.N. 3706, 3707.

120. *Id.*

121. A review of the legislative history from the 1976 Act indicates that Congress drove with a rather myopic determination toward the goal of international harmonization. For example, the Committee on the Judiciary, in explaining its rationale in adopting a life-based copyright term, enumerated various reasons why such a change was desirable. H.R. REP. NO. 94-1476, at 133-35 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5749-51. Not least in its consideration was the observation that “a very large majority of the world’s countries have adopted a copyright term of the life of the author and 50 years after the author’s death.” *Id.* at 135, as reprinted in 1976 U.S.C.C.A.N. at 5741. Accordingly, adopting this standard would have the beneficial effects of providing certainty and simplicity in international business dealings and improving international copyright relations. There were other reasons provided as well, but the language used in the report

recurring theme in the legislative record is the notion that “the advantages of” following European copyright standards “outweigh any possible disadvantages.”¹²² In fact, in each instance that Congress expanded the protection for copyrights, Congress dismissed the impact the changes would have on the general public as *de minimis*.¹²³ In light of the annual dollars lost to piracy, this might actually be a rather persuasive argument. While the economic impact of piracy in 1987 might have seemed startling, such figures pale in comparison to current numbers.¹²⁴ As technological advancements continue to make dissemination of works available for a growing global audience, and as more

reveals a definite bias against the traditional copyright term and limited tolerance for criticism that such a change would negatively impact future creation. For instance, the renewal requirement inherent in the two-term system was characterized as the “worst feature” of the U.S. system, creating a “substantial burden and expense.” *Id.* It is interesting to note that at the time the 1976 Act revisions were being discussed, renewal required the submission of a renewal application along with payment of the \$4.00 renewal fee. REGISTER OF COPYRIGHTS, 79TH ANNUAL REPORT (1976), <http://www.copyright.gov/reports/annual/archive/ar-1976.pdf>. These simple requirements hardly seem burdensome or expensive. It is possible that the burden and expense that the Committee was referring to was that of remembering to renew the copyright, or the Committee could have been referring to the “inadvertent and unjust loss of copyright” that was the result of failing to renew. H.R. REP. NO. 94-1476, at 134, *as reprinted in* 1976 U.S.C.C.A.N. at 5750. However, the report does not expand upon this observation regarding the renewal requirement. The Committee also observed that a large majority of copyrighted works, approximately 85%, are not renewed, and noted the concern of “some educational groups” that those works would be less readily available for scholarly use. *Id.* at 135, *as reprinted in* 1976 U.S.C.C.A.N. at 5751. In response, the Committee blithely referenced the fair use exception embodied in 17 U.S.C. § 107 (2000). Its ultimate conclusion on the matter as a whole, however, was that “the advantages of a basic term of copyright enduring for the life of the author and for 50 years after the author’s death outweigh any possible disadvantages.” *Id.* at 136, *as reprinted in* 1976 U.S.C.C.A.N. at 5752. Implicit in the analysis of the Committee is a presumption against a detailed analysis of how the change would impact U.S. copyright users functioning off a renewal-based system in favor of a presumption that what worked for Europe would work for the United States as well.

122. H.R. REP. NO. 94-1476, at 136, *as reprinted in* 1976 U.S.C.C.A.N. at 5752.

123. *See, e.g.*, S. REP. NO. 100-352 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3706.

124. The 2004 study by Economists Incorporated for the International Intellectual Property Alliance (IIPA) reveals that in 2002, the total copyright industries contributed an estimated \$1.254 trillion to the U.S. economy. SIWEK, *supra* note 118, at 2-3 (“Total copyright industries” encompass “core” copyright industries, those that create copyrighted material as their primary product, and portions of many other industries which either create, distribute, or depend upon copyrighted material.). This accounts for approximately 12% of the United States’ GDP. *Id.* However, as a result of deficiencies in the copyright regimes of various countries, the IIPA estimates that the total losses due to piracy were at minimum \$25-\$30 billion in 2004. These figures do not account for Internet piracy. Letter from Eric H. Smith, President, Int’l Intellectual Prop. Alliance, to James Mendenhall, Office of the U.S. Trade Representative (Feb. 11, 2005), <http://www.iipa.com/pdf/2005SPEC301COVERLETTER.pdf>.

corporations in the copyright industry become multinational, or “at least operate their businesses across national borders,” U.S. participation in the development of intellectual property policy on an international level is a necessity.¹²⁵

In an effort to push toward further harmony with the international community, Congress has altered U.S. copyright statutes with almost fifty bills since the Act of 1976.¹²⁶ Of these, four prominent acts were passed in an attempt to conform more to international standards or to rectify past “harms” to foreign authors.

First, in 1990, Congress granted limited rights of attribution and of integrity to authors of works of visual art; those rights are also referred to as “moral rights.”¹²⁷ Berne Convention article 6*bis* provides for the moral rights of an author, which are independent of an author’s economic interests.¹²⁸ At the time of Berne adherence, Congress determined that U.S. law afforded meaningful equivalents to moral rights, including provisions in the Lanham Act and common law principles of libel, defamation, misrepresentation, and unfair competition.¹²⁹ However, European countries perceive moral rights, in accordance with “natural rights” theory, to be rights authors enjoy by virtue of creating a work, and many U.S. authors greatly supported recognition of these rights in the United States.¹³⁰ Consequently, the United States’ refusal to specifically allow for moral rights in the BCIA was viewed as a contentious choice.¹³¹ The debate regarding U.S. recognition of moral rights culminated in the Visual Artists Rights Act of 1990 (VARA).¹³² Some critics argued that VARA failed to provide enough protection or to bring the United States into full compliance with the Berne Convention, but

125. Perlmutter, *supra* note 14, at 326.

126. Some of these enactments can be qualified as clarifications or technical corrections, while still others have been extensions of existing laws. Crews, *supra* note 26, at 551.

127. Visual Artists Rights Act (VARA) of 1990, Pub. L. No. 101-650, 104 Stat. 5128 (codified at 17 U.S.C. § 106A (2000)). Section 106A grants to the author of a work of visual art generally the right to be credited as the author of the work or to prevent the use of his name if the work is changed in a way that would tarnish his reputation. *Id.* Additionally, the author may prevent the “intentional distortion, mutilation, or other modification” or destruction of his work under certain conditions. *Id.*

128. Berne Convention, *supra* note 9, art. 6*bis*. “Moral rights” include the right of attribution and the right to the integrity of the work. Moral rights are distinct from any economic rights tied to copyright; thus, even if an artist has assigned the copyright in a work to a third party, the artist may still maintain the moral rights to the work.

129. S. REP. NO. 100-352, at 9-10 (1988), as reprinted in 1988 U.S.C.C.A.N. 3706, 3714-15.

130. Ludolph & Merenstein, *supra* note 63, at 204-05; Dana L. Burton, Comment, *Artists’ Moral Rights: Controversy and the Visual Artists Rights Act*, 48 SMU L. REV. 639, 639-40 (1995).

131. Ludolph & Merenstein, *supra* note 63, at 222-30.

132. VARA, Pub. L. No. 101-650, 104 Stat. 5128; Burton, *supra* note 130, at 641.

“it [was] generally acknowledged that VARA represents a big step towards protection of artists’ moral rights.”¹³³

Second, Congress, as part of negotiations leading to the North American Free Trade Agreement¹³⁴ and subsequent multilateral trade negotiations during the Uruguay Round Agreements,¹³⁵ added § 104A to Title 17, which restored copyright in foreign works that had fallen into the public domain because of failure to comply with certain copyright formalities prior to 1978.¹³⁶ Section 104A also conferred copyright protection on eligible foreign copyrighted works even if those works had not previously had a U.S. copyright.¹³⁷ This has been viewed by some as a means of reconciling with other countries the “harms” caused to foreign authors under the pre-1976 U.S. copyright regime.¹³⁸

Third, in 1998, Congress made a bold showing of working toward international harmonization through the Sonny Bono Copyright Term Extension Act of 1998 (CTEA).¹³⁹ In 1993, the European Union issued a directive requiring member countries to adopt a standard term of protection of life-plus-seventy years in order to unify the term of protection.¹⁴⁰ This directive also stipulated, in compliance with Berne Convention article 7, that the copyright of any work whose country of origin is one with a lesser term of protection will not be recognized in the European Union after the date of expiry in the country of

133. Burton, *supra* note 130, at 641-42.

134. North American Free Trade Agreement, U.S.-Can.-Mex., Dec. 17, 1992, 32 I.L.M. 289.

135. Uruguay Round Agreements Act, Pub. L. No. 103-465, §§ 101, 514, 108 Stat. 4809, 4814, 4976-80 (1994).

136. 17 U.S.C. § 104A (2000).

137. *Id.*

138. Perlmutter, *supra* note 14, at 329-30. Before the United States joined the Berne Convention, U.S. copyright policies were self-interested to a fault. Typically regarded as a pirate nation, the United States failed to protect foreign works under its copyright regime, providing either no protection or only protection that was illusory. *See generally* Ringer, *supra* note 73. An oft-cited remark regarding U.S. copyright law illustrates this point readily: “Until the Second World War the United States had little reason to take pride in its international copyright relations; in fact, it had a great deal to be ashamed of. With few exceptions its role in international copyright was marked by intellectual shortsightedness, political isolationism, and narrow economic self-interest.” *Id.* at 1051. Consequently, even though the United States is now an “active and enthusiastic participant” in the international copyright system, it has had “only mixed success in convincing other countries to follow [its] lead domestically.” Perlmutter, *supra* note 14, at 329. Part of this problem can be attributed to the fact that the United States has failed thus far to achieve harmonization with international norms.

139. Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998) (codified in various sections of 17 U.S.C.).

140. *See* Council Directive 93/98, art. 9, 1993 O.J. (L 290) 9 (EC) (“Whereas there are consequently differences between the national laws governing the terms of protection of copyright and related rights . . . the laws of the Member States should be harmonized so as to make terms of protection identical throughout the Community . . .”).

origin.¹⁴¹ Consequently, so the story goes, the United States needed to extend its copyright term to match that of the European Union to assure the continuing protection of American works abroad.¹⁴² Congress sought this “harmonization” with the European nations by extending the copyright term of U.S. works to life of the author plus seventy years through the CTEA.¹⁴³

Although Congress accepted several arguments in support of the twenty-year term extension, many commenters found the arguments to be meritless.¹⁴⁴ The enactment of the CTEA sparked a flurry of criticism and instigated challenges to its constitutionality.¹⁴⁵ However, in January 2003, the U.S. Supreme Court held in *Eldred v. Ashcroft* that the CTEA passes constitutional muster and affirmed Congress’s power to extend the term of copyright protection for existing works by twenty years.¹⁴⁶ In concluding that the term extension was a rational exercise of Congress’s power under the Copyright Clause, the Court relied heavily on the congressional desires to align U.S. copyright protection with Europe and to promote restoration and public distribution of older works.¹⁴⁷ Unfortunately, the congressional goals endorsed by the Supreme Court in *Eldred* have yet to be realized.¹⁴⁸ Furthermore, it would appear that the constant revision and restructuring of U.S. copyright law has contributed to, instead of alleviated, the confusion inherent in the current law. As will be discussed later in this Note,

141. *Id.* art. 7(1).

142. See Kenneth D. Crews, *Copyright Duration and the Progressive Degeneration of a Constitutional Doctrine*, 55 SYRACUSE L. REV. 189, 209-14 (2005) (providing a general overview of the discussions behind the CTEA).

143. See 17 U.S.C. §§ 302-04 (2000).

144. See, e.g., Dennis S. Karjala, *The Term of Copyright*, in GROWING PAINS: ADAPTING COPYRIGHT FOR LIBRARIES, EDUCATION, AND SOCIETY (Laura N. Gasaway ed., 1997), available at <http://homepages.law.asu.edu/~dkarjala/OpposingCopyrightExtension/commentary/term-of-protection.html>; Crews, *supra* note 142, at 209-13.

145. See generally *Opposing Copyright Extension*, <http://homepages.law.asu.edu/~dkarjala/OpposingCopyrightExtension> (last visited Sept. 8, 2006) (providing links to academic commentary, letters to Congress, legislative and judicial materials, statutes, treaties and briefs on copyright extension, international developments, and policy debates). Three cases challenging the constitutionality of the CTEA have been brought before federal courts. The first was *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (upholding the constitutionality of the CTEA). *Golan v. Ashcroft*, 310 F. Supp. 2d 1215 (D. Colo. 2004), and *Kahle v. Ashcroft*, No. 04-CV-1127, 2004 WL 2663157 (N.D. Cal. Nov. 19, 2004), the two cases after *Eldred*, also upheld the constitutionality of the CTEA based on the Supreme Court’s reasoning in *Eldred*.

146. *Eldred*, 537 U.S. at 221-22.

147. *Id.* at 205-07.

148. See *id.* at 257-62 (Breyer, J., dissenting) (acknowledging that the statute does not create uniformity “with respect to the lion’s share of the economically significant works that it affects”); Karjala, *supra* note 144, at 55-57 (enumerating the reasons that the CTEA fails at harmonization).

orphan works provide a prime example of the ever-increasing confusion caused by the current copyright scheme.¹⁴⁹

At the same time Congress enacted the CTEA, it also created the Digital Millennium Copyright Act (DMCA).¹⁵⁰ This Act implemented the WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty.¹⁵¹ Congress was quick to create legislation that would make the United States compliant with those treaties due to the perception that use of digital media to make copyrighted works available was being chilled by the threat of massive piracy.¹⁵² There are two primary features of the DMCA: anticircumvention of technological protection measures and protection of copyright management information.¹⁵³ Some have viewed the DMCA as a significant aggrandizement of copyright protection, which will negatively impact the public's ability and right to access information.¹⁵⁴ However, it is also possible that the DMCA will have a beneficial impact on the public, particularly in the realm of orphan works. With fairly strong civil and criminal penalties backing the DMCA's copyright management information provisions, individuals may find that much-desired ownership information will become more readily provided and more reliable.¹⁵⁵ So, at least in the realm of the Internet, copyrighted works that might qualify as orphans could be diminished under the DMCA. However, due to the scope of the orphan-works problem, it is unlikely that the DMCA will have any great impact.

III. THE PROBLEM OF ORPHAN WORKS

A. What All the Fuss Is About

U.S. copyright law has posed an increasing problem for would-be users of orphan works since the enactment of the Copyright Act of 1976.¹⁵⁶ Use of copyrighted works without permission is considered an infringement of an

149. *See infra* Part III.

150. Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2863 (1998) (codified at 17 U.S.C. §§ 1201-05 (2000)).

151. S. REP. NO. 105-190, at 3-4 (1998).

152. *Id.* at 17.

153. *Id.* at 23; H.R. REP. NO. 105-551(I), at 10 (1998).

154. Jennifer Burke Sylva, *Digital Delivery and Distribution of Music and Other Media: Recent Trends in Copyright Law; Relevant Technologies; and Emerging Business Models*, 20 LOY. L.A. ENT. L. REV. 217, 227-28 (2000).

155. *See* 17 U.S.C. §§ 1203-04 (2000) (civil remedies and criminal penalties for violations under the DMCA).

156. *Id.* §§ 101-1332; *see infra* Parts III.B-C (identifying the issues surrounding "orphan works").

author's exclusive rights.¹⁵⁷ Those exclusive rights are subject to certain limitations, including exceptions for fair use,¹⁵⁸ preservation efforts,¹⁵⁹ educational use,¹⁶⁰ compulsory licenses,¹⁶¹ and other uses intrinsic to executing licensed activities.¹⁶² Understanding these exceptions is important because, for the reasons discussed earlier (such as removing formalities¹⁶³ and extending terms¹⁶⁴), for many works it is becoming increasingly difficult or impossible to track down the copyright owner for permission.¹⁶⁵

A primary, and perhaps the most troubling, issue that surfaced in the Register's Inquiry is the suggestion that the economic realities surrounding orphan works are undermining the purposes of the U.S. copyright scheme. Unless an exception applies, potential users of copyrighted works must ultimately acquire the permission of a current copyright holder.¹⁶⁶ In seeking that permission where the copyright information is outdated or absent, a potential user can conceivably

157. *See* 17 U.S.C. §§ 106, 501(a). "Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 122 . . . is an infringer of the copyright." *Id.* § 501(a).

