

By Electronic Submission

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Dear Ms. Claggett:

The undersigned researchers of the Berkeley Digital Library Copyright Project¹ respectfully submit these comments in response to the Copyright Office's Orphan Works and Mass Digitization Notice of Inquiry, published on October 22, 2012.²

The Berkeley Digital Library Project was established to investigate copyright-related obstacles faced by libraries and other like-minded organizations in their efforts to realize the full potential of present and future digital library initiatives, such as the Digital Public Library of America (DPLA).³ Over the past 18 months we have focused our efforts on orphan works and mass digitization, hosting a major academic conference on the topic, producing several white papers that distill the current state of research with respect to orphan works and mass digitization, writing and encouraging others to write significant academic articles about aspects of orphan works and mass digitization, and initiating (with a research team at American University) the development of orphan works best practices for libraries, archives, and other memory institutions. Given our interest in the orphan works problem, we appreciate the Copyright Office's renewed attention to this issue.

Introduction

Our comments respond to both questions posed by the Notice of Inquiry—developments related to case-by-case orphan works uses, and to mass digitization in the context of orphan works. While numerous other aspects of the orphan works situation interest us, our comments focus

¹ Institutional affiliation is for identification purposes only.

² Orphan Works and Mass Digitization Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

³ For a more complete description of the Project, see *Berkeley Digital Library Copyright Project*, BERKELEY LAW, <http://www.law.berkeley.edu/12040.htm> (last visited Jan. 18, 2013). Principal investigators for the project are Berkeley Law professors Pamela Samuelson, Jason Schultz, and Jennifer Urban. David Hansen is the project's full-time Digital Library Fellow, and Gwen Hinze is the project's International Copyright Fellow.



primarily on digital library aspects of orphan works and mass digitization, especially as those problems relate to the creation of large, widely accessible digital public libraries, such as the DPLA.⁴

Part I of our comments discusses the existing empirical data on the orphan works situation, a great deal of which has been gathered since the Copyright Office's 2006 Report. Much of the existing empirical research attempts to estimate the number of potential orphan works in given collections or for particular classes of works, such as books or photographs. The data indicates that there are numerous orphan works and that the orphaned status of these works pose challenges to those who seek to use them. Although more data now exists than in 2005, in the United States researchers have not produced the types of robust studies that would reveal with any accuracy the true extent of the orphan works problem across types of works or types of users. Internationally, while more data is available about the estimated numbers of orphan works, many of these estimates are fraught with methodological concerns, and the differing methodologies used make comparisons of questionable value. Moreover, none of the existing empirical research about the U.S. situation addresses how organizations are using orphan works, what the economic value of these potential orphans is, or how proposed orphan works solutions compare in terms of quantifiable costs and benefits.

Recommendation 1: The Office should encourage and support more empirical research on the orphan works situation in the U.S., especially with regard to the number of orphan works across domains, the ways that orphan works are currently being used, the economic value of unused works, and the quantifiable costs and benefits of proposed solutions.

Part II of our comments discuss legal developments in the United States since 2006 that affect the way that users approach orphan works and mass digitization. Developments regarding how fair use applies to mass digitization and orphan works-specific uses have allowed many users to make confident assertions about the applicability of fair use. In many cases, community-developed codes of best practices have further assured these users about the types of acceptable activities they should undertake with respect to mass digitization and orphan works. For orphan works in particular, community-driven efforts are underway to help libraries, archives, and other memory institutions understand how to approach orphan works in their collections that they would like to use. We recognize that these developments do not reach all users or uses, such as those for whom the fair use argument is weaker or for those who require more certainty or a different type of remedy, such as insulation from injunctive relief. However, these changes do affect a large number of potential orphan works and mass digitization situations.

Recommendation 2: The Office should recognize that fair use is an important part of the orphan works and mass digitization solution space and is being relied upon by libraries and archives. The Office should take care to explicitly preserve fair use as a part of the solution to the orphan works problem, especially if it

⁴ DPLA, <http://dp.la> (last visited Jan. 27, 2013).

decides to recommend legislative reform. This could take the form of an explicit savings clause similar to that in 17 U.S.C. § 108(f)(4).

Recommendation 3: The Office should recognize that voluntary community-driven efforts to create best practices for using orphan works, including in the context of large-scale digitization, are ongoing and that those efforts should be given time to develop.

Recommendation 4: If the Office decides to recommend legislative reform, it should follow the limitation on remedy approach proposed in the Copyright Office’s previous report. Any legislative solution for orphan works should include an exemption from statutory damages awards against a user that has conducted a reasonably diligent search. It should also provide a workable solution for derivative works that use works previously considered to be orphaned on the basis of a diligent search.

Part III discusses the existing orphan works and mass digitization solution space. We describe the range of approaches that have been adopted, or are currently under discussion, and identify some of the merits and detractions of the various approaches. This survey of international developments since 2006 highlights that many countries have chosen to treat individual uses of orphan works and mass digitization of collections that include significant numbers of orphan works within the same policy framework, but in most cases, have adopted differing approaches for each, reflecting the different policy issues raised by the different uses. The survey also highlights that many of the countries that have adopted orphan works regimes have recognized the need to tailor solutions for uses of orphan works in different sectors, and for different types of users, such as non-profit public interest and cultural organizations, and commercial users. Finally, while there is much to learn from the recent overseas experience, we note that these specific orphan works systems have been developed in legal regimes that have very different features than the U.S. legal regime, and thus, systems that appear to work effectively in their native environs may not be suitable if transplanted in the US environment.

Recommendation 5: If the Office decides to recommend legislative reform, the Office should consider adopting tailored solutions that facilitate different uses and different types of users of orphan works.

Recommendation 6: If the Office decides to recommend legislative reform, it should consider adopting differentiated approaches to the limits on remedies that apply in the case of re-appearing rightsholders in the context of mass digitization of collections that include significant numbers of orphan works, as distinguished from the preparation of derivative works that incorporate a single or smaller number of suspected orphan works, in recognition of the different policy issues these uses raise and the different level of certainty required by the different types of users.

Part IV discusses extended collective licensing (ECL) regimes in more detail in the context of possible ways to facilitate mass digitization and the creation of a comprehensive digital library including in-copyright works such as the DPLA. It outlines several challenges for implementing an ECL system in the United States, the most significant of which is the current absence of the infrastructure necessary to administer such a regime. While ECL has a long history in the Nordic countries, collective management of rights is less familiar in U.S. copyright culture. Numerous collective management organizations (CMO) exist in the EU and already represent the majority of rightsholders in the relevant class. By comparison, in the U.S. there is no established and trusted CMO that covers the full range of rights and that could administer an ECL regime. In addition, on closer inspection, ECL regimes do not appear to deliver the chief advantage frequently attributed to them: reducing transaction costs to facilitate use of orphan works. This is because searches would still be required in order for CMOs to distribute funds and to price licenses appropriately. At the same time, the duty to search for rightsholders to distribute unclaimed funds presents a serious conflict of interest for CMOs that could otherwise retain those funds for their own uses.

Recommendation 7: The Office should not adopt ECL as a potential means to facilitate use of orphan works.

Recommendation 8: Although an ECL regime may be worth considering as a possible solution for mass digitization projects, there are significant implementation challenges that the Office should more thoroughly study before recommending this approach. If the Office does decide to consider creating an ECL regime to facilitate mass digitization of collections, it should take care to expressly preserve room for the full operation of fair use, and not undermine ongoing mass digitization projects by libraries that would constitute permissible fair use, as recognized in the *Authors Guild, Inc. v. HathiTrust* judgment. To promote efficiency and fairness, the Office should also consider appropriate good governance and transparency obligations that would apply to CMOs that wish to administer rights in the ECL regime.

Part V of our comments discuss forward-looking proposals that would reduce the number of orphan works produced in the future. Technological advances relating to registries and metadata make tracking ownership of copyrighted works easier than ever. In addition, renewed international interest in reinvigorating copyright formalities signals that the time may be right to reevaluate how the copyright formalities system can reduce the number of orphan works.

Recommendation 9: The Office should recognize that an orphan works solution that fails to reduce the number of orphan works going forward would be incomplete. Regardless of the particular approach it recommends, the Office should study further how best to incorporate copyright formalities and the implementation of technological tools, like registries or metadata, into its recommendations. Further, the Office should encourage the development of these tools even in the absence of a legislative recommendation.

Additional Materials

Finally, supplementing our main comments is a set of white papers, academic articles, and reports that we have either authored or commissioned on the topic of orphan works and mass digitization. A number of these are attached as Appendix A:

Orphan Works and Mass Digitization: Obstacles and Opportunities (Symposium Issue), 27 BERKELEY TECH. L.J. (forthcoming 2013), (not included in Appendix A because of comment file-size limitations; available online in Feb. 2013 at <http://btlj.org/symposium>). The symposium issue includes:

Maria A. Pallante, *Orphan Works & Mass Digitization: Obstacles & Opportunities (Keynote Address)*

Reviewing some of the early points of tension in the orphan works debate, and pointing out common ground on which most agree, including that in the case of a true orphan work, it does not further the objectives of the copyright system to deny use of the work.

Ariel Katz, *The Orphans, the Market, and the Copyright Dogma: A Modest Solution for a Grand Problem*

Warning against the quest for a grand solution to the orphan works problem (explaining that many proposed solutions may do more harm than good), and proposing a common law solution to the orphan works problem, based on well-established principles of imposing and limiting liability from other areas of law.

Lydia Pallas Loren, *Abandoning the Orphans: An Open Access Approach to Hostage Works*

Redefining orphan works as “hostages”—constrained in their movement by the restricting combination of the set of rules established by copyright law and the absence of the owner who could release the works from what binds them in their confinement. The hostage metaphor leads to a clearer recognition that what is needed is not a stand in for the “parent” of these orphans, rather what is called for is an incentive for responsible parties to free the hostages. The article proposes a limited liability regime to provide this incentive.

Randal C. Picker, *Private Digital Libraries and Orphan Works*

Discussing the emergence of private digital libraries and, in light of their emergence, the need to avoid distorting this emerging competition by handing over special rights to orphan works to public and nonprofit libraries, while at the same time avoiding tilting the table in favor of a digital library monopoly, either public or private.