158. *Id.* § 107.

159. *Id.* § 108(c).

160. *Id.* § 110.

161. *Id.* § 115.

162. *See, e.g., id.* §§ 111-12. From their inception, the scope of the exceptions has been unclear. MELVILLE B. NIMMER & DAVID NIMMER, 4 NIMMER ON COPYRIGHT § 13.05 (2000). *See generally* Laura N. Gasaway, *Impasse: Distance Learning and Copyright*, 62 OHIO ST. L.J. 783 (2001) (examining the various difficulties libraries face when interpreting the language of 17 U.S.C. § 108); Crews, *supra* note 26, at 562 (identifying a congressional trend to cater to lobbyists from diverse interest groups, which results in "multi-page statute[s] that weave[] ins and outs and steadily obfuscate [their] own purpose and function").

163. Congress removed all mandatory formalities from the U.S. Copyright Act in 1989 in order to accede to the Berne Convention. *See supra* Part II.C and accompanying notes.

164. *See supra* Part II.C and accompanying notes.

165. *See generally* ORPHAN WORKS COMMENTS, *supra* note 6. The Copyright Office's Notice of Inquiry sought to elicit specific information and data regarding orphan works by posing a series of topical and detailed questions. Notice of Inquiry, *supra* note 2, at 3741-43 (questions presented).

166. The need to seek permission to use a copyrighted work presupposes that the use to be made does not qualify as "fair use" under § 107. However, individuals and institutions alike continue to find the doctrine of "fair use" to be confusing and unclear. REPORT ON ORPHAN WORKS, *supra* note 7, at 55-56; *see also* Gasaway, *supra* note 162, at 789-90 (concise outline of "fair use" analysis). As a result, it has become a general practice (as added insurance against liability) not to assume that a specific use would be considered fair use and to seek the permission of the copyright holder. Furthermore, a potential user deciding that a particular use qualifies under § 107 does not shield him from a lawsuit; it merely provides a defense against a claim of infringement. Consequently, a good faith user may still face the possibility of the expense and burden of a lawsuit. 17 U.S.C. § 107.

spend substantial time and money just to locate the copyright holder.¹⁶⁷ It appears that, at this initial stage, many users opt not to engage in such inquiries because of the up-front cost.¹⁶⁸ Even if an individual or institution dedicates resources to searching out a copyright holder, the query may result in a dead end.¹⁶⁹ In either scenario, the potential user is faced with the choice of abandoning or altering the project, or of assuming the risk of liability for using the orphan work without permission.¹⁷⁰ The risk of liability alone might prevent a user who conducted a reasonable search from using an orphan work, despite the likelihood that the copyright holder will never surface.¹⁷¹

Since the creation of the U.S. copyright regime, courts have stated that copyright is not an end in itself but rather a system to incentivize the creation of works that will ultimately benefit the public.¹⁷² Traditional formalities, such as registration, notice, and recordation of transfers, provided probative information regarding copyright ownership. When Congress made such formalities voluntary, it essentially stripped future users of the tools necessary to discover rightholders. This reality, coupled with the virtually perpetual copyright granted by modern law, helped to create a whole class of works of indiscernible lineage. The apparently significant rise in the number of orphan works since 1978 has led to myriad instances of market failure, where the cost to create exceeds the potential return.¹⁷³ In effect, the current copyright scheme appears to be impeding creation—or, at least, creation of works derived from, or otherwise inspired by, prior works. And it may well be that such derived or inspired works comprise the bulk of creative effort. As Justice Joseph Story observed, “In truth, in literature, in science and in art, there are, and can be, few, if any, things, which, in an abstract sense, are strictly new and original throughout. Every book in literature,

167. *See generally* Crews, *supra* note 142 (providing a detailed examination of the complications involved in determining the copyright status of a work).

168. CTR. FOR THE STUDY OF THE PUB. DOMAIN, ORPHAN WORKS ANALYSIS AND PROPOSAL 5 (Duke Law Sch. ed., 2005), *available at* <http://www.law.duke.edu/cspd> [hereinafter Duke, ORPHAN WORKS].

169. *Id.* at 4.

170. Notice of Inquiry, *supra* note 2, at 3740; *see generally* ORPHAN WORKS COMMENTS, *supra* note 6.

171. *See, e.g.*, Initial Comment by Kenn Rabin, Fulcrum Media Servs., on Orphan Works (Feb. 4, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0030-FMS” hyperlink) [hereinafter Fulcrum Media Services Comment].

172. The rights of copyright owners “are limited in nature and must ultimately serve the public good . . . Private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts. The ultimate aim is . . . to stimulate artistic creativity for the general public good. The primary objective of copyright is not to reward the labor of authors, but ‘[t]o promote the Progress of Science and useful Arts.’” *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 526 (1994).

173. Notice of Inquiry, *supra* note 2, at 3741.

science and art, borrows, and must necessarily borrow, and use much which was well known and used before.”¹⁷⁴

B. Everyday Problems Faced by Everyday People

The comments submitted during the Notice of Inquiry represent a diverse range of people who deal with copyrighted materials—from authors, musicians, artists, and filmmakers, to librarians, archivists, educators, and hobbyists.¹⁷⁵ While each comment detailed the unique way orphan works had affected each individual or organization, there were three common overarching issues.

1. Preservation of Cultural History

Numerous individuals and entities are committed to the daily business of archiving and preserving countless amounts of intellectual materials.¹⁷⁶ These preservationists amass over time countless volumes of works, including books, periodicals, films, sound recordings, and fine art.¹⁷⁷ Many of those works are no longer commercially available, and there are a great number that are deteriorating.¹⁷⁸ The ability of the public to learn about and make use of the ideas and knowledge contained in those works is dependent upon the works’ continued availability.

Many libraries, archives, and museums, both public and private, are currently engaged in preservation efforts.¹⁷⁹ These institutions’ goal is to use the

174. Emerson v. Davies, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (No. 4436).

175. See generally ORPHAN WORKS COMMENTS, *supra* note 6.

176. Out of the 867 comments submitted during the Register’s Inquiry, roughly 40% of the comments discussed individual and organizational preservation efforts and the challenges orphan works bring to those efforts. See *id.*

177. See, e.g., Initial Comment by Maureen Whalen et al., The J. Paul Getty Trust, The Metropolitan Museum of Art, and The Solomon R. Guggenheim Found., on Orphan Works (Mar. 24, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0610-ArtMuseums” hyperlink) [hereinafter Art Museums Comment].

178. See Initial Comment by Michael Hughes, Library of Cong., on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0630-LOC” hyperlink) [hereinafter LOC Comment].

179. The following organizations submitted either initial or reply comments during the Inquiry on their preservation efforts (this list is not intended to be exhaustive): Art Museums Comment, *supra* note 177; Reply Comment by Rachelle V. Browne, Smithsonian Inst., on Orphan Works (May 9, 2005), <http://www.copyright.gov/orphan/comments/reply> (follow “OWR0136-Smithsonian” hyperlink); Initial Comment by Denise Troll Covey, Carnegie Mellon Univ. Libraries, on Orphan Works (May 4, 2005), <http://www.copyright.gov/orphan/comments/reply> (follow “OW0537-CarnegieMellon” hyperlink) [hereinafter Carnegie Mellon Libraries Comment]; Initial Comment by Randall

tools provided by modern technology to preserve the information contained in their collections.¹⁸⁰ However, current copyright law does not always provide clear guidance as to how and when these institutions can make preservation copies and make them available to the public.¹⁸¹ These institutions own the copyrights to a very small fraction of their holdings,¹⁸² yet a sizeable amount of those holdings are still protected by copyright.¹⁸³ Of those copyright-protected works, a good percentage of them would be considered orphan works, which means they cannot be made available to the public (aside from individual research viewing) or be used to generate revenue.¹⁸⁴

Orphan works create a considerable barrier to preservation where the institution cannot make the preserved works available outside of its walls.¹⁸⁵ As many Inquiry commenters explained, there is a practical relationship between

C. Jimerson, Soc’y of Am. Archivists, on Orphan Works (Mar. 25, 2006), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0620-SAA” hyperlink); Initial Comment by Michael Keller, Stanford Univ. Libraries, on Orphan Works (Mar. 18, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0457-StanfordUniversity” hyperlink) [hereinafter Stanford Libraries Comment]; Initial Comment by Timothy L. Kittleson, UCLA Film and Television Archive, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0638-UCLAfilmantelevision” hyperlink) [hereinafter UCLA Film & TV Comment]; Initial Comment by Jack Lerner et al., Internet Archive, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0657-InternetArchive” hyperlink); LOC Comment, *supra* note 178; Initial Comment by Annette Melville, Nat’l Film Pres. Found., on Orphan Works (Mar. 16, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0541-NFPF” hyperlink) [hereinafter NFPF Comment] [all preceding comments hereinafter Preservation Comments].

180. Preservation Comments, *supra* note 179.

181. For example, § 108(h) provides an exception to the exclusive rights of a copyright holder for libraries and archives for “purposes of preservation, scholarship, or research” if the work is in the last twenty years of its copyright. 17 U.S.C. § 108(h)(1) (2000). The exception depends upon the work not being commercially exploited or attainable at a “reasonable price,” and the copyright owner not having explicitly objected to such use. *Id.* § 108(h)(2). However, the age of a work is not always easy to determine and what constitutes a “reasonable price” remains unclear. LOC Comment, *supra* note 178.

182. Physical possession of a material object is distinct from ownership of the copyright. 17 U.S.C. § 202.

183. *See, e.g.*, UCLA Film & TV Comment, *supra* note 179.

184. Frequently, libraries and archives will have rare or “one-of-a-kind” materials. In dealing with such materials, making preservation copies is either permissible as “fair use” or specifically permitted under § 108 at any time. *See* H.R. REP. NO. 94-1476, at 73 (1976), *as reprinted in* 1976 U.S.C.A.N. 5659, 5686-87. These exceptions apply equally for published and unpublished works. 17 U.S.C. § 108(c)-(d). Under § 108(h), a preservation copy made of a work in the last twenty years of copyright may be distributed, displayed, and performed only for purposes of scholarship and research.

185. *See generally* Preservation Comments, *supra* note 179.

preservation and access.¹⁸⁶ Libraries, museums, and archives are the last bastion for many materials, such as orphan works, that no other party is interested in preserving. These institutions absorb practically all the costs of providing that protection.¹⁸⁷ In addition to basic preservation costs, there are legal expenses and costs of providing copies for public access.¹⁸⁸

Archives, museums, and libraries will often elect only to preserve those materials which they may later use to cover the cost of the preservation effort.¹⁸⁹ Rightholders that are unlocatable or unidentifiable make the task of incorporating copyrighted materials in public programs extremely daunting. As the National Film Preservation Foundation explains, given the extra layer of complexity that orphan works bring to the preservation process, “it should come as no surprise that many institutions place first priority on preserving [material] for which they hold the rights or have a good working relationship with the rights holder.”¹⁹⁰ Section 108(h) may make it permissible for these libraries and archives to publicly disseminate these materials in the last twenty years of the copyright, but in the case of film, audio recordings, and photographs, which are often stored on unstable materials, this statutory permission may come too late.¹⁹¹ Consequently, many orphan works may be irretrievably lost, despite the best efforts of the nation’s libraries, archives, and museums.

186. See *infra* notes 190-91 and accompanying text.

187. The UCLA Film and Television Archive asserts that archives, libraries, and museums “absorb the costs of all or most of the following: (1) acquiring the physical elements, (2) cataloguing the material, (3) storing the material in specially constructed temperature- and humidity-controlled facilities; (4) preserving the material by transferring it to stable media; and (5) restoring the material including often expensive and meticulous restoration of found material from various sources.” UCLA Film & TV Comment, *supra* note 179. Libraries and archives receive funding from various sources, including memberships, foundation grants, budgetary allocations, private philanthropy, and revenue. *Id.*

188. *Id.*

189. See, e.g., LOC Comment, *supra* note 178 (“Preservation efforts may be curtailed because costs are more difficult to justify when there is an inability to derive multiple benefits.”); Art Museums Comment, *supra* note 177 (explaining that even where there is funding for preservation projects, art museums will usually not accept it because “the potential copyright risk is too great”).

190. The National Film Preservation Foundation (NFPF) is a congressionally chartered nonprofit organization created by The Film Preservation Act of 1996. Its primary mission is to “support activities nationwide that preserve American films and improve film access for study, education, and exhibition” through preservation grants to American archives, libraries, and museums. NFPF, <http://www.filmpreservation.org>. NFPF also organizes, manages, and secures funding for cooperative projects that further its mission. NFPF Comment, *supra* note 179.

191. See, e.g., LOC Comment, *supra* note 178 (noting that the inability to derive multiple benefits from preservation activities is “a critical issue for motion pictures, broadcasts, and recorded sound, where preservation can be especially costly—and, given the rapid deterioration of many of those materials—especially necessary”).

Although current copyright statutes provide exceptions for libraries and archives, there is no similar provision available for individuals. Hobbyists and other private individuals can amass substantial collections of popular culture, such as magazines, comic books, pulp fiction, and old radio shows, but are restricted from taking steps to preserve their collections or to restore and republish these abandoned works for public consumption.¹⁹² Numerous comments were submitted during the Inquiry from individuals expressing frustration at the current copyright laws and disbelief that the law would prohibit the legitimate preservation of cultural history.¹⁹³

In addition to such collectors, numerous private individuals weighed in to express their anger at being restricted from making preservation copies of old family photographs.¹⁹⁴ It is easy to imagine the confusion one must experience when a mass retailer refuses to copy an old, deteriorating photograph of a family member because it might infringe on some long-lost photographer's copyright. What choice for preservation of this historical photograph of immeasurable personal value does such an individual have? Under the current law, one must wait for the copyright to expire, sidestep copyright law by acquiring certain

192. The following comments were submitted by private individuals regarding their preservation efforts (this list is not intended to be exhaustive): Initial Comment by Geoffrey Brown, Principal Partner, Lakes Group LLC, on Orphan Works (Mar. 7, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0212-Brown" hyperlink) [hereinafter Brown Comment] (local historian trying to preserve and make available old brochures and pamphlets about local history); Initial Comment by Mike Dalbey, Staff Research Assoc., Univ. of Cal., on Orphan Works (Mar. 7, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0213-Dalbey" hyperlink) (research associate trying to preserve an extensive collection of scientific films); Initial Comment by Skip Elsheimer, Founder, AV Geeks, LLC, on Orphan Works (Mar. 14, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0346-Elsheimer" hyperlink) (individual with over 14,000 16 mm films that he would like to make available for distribution through the Internet Archive); Initial Comment by Timothy Romano on Orphan Works (Feb. 26, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0102-Romano" hyperlink) (collector of motion picture films from 1894 to 1977).

193. *Supra* note 192.