Matthew Sag, *Orphan Works as Grist for the Data Mill*

Explaining that, correctly understood, there is no orphan works problem for certain kinds of digitization; in particular, there is no orphan works problem in the

case of mass digitization of copyrighted works for the purpose of enabling non-expressive uses, such as for text-mining. So long as digitization is confined to data processing applications that do not result in infringing expressive or consumptive uses of individual works, there is no orphan works problem because the exclusive rights of the copyright owner are limited to the expressive elements of their works and the expressive uses of their works.

Jennifer M. Urban, *How Fair Use Can Help Solve the Orphan Works Problem*

Arguing that legislation is not necessary to enable some uses of orphan works by nonprofit libraries and archives. Instead, U.S. copyright law's fair use doctrine, which allows certain unpermitted uses of copyrighted works, provides a partial solution.

Stef van Gompel, *The Orphan Works Chimera and How to Defeat it: A View from Across the Atlantic*

Reviewing the variety of situations in which the orphan work problem arises—including mass digitization, transformative and derivative uses, and small-scale incidental uses—and discussing a multi-faceted strategy to address these different uses.

Molly Shaffer Van Houweling, *Atomism and Automation*

Using digital photographs as a case study of copyright atomism—i.e., the current situation in which in which copyrights are numerous, widely-distributed among often unidentified owners, and fragmented into small and idiosyncratic parts that complicate or even foreclose negotiations over reuse of copyrighted works—and explaining how automated systems for tagging and tracing might help to alleviate atomism's costs.

REPORT ON ORPHAN WORKS CHALLENGES FOR LIBRARIES, ARCHIVES AND OTHER MEMORY INSTITUTIONS (Jan. 2013) (Jennifer Urban and David Hansen, with Pat Aufderheide, Peter Jaszi and Meredith Jacob), <http://centerforsocialmedia.org/orphan>

Discussing the basic challenges that libraries, archives and memory institutions face when dealing with orphan works. These challenges include identifying when orphan works status is relevant to the proposed use, the true (versus perceived) risks of using these works, how and when to conduct a diligent search, and how to address related privacy and ethical concerns about using orphan works. The report concludes with several recommendations, including the creation of community-developed orphan works best practices.

David R. Hansen, Gwen Hinze and Jennifer Urban, *Orphan Works and the Search for Rightsholders: Who Participates in a "Diligent Search" for Rightsholders Under Current and Proposed Regimes* (White Paper No. 4, Berkeley Digital Library Copyright Project, 2013), <http://ssrn.com/abstract=2208163>.

Reviewing the ways that current and proposed orphan works regimes require searches for rightsholders, and explaining that these proposals differ dramatically in terms of who is required to search for rightsholders, the nature and extent of the search required, and what

resources and tools searchers should look to. This paper focuses on who must participate in the search for rightsholders across the range of orphan works regimes.

David R. Hansen, *Orphan Works: Causes of the Problem* (White Paper No. 3, Berkeley Digital Library Copyright Project, 2012), <http://ssrn.com/abstract=2038068>.

Reviewing the underlying causes of the orphan works problem, which include 1) the elimination of copyright formalities, (2) the progressive extension of copyright terms, (3) technological advances that allow authors to create and preserve more copyrightable works, and (4) technological changes in the way users access and consume copyrighted works, especially in the shift from print to digital.

David R. Hansen, *Orphan Works: Mapping the Possible Solution Spaces* (White Paper No. 2, Berkeley Digital Library Copyright Project, 2012), <http://ssrn.com/abstract=2019121>.

Surveying the range of orphan works proposals, and discusses four general categories of proposed solutions to the orphan works problem: 1) Remedy-limitation approaches, such as the one advocated in the 2006 U.S. Copyright office proposal, that are predicated on a user's good-faith, reasonable search for rights holders; 2) central administrative systems, such as the one adopted in Canada, that allow users to petition a centralized copyright board to license specific reuses of orphan works; 3) access and reuse solutions that are tailored to rely upon the existing doctrine of fair use; 4) and extended collective licensing schemes.

David R. Hansen, *Orphan Works: Definitional Issues* (White Paper No. 1, Berkeley Digital Library Copyright Project, 2011), <http://ssrn.com/abstract=1974614>.

This paper outlines responses to two definitional questions that arise in the context of orphan works: (1) exactly what is the "orphan works" problem under the various orphan works regimes?, and (2) what is the size of this problem in terms of numbers of orphan works and severity of the problem of using these works?

I. New Empirical Data about the Orphan Works Problem

Although several years have passed since the Copyright Office first began its study of the orphan works issue, researchers have not generated significant empirical data about the size and severity of the orphan works problem. To make informed recommendations about orphan works policy, the Copyright Office should sponsor or encourage empirical research into the size of the orphan works problem (numbers of orphan works), the prevalence and ways that organizations and individuals are currently using orphan works, the economic value of foregone uses of orphan works (to the extent that is quantifiable), and the quantifiable costs and benefits of proposed solutions.⁵ We encourage the Office to explore opportunities with research organizations, such as the National Academies, or with academic researchers like ourselves. We would be pleased to discuss this further with the Office.

⁵ While we believe that comments, roundtables, and hearings are useful for this purpose, the Office should confirm the outcome of those information-gathering efforts with sustained analysis of quantitative aspects of the various works, uses, and users that we call for here.

We believe that these studies are critically important, and that continuing to pursue orphan works solutions in the absence of this data could result in unintended consequences or ineffective solutions. A central component of the orphan works problem statement is that potential users of orphan works will forego productive and socially beneficial uses of copyrighted works because of a fear of copyright litigation.⁶ To date, however, only scattered quantitative data supports either part of that assertion—the degree to which potential uses are productive or socially beneficial, or that potential users are foregoing use of orphan works because of fear of litigation. Collected commentary and anecdotal evidence suggest that both of those assertions are correct in general,⁷ but for specific communities there is some conflicting evidence which now indicates that these assertions may no longer hold true. For example, the Library Copyright Alliance in its response to this notice of inquiry states that even the highly visible *HathiTrust* litigation “has not deterred libraries from engaging in the mass digitization of archives and special collections,”⁸ based in part on legal developments in the U.S., discussed more below.

In the recent *Report on Orphan Works Challenges for Libraries, Archives, and other Memory Institutions* (a report to which we contributed),⁹ we found that libraries and archives perceive the risks of using orphan works to be much more severe than the risks actually observed by organizations that have digitized and made available orphan works.¹⁰ Reports like this indicate that previously held assumptions about the orphan works problem—especially regarding its potential to disrupt productive or beneficial uses—should be reassessed.

As discussed in more detail below, one matter that is highlighted by reviewing international orphan works developments is that solutions tailored to particular uses, users, or works might sometimes be appropriate. A robust study of the factors identified above will help the Office and Congress quantify the problem and then understand more clearly how and when to make such adjustments based on user and copyright owner needs.

⁶ Orphan Works and Mass Digitization Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012) (“Under current law, anyone who uses an orphan work without permission runs the risk that the copyright owner(s) might bring an infringement lawsuit for substantial damages, attorneys’ fees, and/or injunctive relief unless a specific exception or limitation applies. In such a situation, a productive and beneficial use of the work may be inhibited—not because the copyright owner has asserted his exclusive rights in the work, or because the user and owner cannot agree on the terms of a license—but merely because the user cannot identify and/or locate the owner and therefore cannot determine whether, or under what circumstances, he or she may make use of the work.”).

⁷ For example, participants at the recent Berkeley symposium, *Orphan Works and Mass Digitization: Obstacles and Opportunities*, reiterated the general challenges faced by a number of types of users—including libraries, archives, commercial studios, technology companies, and others. See *Orphan Works and Mass Digitization: Obstacles and Opportunities*, BERKELEY LAW, <http://www.law.berkeley.edu/orphanworks.htm> (last visited Jan. 17, 2012) (linking to audio recordings and presentations by symposium participants). See also International Federation of Library Associations and Institutions *Statement on Orphan Works* (2011), <http://www.ifla.org/publications/ifla-statement-on-orphan-works-2011>.

⁸ Comments of the Library Copyright Alliance in Response to the Copyright Office’s Notice of Inquiry Concerning Orphan Works and Mass Digitization 6 (Jan. 14, 2013), <http://www.arl.org/bm~doc/lca-orphanworks-comments-14jan13.pdf>.

⁹ REPORT ON ORPHAN WORKS CHALLENGES FOR LIBRARIES, ARCHIVES AND OTHER MEMORY INSTITUTIONS (January, 2013), <http://centerforsocialmedia.org/report-orphan-works-challenges-libraries-archives-and-other-memory-institutions>.

¹⁰ *Id.* at 11–12.

Existing Data about Orphan Works

With an understanding that the record is still incomplete, the Office should recognize the available orphan works data. As the Copyright Office knows well, in response to the its 2005 Notice of Inquiry,¹¹ many libraries, archives, private and corporate users offered up a host of comments with anecdotal evidence about the types of uses these organizations seek to make of orphan works.¹² Some organizations submitted comments with quantitative data about the number of potential orphan works in some of their collections.¹³ This data, together with the data gathered since 2006, establishes that there are substantial quantities of orphan works in the collections of major cultural institutions across the world, that there is significant uncertainty and concerns about liability that are precluding full use of these works.

Cornell libraries, for example, submitted comments which reported on a library study of 343 in-copyright but out-of-print monographs that it sought to digitize.¹⁴ That report showed that, after spending more than \$50,000 in staff time working on the project, Cornell was unable to identify or locate the rightsholders of 198 works (58% of the group).¹⁵ Similarly, Carnegie Mellon libraries outlined the results of its own efforts to identify rightsholders for a sample of 368 books from its collections which it sought to digitize.¹⁶ Excluding books that were not in the public domain and did not contain third-party visual materials, the library was only able to obtain permission from publishers for 35% of the books.¹⁷

Since the time of the Office's 2005 review of the orphan works problem, several more U.S. based studies have confirmed the same general theme—that there are many orphan works, and that these works pose problems for those individuals and organizations that try to seek permission to use them. Researchers with the HathiTrust have derived estimates for the number of orphan works in their collection (at the time of the study, 5 million volumes, but now over 10 million), indicating that large portions--up to 50%, perhaps--could be considered orphan works.¹⁸

¹¹ Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739, 3741 (Jan. 26, 2005).