194. There were over fifty comments submitted by individuals who have had difficulty preserving family photographs. *See, e.g.*, Initial Comment by Candida L. Grudecki on Orphan Works (Feb. 27, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0110-Grudecki" hyperlink); Initial Comment by Melissa Johnson on Orphan Works (Feb. 27, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0112-JohnsonM" hyperlink); Initial Comment by Chris Spurgeon on Orphan Works (Feb. 24, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0054-Spurgeon" hyperlink).

technology for in-home use,¹⁹⁵ or resign oneself to the eventual loss of the photograph.¹⁹⁶

2. New Expression Stifled

It is generally accepted that progress is achieved by challenging or building upon what has been learned or discovered in the past.¹⁹⁷ The U.S. copyright scheme reflects this truism by protecting expression, as opposed to ideas, and by subjecting the author's exclusive rights to certain "fair uses."¹⁹⁸ These particular safeguards are essential to a copyright system whose ultimate purpose is to incentivize the creation of new works to "promote the Progress of Science and useful Arts."¹⁹⁹ However, comments received during the Notice of Inquiry documented repeated instances where orphan works impeded the creation of new works by both creators and subsequent users of copyright-protected material.²⁰⁰ In particular, these individuals' works could not be completed or disseminated because they were premised upon an orphan work, or the orphan work was an integral part of their project.²⁰¹

195. Even reproduction for purely personal use may infringe upon various exclusive rights of copyright holders. On the other hand, mere reproduction of a photograph for preservation purposes only would likely qualify as "fair use." 17 U.S.C. § 107 (2000).

196. One unintended consequence of this scenario is the loss of respect for the law. If faced with the choice between the necessity of preservation and adherence to the law, people will often disregard the law.

197. U.S. courts have stated their support for this concept numerous times. *See, e.g.,* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 575 (1994) ("[F]ew, if any, things . . . are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow." (quoting Emerson v. Davies, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (No. 4436))); Mattel, Inc. v. Walking Mountain Prod., 353 F.3d 792, 799-800 (9th Cir. 2003) ("Recognizing that science and art generally rely on works that came before them and rarely spring forth in a vacuum, the Act limits the rights of copyright owners regarding works that build upon, reinterpret, and reconceive existing works.").

198. Section 102 provides "in no case does copyright protection for an original work of authorship extend to any idea." 17 U.S.C. § 102(b) (2000). As the U.S. Supreme Court explained in *Harper & Row v. Nation*, "no author may copyright facts or ideas. The copyright is limited to those aspects of the work—termed 'expression'—that display the stamp of the author's originality." 471 U.S. 539, 547 (1985) (citations omitted). "Fair use" was originally a judge-made doctrine that exempted from liability certain modest uses of copyrighted work when those uses would not undermine the economic interests of the copyright owner. This exception is now codified as § 107 of the 1976 Act and provides a defense against a charge of infringement. In other words, fair use is not an infringement. SCHECHTER & THOMAS, *supra* note 27, § 10.1.

199. U.S. CONST. art. I, § 8, cl. 8.

200. *See generally* ORPHAN WORKS COMMENTS, *supra* note 6.

201. *See infra* notes 203, 209-12, 214-20 and accompanying text.

Over the past couple decades, collage, found-object art,²⁰² and sampling have attained great popularity among contemporary artists. These forms of artistic expression necessarily involve taking a preexisting work and incorporating it into a new work.²⁰³ While some of these uses may fall under “fair use,” many will not. Regardless, it is standard practice to seek permission for the use from the copyright holder.²⁰⁴ In the case of orphan works, this permission cannot be attained. In the music industry, according to the American Society of Composers, Authors and Publishers (ASCAP)²⁰⁵ and Broadcast Music, Inc. (BMI),²⁰⁶ problems in obtaining ownership and clearance information for “orphaned” copyrighted works are relatively rare because performance rights organizations (PROs) and other music organizations maintain extensive databases of copyright holder information that are freely accessible at any time and without any charge.²⁰⁷ However, would-be users of musical works are ever expanding their musical palettes and are not necessarily looking to use mainstream works to create their derivatives.

202. Found-object art, also known as assemblage, has become a very popular contemporary art form. At the most basic level, found-object art can be described as three-dimensional collage. Found-object works are composed, either entirely or in part, of manufactured materials, objects, or fragments not intended as art materials. AMY DEMPSEY, *ART IN THE MODERN ERA: A GUIDE TO STYLES, SCHOOLS, AND MOVEMENTS* 215-16 (2002).

203. *See, e.g.*, Initial Comment by David Ashby on Orphan Works (Mar. 7, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0216-Ashby” hyperlink); Initial Comment by David Nelson on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0067-NelsonD” hyperlink) (last visited Sept. 8, 2006); Initial Comment by James Ofsink on Orphan Works (Mar. 6, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0206-Ofsink” hyperlink); Initial Comment by Alana Jones on Orphan Works (Mar. 11, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0258-Jones” hyperlink); Initial Comment by David Creighton Samuels on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0017-Samuels” hyperlink) (last visited Sept. 8, 2006).

204. *See generally* Art Museums Comment, *supra* note 177.

205. ASCAP is the United States’ first and largest performing rights organization. ASCAP licenses the nondramatic public performance rights in musical works to various users and maintains a database of information about the musical works. Initial Comment by Sam Mosenkis, ASCAP, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0628-ASCAP” hyperlink) [hereinafter ASCAP Comment].

206. BMI is another performance rights organization that provides the same services as ASCAP. *See* Initial Comment by Marvin L. Berenson, Broadcast Music Inc., on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0640-BMI” hyperlink) [hereinafter BMI Comment].

207. ASCAP Comment, *supra* note 205; BMI Comment, *supra* note 206.

PROs and similar rights clearance organizations, like the Harry Fox Agency,²⁰⁸ can assist in providing information for popular music, but it appears that they are of little help where the music is obscure or commercially unviable.²⁰⁹ Such was the case for at least two orphan-works commenters. Ivan Rivera of the Justice League, Inc. commented that on occasion his company is unable to move forward with a project, despite having the desire and means to pay the licensing fees, because the company cannot locate the copyright holders.²¹⁰ Another commenter, Mimi Fautley, described her failed efforts to clear music samples used by the subjects of a documentary on hip hop music as deeply frustrating.²¹¹ Of the works she sought to use, some were unregistered, many of the recording labels that had released the music were defunct and untraceable, and some of the registered works lacked current contact information for the copyright holder—“even ASCAP’s listings were out of date.”²¹² Thus, even in the music industry, which is by far the most advanced in terms of collecting and maintaining up-to-date copyright information,²¹³ orphan works are impeding the development of new works.

Although there has been a growing trend in the development of collage, found-object art, and sampling, it is not only artists of those genres who are finding their efforts stymied. Filmmakers and documentarians desiring to use

208. The Harry Fox Agency acts as a licensing agent for music publishers. It provides an information source and clearinghouse service for licensing musical copyrights. Initial Comment by Carey Ramos, Nat’l Music Publishers’ Ass’n and Harry Fox Agency, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0690-NMPA-HFA” hyperlink).

209. For example, one commenter, Karl F. Miller, desired to reproduce a recording published by G. Schirmer. He was able to prove to the publisher that the publisher owned the copyright, even though they initially denied it and they listed the work on the Harry Fox website. As Mr. Miller aptly put it: “It took about ten hours of my time, so I could pay Harry Fox about \$500, so they could pay Schirmer a portion of that amount.” Initial Comment by Karl F. Miller, President, Pierian Recording Soc’y, on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0036-MillerKa” hyperlink) (last visited Sept. 8, 2006). In addition, Save the Music, a group that is striving to archive and provide access to obscure Jewish cultural music, challenged ASCAP’s claim that musical works cannot be considered orphans. Upon searching ASCAP’s database for songs containing the word “Yiddish” in the title, the group received only eighteen results. Initial Comment by Lawrence Lessig et al., Save the Music and Creation Commons, on Orphan Works (May 9, 2005), <http://www.copyright.gov/orphan/comments/reply> (follow “OWR0114-STM-CreativeCommons” hyperlink).

210. Initial Comment by Ivan Rivera, President, Justice League, on Orphan Works (Mar. 14, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW374-Rivera” hyperlink).

211. Initial Comment by Mimi Fautley on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0073-Fautley” hyperlink) (last visited Sept. 8, 2006).

212. *Id.*

213. *See supra* note 207 and accompanying text.

historical footage are often unable to do so, despite spending significant time and money to get the rights, because they are unable to locate the copyright holder.²¹⁴ Furthermore, there were some comments indicating that many insurance companies have taken the position of refusing to issue policies for new works where the author has no documented permission to use excerpts of previous works.²¹⁵ This stance, which does not appear to be unique among the motion picture industries, is the result of the many ambiguities inherent in the current copyright statutes. Commercial motion picture producers have had to alter the content of their films, dramatically in some cases, because they cannot locate a copyright holder and the risk of liability from proceeding without permission is too great a gamble.²¹⁶ Consequently, even large companies or well-funded institutions with the financial means to engage in an intensive search for the rightholder and to seek the advice of legal counsel are having creative projects defeated by orphan works.

Scholars, historians, and educators also shared their experiences of having to dramatically alter or abandon the fruits of their labors because of orphan works.²¹⁷ Scholarly works cover a broad spectrum of topics and have the potential

214. *See, e.g.*, Initial Comment by Ben Gervais, Producer, GP Producers, on Orphan Works (Mar. 14, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0336-Gervais" hyperlink) (due to orphan works, "a great many stories worth re-telling on film go untold"); Initial Comment by Beth Harrington, Beth Harrington Productions, on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0047-Harrington" hyperlink) (last visited Sept. 8, 2006) ("[T]he problem of orphan works means that funds that I would pay to a rights holder for, say, a performance in a 50-year old TV show with no full record of credits, means that money must be put in escrow in the unlikely event that this rightholder emerges. (That's [sic] funds that might be better spent making the film.)").

215. *See, e.g.*, Fulcrum Media Services Comment, *supra* note 171, at 2; Initial Comment by Jay Summers, Night Flight Films, on Orphan Works (Feb. 4, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0031-NFF" hyperlink).

216. *See, e.g.*, Initial Comment by Steven Metalitz, Motion Picture Ass'n of Am., on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0646-MPAA" hyperlink) ("MPAA member companies have seen this problem from both sides In creating new audio-visual works, our studios often draw upon pre-existing works In these cases, we must attempt to identify and locate the owners of copyright in these works [S]ometimes despite our best efforts the search is fruitless.").

217. The following individuals are among those who submitted comments on how their academic or historical books or projects were thwarted by the desire to use orphan works. This list is not meant to be exhaustive: Brown Comment, *supra* note 192; Initial Comment by Cheri Dohnal on Orphan Works (Mar. 4, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0191-Dohnal" hyperlink) (discouraged from attempting to get other history-related manuscripts published in the future); Initial Comment by Michael Briggs on Orphan Works (Mar. 14, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0369-Briggs" hyperlink); Initial Comment by John B. McGowan on Orphan Works (Mar. 7, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0218-McGowan"

to enhance the public's knowledge and understanding in manifold ways. It is not infrequent that researchers discover something in a library or archive that, despite lacking much commercial value, might have considerable cultural or historical value.²¹⁸ Orphan works, along with current copyright provisions, pose a considerable barrier for these individuals to overcome in bringing their discoveries to the public. Again, most publishers require proof that an incorporated work is either in the public domain or being used with permission, and most of these publishers also require the authors to obtain that proof themselves.²¹⁹ Authors of limited means, which means most authors, will have substantial difficulty in accomplishing this task. Even if an author does personally incur the expense of seeking out a copyright holder, the search may inevitably be fruitless. The end result, according to the comments received during the Inquiry, is that academics have found themselves narrowing the scope of their work or altering the direction of their research because of an inability to receive clearance to use an orphan work.²²⁰

3. Access for Education, Science, and Useful Arts

The Internet has opened a gateway through which interested people may provide and receive a plethora of data. An individual now has the potential to discover material through search engines, auction sites, and chat rooms, if only the law does not impede those efforts. Individuals who contributed comments during the Inquiry indicated that they possess texts, articles, journals, and other works that would be of great value to niche interest groups and which they would like to make available through republication or posting on the Internet. The stories here,

hyperlink) [hereinafter McGowan Comment]; Initial Comment by James McPherson on Orphan Works (Mar. 14, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0325-McPherson" hyperlink); Initial Comment by Robert Lopresti on Orphan Works (Feb. 27, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0115-Lopresti" hyperlink) (wanted to include excerpts from 200 works of literature in a book he co-authored, but was afraid that if some long-lost copyright owner reappeared and took him to court, the legal fees, even if he won, might surpass the profits from the book) [all preceding comments hereinafter Scholar and Historian Comments].

218. See, e.g., Initial Comment by Mark Duncan on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0065-Duncan" hyperlink) (last visited Sept. 8, 2006) (discovered photographs documenting in part the 140-year-old history of the railroad on the San Francisco Peninsula in family collections, historical community associations, and libraries); McGowan Comment, *supra* note 217 (discovered in a North Carolina university the diary of a black soldier who fought in the Civil War; the soldier's perspective of the war will greatly add to the history of the time and area).

219. See, e.g., Initial Comment by Mercedes Lackey on Orphan Works (Feb. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0091-Lackey" hyperlink).

220. See generally Scholar and Historian Comments, *supra* note 217.

as under the previous topics, are many and varied, and include historians who wish to rebroadcast old radio programs,²²¹ mathematicians who want to republish important historical proofs and mathematical codes,²²² computer programmers who want to build upon old codes,²²³ hobbyists seeking to republish old knitting or paper doll patterns,²²⁴ and so on. Naturally, due to the limited amount of interest in these types of works, they no longer have much commercial value and are no longer exploited by the rightholders. But those rightholders still have valid copyrights in many of those works. Individuals seeking to make such works available face problems similar to the ones already described; they simply cannot locate the copyright holder.

Frequently, the works these individuals would like to reintroduce have a complex background. Over time, publishers can dissolve, go bankrupt, and merge with other publishing houses. In these instances, it is not always clear what happens to the copyrights these companies held.²²⁵ Does the company still hold the copyright? Did the copyright revert back to the owner? Does anyone claim the copyright at all? A comment from a practicing attorney illustrates the situation:

I recently was asked to help rescue into the open source software commons a technically interesting email system that had been orphaned by the bankruptcy of its owner. The bankruptcy trustee had no sense for the potential importance of

221. *See, e.g.*, Initial Comment by Jon Miller, English Dep't, Univ. of Akron, on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0001-Miller" hyperlink) (last visited Sept. 8, 2006); Initial Comment by William Spear, Hunterdon Radio Theatre, on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0029-HRT" hyperlink) (last visited Sept. 8, 2006).

222. *See, e.g.*, Initial Comment by Karl Berry, President, TeX Users Group, on Orphan Works (Mar. 24, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0608-Berry" hyperlink); Initial Comment by Asahi Okada on Orphan Works (Mar. 20, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0458-Okada" hyperlink).

223. *See, e.g.*, Initial Comment by Mark A. Miller on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0003-MillerMa" hyperlink) (last visited Sept. 8, 2006); Initial Comment by John Van Dyke on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0002-VanDyke" hyperlink) (last visited Sept. 8, 2006).

224. *See, e.g.*, Initial Comment by Teri K. Pettit on Orphan Works (Mar. 4, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0195-Pettit" hyperlink); Initial Comment by Elizabeth Snella on Orphan Works (Mar. 14, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0323-Snella" hyperlink).

225. Numerous commenters attributed these business realities as the leading contributor to difficulties in locating rightholders. *See, e.g.*, Preservation Comments, *supra* note 179.

the software. The company that survived had no intention of marketing that software yet it was afraid of potential liability if it gave it away. Nobody actually claimed the software as its own.

So here we have valuable intellectual property that nobody is willing to claim, without any provision in the law to free it from an invisible death.²²⁶

Due in large part to continual changes in copyright law and mergers and acquisitions, publishing houses may possess a number of works for which the copyright holder is undeterminable.²²⁷ Without any clear documentation that establishes they are the copyright holder, publishers simply do not want to risk potential liability for permitting others to exploit the work, even where they would be happy to do so otherwise.²²⁸

This new appetite for information can be found on a grander scale by looking at institutions, such as libraries, museums, and archives, which are also engaged in efforts to digitize the materials in their collections.²²⁹ The primary mission of many such institutions is to make accessible collections of knowledge and ideas for teaching, learning, research, and the creation and dissemination of knowledge.²³⁰ In providing free and open digital access to their collections, they

226. Initial Comment by Lawrence Rosen, Att’y, Rosenlaw & Einschlag, on Orphan Works (Feb. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0062-Rosenlaw” hyperlink).

227. *Id.*

228. *Id.*

229. The following institutions and individuals submitted comments on their digitization efforts and how those efforts are affected by orphan works (this list is not meant to be exhaustive): Art Museums Comment, *supra* note 177; Carnegie Mellon Libraries Comment, *supra* note 179; Initial Comment by Sarah E. Thomas, Cornell Univ. Library, on Orphan Works (Mar. 23, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0569-Thomas” hyperlink) [hereinafter Cornell Library Comment]; Initial Comment by William A. Gosling, Univ. of Michigan, Univ. Library, on Orphan Works (Mar. 22, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0565-UofMI” hyperlink); Initial Comment by Sidney Verba, Director, Harvard Univ. Library, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0639-Verba” hyperlink) [hereinafter Harvard Library Comment]; LOC Comment, *supra* note 178; Initial Comment by Anne H. Margulies, MIT Open Course Ware, on Orphan Works (Mar. 23, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0651-MITOpenCourseWare” hyperlink); Stanford Libraries Comment, *supra* note 179 [all preceding comments hereinafter Digitization Comments].

230. *See, e.g.*, Art Museums Comment, *supra* note 177 (supplying the purposes and missions of museums as defined by the International Council of Museums and the American Association of Museums, as well as the individual mission statements of the commenting institutions).

hope to further that primary mission by opening up their resources to all individuals who do not have the time, money, or opportunity to visit their establishments.²³¹ Additionally, the digitization efforts appear to be driven by the public's desire to have access to the rare and valuable collections unique to those institutions.²³² For example, the Harvard University Library has instituted an Open Collections Program that will increase the availability of some of Harvard's historical resources.²³³ Its first collection, *Women Working*, "explores women's roles in the U.S. economy between the Civil War and roughly the end of World War I."²³⁴ Apparently, the collection is already being used to enhance courses across the country.²³⁵ Due to the unique collections of each institution in the United States, the digitization of their holdings could provide the public with more in-depth and precise knowledge in broad subject areas.

Orphan works pose a serious problem for any plans to provide worldwide digital access to these collected materials.²³⁶ Institutions spend a substantial amount of time, money, and energy trying to locate copyright holders for rights to reproduce, distribute, and otherwise use works from their collections.²³⁷ In the

231. *Id.*

232. SIMON TANNER, KING'S DIGITAL CONSULTANCY SERVS., REPRODUCTION CHARGING MODELS & RIGHTS POLICY FOR DIGITAL IMAGES IN AMERICAN ART MUSEUMS: A MELLON FOUNDATION STUDY 5, 13 (2004), *available at* <http://www.kcl.ac.uk/kdcs/USart.htm>. This study was conducted to explore the business models in use by U.S. art museums and to examine "the new market realities and opportunities cultural institutions face due to the transition to digitized collections." *Id.* at 5. The Mellon Foundation also funded a similar study in the United Kingdom and Europe, the results of which were similar to the U.S. study. MARILYN DEEGAN & SIMON TANNER, HIGHER EDUC. DIGITISATION SERVS., EXPLORING CHARGING MODELS FOR DIGITAL CULTURAL HERITAGE (2002), *available at* <http://heds.herts.ac.uk/mellon/title.html>; *see also* Art Museums Comment, *supra* note 177.

233. Harvard Library Comment, *supra* note 229.

234. *Id.*

235. *Id.*

236. Digitization Comments, *supra* note 229.

237. *See, e.g.*, Cornell Library Comment, *supra* note 229 (summarizing the copyright status investigation efforts undertaken in regards to a digitization project and estimating that they spent over \$50,000 in staff time alone working on the copyright issues). Cornell University Library investigated over 1000 titles that needed to be researched to determine their copyright status. Out of the titles selected, 397 were still under copyright. Of those titles, 98 were titles for which Cornell received permission to digitize, 47 were titles for which permission to digitize was denied, and 198 of the titles had unresolved copyright issues. Of those 198 titles with unresolved copyright issues:

No response from publisher/unable to locate author: 75
 Permission from author/no response from publisher: 38
 Author not located/publisher not identified: 13
 Publisher (only) contacted—no response: 35
 Author (only) contacted—no response: 6

event such permission cannot be obtained because the search has resulted in a “dead end,” the institution must be extremely cautious in moving forward in using those works. Any unauthorized use creates the risk of a copyright infringement claim.²³⁸ The current Copyright Act provides some safe harbors for nonprofits, but that protection is generally found to be incomplete.²³⁹ Many institutions will not undertake large-scale projects that would be extremely popular among their patrons, such as publishing entire archive collections, because of the liability risks.²⁴⁰ Consequently, the majority of these institutions’ orphan works are not being disseminated.²⁴¹

Author does not own/no response from publisher: 2
Publisher does not own/no response from author: 9
Publisher does not own/unable to locate author: 15
No contact with author or publisher: 5

Initial Comment by Miriam M. Nisbet, Library Copyright Alliance, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW 0658-LCA” hyperlink) [hereinafter LCA Comment].

238. *See supra* note 157.

239. There are certain statutes in the Copyright Act of 1976 that provide safe harbors for nonprofit institutions. First, statutory damages are usually not available to a claimant who has not properly registered his work. 17 U.S.C. § 412 (2000). Second, actual damages would be extremely difficult to obtain from nonprofits. *Id.* § 504(b). Finally, courts have the equitable power to reduce damage awards against nonprofit organizations where they had reasonable grounds to believe that the use made of the work was a fair use. *Id.* § 504(c)(2).

240. For example, the Scripps Institution of Oceanography Archives (“Scripps Archive”) boasts a collection of manuscripts and archival materials that document the Scripps Institute of Oceanography, “including nineteenth- and twentieth-century materials documenting oceanographic expeditions, ships and instrumentation, science policy, marine life and resources, and California coastal geology.” Initial Comment by Brian E. C. Schottlaender, Univ. of San Diego Libraries, on Orphan Works (Mar. 20, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0576-UCSD” hyperlink). Since the Scripps Archive made approximately 4000 images accessible via the Internet, it has seen a dramatic rise in reference traffic related to those images. However, due to orphan-works issues, the remainder of the over 100,000 photographs in the Scripps Archive is available only for individual research viewing on location. *Id.*

241. For a more detailed explanation of the trials and tribulations faced by nonprofit institutions in dealing with copyrighted materials, and particularly with orphan works, see generally Art Museums Comment, *supra* note 177; LCA Comment, *supra* note 237; LOC Comment, *supra* note 178. Additionally, the Carnegie Mellon Library submitted a comment that included an interesting analysis of data it compiled during a study conducted from 1999 to 2001 to “determine the feasibility of acquiring copyright permission to digitize and provide Web access to books in [its] collection.” Carnegie Mellon Libraries Comment, *supra* note 179.

C. Synthesis: Primary Factors Contributing to the Problem of Orphan Works

Orphan works have always existed to some extent; however, the problem has become significantly more pronounced over the past decade because of a confluence of factors.²⁴² First, as previously discussed, the changes in U.S. copyright law since 1976 have eliminated formalities, extended the copyright term, and offered retroactive protection to foreign works previously in the public domain.²⁴³ As a consequence, there are a great many works, “particularly older works and works by ‘amateur’ authors who operate outside of the commercial copyright industry,” protected by copyrights that normally would have been freely accessible and useable by the public.²⁴⁴ The commercial value of many works does not outlast the copyright term.²⁴⁵ In fact, most works become orphaned under the current law because they no longer yield a significant income, if they ever did, and the rightholders find no justification for maintenance of the work.²⁴⁶ Additionally, because the repeated copyright-term extensions are retroactive, there are many authors who never contemplated that their copyrights would last as long as they do currently.²⁴⁷ Many of these older works might have entered the public domain, but now the copyrights are usually held by unsuspecting heirs.²⁴⁸

Another factor contributing to the rise of orphan works is the expansion of digital technology. Digital technology has significantly driven down the cost of dissemination, which has increased the demand for less commercially valuable works.²⁴⁹ Additionally, as technology becomes more readily available and advanced, far more works are being created.²⁵⁰ These works are being distributed through nontraditional channels, making record-keeping more disjointed and scarce than ever before.²⁵¹

Third, the rights-clearance process has been further complicated by the consolidation of companies in the copyright industry. A person seeking permission to use an older work “needs to untangle the complicated history of

242. Although the following identified factors are primary contributors to the orphan-works problem, it is important to note that, depending on any given situation, there may be other variables that exacerbate the problem.

243. *See supra* Part II.D.2.

244. LCA Comment, *supra* note 237; *see also* Landes & Posner, *supra* note 23, at 473-74 (“[D]ata suggest that most copyrights depreciate rapidly and therefore that few would be renewed.”).

245. Landes & Posner, *supra* note 23, at 474.

246. *See, e.g.*, LCA Comment, *supra* note 237.

247. Duke, ORPHAN WORKS, *supra* note 168, at 2.

248. *Id.*

249. Yochai Benkler, *Through the Looking Glass: Alice and the Constitutional Foundations of the Public Domain*, 66 SPG L. & CONTEMP. PROBS. 173, 181 (2003).

250. *Id.*

251. Duke, ORPHAN WORKS, *supra* note 168, at 3-4.

mergers and acquisitions of the original publisher to identify the corporation that now might own the rights to the work.”²⁵² However, it is altogether possible that the merger process inadequately dealt with the transfer of intellectual property. Thus, a corporation might not have adequate records concerning all the works to which it holds title.²⁵³ And since the person typically is seeking to use the work for a minimal fee, the corporation has no incentive to invest adequate resources in locating the records concerning the work.²⁵⁴

Many scholars assert that drafting legislation to satisfy every lobbyist has resulted in over-specified and virtually nonsensical statutory language.²⁵⁵ Due to the overly conciliatory language, copyright law has lost its flexibility and created numerous traps for the unwary users of copyright materials. Many authors or subsequent creators have no idea what they can and cannot do to facilitate the use of works and avoid liability. Even sophisticated institutions, well-versed in the safe-harbor provisions of the Copyright Act, proceed cautiously when applying existing law to their actions.²⁵⁶ Critics of recent copyright legislation had forewarned that the fast and furious revisions enacted by Congress would threaten the delicate balance essential to the health of the copyright system.²⁵⁷ For example, as the bills that comprised the CTEA were considered in Congress, these critics asserted that the extension was a “blunt gift to copyright owners with no corresponding benefit to the public.”²⁵⁸ Unfortunately, these prescient comments did little to deter Congress; it appears that subsequent changes to the law have indeed created an imbalance in the system in favor of copyright holders. Consequently, the burden of navigating a minefield of formalities has shifted from

252. LCA Comment, *supra* note 237.

253. *Id.*

254. *Id.*

255. See, e.g., Crews, *supra* note 26, at 580; David Nimmer, *Ignoring the Public, Part I: On the Absurd Complexity of the Digital Audio Transmission Right*, 7 UCLA ENT. L. REV. 189 (2000).

256. As one commenter puts it: “Even if some of the uses might arguably qualify as fair uses, the uncertainty inherent in section 107, when combined with the possibility of significant statutory damages notwithstanding the absence of actual damage, have caused various ‘gatekeepers’—typically publishers or in-house counsel . . . —to forbid the uses.” LCA Comment, *supra* note 237.

257. See Karjala, *supra* note 144; Crews, *supra* note 142.

258. Among these critics were Professors Jane Ginsburg and Marci Hamilton. Professor Ginsburg captured the central concern of opponents: “The law thus cannot enhance the quantum of creativity from the past, but it can compromise the creativity of the future, by delaying for twenty years the time at which subsequent authors may freely build on these works.” Professor Hamilton focused on the imbalance created by catering to commercial interests: “It is my view that Congress has never had a constitutional discourse on copyright.” Crews, *supra* note 142, at 214.

authors to the public at large. This has brought the current system to a point where it inhibits uses that would significantly benefit the public.²⁵⁹

259. The Notice of Inquiry also produced a number of comments addressing copyright issues that did not involve orphan works and should be considered as outside the scope of the problem. The most predominant non-orphan-work situations that arose were those where the copyright owner had been identified, but had failed to respond, had declined to grant permission for use, or had conditioned permission upon a license fee considered to be too high by the would-be user. Extending the definition of orphan works to encompass those works whose authors are discourteous or nonresponsive would undercut exclusive rights too drastically and run counter to the important policies supporting the copyright regime. REPORT ON ORPHAN WORKS, *supra* note 7, at 22, 97. In these instances, the rightholder is merely exercising his exclusive rights granted by statute.

Also falling outside the scope of orphan works are those works that are out-of-print or difficult to locate. There are many individuals who seek works previously published and distributed to the public, such as parents seeking out-of-print texts to share with their children, or an astrophysicist looking for a comprehensive list of calculated atomic emission lines in the ultraviolet part of the sun's spectrum. *See, e.g.*, Initial Comment by Craig E. DeForest on Orphan Works (Mar. 8, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0223-DeForest" hyperlink); Initial Comment by Eli Mapstead on Orphan Works (Mar. 3, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0177-Mapstead" hyperlink). A sincere concern, voiced by such individuals, is that works of historical, educational, scientific, or sentimental value are generally unavailable. *See generally* ORPHAN WORKS COMMENTS, *supra* note 6. The real problem these individuals face is simply locating the abandoned works. Publishers do not have the means to keep in circulation every work that they have ever printed and distributed to the public. Over time, certain titles may be discontinued because they no longer generate revenue for the company, because they become obsolete, or because they get lost in the shuffle. REPORT ON ORPHAN WORKS, *supra* note 7, at 27. Naturally, the longer a work has been out of print, the more difficult it can become to find a copy. Even though a company may stop publishing a title, it does not mean that the publisher or author surrenders his exclusive rights in the work. Frequently, publishers or other rightholders have conflicting ideas about who may even own a long defunct work. *See, e.g.*, Initial Comment by Jesse Thomas, Reference Desk Coordinator, Univ. of Idaho Library, on Orphan Works, <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0570-ThomasJ" hyperlink) (last visited Sept. 8, 2006) (detailing how two different publishers believed they held the copyright in one work); UCLA Film & TV Comment, *supra* note 179. To many, it seems fundamentally unfair that these rightholders are permitted to hoard works and prevent public access. Under current copyright law, however, a copyright holder has no affirmative duty to make his work continuously accessible to the public.

IV. THE PROPOSED ORPHAN WORKS STATUTE AND INTERNATIONAL TREATIES

A. The Preliminary Matter of Scope

In formulating the proposed orphan-works legislation, the Register understood that any proposal should not be limited to works of U.S. origin, but instead should cover both domestic and foreign works. A member country of the Berne Convention or of TRIPS is free to restrict the exclusive rights of copyright owners for its national authors.²⁶⁰ Therefore, in theory, the United States is free to create as broad an orphan-works exception or limitation as it desires, provided the exception or limitation is restricted to U.S. authors and serves the ends of the Copyright Clause.²⁶¹ There are numerous reasons, though, why such an approach would be undesirable.