¹² REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS 36-39 (2006), <http://www.copyright.gov/orphan/orphan-report-full.pdf> (reviewing categories of proposed uses of orphan works); Denise Troll Covey, *Rights, Registries and Remedies: An Analysis of Responses to the Copyright Office Notice of Inquiry Regarding Orphan Works*, in FREE CULTURE AND THE DIGITAL LIBRARY: SYMPOSIUM PROCEEDINGS 106-40 (Martin Halbert ed., 2005), available at http://works.bepress.com/denise_troll_covey/45 (statistical analysis of initial and reply comments, finding that 52% of initial commenters and 33% of reply commenters reported experience using or seeking to use orphan works).

¹³ REGISTER OF COPYRIGHTS, *supra* note 12, 36-39.

¹⁴ Response by the Cornell University Library to the Notice of Inquiry Concerning Orphan Works, Comment OW0569, 1-2 (March 23, 2005), <http://www.copyright.gov/orphan/comments/OW0569-Thomas.pdf>.

¹⁵ *Id.* at 2.

¹⁶ Response by the Carnegie Mellon University Libraries to the Notice of Inquiry Concerning Orphan Works, Comment OW0537, 2 (March 22, 2005), <http://www.copyright.gov/orphan/comments/OW0537-CarnegieMellon.pdf>.

¹⁷ *Id.* at 2.

¹⁸ John P. Wilkin, Bibliographic Indeterminacy and the Scale of Problems and Opportunities of “Rights” in Digital Collection Building, RUMINATIONS (Feb. 2011), <http://www.clir.org/pubs/ruminations/01wilkin/wilkin.html>.

Those estimates are of limited use however, because as the author of the report notes, several of the conclusions are based on unproven assumptions about copyright status of more recent works.¹⁹ Other studies to determine the number of orphan works in core library collections—i.e., the collections of print, published books and similar works—have come to similar, but more wide ranging, conclusions. These estimate that anywhere from 17 to 25 percent of the works in the core, published collection of books could be considered orphan works, and up to 70% in other more specialized collections.²⁰

Looking beyond books, special collections libraries and similar organizations are confronted with unique challenges that make the works in their collections more likely to be considered orphans. These collections often contain a mixed bag of various kinds of works, including photographs, letters, diaries, clippings, and other more ephemeral works. Many of these materials lack any copyright-owner produced metadata, or have almost no identifying information at all.²¹

Librarians and archivists working with these types of materials estimate that their collections contain a large number of orphan works. For example, one special collections study, *Due Diligence, Futile Effort: Copyright and the Digitization of the Thomas E. Watson Papers*, examined a collection containing early twentieth-century personal correspondence from a prominent state politician.²² The research group spent over 450 hour examining 8,400 documents. After identifying around 3,300 unique authors in the collection, the research group was able to locate death dates for 1,709 authors—around 51% in this collection—and filtered out those whose death dates precluded continued copyright protection (about 18% of identified authors). For the remaining authors for whom the group could not identify a death date or whose death date was late enough to indicate continued copyright protection, the group was able to source only 50 outlets from which to obtain contact information. Of those 50, the group received 25 responses, but because of further uncertainty and outdated information, was able to find current, dependable contact information for only two correspondents, who had written a total of four letters in the collection. Those two correspondents were William Randolph Hearst, a

¹⁹ *Id.*

²⁰ See Michael Cairns, *580,388 Orphan Works – Give or Take* (Sept. 9, 2009), <http://personanondata.blogspot.com/2009/09/580388-orphan-works-give-or-take.html> (focusing on works thought to be in the Google Books corpus and concluding that up to 25% could be considered orphan works). ANNA VUOPALA, ASSESSMENT OF THE ORPHAN WORKS ISSUE AND COSTS FOR RIGHTS CLEARANCE (2010, report for European Commission), http://ec.europa.eu/information_society/activities/digital_libraries/doc/reports_orphan/anna_report.pdf (summarizing estimates that range from 13% of all in-copyright books to up to 70% for certain collections).

²¹ See Dwayne K. Butler, *Intimacy Gone Awry: Copyright and Special Collections*, 52 J. LIBR. ADMIN. 279 (2012) (“Copyright interpretation requires highly fact specific analysis. For many special collections, much of that factual predicate has simply drifted from the historical record.”); see also REPORT ON ORPHAN WORKS CHALLENGES, *supra* note 9.

²² Maggie Dickson, *Due Diligence, Futile Effort: Copyright and the Digitization of the Thomas E. Watson Papers*, 73 AM. ARCHIVIST 626 (2010), <http://archivists.metapress.com/content/16rh811120280434/fulltext.pdf>. The report indicated that searches for identifying information were conducted in ancestry.com, the Congressional Biographical Directory, the Historical Marker Database online, the Library of Congress authority database, the New Georgia Encyclopedia, print references, the Social Security Death Index, and several other sources. *Id.*

prominent newspaper publisher, and Miles Poindexter, a United States representative and senator from the state of Washington.²³

Since 2006 several international efforts to review intellectual property law and policy have produced reports that gathered data about the orphan works problem. These reports recognize that orphan works are an important part of innovation policy, and efforts such as the UK's Gowers²⁴ and Hargreaves Reviews,²⁵ and reviews conducted for the European Commission²⁶ have concluded based on their own inquiries that the problem is severe and requires a solution.

However, some of the methodologies used to produce these estimates raise significant questions about their accuracy. Because there is no universally agreed definition of "orphan work," no standardized measuring methodology has been developed.²⁷ As a result, comparisons of estimates can be misleading or of questionable value. Several of the most widely cited estimates are based on sampling of small volumes of materials from specialized niche collections that could be expected to have a high proportion of orphan works. While these studies are grounded in empirical analysis, the results may not be representative of other more general collections and if used as a basis for extrapolation across different institutions and classes of works, could give an inaccurate picture of the volume of orphan works present in different cultural institutions.

These non-U.S. studies speak to the severity of the problem, documenting instances where organizations have had to expend significant sums on investigating rights, or have decided to forgo using a work altogether because of difficulty in obtaining copyright clearance. However, they reflect the wider legal environment in which these institutions operate— usually in the context of a legal regime without the flexible doctrine of fair use, which has, as explained below, given some U.S. users more confidence in using potentially orphaned works. Accordingly, while they document what was less clear in 2005-2006—namely, the significant extent of the orphan works problem—there are key differences in the U.S. legal environment that must be taken into account in formulating an orphan works policy framework that will address the U.S. situation.

²³ *Id.* (note that all of the rest of the works would probably not be considered orphans for various reasons such as public domain status, or for certain works whose copyright is owned by the donor to the collection).

²⁴ GOWERS REVIEW OF INTELLECTUAL PROPERTY 69 (2006), available at <http://www.official-documents.gov.uk/document/other/0118404830/0118404830.pdf> (noting estimates that nearly 90% of museum works have no known author, and that for sound recordings, researchers in the British Library were unable to identify rightsholders for over 50% of works in a sample of over 200).

²⁵ IAN HARGREAVES, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH (2011), <http://www.ipo.gov.uk/ipreview-finalreport.pdf>.

²⁶ See COMITÉ DES SAGES, THE NEW RENAISSANCE (2011), http://ec.europa.eu/information_society/activities/digital_libraries/doc/refgroup/final_report_cds.pdf; i2010: DIGITAL LIBRARIES HIGH LEVEL EXPERT GROUP, COPYRIGHT SUBGROUP, FINAL REPORT ON DIGITAL PRESERVATION, ORPHAN WORKS, AND OUT-OF-PRINT WORKS (2008), http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/reports/copyright/copyright_subgroup_final_report_26508-clean171.pdf. See also VUOPALA, *supra* note 20.

²⁷ VUOPALA, *supra* note 20, at 16; see also David R. Hansen, *Orphan Works: Definitional Issues* (White Paper No. 1, Berkeley Digital Library Copyright Project, 2011), <http://ssrn.com/abstract=1974614>.

The more recent data collected outside the U.S. indicates that the proportion of orphan works varies greatly across different sectors and classes of works. Consistent with the findings of the Copyright Office’s prior inquiry, the data indicates that the orphan works problem is more acute with respect to collections of photographs, archival film and other audiovisual works, and specialist collections of books.

The most comprehensive figures collected to date appear in the June 2012 UK Intellectual Property Office’s Final Impact Assessment on Orphan Works.²⁸ These estimates were gathered from key UK cultural institutions through a stakeholder consultation on orphan works issues conducted in 2011–2012. Following are the estimated ranges of orphan works in significant UK cultural collections listed in the Final Impact Assessment, arranged by category of works:

Category of Media/ Works	Volume of Sample	Proportion Orphaned
Artwork ²⁹	548,000	20-25%
Sound recordings (hrs)	750,000	5-10%
Commercial film (hrs) ³⁰	21,800,000	0-7%
Archive film (hrs)	513,000	5-35%
Photo libraries	>100,000,000	~0%
Archive photos ³¹	28,280,000	5-90%
Written material ³²	10,400,000	4-30%
Mixed collections ³³	38,000,000	8-40%

²⁸ UK Intellectual Property Office, *Final Impact Assessment on Orphan Works* (June 2012), 10-11, <http://www.ipo.gov.uk/consult-ia-bis1063-20120702.pdf>.

²⁹ *Id.* at 10. Based on a composite of the following estimates: The UK Imperial War Museum estimated that 20% of its 48,000 works collection is orphaned; the Guildhall Art Gallery – 20%; the London Metropolitan Archive – 25%; the National History Museum, London estimated that 25% of its 500,000 item collection is orphaned.

³⁰ *Id.* at 10–11. Calculated by treating an average film as 1.5 hrs long, and includes both UK and European film archives. This was based on the following composite estimates: the European Film Archives previously estimated that 4-7% of its 3,200,000 titles are orphaned; the UK Film Archives (FOCAL) estimates that 0.5% of most of its 17,000,000 hrs are orphans and that 0.25% of its imperial war museum collection is orphaned.

³¹ *Id.* at 10. Based on the following estimates: UK Museum Collections: 90% of its 19,000,000 collection as estimated for the 2011 EU Commission’s Orphan Works Impact Assessment; National Archive: 95% of its 85,000 works sample, also as included in the 2011 EU Commission Impact Assessment; Imperial War Archive: 20% of its 11,000,000 works collection; London Metropolitan Archive: 5-40% of its 260,000 works “New Deal” photo collection and 15% of the rest of its collection.

³² *Id.* 10-11. This does not include Oxford University’s estimated 600,000 orphaned items, nor the National History Museum’s collection of 195 cubic meters of manuscripts, 50% of which are estimated to be orphans. Based on estimates listed on p.10, including National History Museum, London: 20% of 1,000,000 book collection; National Library of Scotland: ~25% of 1,500,000 book collection; British Library: 31% of sample, and 43% of sample of books in copyright, as reported in B. STRATTON, SEEKING NEW LANDSCAPES: A RIGHTS CLEARANCE STUDY IN THE CONTEXT OF MASS DIGITISATION OF 140 BOOKS PUBLISHED BETWEEN 1870 AND 2010, (Sept. 2011) (British Library, produced with assistance from ARROW), <http://pressandpolicy.bl.uk/imagelibrary/downloadMedia.ashx?MediaDetailsID=1197>.

³³ *Id.* at 11 (calculated by treating the average work of the National Archive & National Records Scotland as a 1 cm holding).

The estimated proportion of orphaned written material does not include the book collection of the legal deposit library of the U.K., the Bodleian Library in Oxford University, which has itself estimated that 600,000 books or 13% of the books published and in-copyright in the U.K. are orphaned.³⁴

The proportion of orphaned works in non-U.S. collections of photographs is particularly high. In the UK, the Image Library of the UK National Archives reported in 2009 that in copyright registration forms for photographs from 1883 to 1912, 95% of rightsholders to 80,000 images still in-copyright were untraceable.³⁵ The Gowers Review reported figures provided by the Chair of the UK Museums Copyright Group that 70 major UK museums could not identify the rightsholders of about 90% of their combined collection of 19 million photographs.³⁶

The 2012 UK Impact Assessment ranges are generally consistent with the findings of a prior 2009 study of 503 UK public sector organizations produced for JISC, which found that the average proportion of orphan works across surveyed institutions was 5-10%, with some institutions, such as archives and libraries, having a higher median of 21-30% orphaned works in their collections. The JISC report concluded that approximately 13 million orphan works exist in the UK based on an extrapolation of the average. However, it noted that several individual institutions have in excess of 7.5 million orphan works in their collections, and that by extrapolation from an adjusted base including these institutions, the total number of orphan works in UK institutions could be as high as 50 million works. It concluded that the UK museum sector likely holds approximately 25 million orphaned works.³⁷

In Australia, a 2012 survey of the National and State Libraries of Australasia found that library collections could comprise between 10% - 70% of unpublished orphan works, depending on the type of works each institution collects.³⁸ Photographs comprised the highest average proportion of orphan works in libraries' collections (38%), together with pictures, manuscripts, maps, oral histories and other audiovisual material, which comprised the bulk of unpublished orphan works.

³⁴ VUOPALA, *supra* note 20, at 18. This estimate is based on figures provided by the Bodleian Library for research libraries from 1850-2009 on (1) how many books published in the UK have live authors, (2) authors to works that are dead but where the works are still in-copyright, and (3) authors to works that have died more than 70 years, which are in the public domain. 13% of UK in-copyright books reported in Commission Staff Working Paper, *Impact Assessment on the Cross-Border Online Access to Orphan Works*, at 17, COM (2011) 289 final, Table A4, at 51 (May 24, 2011), http://ec.europa.eu/internal_market/copyright/docs/orphan-works/impact-assessment_en.pdf. A 2010 Impact Assessment prepared for the European Commission estimated that there were about 3 million orphaned books in the 27 EU Member States based on an extrapolation from the Bodleian Library figure. VUOPALA, *supra* note 20, at 18.

³⁵ *Id.* at 30; 2011 European Commission Staff Working Paper, *Impact Assessment*, *supra* note 34, at 53.

³⁶ VUOPALA, *supra* note 20, at 29; GOWERS REVIEW, *supra* note 24, ¶4.93.

³⁷ JISC, *IN FROM THE COLD: AN ASSESSMENT OF THE SCOPE OF 'ORPHAN WORKS' AND ITS IMPACT ON DELIVERY TO THE PUBLIC* 18 (2009), <http://www.jisc.ac.uk/media/documents/publications/infromthecoldv1.pdf>.

³⁸ *Joint Submission of the Australian Digital Alliance and Australian Libraries Copyright Committee to the Australian Law Reform Commission's consultation on Copyright and the Digital Economy*, at 51 (November 2012), <http://digital.org.au/sites/digital.org.au/files/documents/FINAL%20ADA%20ALCC%20CopyRevSub.pdf>.

In relation to film and audiovisual works, the Association des Cinémathèques Européennes reported in 2010 that the average proportion of orphan works held by its member archives was 12%. However, it estimated that that 21% (225,000 of the 1,064,000 works in the European film archives) were *presumed* to be orphan works.³⁹ In 2010, the Australian National Film and Sound Archives estimated that about 20% of its national audiovisual collection is abandoned or orphaned.⁴⁰

In sum, these estimates indicate that there are potentially large numbers of orphan works and that these numbers vary considerably among different sectors. However, several important pieces of data are missing from most of the existing estimates; they do not indicate how these works are being used, the value of these works, or (with any accuracy) the true scope of the problem within particular sectors.

Recommendation 1: The Office should encourage and support more empirical research on the orphan works situation in the U.S., especially with regard to the number of orphan works across domains, the ways that orphan works are currently being used, the economic value of unused works, and the quantifiable costs and benefits of proposed solutions.

II. Developments in the United States Legal Landscape

The Copyright Office's 2006 *Orphan Works Report* reviewed existing legal solutions, such as fair use or library and archive limitations, but ultimately concluded that these "would not address many orphan works situations."⁴¹ That statement may no longer be true, at least for some users and uses, including large-scale digitization. Since the Copyright Office investigated the orphan works issue in its 2005 study, development in the United States relating to both the law of fair use and the way organizations approach complex copyright questions like fair use through community-developed best practices have significantly changed the outlook and attitude of some users of many potentially orphaned works. We believe that these developments are positive for both copyright users and copyright owners, as fair use allows for more works to be used in productive ways, while still requiring a careful consideration of the interests of copyright owners. As the fair use caselaw and related best practices continue to develop, we urge the

³⁹ Association des Cinémathèques Européennes, *Results of the Survey of Orphan Works 2009/2010* (March 29, 2010), http://www.ace-film.eu/wp-content/uploads/2011/12/ACE_Orphan_Works_Survey_Results_final_1004014.pdf. By comparison, the Federation of European Audiovisual Directors stated in 2009 that "very few" EU audiovisual works are "truly orphaned". See Submission of Federation of European Audiovisual Directors to the European Commission's Reflection Document on Creative Content in a European Digital Single Market: Challenges for the Future, A Reflection Document of DG INFSO and DG MARKT, 9 (Oct. 22, 2009), http://ec.europa.eu/avpolicy/docs/other_actions/col_2009/assoc/fera_en.pdf (cited in KEA European Affairs, *Audiovisual Orphan Works in Europe – Report prepared for the British Film Institute*, 13 (May 2011), <http://www.keanet.eu/docs/ORPHAN%20WORKS%20STUDY%20KEA.pdf>).

⁴⁰ Australian National Film and Sound Archive *Statement on Orphan Works* (June 2010), http://www.nfsa.gov.au/site_media/uploads/file/2011/02/03/Statement_on_Orphan_Works.pdf.

⁴¹ Orphan Works and Mass Digitization Notice of Inquiry, 77 Fed. Reg. 64,555, n.2 (Oct. 22, 2012).

Office to recognize these approaches as part of the orphan works and mass digitization solution space and that these approaches should be further developed.

Fair Uses

Since 2006, several fair use cases have clarified that some desired uses of orphan works—and mass digitization of copyrighted works more generally—do not require the permission of the copyright owner. Since 2006, for example, cases like *Perfect 10, Inc. v. Amazon.com, Inc.* clarified that reproduction and display of images in the context of online indexing that promotes information access can be fair use.⁴² *A.V. ex rel. Vanderhuyse v. iParadigms*, which addressed reuse of digital copies of student papers for purposes of detecting plagiarism, makes clear that fair use allows for information access and manipulation not just with search or indexing of harvested online content, but applies equally to a broader set of works and for other non-expressive information access uses.⁴³ Legal commenters have argued that non-expressive uses of a work, such as indexing or search, that rely on technology that requires incidental reproduction of copyrighted works, should be considered fair use.⁴⁴ Although now pending on appeal, the district court in *Authors Guild, Inc. v. HathiTrust* seemed to accept the application of that argument—that mass digitization of orphan works and other works for the purpose of extracting metadata should also be a fair use.⁴⁵

In addition, caselaw related to non-profit educational and research uses, such as those engaged in by libraries and archives, has bolstered the position of those organizations. In *Cambridge University Press v. Becker (Georgia State Univ.)*, for example, the District Court for the Northern District of Georgia confirmed the importance of educational mission to the fair use assertion for making digital copies of scholarly works for teaching purposes.⁴⁶ In *Assoc. for Information Media and Equipment v. The Regents of The University of California*, the District Court for the Central District of California twice analyzed the fair use position of the university with respect to a streaming digital video for students, and twice concluded the university's use was likely fair in part because the educational purpose and character of the use so heavily favored a fair use finding.⁴⁷ The *HathiTrust* case, although ultimately failing to address orphan works uses head-on, has thus far resulted in a decision in which the district court extolled the transformative and socially beneficial aspects of library digitization and access for scholarly and research purposes and for full-text access for the blind, stating that the court “cannot imagine a definition of fair use that would not encompass the transformative uses made by Defendants’ [Mass Digitization Project] and would require that I terminate this invaluable

⁴² *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

⁴³ *A.V. ex rel. Vanderhuyse v. iParadigms, LLC*, 562 F.3d 630 (4th Cir. 2009).