First, limiting the scope of any orphan-works legislation to national authors has the potential to exacerbate the problem. As observed in one comment, “the effort of inquiring into whether a work is in fact a U.S. work and thus subject to orphan procedures will in many cases be as costly and cumbersome as inquiry into the location of the rightholder.”²⁶²

Second, even if the United States narrowed the scope of any orphan provision to national authors, it would still be possible to avoid the provision.²⁶³ The limitation might induce corporate entities to first publish in another country, delaying registration or publication in the United States for over thirty days. This avoidance strategy would effectively make a work’s “country of origin” that of a

260. Under article 5(3) of the Berne Convention, protection of a work in the country of origin is governed by domestic law. Berne Convention, *supra* note 9, art. 5(3). This treaty provision is incorporated into TRIPS through article 9(1). TRIPS Agreement, *supra* note 10, art. 9(1).

261. *Eldred v. Ashcroft*, 537 U.S. 186, 222 (2003); *see also* *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966) (“Within the limits of the constitutional grant, the Congress may, of course, implement the stated purpose of the Framers by selecting the policy which in its judgment best effectuates the constitutional aim.”).

262. Initial Comment by Paul Goldstein, Stanford Law, and Jane Ginsburg, Faculty of Law, Univ. of Cambridge, on Orphan Works (Mar. 18, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow “OW0519-Goldstein-Ginsburg” hyperlink [hereinafter Goldstein & Ginsburg Initial Comment]).

263. Recall that companies frequently published their works simultaneously in foreign countries prior to the U.S. accession to Berne. *See supra* Part II.C and accompanying notes; *cf.* Graeme W. Austin, *Metamorphosis of Artists’ Rights in the Digital Age*, 28 COLUM. J.L. & ARTS 397, 416 (2005) (addressing how the resurrection of formalities might lead corporate copyright owners to employ avoidance strategies); Goldstein & Ginsburg Initial Comment, *supra* note 262 (stating that restoration of formalities would create “an incentive to manipulate the nationality” of works).

foreign country under § 101 of the Copyright Act.²⁶⁴ Such behavior on the part of corporations would further frustrate copyright searches by complicating the trail and would undermine the effectiveness of any new orphan-work legislation.

Finally, failure to include foreign works within the scope of any provision would unnecessarily discriminate against national authors and their works.²⁶⁵ While the United States has opted to discriminate in such a manner before,²⁶⁶ the choice to so discriminate was based on the belief that there were “sound business reasons for registration,” and, thus, national authors would not be unduly prejudiced by the unequal treatment.²⁶⁷

B. The Proposed Statutory Language

The Register of Copyrights concluded that orphan works pose a real problem and identified the goals to be achieved in addressing the problem.²⁶⁸ As a primary objective, any provision that attempts to alleviate the problem “should seek primarily to make it more likely that a user can find the relevant owner in the first instance, and negotiate a voluntary agreement over permission and payment . . . for the intended use of the work.”²⁶⁹ To accomplish this goal, the orphan-works legislation would act as an incentive for copyright owners to make themselves easily locatable and for potential users to invest in efforts to find the copyright owner.²⁷⁰ Second, when a user is unable to connect with an owner, “the system should permit that specific user to make use of the work,” subject to provisions that would protect the interests of the owner should he resurface.²⁷¹

264. The Copyright Act defines a “United States” work as one first published in the United States or simultaneously published in the United States and in a foreign nation. 17 U.S.C. § 101 (2000). This provision follows the approach of the Berne Convention article 5 in defining the “country of origin” for a work. Berne Convention, *supra* note 9, art. 5.

265. REPORT ON ORPHAN WORKS, *supra* note 7, at 59.

266. *See* 17 U.S.C. § 411(a).

267. It was determined by the Ad Hoc Working Group that § 411(a) of the Act of 1976 as it existed at the time was incompatible with the Berne Convention because it constituted a formality that interfered with the exercise and enjoyment of the copyright. The Senate accepted the Group’s analysis but also seriously considered the concerns of the Register of Copyrights that any change in the current law would undermine the registration system. Maintaining the registration requirement for national works was seen as a compromise that would not disadvantage U.S. authors. S. REP. NO. 100-352, at 19-23 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 3706, 3723-28. Section 411(a), as it is currently written, makes registration a prerequisite to filing a claim of infringement for any U.S. work, with limited exceptions; foreign copyright owners need not register in order to file an infringement claim. 17 U.S.C. § 411(a).

268. REPORT ON ORPHAN WORKS, *supra* note 7, at 92-93.

269. *Id.* at 93.

270. *Id.*

271. *Id.* at 93-94.

Ultimately, any provisions adopted should provide some safe harbor to a user who has conducted a “reasonably diligent search” for the owner, while still preserving intact the copyright owner’s exclusive rights.²⁷² Third, considering that there already exists a number of provisions in the Copyright Act that can be employed by orphan-works users, any new exception should apply only where the other exemptions have failed.²⁷³ And, finally, the Copyright Office considered efficiency to be a chief objective of any solution.²⁷⁴ A solution that provides additional hurdles or costs to the use of orphan works would not merit much consideration, as it would merely exacerbate the problem rather than alleviate it. Efficiency also ties back into the first objective, to unite owners and users, because the more initiative owners and collective societies take to facilitate identification through organically formed registries and databases, the higher the likelihood that both parties will benefit through lower transaction costs.²⁷⁵

In the process of determining what provision might best accomplish the aforementioned goals, the Copyright Office considered myriad proposals but concluded that a limitation on remedies would be the mechanism most compatible with the current copyright system and international obligations.²⁷⁶ The proposal recommended amending Title 17 of the United States Code with a new section 514 entitled “Limitations on Remedies: Orphan Works.”²⁷⁷ The new provision

272. *Id.*

273. *Id.* at 95. For those provisions of U.S. copyright law that relate to orphan works, see *id.* at 44-56.

274. REPORT ON ORPHAN WORKS, *supra* note 7, at 95.

275. *Id.*

276. *Id.* at 69-91.

277. The recommended statutory language for section 514, “Limitations on Remedies: Orphan Works,” is as follows:

- (a) Notwithstanding sections 502 through 505, where the infringer:
 - (1) prior to the commencement of the infringement, performed a good faith, reasonably diligent search to locate the owner of the infringed copyright and the infringer did not locate that owner, and
 - (2) throughout the course of the infringement, provided attribution to the author and copyright owner of the work, if possible and as appropriate under the circumstances, the remedies for the infringement shall be limited as set forth in subsection (b).
- (b) LIMITATIONS ON REMEDIES
 - (1) MONETARY RELIEF
 - (A) no award for monetary damages (including actual damages, statutory damages, costs or attorney’s fees) shall be made other than an order requiring the infringer to pay reasonable compensation for the use of the infringed work; *provided*, however, that where the infringement is performed without any purpose of direct

would only be applicable where a particular use does not fall within any other exception or safe harbor, and, thus, the user would be subject to liability for copyright infringement.²⁷⁸ The recommendation has essentially two components. First, the would-be user must conduct a reasonably diligent search for the copyright owner and must provide attribution to the author and copyright owner whenever possible.²⁷⁹ Second, when the infringer can demonstrate that he conducted a reasonably diligent search, limitations on monetary and injunctive relief will be available.²⁸⁰

Treaties impose certain constraints on a signatory's ability to create exceptions and limitations on exclusive rights that the United States must observe to remain in compliance with those treaties. As a general matter, all international conventions on authors' rights provide for limitations and exceptions on

or indirect commercial advantage, such as through the sale of copies or phonorecords of the infringed work, and the infringer ceases the infringement expeditiously after receiving notice of the claim for infringement, no award of monetary relief shall be made.

(2) INJUNCTIVE RELIEF

(A) in the case where the infringer has prepared or commenced preparation of a derivative work that recasts, transforms or adapts the infringed work with a significant amount of the infringer's expression, any injunctive or equitable relief granted by the court shall not restrain the infringer's continued preparation and use of the derivative work, provided that the infringer makes payment of reasonable compensation to the copyright owner for such preparation and ongoing use and provides attribution to the author and copyright owner in a manner determined by the court as reasonable under the circumstances; and

(B) in all other cases, the court may impose injunctive relief to prevent or restrain the infringement in its entirety, but the relief shall to the extent practicable account for any harm that the relief would cause the infringer due to the infringer's reliance on this section in making the infringing use.

Id. at 127.

278. Subsection (c) of the proposed statute reads: "Nothing in this section shall affect rights, limitations or defenses to copyright infringement, including fair use, under this title." REPORT ON ORPHAN WORKS, *supra* note 7, at 127; *see also id.* at 95-96 (providing an overview of the intended application of the proposed orphan-works provision).

279. *Id.* at 96, 127.

280. *Id.*

protection that may be adopted under national laws.²⁸¹ The provisions relevant to this discussion are those that provide for immunity from infringement liability for particular uses. The Berne Convention permits such immunity in four instances, to wit: for reproduction and communication by the press of lectures, addresses, and similar works;²⁸² for exceptions to the reproduction right in “certain special cases”;²⁸³ for quotation and utilization for teaching;²⁸⁴ and for news reporting.²⁸⁵ TRIPS incorporated the elements of Berne’s “special cases” provision, often referred to as the “three-step test,” and expanded its applicability to exceptions and limitations on exclusive rights generally.²⁸⁶ Later treaties, such as the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, also adopted the TRIPS language on exceptions and limitations.²⁸⁷

The Register of Copyrights, in examining the relevant treaty provisions, acknowledged that the provisions on limitations and exemptions in Berne and TRIPS are instructive in creating an orphan-works regime.²⁸⁸ In particular, the Register noted that the three-step test laid out in both treaties provides criteria that should be considered when developing limitations on remedies.²⁸⁹ Additionally, the *Report on Orphan Works* acknowledged that the “minor reservations” doctrine, which permits certain *de minimis* uses of copyright-protected works and other specific Berne provisions, might apply as well.²⁹⁰

The remainder of this Note discusses practical application of the Berne/TRIPS three-step test, explores further the relationship between the Berne Convention and TRIPS, and examines the relevance of the “minor reservations” doctrine. Whether the proposed orphan-works legislation passes muster under the United States’ international obligations turns directly on each of these topics.

C. Limitations and Exceptions Under the TRIPS Agreement—The Three-Step Test

281. See generally Standing Comm. on Copyright and Related Rights, *WIPO Study on Limitations and Exceptions of Copyright and Related Rights in the Digital Environment*, 3-4, WIPO Doc. No. SCCR/9/7 (Apr. 5, 2003) (prepared by Sam Ricketson), available at http://www.wipo.int/documents/en/meetings/2003/sccr/pdf/sccr_9_7.pdf [hereinafter *WIPO Study*].

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

283. *Id.* art. 9(2).

284. *Id.* art. 10(2).

285. *Id.* art. 10*bis*.

286. TRIPS Agreement, *supra* note 10, art. 13.

287. WCT, *supra* note 107, art. 10; WPPT, *supra* note 108, art. 16. Because the WCT and WPPT constraints on limitations and exceptions mirror that of TRIPS, the following analysis will focus primarily on whether the proposed limitation on remedies is consistent with Berne and TRIPS.

288. REPORT ON ORPHAN WORKS, *supra* note 7, at 63.

289. *Id.* at 62-65.

290. *Id.* at 61-62.

Article 13 of TRIPS requires that limitations and exceptions to exclusive rights “(1) be confined to certain special cases, (2) do not conflict with a normal exploitation of the work, and (3) do not unreasonably prejudice the legitimate interests of the right holder.”²⁹¹ These three requirements are to be applied cumulatively; failure to comply with any requirement will result in the exception being disallowed.²⁹²

As a preliminary matter, it is important to assess whether the limitation on remedies for use of an orphan work constitutes a “limitation or exception to exclusive rights” under TRIPS. The Register’s proposed statutory language makes it abundantly clear that use of an orphan work constitutes infringement.²⁹³ Thus, the statutory regime does not appear to create an outright exception or limitation on exclusive rights but rather modifies the remedies available.²⁹⁴

However, one commenter cautioned that “[i]t seems rather sophistic to suggest that [TRIPS] art. 13 would not reach a member State whose copyright law included no explicit limitations on the scope of exclusive rights, but whose remedial provisions denied injunctive and monetary relief for certain classes of infringements.”²⁹⁵ Additionally, an examination of legislative history indicates that an extensive limitation on remedies might run afoul of the Berne Convention, and thus TRIPS. At the time of the BCIA, the Senate briefly addressed whether § 412 of the U.S. Copyright Act, which limits the remedies available for infringement by denying an award of statutory damages and attorney’s fees for unregistered works, was inconsistent with the Berne Convention.²⁹⁶ The main concern was that conditioning the availability of statutory damages on registration violated the Berne prohibition against conditioning the enjoyment or exercise of copyright on a formality.²⁹⁷ The Senate concluded that such a limitation on remedies did not violate the Berne Convention because meaningful relief was still available through an award of actual damages and profits, regardless of registration.²⁹⁸ During this inquiry, the Senate observed that “a right without a

291. Panel Report, *United States – Section 110(5) of the U.S. Copyright Act*, ¶ 6.97, WT/DS160/R (June 15, 2000) [hereinafter WTO Panel Decision]; TRIPS Agreement, *supra* note 10, art. 13. As previously mentioned, this language was specifically drawn from Berne article 9(2).

292. WTO Panel Decision, *supra* note 291, ¶ 6.97.

293. See REPORT ON ORPHAN WORKS, *supra* note 7, at 127.

294. *Id.* at 121.

295. Reply Comment by Paul Goldstein, Stanford Law, and Jane C. Ginsburg, Faculty of Law, Univ. of Cambridge, on Orphan Works (Mar. 18, 2005), <http://www.copyright.gov/orphan/comments/reply.html> (follow “OWR0107-Ginsburg-Goldstein” hyperlink) [hereinafter Ginsburg & Goldstein Reply Comment].

296. S. REP. NO. 100-352, at 14-15 (1988), as reprinted in 1988 U.S.C.C.A.N. 3706, 3719-20.

297. *Id.*; Berne, *supra* note 9, art. 5(2).

298. S. REP. NO. 100-352, at 14-15, as reprinted in 1988 U.S.C.C.A.N. at 3719-20; 17 U.S.C. § 504(a) (2000) (providing that a copyright owner may recover either actual

remedy [is] a right that ‘exists’ but that [an author] is unable to fully ‘enjoy or exercise.’”²⁹⁹ It naturally follows, then, that an expansive limitation on remedies—i.e., not providing meaningful relief—would function like a limitation on exclusive rights.

A WTO dispute resolution panel is the only adjudicative body to have interpreted the application of the TRIPS three-step test, and, accordingly, it provides guidance as to the meaning of each step.³⁰⁰ The dispute that required an application of the three-step test concerned § 110(5) of the U.S. Copyright Act. Section 110(5) was intended to “exempt from copyright liability anyone who turns on, in a public place, an ordinary radio or television receiving apparatus of a kind commonly sold to members of the public for private use.”³⁰¹ There are two subsections within the provision. The first, known as the “homestyle exemption,” protects business owners from liability if they play a transmission “embodying a performance or display of a work” through a small radio or stereo in a public establishment.³⁰² The second, known as the “business exemption,” permits business establishments, such as restaurants, to play “nondramatic musical works”³⁰³ broadcast via radio or television under certain conditions.³⁰⁴

1. “Certain Special Cases”

damages and any additional profits of the infringer or statutory damages). In other words, a foreign copyright owner may still recover damages under U.S. copyright law that fully compensate him for the infringement.

299. S. REP. NO. 100-352, at 16, *as reprinted in* 1988 U.S.C.C.A.N. at 3721.

300. The WTO Panel held that § 110(5)(B) of the U.S. Copyright Act was in contravention of provisions under both Berne and TRIPS. WTO Panel Decision, *supra* note 291, ¶ 7.1(b). At issue in the dispute was § 110(5) of the U.S. Copyright Act, which permitted the public performance by radio and television transmission of nondramatic musical works by business establishments that met certain statutory criteria. *Id.* ¶ 1.1. The Panel reached its conclusion that the U.S. provision violated article 13 by assessing the elements of § 110(5) in light of the three-step test. *Id.* ¶¶ 6.97-6.272.