⁴⁴ Matthew Sag, *Copyright and Copy-Reliant Technology*, 103 NW. U.L. REV. 1607 (2009); Matthew Sag, *Orphan Works as Grist for the Data Mill*, 27 BERKELEY TECH. L. J. ____ (forthcoming 2013).

⁴⁵ *Authors Guild, Inc. v. HathiTrust*, 11 CV 6351 HB, 2012 WL 4808939, at *14 (S.D.N.Y. Oct. 10, 2012) (citing approvingly the amicus curiae brief of Digital Humanities and Law Professors)

⁴⁶ *Cambridge University Press v. Becker*, 863 F.Supp.2d 1190 (N.D. Ga. 2012)

⁴⁷ *Ass'n for Info. Media and Equip. v. Regents of the Univ. of California*, No. CV 10-9378 CBM (MANx), 2011 WL 7447148 (C.D.Cal. Oct. 3, 2011), and *Ass'n for Info. Media and Equip. v. Regents of the Univ. of California*, No. CV 10-9378 CBM (MANx) (C.D.Cal. Nov. 20, 2012).

contribution to the progress of science and cultivation of the arts that at the same time effectuates the ideals espoused by the ADA.”⁴⁸ The court in that case concluded that such uses of a collection of works that are largely non-fiction, many out of print, and in almost all cases, used by a nonprofit library in a way that does not affect established markets, was a fair use.⁴⁹

Of course, plaintiffs in both *HathiTrust* and *Georgia State Univ.* are currently appealing those decisions,⁵⁰ and we recognize that case law could always begin to trend in another direction. Nevertheless, to the extent that the orphan works problem is caused by fear of risk on the part of potential users, these cases have decreased the severity of the problem for those organizations who feel that they can now more confidently rely upon fair use.

In addition to these developments, we believe that there is a strong but as yet untested argument that the orphan works status of a work should itself tend to tilt a given use more toward being fair. This argument, more fully developed in Jennifer Urban’s article, *How Fair Use Can Help Solve the Orphan Works Problem*,⁵¹ focuses on two aspects that are unique to true orphan works: first, the nature of the work itself, as an under-exploited and currently unused work, should tend to tilt the second fair use factor analysis (nature of the work) in favor of a fair use finding, and second, because use of an orphan work has no impact on the potential market for the work under the fourth fair use factor, because no market can exist without an owner to sell or license the work. Urban presents this argument as a partial solution to the orphan works problem for nonprofit libraries, archives, and similar educational users.⁵² The Association of Research Libraries has also adopted this view.⁵³

How organizations go about establishing orphan works status for purposes of asserting fair use in this way, either through a diligent search or by following some other standard, remains to be seen. But, as explained below, libraries, archives and memory institutions are beginning to explore how to do this through the development of best practices.

Recommendation 2: The Office should recognize that fair use is an important part of the orphan works and mass digitization solution space and is being relied upon by libraries and archives. The Office should take care to explicitly preserve fair use as a part of the solution to the orphan works problem if it decides to recommend legislative reform. This could take the form of an explicit savings clause similar to that in 17 U.S.C. § 108(f)(4).

⁴⁸ Authors Guild, Inc. v. HathiTrust, 11 CV 6351 HB, 2012 WL 4808939 (S.D.N.Y. Oct. 10, 2012).

⁴⁹ *Id.*

⁵⁰ Authors Guild, Inc. v. HathiTrust, Case No. 12-0457(2d Cir. 2012); Cambridge University Press v. J.L. Albert, Case No. 12-14676 (11th Cir. 2012).

⁵¹ Jennifer Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 BERKELEY TECH. L.J. (forthcoming 2013), available at <http://ssrn.com/abstract=2089526>.

⁵² *Id.*

⁵³ ASSOC. RES. LIBRS., RESOURCE PACKET ON ORPHAN WORKS: LEGAL AND POLICY ISSUES FOR RESEARCH LIBRARIES, 9-17 (2011), http://www.arl.org/bm~doc/resource_orphanworks_13sept11.pdf.

Best Practices

In addition to the developments noted above, users have begun to more effectively assert fair use by creating and then using community-developed best practices in fair use. These best practices, created using a methodology developed by professors Peter Jaszi and Patricia Aufderheide,⁵⁴ originate within the community as an attempt to document the community's norms and practices around fair uses of copyrighted works. They rely on extensive input from the practice community, who are tasked with answering complex copyright questions as part of their daily activities. Best practices documents of this kind have been developed with documentary film makers,⁵⁵ poets,⁵⁶ open courseware providers,⁵⁷ K-12 media literacy teachers,⁵⁸ dance archivists,⁵⁹ cinema and communications scholars,⁶⁰ and several others.⁶¹

Libraries in particular have benefited from this methodology through the development of the Association of Research Libraries' (ARL) *Code of Best Practices in Fair Use for Academic and Research Libraries*.⁶² Among other things, the ARL code contains principles for making fair uses of copyrighted works when digitizing to preserve at-risk items, digitizing and making available special collection and archive materials, reproducing for access by disabled users, and developing databases for non-consumptive scholarly and research uses (e.g., indexing and search).⁶³ Commenters to the Office's 2005 inquiry had previously identified several of these types of uses as desirable but potentially problematic in the orphan works context.⁶⁴

⁵⁴ PATRICIA AUFDERHEIDE & PETER JASZI, RECLAIMING FAIR USE (2011).

⁵⁵ *Documentary Filmmakers' Statement of Best Practices in Fair Use*, CTR. FOR SOCIAL MEDIA, <http://centerforsocialmedia.org/fair-use/best-practices/documentary/fair-use-and-documentary-film> (last visited Jan. 21, 2013).

⁵⁶ *Code of Best Practices in Fair Use for Poetry*, CTR. FOR SOCIAL MEDIA, <http://centerforsocialmedia.org/fair-use/best-practices/code-best-practices-fair-use-poetry> (last visited Jan. 21, 2013).

⁵⁷ *Code of Best Practices in Fair Use for OpenCourseWare*, CTR. FOR SOCIAL MEDIA, <http://www.centerforsocialmedia.org/ocw> (last visited Jan. 21, 2013).

⁵⁸ *The Code of Best Practices in Fair Use for Media Literacy Education*, CTR. FOR SOCIAL MEDIA, <http://www.centerforsocialmedia.org/fair-use/related-materials/codes/code-best-practices-fair-use-media-literacy-education> (last visited Jan 21, 2013)

⁵⁹ *Best Practices in Fair Use of Dance-related Materials*, CTR. FOR SOCIAL MEDIA, <http://www.centerforsocialmedia.org/fair-use/related-materials/codes/best-practices-fair-use-dance-related-materials> (last visited Jan. 21, 2013).

⁶⁰ *Code of Best Practices in Fair Use for Scholarly Research in Communication*, CTR. FOR SOCIAL MEDIA, <http://www.centerforsocialmedia.org/fair-use/related-materials/codes/code-best-practices-fair-use-scholarly-research-communication> (last visited Jan. 21, 2013).

⁶¹ *See Best Practices*, CTR. FOR SOCIAL MEDIA, <http://www.centerforsocialmedia.org/fair-use/best-practices> (last visited Jan. 21, 2013).

⁶² ASSOC. RESEARCH LIBRARIES ET AL., CODE OF BEST PRACTICES IN FAIR USE FOR ACADEMIC AND RESEARCH LIBRARIES (Jan. 2012), <http://www.arl.org/pp/ppcopyright/codefairuse/code/index.shtml>.

⁶³ *Id.*

⁶⁴ REGISTER OF COPYRIGHTS, *supra* note 12, at 36-39.

More directly aimed at orphan works and searches for rightsholders, in 2009 the Society of American Archivists (SAA) developed a first-of-its-kind set of best practice guidelines for using orphan works in the archival context.⁶⁵ Though not following the community-centered methodology described above, the SAA document “describes what professional archivists consider to be best practices regarding reasonable efforts to identify and locate rights holders.”⁶⁶ Despite the Copyright Office’s 2006 suggestion that user and rightsholder groups develop best practices like these,⁶⁷ the SAA is unique as it is the only known U.S. guide of its kind. As such, the SAA best practices represent an important first step toward dealing with orphan works at a practical level. At present we have no collected information about how archivists have used the SAA document in practice.

In September 2012, members of this team helped launch an effort to develop a more robust set of orphan works best practices for libraries, archives, and other memory institutions. This effort is ongoing and will follow the community-centered methodology described above. So far, the project has produced a report, *Orphan Works Challenges for Libraries, Archives, and Other Memory Institutions*, which outlines the most recent thinking within the community about the orphan works-related challenges these institutions face.⁶⁸ A full copy of the report is attached in Appendix A. The report explains:

- There is overwhelming evidence that orphan works challenges and fears are most pertinent in the context of digitization, especially mass digitization;
- The potential orphan works status of a work can sometimes obscure uses that libraries could make under fair use or under other copyright limitations without reference to the orphan status of a work;
- Libraries and archives are generally uncertain about how and when to engage in a diligent search for rightsholders of works;
- These organizations are uncertain about the true risks that orphan works pose to potential users, especially in light of reports from several organizations that have digitized with little or no negative reaction from potential rightsholders; and
- That privacy and related concerns outside of copyright often play a large part in determining when to use a potentially orphaned work.

With those challenges in mind, the Orphan Works Best Practices Project has begun to organize focus groups to meet with community members to discuss scenarios where best practices would help guide potentially beneficial uses of those works. Those focus group sessions will take place over the next six months. Based on feedback from those meetings, we anticipate that the community will publish and endorse an orphan works best practices document in summer 2013.

The developments outlined above represent significant changes in the U.S. legal landscape since the Office first studied this issue in 2005. Many of the largest holders of orphan works, such as

⁶⁵ Society of American Archivists, *Orphan Works: Statement of Best Practices* (2009), <http://www.archivists.org/standards/OWBP-V4.pdf>.

⁶⁶ *Id.*

⁶⁷ REGISTER OF COPYRIGHTS, *supra* note 12, at 110.

⁶⁸ REPORT ON ORPHAN WORKS CHALLENGES, *supra* note 9.

nonprofit libraries, archives, museums, and other memory institutions, are now comfortable making many uses of these works based on a straightforward assertion of fair use without regard to a works orphan status. In addition, this same community is developing a framework, through the Orphan Works Best Practices Project, for how to establish orphan works status through a search for rightsholders and for when such a designation matters to the legal position of the organization.