To date, the WTO Panel is the only adjudicative body to have construed the meaning of the three-step test. Its decision does not qualify as authoritative precedent, but it may be given substantial weight in future proceedings. *See infra* Part II.D.2 and accompanying notes.

301. WTO Panel Decision, *supra* note 291, ¶ 2.5 (citing H.R. REP. NO. 94-1476 (1976)).

302. 17 U.S.C. § 110(5)(A) (2000); WTO Panel Decision, *supra* note 291, ¶ 2.6.

303. Although the Copyright Act does not define “nondramatic musical works,” they can generally be defined as musical works that do not portray a story through dialog or acting and are not intended to be performed. SCHECHTER & THOMAS, *supra* note 27, § 4.3.

304. 17 U.S.C. § 110(5)(B); WTO Panel Decision, *supra* note 291, ¶¶ 2.9-2.10.

The language of TRIPS article 13, according to the WTO Panel, is intended to provide only for exceptions of a limited nature.³⁰⁵ Therefore, the exception must be clearly defined (“certain”) and narrowly limited in its scope and application (“special”).³⁰⁶ Explaining the meaning of “cases,” the Panel concluded that these requirements apply to “the range of works subject to the exception, to the range of beneficiaries of the exception, and to the breadth of rights made subject to the exception or limitation.”³⁰⁷

In applying this interpretation to the U.S. Copyright Act’s business exemption,³⁰⁸ the Panel found the provision to be clearly defined but not sufficiently narrow in scope and reach because well over 50% of all eating, drinking, and retail establishments in the United States could benefit from the exemption.³⁰⁹ In contrast, the Panel determined that the U.S. Copyright Act’s homestyle exemption³¹⁰ was not only clearly defined, but sufficiently narrow.³¹¹ The homestyle exemption benefited less than 20% of eating, drinking, and retail establishments.³¹² Furthermore, the exemption was limited to dramatic musical works,³¹³ unlike the business exemption, which the Panel felt gave the exemption “a quite narrow scope of application in practice.”³¹⁴

Under the above analysis, it appears that the proposed orphan-works legislation might exceed the scope of the first step. The Register’s proposal does clearly define the range of works and beneficiaries that may benefit from the exemption: only those infringers who have “performed a good faith, reasonably diligent search to locate the owner of the infringed copyright and . . . did not locate the owner.”³¹⁵ In other words, the relevant works are limited to those whose owners cannot be located despite a reasonably diligent search, and the beneficiaries are limited to those who actually performed a reasonably diligent search in good faith. However, the Register’s proposal contains no language that

305. WTO Panel Decision, *supra* note 291, ¶ 6.97.

306. *Id.* ¶¶ 6.108-6.109. In addition, the Panel determined that “special” did not imply a requirement of a legitimate public policy. *Id.* ¶ 6.112 (“[A] limitation or exception may be compatible with the first condition even if it pursues a special purpose whose underlying legitimacy in a normative sense cannot be discerned.”).

307. Ginsburg & Goldstein Reply Comment, *supra* note 295 (citing WTO Panel Decision, *supra* note 291, ¶ 6.109 (“[T]he ‘case’ could be described in terms of beneficiaries of the exceptions, . . . types of works or by other factors.”)).

308. 17 U.S.C. § 110(5)(B) (2000).

309. WTO Panel Decision, *supra* note 291, ¶ 6.133.

310. 17 U.S.C. § 110(5)(A).

311. WTO Panel Decision, *supra* note 291, ¶ 6.159.

312. *Id.* ¶¶ 6.142-6.143.

313. The WTO Panel found that § 110(A) was limited to transmissions embodying “dramatic renditions of ‘dramatic’ musical works, such as operas, operettas, musicals and other similar dramatic works.” *Id.* ¶ 6.217. In other words, businesses were not permitted to play an audio recording of a song separate from its visual performance component.

314. *Id.* ¶ 6.148.

315. *Id.*

limits the types of uses and thus the range of rights implicated.³¹⁶ The Register does not seek to limit the types of uses because the orphan-works provision is intended to provide a safe harbor for myriad uses of an orphan work.³¹⁷ Consequently, the proposal may fall short of being narrowly limited, though this depends on the criteria necessary to meet the “reasonably diligent” standard.³¹⁸ Unfortunately, the statute intentionally omits any criteria that might be necessary to establish reasonable diligence.³¹⁹

The Register of Copyrights felt that the reasonable diligence standard would need to be “applied by users, copyright owners and ultimately the courts on a case-by-case basis, accounting for all of the circumstances of the particular use.”³²⁰ Theoretically this makes sense; there is such a variety of works and uses that might be subject to the provision that no particular checklist could be reasonable in all circumstances. Additionally, the Register felt it was necessary to maintain a flexible standard to account for the various resources available in each industry sector, which makes it “hard to specify the steps a user must take with any particularity.”³²¹ However, generality in the standard may result in a finding that the exemption is too broad and thus exceeds the bounds of permissible scope and reach.³²² Moreover, the very reasons for declining to establish what constitutes a requisite standard of reasonable diligence may betray the fact that a use permitted by the proposed section 514 does not qualify as a “certain special case.”

In order to bring the statute in line with the first step of the TRIPS test, there are two relatively apparent changes that can be made to the Register’s proposal. First, an additional subsection might be included for definitions of the various terms in the statute. This might have the added effect of further narrowing the scope of the provision. For example, in the *Report on Orphan Works*, the Register defined the intended meaning of “locate” as used in the proposed statute: “‘locate’ . . . should be construed to mean identify an address to which a request for permission to use the work can be sent.”³²³ This particular definition excludes the application of the safe harbor once the owner is *located*, regardless of whether the owner responds. Second, the *Report on Orphan Works* provides numerous factors that may guide an inquiry regarding a reasonable search.³²⁴ Although more fact-gathering may be necessary, it might be prudent to include those factors considered most relevant to the inquiry in the statutory language. This would further define the standard of due diligence through illustrative examples without

316. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (proposed section 514(a)(1)).

317. *Id.* at 36-40.

318. Ginsburg & Goldstein Reply Comment, *supra* note 295.

319. REPORT ON ORPHAN WORKS, *supra* note 7, at 109, 127.

320. *Id.* at 98.

321. *Id.*

322. Ginsburg & Goldstein Reply Comment, *supra* note 295.

323. REPORT ON ORPHAN WORKS, *supra* note 7, at 97.

324. *Id.* at 99-110.

prematurely constricting it. Moreover, any factual data that could establish that a small percentage of works qualify as orphans may have the effect of bolstering an assertion that the Register's proposal is of limited scope and application.³²⁵ This sort of data significantly impacted the WTO Panel's analysis of the U.S. Copyright Act's business and homestyle exemptions under the first step.³²⁶ In short, the proposed orphan-works regime might pass the first step, but further specifying the meaning of its terms and the extent of the requisite fact-gathering could be necessary to ensure that it meets the requirements developed by the WTO Panel.

2. "Do Not Conflict with a Normal Exploitation of a Work"

The WTO Panel defined the term "exploitation" first, holding that it refers to "the activity by which copyright owners employ the exclusive rights conferred on them to extract economic value from their rights to those works."³²⁷ "Normal exploitation" refers to uses a copyright owner would usually make of the work; it does not encompass the full use of an exclusive right.³²⁸ Additionally, one must individually examine each exclusive right when determining whether a limitation or exception conflicts with the normal exploitation of a work.³²⁹ Uses conflict with the normal exploitation of a work when an exception or limitation to an exclusive right permits uses that enter into economic competition with any way in which the rightholder normally extracts economic value from that right to the work, thereby depriving the rightholder of significant commercial gains.³³⁰ Applying this analysis to the Copyright Act's business exemption, the WTO Panel held that the business exemption conflicted with rightholders' ability to license live and recorded music by giving business establishments a means of providing music free of charge.³³¹ Yet, the Panel determined that the homestyle exemption

325. Data provided by various institutions during the Inquiry, while not conclusive, do suggest that roughly anywhere between 8% to 20% of copyrighted works in an institution's holdings would qualify as orphan works (percentages are based on a rough approximation of figures derived from the data presented in various Inquiry Comments). *See, e.g.*, Carnegie Mellon Libraries Comment, *supra* note 179; LCA Comment, *supra* note 237.

326. Considering that the WTO Panel found that the homestyle exemption of § 110(5)(A) was narrowly limited because it affected less than 20% of establishment, such numbers might also support a finding that the orphan-works provision is sufficiently limited in scope and application. WTO Panel Decision, *supra* note 291, ¶¶ 6.142-6.143.

327. *Id.* ¶ 6.165.

328. *Id.* ¶¶ 6.165-6.167.

329. *Id.* ¶ 6.173.

330. *Id.* ¶ 6.183.

331. WTO Panel Decision, *supra* note 291, ¶¶ 6.190-6.211.

did not conflict with the normal exploitation of the work because its narrow scope and application made it of little economic or practical importance.³³²

At first blush, it would seem that any orphan-works regime would conflict with the normal exploitation of the work because most uses would be the kinds that are normally licensed; if this were not the case, then there would be no need for orphan-works legislation. On the other hand, so the argument goes, an orphan work by its very nature is one whose author is no longer exploiting the work, and therefore exploitation of the work is no longer normal.³³³ The problem with this perspective, cautioned one commenter, is that “an analysis that designates an exploitation ‘non normal’ if the particular copyright owner is not extracting economic value from it could also deprive locatable authors, who decline to authorize certain uses, of control over those exploitations.”³³⁴ An alternative approach, suggested by the commenter as the “key to passing the second step,” would be to acknowledge that there can be no conflict where there is no exploitation.³³⁵

The Register’s proposal has numerous provisions included that guard against orphan-work uses that conflict with the normal exploitations of the work. First, the statute, in requiring a good faith, reasonably diligent search to locate the rightholder, seeks to ensure that there is no conflict with the normal exploitation of the work in any fashion.³³⁶ Second, the *Report on Orphan Works* identifies the nature and extent of the use as a relevant factor in determining whether a search was reasonably diligent.³³⁷ In particular, the *Report* focuses on the commercial nature of the proposed use, requiring a higher standard of due diligence if the use is intended for financial gain.³³⁸ Additionally, the *Report* indicates that “the more broadly the work is disseminated, the more effort to locate the owner should be required, even where the user is a non-commercial entity.”³³⁹ These considerations are reflected in the Register’s proposal, where monetary and injunctive relief are available in the form of reasonable compensation, unless “the infringement is performed without any purpose of direct or indirect commercial advantage.”³⁴⁰ Finally, in the case of a reappearing owner who objects to the use,

332. *Id.* ¶¶ 6.212-6.219. Specifically, paragraph 6.218 explains “we fail to see how the homestyle exemption, as limited to works other than nondramatic musical works in its revised form, could acquire economic or practical importance of any considerable dimension for the right holders of musical works.” *Id.* ¶ 6.218.

333. Ginsburg & Goldstein Reply Comment, *supra* note 295.

334. *Id.*

335. *Id.*

336. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (recommended section 514(a)(1)).

337. *Id.* at 107-08.

338. *Id.*

339. *Id.*

340. *Id.* at 127.

the statute restores all rights in the work to the owner.³⁴¹ Under the proposal, the only ongoing uses that would be permissible are those where the good faith, reasonably diligent user has created a derivative work based on the orphan, and even then the copyright owner is still entitled to a payment of reasonable compensation.³⁴² Considering the numerous safeguards included to protect the exploitation rights of copyright owners and the analysis from the WTO Panel, the proposed statutory language seems to meet the criteria necessary to pass step two of the test.

3. “Do Not Unreasonably Prejudice the Legitimate Interests of the Right Holder”

Under the WTO Panel decision, “prejudice to the legitimate interests of rightholders reaches an unreasonable level if an exception or limitation causes or has the potential to cause an unreasonable loss of income to the copyright owner.”³⁴³ The Panel noted that an “interest,” aside from being a legal right to property, also includes “something that is of some importance to a natural or legal person.”³⁴⁴ And the term “legitimate” calls “for the protection of interests that are justifiable in the light of the objectives that underlie the protection of exclusive rights.”³⁴⁵ Accordingly, noneconomic considerations are relevant to the analysis.³⁴⁶ The Panel decision also instructed that both the actual and potential economic losses are to be considered when determining the prejudice to owners.³⁴⁷

The *Report on Orphan Works* indicates that the balancing of the economic interests of an owner with the interests of subsequent users in creating or preserving works was of considerable importance in composing a legislative solution.³⁴⁸ The “unreasonably prejudice” aspect of the third prong is an important inquiry related to preserving that balance.³⁴⁹ Fortunately, any initial use

341. Proposed section 514(b)(1)(A) provides that the infringer must “cease the infringement expeditiously after receiving notice of the claim for infringement,” and section 514(b)(2)(B) provides that a “court may impose injunctive relief to prevent or restrain the infringement in its entirety.” REPORT ON ORPHAN WORKS, *supra* note 7, at 127.

342. In order to protect the subsequent user’s reliance interest, the statute provides that “the court shall not restrain the infringer’s continued preparation and use of the derivative work” provided other statutory provisions are met. *Id.*

343. WTO Panel Decision, *supra* note 291, ¶ 6.229.

344. *Id.* ¶ 6.223.

345. *Id.* ¶ 6.224.

346. Jane C. Ginsburg, *Toward Supranational Copyright Law? The WTO Panel Decision and the “Three-Step Test” for Copyright Exceptions*, 187 REVUE INTERNATIONALE DU DROIT D’AUTEUR 3, 8-9 (2001) (Fr.).

347. WTO Panel Decision, *supra* note 291, ¶ 6.249.

348. REPORT ON ORPHAN WORKS, *supra* note 7, at 93-95.

349. Ginsburg & Goldstein Reply Comment, *supra* note 295.

of an orphan work cannot cause an unreasonable loss of income if the owner is not deriving any income from the work. However, as previously mentioned, future losses are also relevant to the analysis. But, citing the *WIPO Guide to the Berne Convention*, the Panel indicated that any economic prejudice to an owner might be allayed by providing some level of compensation: “In cases where there would be serious loss of profit for the copyright owner, the law should provide him with some compensation (a system of compulsory licensing with equitable remuneration).”³⁵⁰ In light of this observation, the provisions in the Register’s proposal regarding “reasonable compensation” for a copyright owner seem to provide additional padding for future losses under the third step.³⁵¹ A requirement of compensation to the owner would bring any perceived or actual prejudice back to a tolerable level.

Unfortunately, the WTO Panel decision declined to provide any guidance for determining how to balance the rightholders’ interests with the creative interests of other authors.³⁵² But it has been suggested that, in regards to the normative content of the rightholders’ “legitimate” interests, public interests, such as free speech and scholarship, may cause a limitation or exception to be granted more leeway when they prejudice those rights of the owners.³⁵³ If that is the case, the policy objectives of the proposed orphan-works regime, coupled with the right to reasonable compensation in most cases, will most likely stand up under the third step of the test.

4. How the Register’s Proposal Comes Out Under the Three-Step Test

The WTO Panel’s interpretation of the three-step test is not necessarily authoritative, but it certainly provides in-depth and informed guidance as to how other authorities and future panels might apply it.³⁵⁴ In applying the WTO’s analysis, it appears that the Register’s proposal complies with the Berne/TRIPS three-step test. One sticking point seems to be the lack of limiting and/or guiding language as to what is required for a “reasonably diligent” search. However, this problem can be resolved by various drafting changes. For the most part, the substantive provisions on limiting remedies take into account the various obligations and restrictions required by TRIPS in the three-step test.

D. Relationship Between the Berne Convention and TRIPS

350. WTO Panel Decision, *supra* note 291, ¶ 6.229 n.205; see Ginsburg, *supra* note 346, at 9.

351. REPORT ON ORPHAN WORKS, *supra* note 7, at 127.

352. Ginsburg, *supra* note 346, at 9.

353. *Id.*

354. See *infra* Part II.D.2 and accompanying notes.

1. Incorporation of Articles and Non-Derogation Clauses

The Berne Convention and TRIPS, while separate and distinct from one another, share an important relationship. The Berne Convention bestows upon authors of member countries minimum protections for exclusive rights in their works. These standards represent “an international consensus of national norms and in turn rest on long experience with balancing the rights of authors . . . and the public.”³⁵⁵ TRIPS incorporates the substantive provisions of the Berne Convention, with certain exceptions.³⁵⁶ The WTO Dispute Resolution Panel, in addressing the effect of this incorporation, determined that TRIPS also incorporated the Berne *acquis*, i.e., the context and interpretations of each enactment made under the Berne text at treaty conferences.³⁵⁷ Furthermore, the TRIPS “non-derogation” provision prohibits signatories from subtracting or diverging from Berne, except in the moral rights arena.³⁵⁸ And finally, TRIPS also incorporates the Berne provision permitting member countries to enter into other special agreements, such as TRIPS, so long as those special agreements do not contain provisions contrary to the Berne Convention.³⁵⁹ As a consequence of these provisions, any exception granted by a Berne/TRIPS country will need to be consistent with the express and implied exceptions provided for in Berne to comply with the non-derogation provisions of TRIPS.³⁶⁰

2. The Debate over Applicability of the Berne/TRIPS “Three-Step” Test

The three-step test is now a key provision in international treaties. But under the Berne Convention, it is a test applicable only to limitations on the reproduction right. Yet, TRIPS removed the test from under the exclusive right of reproduction and adopted the language as a general provision on limitations and exceptions. This test, a ready-to-use formula, was then also adopted by the WIPO

355. Ginsburg & Goldstein Reply Comment, *supra* note 295.

356. In essence, TRIPS article 9(1) incorporates Berne articles 1 through 21, excepting article 6*bis* (the provision on moral rights). TRIPS Agreement, *supra* note 10, art. 9(1).

357. *WIPO Study*, *supra* note 281, at 51; *see also* Ginsburg & Goldstein Reply Comment, *supra* note 295.

358. TRIPS Agreement, *supra* note 10, art. 2(2) (“[N]othing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under . . . the Berne Convention.”). However, if a member country of TRIPS is also a signatory of the Berne Convention, then that member state would need to comply with Berne article 6*bis* regardless of the TRIPS exclusion when dealing with any of the rights bestowed by Berne. *WIPO Study*, *supra* note 281, at 50-51.

359. Berne Convention, *supra* note 9, art. 20; TRIPS Agreement, *supra* note 10, art. 9(2).

360. *WIPO Study*, *supra* note 281, at 51.

Copyright Treaty and the WIPO Performances and Phonograms Treaty.³⁶¹ However, because the test was originally of limited relevance, it has not been entirely clear how and when the TRIPS three-step test should be applied to new exceptions or limitations, particularly when those exceptions or limitations apply to rights conferred by the Berne Convention.³⁶²

There are two primary arguments regarding the applicability of the three-step test under Berne and TRIPS. First, some countries, including the United States, have argued that TRIPS permits members to place limitations on the exclusive rights of copyright owners and simultaneously provides the standard used to determine the appropriateness of those limitations and exceptions.³⁶³ It is this interpretation of TRIPS that the Copyright Office presents in its *Report on Orphan Works*.³⁶⁴ Conversely, others have adopted a stricter interpretation of TRIPS that relies heavily on the non-derogation provisions of the Berne Convention.³⁶⁵ According to proponents of the strict interpretation, TRIPS only applies to exclusive rights newly introduced under TRIPS; the rights conferred under the Berne Convention “as incorporated into TRIPS can be derogated from only on the grounds of pre-existing exceptions applicable under the Berne Convention.”³⁶⁶

The WTO Dispute Resolution Panel is the only international adjudicative body to have interpreted the relationship between the Berne Convention and TRIPS provisions on exemptions.³⁶⁷ In arguing against the U.S. homestyle and business exemptions, the European Union asserted that the U.S. provision violated its TRIPS obligations by not complying with the Berne Convention.³⁶⁸ In the alternative, the European Union argued that, even if TRIPS were applicable to the exclusive rights granted under Berne, it could not exceed the scope of the minor exceptions doctrine, which has been incorporated into the public performance right.³⁶⁹ The United States countered that there was no violation because TRIPS

361. *Id.* at 65.

362. See generally *WIPO Study*, *supra* note 281.

363. WTO Panel Decision, *supra* note 291, ¶ 6.33.

364. REPORT ON ORPHAN WORKS, *supra* note 7, at 62 (“Under TRIPS, the three-step test is made applicable to all exclusive rights.”).

365. See *WIPO Study*, *supra* note 281, at 50; Ginsburg & Goldstein Reply Comment, *supra* note 295.

366. WTO Panel Decision, *supra* note 291, ¶ 6.34; see *WIPO Study*, *supra* note 281, at 46-66 (providing a thorough analysis on limitations and exceptions under TRIPS and how the three-step test generally applies to various rights under international treaties).

367. Ginsburg, *supra* note 346, at 4; REPORT ON ORPHAN WORKS, *supra* note 7, at 63.

368. The European Union filed the claim against the United States on behalf of a performing rights organization. Ginsburg, *supra* note 346, at 3. The European Union claimed the exceptions violated articles 11(1)(ii) and 11bis(1)(iii) of Berne. WTO Panel Decision, *supra* note 291, ¶ 3.1.

369. WTO Panel Decision, *supra* note 291, ¶¶ 6.42-6.55. The doctrine refers to (i) public performance and (ii) communication thereof to the public in the meaning of article 11(1), as well as to (i) broadcasting by wireless diffusion, (ii) communication of the

permits exceptions to exclusive rights if they meet the three-step test.³⁷⁰ Consequently, the Panel was required to address the relationship between the exceptions in Berne and TRIPS.³⁷¹ The Panel first determined that TRIPS incorporated the *acquis* of the Berne provisions, which included the minor exceptions doctrine.³⁷² Then, the Panel concluded that TRIPS provided the criteria that should apply to the minor exceptions doctrine, essentially equating the exceptions permissible under the three-step test with “minor exceptions.”³⁷³ In justifying this conclusion, the Panel stated:

In the area of copyright, the Berne Convention and the TRIPS Agreement form the overall framework for multilateral protection. Most WTO Members are also parties to the Berne Convention. We recall that it is a general principle of interpretation to adopt the meaning that reconciles the texts of different treaties and avoids a conflict between them. Accordingly, one should avoid interpreting the TRIPS Agreement to mean something different than the Berne Convention except where this is explicitly provided for. This principle is in conformity with the public international law presumption against conflicts, which has been applied by WTO panels and the Appellate Body in a number of cases.³⁷⁴

In so interpreting the scope of TRIPS, the WTO Panel appeared to strike a balance. The Panel refused to adopt a narrowly circumscribed *de minimis* exceptions doctrine that could restrict development in international copyright law but, at the same time, provided a carefully tailored interpretation of the text of the article.³⁷⁵

broadcast to the public by wire or rebroadcasting, and (iii) public communication by loudspeaker, etc., of the broadcast in the meaning of article 11*bis*(1). The minor exceptions doctrine also has been referred to in the context of articles 11*ter*, 13, and 14 of the Berne Convention (“*ter*” signifies a later addition to the Berne Convention). See INT’L BUREAU OF WIPO, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS FROM 1886 TO 1986, at 203-04 (1986); see also SAM RICKETSON, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986, at 532-37 (1987).

370. WTO Panel Decision, *supra* note 291, ¶ 6.35; TRIPS Agreement, *supra* note 10, art. 13.

371. Ginsburg, *supra* note 346, at 4.

372. WTO Panel Decision, *supra* note 291, ¶ 6.63.

373. *Id.* ¶ 6.82; see also WIPO Study, *supra* note 281, at 53; Ginsburg, *supra* note 346, at 5.

374. WTO Panel Decision, *supra* note 291, ¶ 6.66.

375. Cf. Graeme B. Dinwoodie, *The Development and Incorporation of International Norms in the Formation of Copyright Law*, 62 OHIO ST. L.J. 733, 772-73 (2001).

It is important to remember that the WTO Panel decision, while instructive, does not carry the weight of authoritative precedent.³⁷⁶ Three significant factors come to bear on how much impact the Panel's decision will have on international copyright law: "Member State compliance with Panel decisions; the precedential effect of one Panel decision on later dispute resolution panels; and the willingness of national courts to look to WTO Panel decisions for guidance in evaluating local exceptions."³⁷⁷ Furthermore, the WIPO Standing Committee on Copyright and Related Rights performed a study subsequent to the WTO Panel decision, assessing, in part, the merits of the Panel's interpretation of the relationship between the limitations and exceptions in Berne and TRIPS.³⁷⁸ The *WIPO Study*, authored by Sam Ricketson, indicated that the WTO Panel may have gone too far in permitting TRIPS to provide the criteria that should apply for minor exceptions under the Berne Convention.³⁷⁹ Of particular importance, the *Study* found that "central to [the minor reservations doctrine] is the notion that a minor reservation must be of *de minimis* character But it is possible to imagine exceptions that are far from *de minimis* but that still meet the requirements of the three-step test."³⁸⁰ Consequently, the test applied by the WTO Panel may have been too broad.³⁸¹ All of this goes to show that although the Panel decision adopts one interpretation of the relationship between Berne and TRIPS, there is still some debate that may influence future decisions regarding limitations and exceptions that may be permitted under Berne and TRIPS.

The Register of Copyrights, in determining that the proposed orphan-works regime will comply with the United States' international obligations, relied heavily on the Panel's interpretation that limitations and exceptions must meet the requirements of the three-step test of TRIPS to be in compliance with both Berne and TRIPS.³⁸² This reliance on the WTO Panel's interpretation can cut both ways. On one hand, because it evidences reliance by at least one member state on the Panel decision, it can bolster the decision's precedential force and, if the statutory limitation on remedies meets the test, ensure that the United States is in compliance with international treaties. On the other hand, should the Panel's interpretation prove to be erroneous, the proposed statute may put the United

376. See Ginsburg, *supra* note 346, at 3; REPORT ON ORPHAN WORKS, *supra* note 7, at 65.

377. Ginsburg, *supra* note 346, at 3.

378. *WIPO Study*, *supra* note 281, at 53.

379. *Id.* Professor Sam Ricketson is considered to be the leading authority on the Berne Convention, having authored the treatise, *The Berne Convention: 1886-1986*, as well as numerous other works on international treaties. Professor Ricketson is also sought after for his advice and knowledge by numerous organizations around the world. Consequently, his interpretation of these treaty provisions merits particular attention. *Id.* at 4 n.1; see Ginsburg, *supra* note 346, at 11.

380. *WIPO Study*, *supra* note 281, at 53.

381. *Id.* at 53-54.

382. REPORT ON ORPHAN WORKS, *supra* note 7, at 62-63.

States in violation of its international obligations if the statute's validity rests on the criteria of the three-step test alone. Taking these possibilities into consideration, it is important to analyze whether the proposed statute also conforms to a *de minimis* exceptions doctrine and Berne's specific limitations for each exclusive right.

E. Berne Limitations and Exceptions and the "Minor Reservations" Doctrine

If a future panel adopts the stricter view of the relationship between Berne and TRIPS, then proposed section 514 must also comply with the limitations and exceptions under each exclusive right of Berne affected by the provision, or it must have *de minimis* impact on owners' exclusive rights. According to one study by Ricketson, the three-step test applies only to certain provisions of Berne, i.e., reproduction, quotation, and news reporting.³⁸³ The study further indicates that the TRIPS three-step test is inapplicable to any other Berne provision.³⁸⁴ Berne provisions regarding broadcasting and compulsory licenses, among others, enumerate specific conditions under which a reservation of rights will be permissible. Both of these provisions stipulate that the imposition of a limitation or exception is subject to "the rights of . . . authors to obtain equitable remuneration."³⁸⁵ Certainly the orphan-works provision complies with this requirement, as it instructs courts to provide reasonable compensation to the author of an infringed work.³⁸⁶ Still, the Berne provisions addressing translation, public performance, public recitation, and derivatives establish certain exclusive rights of authors without providing for any exception or limitation.³⁸⁷ Presumably then, any exception or limitation to these exclusive rights provided for under national laws would have to come within the "minor reservations" doctrine.

Unfortunately, the contours of the minor reservations doctrine are not entirely clear.³⁸⁸ The WTO Panel concluded that "the doctrine is primarily concerned with *de minimis* use, but that otherwise its application is not limited to the examples contained in the reports of the Berne Convention revision conferences . . . to exclusively non-commercial uses or to exceptions in national legislation that existed prior to 1967."³⁸⁹ The WTO Panel also noted that previous conference reports provide illustrative examples of situations in which minor

383. *WIPO Study*, *supra* note 281, at 66. Under Berne article 10*bis*, the three-step test should be applied in conjunction with the specific provisions of that article.

384. *Id.* at 66.

385. Berne Convention, *supra* note 9, art. 11*bis*(2).

386. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (section 514(b)(1)-(2)).

387. Berne Convention, *supra* note 9, arts. 8, 11, 11*ter*, 12.

388. *See generally* WTO Panel Decision, *supra* note 291, ¶¶ 6.47-6.66; *WIPO Study*, *supra* note 281, at 34-39.

389. WTO Panel Decision, *supra* note 291, ¶ 6.93; *see also* *WIPO Study*, *supra* note 281, at 6.

exceptions may be permitted.³⁹⁰ Each of the illustrative examples portrays situations in which the public need greatly outweighs the right of authors to have exclusive control over their works. For example, the reports mention that minor reservations may be made for “religious ceremonies, military bands, and the needs of the child and adult education.”³⁹¹ In contrast to the illustrative examples provided by previous conference reports, the uses permitted by the orphan-works proposal are expansive.³⁹² Consequently, the proposed statute most likely would not qualify as a *de minimis* exception for the purposes of this doctrine without the inclusion of language that further limits the scope and application of the provision.³⁹³

F. Moral Rights

Because the United States is a member of the Berne Union, it is still required to provide certain moral rights to authors, even though TRIPS does not incorporate the Berne provision regarding moral rights.³⁹⁴ As to such rights, Berne provides:

Independently of the author’s economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.³⁹⁵

The Berne Convention further provides that the legislation of the country where the protection is claimed will govern the means of providing redress for violations of moral rights.³⁹⁶ As mentioned earlier in this Note, Congress determined that certain statutes and common law principles, now coupled with protection of moral rights through the Visual Artists Rights Act of 1990, provide the requisite protection necessary to bring the United States into compliance with the Berne Convention provision on moral rights.³⁹⁷

Under current U.S. copyright and other intellectual property law, the Register’s proposal might not necessarily need to take into account protection of

390. WTO Panel Decision, *supra* note 291, ¶ 6.57.

391. *Id.*

392. REPORT ON ORPHAN WORKS, *supra* note 7, at 36-40.

393. See *supra* Part IV.C.1 and accompanying notes (regarding language that could further constrain the scope of the proposed provision).

394. WIPO Study, *supra* note 281, at 49.

395. Berne Convention, *supra* note 9, art. 6bis(1).

396. *Id.* art. 6bis(3).

397. See *supra* Part II.D.2 and accompanying notes.

authors' moral rights since that protection already exists to some extent. The *Report on Orphan Works* acknowledges that several comments expressed concern that, given the innumerable uses that might be feasible under an orphan-works regime, it is possible that an author could consider a certain use offensive.³⁹⁸ The Inquiry presented no solution to account for a breach of the authors' right of integrity.³⁹⁹ Should the issue arise, however, an objecting author would probably have recourse. For one thing, the Register's proposal provides for injunctive relief.⁴⁰⁰ Additionally, the proposal does not appear to limit an author's ability to bring a claim for defamation, libel, or slander.⁴⁰¹ Considering these two avenues of relief, an aggrieved author should have adequate available remedies, thereby keeping the Register's proposal in compliance with the Berne provisions on moral rights.