As the Copyright Office develops its own recommendations about orphan works solutions, it should recognize that these developments have changed the need for any further orphan works legislation, as some users no longer view the risks of using orphan works to be prohibitive.

The Office should also recognize that these developments do not apply equally to all users and uses. As we discussed in the section above, the Office should encourage new empirical research into how organizations use orphan works in order to better understand how to fine tune and tailor an orphan works solution to the needs of users and copyright owners as they exist today. We believe that the use of orphan works to produce derivative works, for example, remains unaddressed by other legal developments because potential for injunctive relief obtained by emergent unknown owners may continue to deter otherwise beneficial uses. Likewise, commercial users may still find use of orphan works to be prohibitively risky because their fair use argument is not as strong. An orphan works solution that fails to address these remaining uses would be incomplete.

Recommendation 3: The Office should recognize that voluntary community-driven efforts to create best practices for using orphan works, including in the context of large-scale digitization, are ongoing and that those efforts should be given time to develop.

Recommendation 4: If the Office decides to recommend legislative reform, it should follow the limitation on remedy approach proposed in the Copyright Office’s previous report. Any legislative solution for orphan works should include exemption from statutory damages awards against a user that has conducted a reasonably diligent search. It should also provide a workable solution for derivative works that use works previously considered to be orphaned on the basis of a diligent search, as outlined in more detail in Recommendation 6.

III. Other Developments in the Orphan Works Solution Space

Since 2006, a number of countries outside the United States have adopted, or are presently considering, legal frameworks to facilitate use of orphan works. This has produced a significant body of information about the costs, effectiveness, policy benefits, and potential detractions of various legal approaches to addressing orphan works. The Copyright Office should consider this information in developing its own approach, but should also recognize that these orphan works regimes have been developed in legal regimes with characteristics that differ significantly from the U.S. legal regime—in particular, as regards the availability of statutory damages for returning copyright owners, and reliance on fair use for libraries and others seeking to use orphan works.

Accordingly, these regimes would not operate in the same way if transplanted in the U.S. environment.

Four major approaches have emerged across different countries' legal regimes to facilitate access to and use of orphan works: (1) limiting the remedies that a re-appearing copyright holder can exercise against a person who uses an apparently orphaned work (the approach proposed by the Copyright Office in 2006 and in subsequent legislative proposals); (2) creating exceptions or limitations in national copyright law permitting particular uses of orphaned works; (3) licensing use of an orphan work by an administrative or government-sanctioned agency; and (4) use of collective licensing regimes. In recognition of the distinct issues raised by case-by-case uses of orphan works and large scale uses including mass digitization of collections containing significant numbers of orphan works, several countries have adopted two-track systems, which provide tailored licensing solutions for individual uses of orphan works, and collective licensing for mass digitization of collections that are likely to include significant numbers of orphan works.

(1) Copyright Exceptions or Limitations Permitting Particular Uses of Orphan Works

This approach was adopted in the 2012 EU Directive on Certain Permitted Uses of Orphan Works⁶⁹ and is currently being considered as one of several options by the Australian government.⁷⁰

EU Orphan Works Directive

The EU Directive requires the 27 EU Member States to create an exception in their national copyright laws to permit publicly accessible libraries, educational establishments, museums, archives, film and audio heritage institutions, and public service broadcasting archives to reproduce, digitize and make available orphaned works in their collections on certain conditions. It also creates a new centralized EU Orphan Works database. The Directive went into effect on October 25, 2012 and must be implemented in the 27 EU member states' national laws by 29 October 2014.⁷¹

The Directive does not seek to address all aspects of the orphan works problem. It differs from the U.S. Copyright Office's 2006 proposal in several respects. First, it applies to a more limited set of users than the previous U.S. Copyright Office proposal: uses by publicly-accessible libraries, educational establishments and museums, archives, film and audio heritage institutions, and public service broadcasting organizations that seek to use orphan works as part of their

⁶⁹ Directive 2012/28/EU of the European Parliament and of the Council of October 25, 2012, on Certain Permitted Uses of Orphan Works at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>

⁷⁰ Australian Law Reform Commission Consultation on Copyright and the Digital Economy, *Issues Paper*, August 20, 2012, paragraphs 149-167; Question 24; at: <http://www.alrc.gov.au/publications/issues-paper/orphan-works>.

⁷¹ Directive 2012/28/EU of the European Parliament, *supra* note 69, Article 9.

public interest mission.⁷² Second, it applies to only certain EU works within these institutions' collections—text, audiovisual and cinematographic works. It does not apply to stand-alone photographs, but does cover those incorporated in other covered works, nor does it apply to foreign works. Third, the Directive does not allow EU cultural institutions to make commercial uses of orphan works, although institutions may generate revenue so long as it is used exclusively to defray the cultural institution's costs of digitizing orphan works and making them available to the public.⁷³ Fourth, the Directive requires payment of fair compensation to any re-appearing rightsholder of a work previously identified as orphaned, irrespective of whether the use is commercial or non-commercial, and whether or not a prior diligent search was performed. It also precludes ongoing use of an orphaned work or derivative work without the consent of the re-appearing rightsholder or holders.

Like the U.S. Copyright Office proposal and proposed legislation, a prior diligent search is a core requirement of the EU Directive.⁷⁴ The Directive provides some guidance on what constitutes a diligent search for this purpose, but the final details will be set out in EU Member States' national laws. The cultural institution that wishes to make use of a suspected orphan work must carry out a good faith search, or it may be conducted by other organizations that EU member states specify in their national implementing legislation. This could include services that undertake diligent searches for a fee.⁷⁵ The Directive contemplates that users will search different sources depending on the nature of the work involved. This follows the sector-specific approach taken in the 2008 Diligent Search Guidelines developed by the EU High Level Expert Group on Digital Libraries established under the i2010 Digital Libraries initiative.⁷⁶

EU cultural institutions must document the search that they have undertaken and the results, which will be recorded in a central publicly accessible online database⁷⁷ that will be established and managed by the European Commission's Office for Harmonization in the Internal Market.⁷⁸ Cultural institutions must also keep a copy of the search record on file, to "be able to substantiate that the search was diligent".⁷⁹ To facilitate cross-border uses of orphan works, the Directive requires mutual recognition across all EU member states of works considered to be orphaned on the basis of a cultural institution's search in one EU country.

Although the Directive was adopted to facilitate the digitization of and making available of cultural institutions' collections to the public, several EU scholars, consumer groups and

⁷² *Id.*, Article 1.

⁷³ *Id.*, Article 6.2; Recital 21.

⁷⁴ *Id.*, Articles 2.1 and 3.

⁷⁵ *Id.*, Article 3.1 & Recital 13.

⁷⁶ European Digital Libraries Initiative, Joint Report on Sector-Specific Guidelines on Due Diligence Criteria for Orphan Works, 2, http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/orphan/guidelines.pdf; Memorandum of Understanding on Diligent Search Guidelines for Orphan Works, June 4, 2008, http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/orphan/mou.pdf.

⁷⁷ *Id.*, Article 3.5 and 3.6; Recitals 15 and 16.

⁷⁸ *Id.*, Recital 16; Article 3.6.

⁷⁹ *Id.*, Recital 15.

international library organizations have questioned whether it will be able to do so. The Directive has been criticized for its limited scope, for imposing an onerous and expensive per-work search burden on cultural institutions, and for providing inadequate legal protection to libraries and archives that wish to digitize and make available entire collections to benefit the public interest.⁸⁰ Library organizations claim that while the Directive may provide some assistance for digitization of small-scale and niche collections, libraries will not be incentivized to digitize more diverse large-scale collections due to potential liability and financial uncertainty. In particular, the requirement for cultural institutions to pay compensation to re-appearing rightsholders for all prior uses of a work previously identified as an orphan—even where a diligent search has been conducted—provides no risk management mechanism for libraries, archives and cultural institutions that seek to digitize materials and make available their digital archives.

Australia

Australia is currently holding an inquiry on whether to adopt orphan works legislation based on a copyright exception, a centrally granted license, or an extended collective licensing regime.⁸¹ The Australian Copyright Council Experts Group has recommended differentiating treatment of individual uses of orphan works from mass digitization of collections containing orphan works.⁸² It found that there is a “good case for the introduction of a new exception to infringement to allow the free use of unpublished orphan works for non-commercial purposes by natural persons”, which could also be extended to Internet Service Providers and web-hosting platforms and others that facilitate non commercial use of orphan works. It noted that commercial uses of unpublished orphan works, and uses by non-natural persons raise more complex policy issues.⁸³

(2) Centrally granted licenses with escrow

Canada,⁸⁴ South Korea, Japan, and India have adopted regimes under which a central government agency may grant a non exclusive license to use identified orphan works, upon application by a person or entity that has conducted an unsuccessful search for rightsholders,

⁸⁰ Information Sans Frontieres, *Response to the Final Compromise Text of the Orphan Works Directive*, June 22, 2012, at: <http://informationsansfrontieres.eu/2012/06/22/a-response-from-information-sans-frontieres-to-the-final-compromise-text-of-the-orphan-works-directive-4/>; see also TransAtlantic Consumer Dialogue, *Orphans Left Out in Cold: Final Vote on Weak Directive*, IP POLICY BLOG, Sept 12, 2012, <http://tacd-ip.org/archives/742>.

⁸¹ Australian Law Reform Commission Consultation on Copyright and the Digital Economy, *Issues Paper*, August 20, 2012, paragraphs 149-167; Question 24; at: <http://www.alrc.gov.au/publications/issues-paper/orphan-works>. See also Copyright Council Expert Group, *Directions in Copyright Reform in Australia* (2011), 8–9 at <http://www.copyright.org.au/pdf/Copyright%20Council%20Expert%20Group%20-%20Paper%202011.pdf>; D. Brennan and M. Fraser, *The Use of Subject Matter with Missing Owners - Australian Copyright Policy Options* (2012), 7; at <http://www.law.uts.edu.au/comslaw/Researchreports/MissingOwnersDiscussionPaperAugust11.pdf>

⁸² Australian Copyright Council Experts Group, *Directions in Copyright Reform in Australia*, 2011, p. 8 at <http://www.copyright.org.au/pdf/Copyright%20Council%20Expert%20Group%20-%20Paper%202011.pdf>

⁸³ *Id.*

⁸⁴ Copyright Act of Canada, RSC 1985, c. C-42, section 77, available at <http://www.canlii.org/en/ca/laws/stat/rsc-1985-c-c-42/latest/rsc-1985-c-c-42.html>.

with varying degrees of administrative oversight or review of the search.⁸⁵ The People's Republic of China is currently considering adopting a similar orphan works regime.⁸⁶ In these regimes, license fees are usually paid up-front and held in escrow for a re-appearing owner for a specified period, after which the funds are usually made available to the administrative agency for a different purpose.

Canada adopted its system in 1988 and the other countries' systems draw from its regime. Prospective users of works for which owners cannot be located may petition the Copyright Board of Canada requesting a non-exclusive license to make certain uses of a work. The Board may grant a license where it is satisfied that the user has made "reasonable efforts" to locate the rightsholder in the work, and that the owner is unlocatable.⁸⁷ From 1988 to 2009, 441 applications were filed for licenses to use 12,640 suspected orphan works.⁸⁸ Of those, 230 licenses were granted between August 1990 and July 2008.⁸⁹

License regimes requiring review of individual applications have been criticized as being bureaucratic, costly, and "likely to be little used".⁹⁰ The British Library notes that a system requiring payment of up-front licensing fees that would be held in escrow for a returning rightsholder does not sit well with the cultural mission, limited resources, and current clearance practices of many libraries and could make the difference between a digitization project going ahead or not. The British Library noted that for non-commercial digital library projects, it

⁸⁵ See *Copyright Act 1970, Law No. 48 of 1970, 2009* (Japan) art. 67, unofficial translation available at http://www.cric.or.jp/cric_e/clj/clj.html (requiring a potential user to submit an application for a license along with data explaining why the copyright owner cannot be found); *Copyright Act 1957 as amended by the Copyright Amendment Act of 2012* (India) at paras. 17–18, http://copyright.gov.in/Documents/CRACT_AMNDMNT_2012.pdf (allowing for applications to Copyright Board for works where "the author is dead or unknown or cannot be traced, or the owner of the copyright in such work cannot be found," and directing that the Copyright Board to grant licenses for use after it has made an inquiry into the good faith of the searcher and satisfied itself that the license needs to be granted after giving any owners an opportunity to be heard); *Copyright Act 1957, Law No. 432, as last amended by Law No. 9625 of April 22, 2009* (South Korea) art. 50, <http://www.wipo.int/wipolex/en/details.jsp?id=7182> (requiring users to submit evidence of considerable efforts to locate the owner); see also *Enforcement Decree of the Copyright Act, 2009-08-06 / No. 21676 / 2009-08-07* (South Korea) (defining "considerable efforts" and detailing the administrative process) at: http://www.wipo.int/wipolex/en/text.jsp?file_id=200937.

⁸⁶ Maria Strong, *External Perspectives on the New Draft Chinese Copyright Law: Informal Comments of the U.S. Copyright Office*, presentation at the Conference on New Developments in Chinese Copyright Law and Enforcement, Berkeley Centre for Law & Technology, October 4, 2012 at http://www.law.berkeley.edu/files/bclt_Panel_2_Maria_Strong.ppt; Dr. Prof. Hong Xue, *A User-Unfriendly Draft: 3rd Revision of the Chinese Copyright Law*, <http://infojustice.org/wp-content/uploads/2012/04/hongxue042012.pdf>.

⁸⁷ Copyright Act of Canada, RSC 1985, c. C-42, section 77, at <http://www.canlii.org/en/ca/laws/stat/rsc-1985-c-c-42/latest/rsc-1985-c-c-42.html>.

⁸⁸ Jeremy De Beer & Mario Bouchard, *Canada's 'Orphan Works' Regime: Unlocatable Copyright Owners and the Copyright Board*, 10 OXFORD UNIV. COMMONWEALTH L.J. 215, 242 (2010).

⁸⁹ See *Decisions – Unlocatable Rightsholders*, COPYRIGHT BOARD OF CANADA, <http://www.cb-cda.gc.ca/unlocatable-introuvables/licences-e.html> (last visited Nov. 12, 2012).

⁹⁰ See UK INTELLECTUAL PROPERTY OFFICE, FINAL IMPACT ASSESSMENT 7 (July 2012) at 4,6 at <http://www.ipo.gov.uk/consult-ia-bis1063-20120702.pdf>

attempts to obtain clearance to use a work from a copyright holder, and in the instances where excessive fees for use have been requested, it has excluded those works from the projects.⁹¹

(3) Extended Collective Licensing Regimes

In recent years there has been increasing interest in Extended Collective Licensing (ECL) regimes as a means of facilitating access to orphan works because ECL regimes are seen as offering protection against copyright infringement liability with lower transaction costs than other approaches to orphan works.⁹² Under an ECL regime, unlocatable rightsholders would be represented by a collective management organization that represents a majority of the identified holders of the rights in the relevant class of works.⁹³

ECL regimes are in operation in Hungary, the Czech Republic, Sweden, Norway, Denmark, Iceland, and Finland. The Nordic country ECL regimes cover primary broadcasting, cable retransmission and communication to the public of previously broadcast television programs, and certain forms of reproduction (including photocopying) for certain activities or by certain institutions. In 2008 Hungary adopted an ECL regime that extends authority to Hungarian CMOs to license orphan works in broader collections of rights in works that they administer, as discussed further below. The European Commission considered an ECL regime as a possible option for facilitating mass digitization of collections involving orphan works and as a possible basis for an EU orphan works directive,⁹⁴ but ultimately opted for an exception-based orphan works regime in the new EU Directive.

⁹¹ Response of the British Library to the UK Government's Consultation on Copyright, March 2012, at 12, at <http://www.ipo.gov.uk/response-2011-copyright-bl.pdf>.

⁹² See, e.g., JOHAN AXHAMN & LUCIE GUIBAULT, CROSS-BORDER EXTENDED COLLECTIVE LICENSING: A SOLUTION TO ONLINE DISSEMINATION OF EUROPE'S CULTURAL HERITAGE? 25 (2011), http://www.ivir.nl/publicaties/guibault/ECL_Europeana_final_report092011.pdf ("ECLs have been an important part of the copyright acts of the Nordic countries ever since their first introduction in relation to primary broadcasting at the beginning of the 1960s.106 This system offers a solution to the high level of transaction costs associated with mass-digitisation and online dissemination.").

⁹³ Tarja Koskinen-Olsson, *Collective Management in the Nordic Countries*, ch. 9, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS, (Daniel Gervais, ed., 2d ed., Kluwer Law International, 2010); DANIEL GERVAIS, APPLICATION OF AN EXTENDED COLLECTIVE LICENSING REGIME IN CANADA: PRINCIPLES AND ISSUES RELATED TO IMPLEMENTATION (prepared for Department of Canada Heritage, 2003), at http://aix1.uottawa.ca/~dgervais/publications/extended_licensing.pdf.

⁹⁴ The European Commission considered an ECL regime for orphan works regime in its 2011 Impact Assessment on Orphan Works (Commission Staff Working Paper, *Impact Assessment on the Cross-Border Online Access to Orphan Works*, at 17, COM (2011) 289 final (May 24, 2011), http://ec.europa.eu/internal_market/copyright/docs/orphan-works/impact-assessment_en.pdf) and in its 2009 Reflection Document on Creative Content in a European Digital Single Market: Challenges for the Future (European Commission, *Creative Content in a European Digital Single Market: Challenges for the Future, A Reflection Document produced by DG INFOSOC and DG MARKT* (October 22, 2009), http://ec.europa.eu/avpolicy/docs/other_actions/col_2009/reflection_paper.pdf). It has also considered collective licensing regimes for mass digitization of out-of-commerce works (*Memorandum of Understanding: Key Principles on the Digitisation and Making Available of Out-of-Commerce Works*, September 20, 2011, at: http://ec.europa.eu/internal_market/copyright/docs/copyright-info/20110920-mou_en.pdf). However, the final EU Orphan Works Directive did not adopt ECLs for orphan works, but accommodates the existing ECL regimes in the Nordic countries and would permit introduction of new national schemes by EU Member States (Directive

The Nordic regimes build on existing collective management agreements in respect of particular classes of works, but extend their operation via legislation to permit the collective management organization (CMO) to represent rightsholders who are not members. Non-member rightsholders' interests are protected through legislative provisions requiring CMOs to provide equal treatment of members and non-members regarding remuneration, by provisions on mediation and arbitration, and by providing rightsholders with the ability to opt out and/or seek individual remuneration.⁹⁵

(4) Two-tiered Regimes for Mass Digitization and Individual Uses of Orphan Works

U.K.

The U.K. is proposing to adopt a two-tiered orphan works regime, permitting commercial and non-commercial use of published and unpublished works, and the creation of an orphan works registry.⁹⁶ At the first tier, cultural institutions would be permitted to digitize orphan works in their collections through an Extended Collective Licensing regime. At the second tier, individuals and institutions seeking to make use of individual orphan works can apply for a non-exclusive license from a central government or government-sanctioned private agency on payment of a license fee. The first tier is modeled on the ECL regimes of the Nordic countries; the second track for smaller-scale uses is modeled on the regimes in Canada and Japan.⁹⁷

A diligent search would be required before use at both tiers. The new central licensing body will issue sector-specific guidelines on what constitutes a diligent search, based on input from industry and stakeholders. For large-scale uses, the diligent search would be performed by the cultural institution that wishes to digitize its collection or by a collective management organization that has applied to operate an ECL regime for particular classes of works in the institutions' collection. Diligent searches performed by cultural institutions or their agents would not be individually reviewed. Instead, the new central licensing agency will take a "regulatory" approach, accrediting institutions that want to register orphan works, and periodically testing the quality of institutions' searches and the search process on a random sampling basis.⁹⁸ For individual use license applications, diligent searches would be performed by the user (whether

2012/28/EC of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5, Article 1.5).