Furthermore, regardless of the author's right of integrity, the Register's proposal specifically requires that an orphan-works user provide attribution to the author, whenever possible, in any use made of the work.⁴⁰² The primary function of this provision, according to the *Report*, is to facilitate marketplace transactions and further the goal of bringing owners and users together.⁴⁰³ Second, it was apparent during the Inquiry that attribution was critically important to authors and owners.⁴⁰⁴ Finally, this provision of the Register's proposal was intended to curb abuse by users attempting to use the provision to "hide their clear intent to infringe works."⁴⁰⁵ It should be apparent, though, that the requirement of attribution also brings the provision into compliance with the other aspect of moral rights in the Berne Convention.

398. REPORT ON ORPHAN WORKS, *supra* note 7, at 89 (citing to Initial Comment by Chryssy Tintner, Chief Executive Officer, Viscopy Ltd., on Orphan Works (Mar. 24, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0582-Tintner" hyperlink); Initial Comment by Doris Estelle Long, Professor, John Marshall Law Sch., on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0699-Long" hyperlink); Initial Comment by Tara Lord, Law Student, Univ. of Michigan, on Orphan Works (Mar. 25, 2005), <http://www.copyright.gov/orphan/comments/index.html> (follow "OW0650-Lord" hyperlink)).

399. *Id.*

400. *Id.* at 127.

401. *See id.*

402. *Id.*

403. REPORT ON ORPHAN WORKS, *supra* note 7, at 111.

404. The *Report* points to the rising popularity of the Creative Commons license and to data that reflects that approximately 94% of authors who use a Creative Commons license opt for one that requires attribution. *Id.* (referencing Brief for Creative Commons as Amici Curiae Supporting Respondents at 27, *MGM Studios, Inc. v. Grokster, Ltd.*, No. 04-480 (S. Ct. Feb. 2005), available at <http://www.copyright.gov/docs/mgm/creative-commons.pdf>).

405. *Id.*

G. Berne and TRIPS Provisions Related to Remedies

Validity under TRIPS and the various Berne provisions on exclusive rights is but one benchmark that a limitation or exception must pass. The other benchmark relevant to the orphan-works proposal is compliance with provisions of the Berne Convention and TRIPS regarding remedies.⁴⁰⁶ The Berne Convention establishes a minimum standard of protection for substantive rights and requires some mechanism by which a copyright holder may enforce those rights.⁴⁰⁷ However, it provides for the laws of the country where the protection is sought to govern “the means of redress afforded to the author to protect his rights.”⁴⁰⁸ Therefore, under the Berne Convention, the orphan-works provision must simply provide for some means of redress.

On the other hand, TRIPS includes detailed provisions on the enforcement of intellectual property rights.⁴⁰⁹ In terms of general obligations to rightholders, TRIPS requires member states to ensure enforcement procedures are available “so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.”⁴¹⁰ TRIPS further provides that member states must make available both civil and criminal procedures.⁴¹¹ Additionally, these procedures must be “fair and equitable.”⁴¹² The Register’s proposal does nothing to abridge a copyright owner’s right to enforcement procedures. The owner of an infringed copyright still may bring a civil action against the orphan-works user and seek remedies in the form of reasonable compensation.⁴¹³ Moreover, once an orphan-works rightholder asserts a claim, the rightholder has become locatable and the

406. The WCT and WPPT also impose certain requirements for remedies; however, these provisions mimic those in TRIPS. *Id.* at 65-67; *see also* WCT, *supra* note 107, art. 14(2) (“Contracting parties shall ensure that enforcement procedures are available under their law so as to permit effective action against any act of infringement of rights covered by this Treaty, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.”); WPPT, *supra* note 108, art. 23 (same).

407. It is implied by the text of article 15(1) that an author or owner must have the means of seeking redress for an infringement of his or her exclusive rights. Berne Convention, *supra* note 9, art. 15(1) (“In order that the author of a literary or artistic work protected by this Convention shall, in the absence of proof to the contrary, be regarded as such, and consequently be entitled to institute infringement proceedings in the countries of the Union, it shall be sufficient for his name to appear on the work in the usual manner.”).

408. *Id.* art. 5(2); *see also id.* art. 6*bis*(3).

409. TRIPS Agreement, *supra* note 10, arts. 41-49.

410. *Id.* art. 41.

411. *Id.* arts. 42, 61.

412. *Id.* art. 41(2).

413. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (section 514(b)).

proposed provision is no longer available to the user. This safeguards against further infringement of the work.⁴¹⁴

TRIPS does impose additional requirements that member states must satisfy under civil judicial proceedings. Regarding injunctions, TRIPS imposes an obligation to grant “judicial authorities . . . the authority to order a party to desist from an infringement.”⁴¹⁵ The Register’s proposal provides for such injunctive relief, subject, in certain circumstances, to equitable considerations where the harm to the infringer from his reliance on the provision might outweigh the interests of the copyright owner.⁴¹⁶ Although this does not constitute strict adherence to TRIPS, language throughout TRIPS indicates that the injunctive authority may be limited where the infringer has undertaken to act in good faith.⁴¹⁷ Furthermore, under the Register’s proposal, courts will still have authority “to order the infringer to pay the [rightholder] damages adequate to compensate for the injury the [rightholder] has suffered because of the infringement” in compliance with TRIPS.⁴¹⁸ But TRIPS requires that courts have the authority to order the infringer to pay the rightholder’s expenses.⁴¹⁹ In apparent contravention of this requirement, the Register’s proposal prohibits the award of monetary damages in the form of costs or attorney’s fees.⁴²⁰ It may be possible to harmonize these provisions, however, by acknowledging that in the majority of cases the parties involved would settle. Even if the parties do not settle, the “reasonable compensation” may be sufficient to offset any costs incurred by the copyright owner.⁴²¹ On the other hand, it is difficult to foresee what impact an inconsistency with the TRIPS provision would have on the proposed statute if addressed by an international adjudicative body; there are no precedents here. Undoubtedly, the importance of the TRIPS provision will turn on the circumstances of the case presented. One may surmise that the Register’s proposal would be susceptible to attack if a court or panel determines that a

414. *Id.* at 93-95, 127 (“[O]nce an owner is located, the orphan-works provision becomes inapplicable.”).

415. TRIPS Agreement, *supra* note 10, art. 44(1).

416. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (section 514(b)(2)).

417. *See, e.g.*, TRIPS Agreement, *supra* note 10, art. 44(1) (“Members are not obliged to accord such authority in respect of protected subject matter acquired . . . by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.”); *id.* art. 44(2) (“In other cases, the remedies under the Part shall apply or, where these remedies are inconsistent with national law, declaratory judgments and adequate compensation shall be available.”); *id.* art. 46 (“In considering . . . requests [for the disposal of infringing goods], the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account.”).

418. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (section 514(b)(1)(A)-(2)(A): “payment of reasonable compensation”).

419. TRIPS Agreement, *supra* note 10, art. 45.

420. REPORT ON ORPHAN WORKS, *supra* note 7, at 127.

421. *Id.* at 123-25.

judge's inability to award costs and attorneys' fees would make it prohibitive for a copyright owner to pursue a claim for infringement. But again, because this statute deals with works that are not being commercially exploited, the claim may not be worth the candle, making the availability of attorneys' fees only a minor calculation in choosing to go forward with the claim.

As for criminal procedures and remedies, TRIPS makes these necessary "in cases of willful . . . copyright piracy on a commercial scale."⁴²² The Register's proposal simply bears no relevance to such criminal proceedings because the requirement of a "good faith, reasonably diligent search" negates the possibility of willful piracy.⁴²³ Consequently, the Register's proposed orphan-works provision would not be in violation of TRIPS.

The remedies provided to copyright owners generally comport with the relevant enforcement provisions of the Berne Convention and TRIPS. In short, the Register's proposed statutory framework provides adequate remedies to rectify any harm incurred by the copyright owner, while at the same time balances the interests of orphan-work users.

H. Recommendations

The Register of Copyrights asserts that the proposed statute—which does not exclude foreign works from its scope—is fully compliant with international obligations because it is merely a modification of remedies available for infringement where certain unique circumstances exist and would therefore be similar to the provisions of the current Copyright Act.⁴²⁴ As previously mentioned,⁴²⁵ the orphan-works provision would function much like an exemption from owners' exclusive rights and would consequently need to meet the various requirements laid out in Berne, TRIPS, and other treaties on intellectual property. As discussed in Part IV above, the proposed provision incorporates in large part various elements that would be required under those treaties. The careful wording of the Register's proposal and the legitimate public policies supporting it should enable the proposal to withstand the scrutiny of an international adjudicative panel.

However, merely complying with treaties does not end the inquiry into whether new orphan-works legislation would be appropriate. Treaty obligations aside, it could be desirable to adopt a system that is similar in structure and function to the approaches used by foreign countries for four primary reasons.⁴²⁶

422. TRIPS Agreement, *supra* note 10, art. 61.

423. REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (section 514(a)(1)).

424. *Id.* at 121.

425. See *supra* Part IV.C and accompanying notes.

426. And certainly, nothing in such an approach suggests subordinating U.S. law to the law of foreign countries but rather entails crafting U.S. law in a manner that best serves the interests of the United States and its citizens.

First, adopting an orphan-works provision consistent with those in other countries would protect users from infringement claims in foreign markets.⁴²⁷ The Berne Convention permits signatories to regulate the means by which works can be communicated to the public but confines that regulation to only those places with the same regulations.⁴²⁸ Consequently, if the United States adopts an orphan-works provision inconsistent with any other member state, then the dissemination of the work outside the United States could violate another country's local law.⁴²⁹ In a time where dissemination of works through the Internet is increasingly popular, communication outside the United States seems inevitable. Therefore, protection of nationals abroad should be part of the deliberations leading to the adoption of the Register's proposal or other proposals. Second, aligning the U.S. provision on orphan works with other countries' practices will create more uniformity and certainty in the international market.⁴³⁰ Third, other countries may use the new orphan-works legislation "as a pretext for allowing weaker enforcement and remedies against pirate copyright operations."⁴³¹ As discussed earlier in this Note,⁴³² intellectual property protection is a major concern in today's global marketplace. Many countries are influenced by the United States. Adopting a provision on orphan works could potentially weaken the United States' ability to demand the utmost protection of intellectual property rights from others.⁴³³ Consequently, creating an orphan-works provision consistent with other signatories' approaches will help guard against other countries using it as a pretext for weak enforcement. Finally, many other countries have longstanding copyright regimes where copyright protection has not been conditioned on formalities. So, if the orphan-works problem in the United States is growing due to the fairly recent removal of formalities, then it would behoove the United States to see how other countries have resolved this issue.⁴³⁴

427. Ginsburg & Goldstein Reply Comment, *supra* note 295.

428. Berne Convention, *supra* note 9, art. 11*bis*(2).

429. Ginsburg & Goldstein Reply Comment, *supra* note 295.

430. Perlmutter, *supra* note 14, at 328.

431. REPORT ON ORPHAN WORKS, *supra* note 7, at 122 (citing a statement made by Steve Metalitz at July 27, 2005 Roundtable Tr. at 206-07).

432. *See supra* Part II.D.1.

433. REPORT ON ORPHAN WORKS, *supra* note 7, at 122.

434. For example, Canada, Japan, and the United Kingdom have orphan-works provisions. Canadian Copyright Act, R.S.C., ch. C-42, § 77 (2005); Chosakuken Ho [Copyright Law of Japan], art. 67, *translated at* Copyright Research and Information Center (CRIC), http://www.cric.or.jp/cric_e/clj/clj.html (2005); Copyright, Designs and Patents Act, 1988, c. 48, pt. I, c. III, § 57 (U.K.). Generally speaking, each country adopted a compulsory license system. In Canada, for example, a would-be user of an orphan work must petition the Canadian Copyright Board for a license. R.S.C., ch. C-42, § 77 (Can.). The Canadian provision requires users to make "reasonable efforts to locate the owner of the copyright" prior to the issuance of a license, which is analogous to the due-diligence standard under proposed section 514. *Compare id.* § 77(1) with REPORT ON ORPHAN WORKS, *supra* note 7, at 127 (section 514 would require the user to make a "reasonably

V. CONCLUSION

Addressing the orphan-works problem furthers the core purpose of copyright law: “To promote the Progress of Science and useful Arts.”⁴³⁵ Without remedial legislation, efforts to preserve historical works, conduct scholarly research, educate the public, and create new and innovative works will be deterred. Current U.S. copyright law simply does not provide the assurance would-be users of orphan works need in order to engage in many valued activities. The Inquiry was the first step in gathering the information necessary to craft an effective orphan-works provision. The comments contributed during the Inquiry brought into sharp focus the breadth and depth of this problem. The *Report on Orphan Works* admirably marshals this information into a concise picture of the challenges both copyright owners and users face on a regular basis. The Copyright Office has suggested a solution to the problem that is not only practical but also balances the rights of authors and the public, a balance that is the cornerstone of the U.S. copyright regime.

Whether the Register’s proposal would adequately alleviate the expense, energy, and time required for making use of orphan works is a matter that will be debated. On its face, the proposed statute might incentivize more risk-averse institutions and individuals to employ orphan works in their creative, educational, and preservation efforts. Certainly, though, many will feel that the proposal does not go far enough. For instance, would-be users would still be required to engage in a costly and time-consuming search for copyright owners. Initially, there would be much uncertainty over what constitutes a “reasonably diligent” search, and, most likely, subsequent users’ behavior will continue to be risk-averse until there is some guidance on the matter from either courts or industrial sectors. However, it does not appear that the other provisions proposed during the Inquiry would function more efficiently. In any event, the relevant treaties seem to preclude any approach that encroaches more upon the exclusive rights of copyright owners. Certainly, the proposal gives deference to the exclusive rights of owners, and in doing so, it attempts to maintain the balance Congress has tried to achieve through the Copyright Act of 1976. As the Register of Copyrights explains:

diligent search to locate the owner”). Another key feature of Canada’s orphan system is that a user must pay a fee so that a reappearing rightholder may be compensated for the use. R.S.C., ch. C-42, § 77. As of September 28, 2006, the Canadian Copyright Board has issued approximately 189 licenses. Copyright Board of Canada, *Unlocatable Copyright Owners: Licenses Issued*, <http://www.cb-cda.gc.ca/unlocatable/licences-e.html> (last visited Sept. 28, 2006). The U.S. Copyright Office declined to adopt this approach for various reasons but emphasized that such a system would be highly inefficient. REPORT ON ORPHAN WORKS, *supra* note 7, at 114.

435. U.S. CONST. art. I, § 8, cl. 8.

In a perfect world, a statutory provision on orphan works would never actually be invoked: users would make reasonable searches and where they did not find the copyright owner, it would always be the case that such owner either does not exist or does not care about the use of the work, and infringement litigation would never result.⁴³⁶

The Register's proposal seeks to facilitate arriving at this perfect scenario by granting added assurance to subsequent users that their good faith actions will not result in more harm than good.

While freeing orphan works for subsequent uses is an admirable objective, it should be pursued with due consideration for international obligations and norms. Copyright-protected works are no longer confined within neatly delineated borders due to modern-day transportation, communication, and markets. In fact, technological advancements are erasing perceived borders at a staggering pace. In order for the United States to maintain its influence on international policymaking, it must first provide the protection for intellectual property expected by its peers. Any further orphan-works proposals must strive to meet the well-established standards of the international community.

436. REPORT ON ORPHAN WORKS, *supra* note 7, at 94.