⁹⁵ AXHAMN & GUIBAULT, *supra* note 92, at 27-28, 30; *see also* Tarja Koskinen-Olsson, *Collective Management in the Nordic Countries*, *supra*, note 93; Henry Olsson, *The Extended Collective License as Applied in the Nordic Countries*, (2010) at <http://www.kopinor.no/en/copyright/extended-collective-license/documents/the-extended-collective-license-as-applied-in-the-nordic-countries>.

⁹⁶ U.K. Intellectual Property Office *Policy Statement: Consultation on Modernising Copyright Licensing*, July 2012, 9-10, at <http://www.ipo.gov.uk/response-2011-copyright.pdf>

⁹⁷ This regime is based on recommendations in Professor Ian Hargreaves' report to the UK Government, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH, *supra* note 25, at 40, ¶¶ 4.56-59.

⁹⁸ The government apparently rejected this on the basis of the Canadian experience, which was criticized in submissions as being bureaucratic, costly, and "likely to be little used". See UK Intellectual Property Office Final Impact Assessment, July 2012, 4 at: <http://www.ipo.gov.uk/consult-ia-bis1063-20120702.pdf>.

individual or institution) that wants to make use of an individual orphan work, and would be reviewed and validated by the new central licensing agency.⁹⁹ The authorizing body would require details of searched databases and methods with each license application, which would be recorded in an orphan works registry.¹⁰⁰ The new licensing agency will determine the terms of the non-exclusive license, and set a license fee that would be paid to the agency and held in escrow for re-appearing rightsholders.

The UK Intellectual Property Office estimates that:

- the cost to users of conducting diligent searches for individual uses of orphan works would be £31m - £122m p.a;
- the cost of establishing the new authorizing body would be £2.5m (for establishing an orphan works registry database) to £10 m (for establishing a new body with regulatory functions that could determine whether suspected orphaned works could be used under license); and
- the costs of operating the new authorizing body would be £0.5m - £1.8m p.a.¹⁰¹

Hungary

In 2008 Hungary adopted a two-tiered orphan works regime. It comprises ECL for uses of works that are covered by existing collective management arrangements, and a centrally-granted non-exclusive and non-transferable license granted by the Hungarian Patent Office for use of orphan works falling outside the scope of collective rights management.¹⁰² Licenses to use orphan works may be granted for a maximum term of 5 years, do not permit derivative uses of works, and may authorize both commercial and non-commercial uses. Licenses for non-commercial uses are usually exempt from fees. Licenses for commercial use require payment of remuneration fixed by the HPO, which is held on deposit for reappearing rightsholders for 5 years. If no rightsholder appears to claim the deposit, the HPO transfers the deposited funds to the collective right management society that grants licenses for the other works of the right owner or, where no relevant collective management society exists, to the National Cultural Fund, which must use the funds for making cultural goods accessible.¹⁰³

Applicants for an individual license must conduct a diligent search for rightsholders based on sector-specific guidelines.¹⁰⁴ License applicants must attach proof of the search they have

⁹⁹ *Id.* at 5.

¹⁰⁰ *Id.* at 7.

¹⁰¹ *Id.* at 7.

¹⁰² Mihaly Ficsor, *How to deal with orphan works in the digital world? An introduction to the new Hungarian legislation on orphan works*, Presentation to European Parliament, October 2009 at: <http://www.europarl.europa.eu/document/activities/cont/200911/20091117ATT64717/20091117ATT64717EN.pdf>.

¹⁰³ Aniko Gyenge, Hungarian Ministry of Justice and Law Enforcement, Head of Unit on Consumer Protection, Copyright and Industrial Property Unit, *The Hungarian Model of Licensing Orphan Works*, Presentation at the European States Presidency Conference on Digitisation of Cultural Material, Digital Libraries and Copyright, March 14, 2010, Madrid at: http://www.mcu.es/principal/docs/MC/PresidenciaUE2010/Aniko_Gyenge_presentation.pdf.

¹⁰⁴ Decree 100/2009. (V.8.) Korm.) of the Government on the Detailed Rules Related to the Licensing of Certain Use of Orphan Works, Article 2, at: http://www.wipo.int/wipolex/en/text.jsp?file_id=242073.

undertaken and the fact that the search was unsuccessful. The Hungarian Patent Office is required to maintain a publicly accessible register of licenses that have been granted to use orphan works.¹⁰⁵ To date, 22 applications for licenses appear on this Register.¹⁰⁶ Some of these cover multiple orphan works. For instance, the National Audiovisual Archive sought a license to use 370 orphaned works and the Library of the Hungarian Parliament sought a license to use about 1000 orphaned works.¹⁰⁷

Recommendation 5: The Copyright Office should consider adopting tailored solutions that facilitate different uses and different types of users of orphan works.

In line with Recommendation 5, for mass digitization projects, requiring work-by-work searches could be unduly costly and will disincentivize digitization projects that could greatly benefit the public interest. The Copyright Office could facilitate access to orphaned works within broader collections, achieve a fair balance of rights, and promote the fundamental goals of the copyright system by considering a regime that limits liability where the user stops displaying or removes access to a digitized version of a work upon receiving notice from a re-appearing rightsholder. By comparison, prospective creators of derivative works incorporating suspected orphan works require greater certainty about the legality of their use and ability to have ongoing future access to the derivative work *before* investing time and resources to create the derivative work. For these uses and users, limitations on statutory damages awards and injunctive relief that could be brought against them are vital. For such smaller-scale uses, it would be more feasible to condition limitations on statutory damages and injunctive relief on the prospective user undertaking a prior reasonably diligent search.

Recommendation 6: If the Office decides to recommend legislative reform, it should consider adopting differentiated approaches to the limits on remedies that apply in the case of re-appearing rightsholders in the context of mass digitization of collections that include significant numbers of orphan works, as distinguished from the preparation of derivative works that incorporate a single or smaller number of suspected orphan works, in recognition of the different policy issues these uses raise and the different level of certainty required by the different types of users.

IV. Challenges with Implementing Extended Collective Licensing in the United States

As the Copyright Office raised licensing solutions—and extended collective licensing (ECL) in particular—in its Notice of Inquiry and in its prior mass digitization discussion document,¹⁰⁸ we specifically address ECL here. While U.S. libraries are already undertaking significant mass digitization projects relying on fair use as discussed above, some large-scale digitization projects

¹⁰⁵ *Id.*, Article 8.

¹⁰⁶ http://sztnh.gov.hu/szerzoi jog/arva/ARVA-muvek-nyilvantartas_teljes.pdf

¹⁰⁷ Gyenge, *supra*, note 103, at 8.

¹⁰⁸ U.S. COPYRIGHT OFFICE, LEGAL ISSUES IN MASS DIGITIZATION: A PRELIMINARY ANALYSIS AND DISCUSSION DOCUMENT 37 (2011), http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf

sought to be undertaken by other actors, or for commercial purposes, might fall outside fair use. One of the main arguments made in support of an ECL regime is that it would enable the creation of a comprehensive digital library such as the DPLA. Libraries would be allowed to digitize, display and provide full public access to entire in-copyright works that are no longer commercially available. Proponents note that ECL regimes have been used to enable large-scale mass digitization projects being undertaken by National Libraries in Norway¹⁰⁹ and France.¹¹⁰

While there has been increasing interest in recent years in several countries in considering an ECL regime to facilitate mass digitization, there would be significant challenges in implementing an ECL regime in the U.S. legal environment, as outlined below. Although an ECL regime may be worth considering as a possible solution for mass digitization projects, we believe the Copyright Office should more thoroughly study these implementation issues before making any recommendation to adopt this approach.

First and most importantly, the necessary infrastructure for such a regime does not exist in the U.S. There is no single entity that currently holds a comprehensive collection of works like the national libraries in France and Norway, which could act as licensee for such a regime. While the DPLA and/ or HathiTrust might potentially be able to fulfill this role in the future, they are not presently in a position to do so.¹¹¹ There is also no natural candidate for the licensor for a similar U.S. regime. The EU has numerous established collective management organizations (CMOs) that represent and make payments to thousands of rightsholders. These CMOs represent the majority of rightsholders in the relevant class, including foreign rightsholders through reciprocal agreements. By comparison, in the U.S. there is no existing organization that has both the necessary expertise, and the trust of the library community, which could play a similar role in an ECL regime.¹¹² The U.S CMOs that currently operate do not cover the full set of rights that

¹⁰⁹ Contract between KOPINOR and National Library of Norway for the Bookshelf Project, December 2, 2010, providing for digitization of up to 50,000 Norwegian works from 1790-1799, 1890-1899, and 1990-1999, at <http://www.kopinor.no/en/agreements/national-library/documents/bookshelf-contract--661>; Press Release: *Online Access to Norwegian Literature from Entire 20th Century*, KOPINOR (Aug. 29, 2012), <http://www.kopinor.no/en/about-kopinor/news/online-access-to-all-norwegian-literature-from-the-20th-century> (noting permanent extension of Bookshelf Project).

¹¹⁰ Loi no 2012-287 du 1er mars 2012 relative à l'exploitation numérique des livres indisponibles du XXe siècle (1) [Law 2012-287 of March 1, 2012 on the Digital Exploitation of Unavailable Books of the Twentieth Century], JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [OFFICIAL GAZETTE OF FRANCE], March 2, 2012, p. 03986, available at http://www.legifrance.gouv.fr/jopdf/common/jo_pdf.jsp?numJO=0&dateJO=20120302&numTexte=1&pageDebut=03986&pageFin=03988#. See also *France Guillotines Copyright*, ACTION ON AUTHORS RIGHTS (Feb. 28, 2012), <http://blog.authorsrights.org.uk/2012/02/28/france-guillotines-copyright/>.

¹¹¹ See Pamela Samuelson, *Reforming Copyright Is Possible*, CHRONICLE HIGHER ED., July 9, 2012 at <http://chronicle.com/article/Reforming-Copyright-Is/132751/> (discussing some of the challenges of implementing a licensing regime in the United States in the absence of an established CMO).

¹¹² *Id.* See also Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, 34 COLUMBIA J.L. & ARTS 697, (2011) at <http://www.lawandarts.org/articles/legislative-alternatives-to-the-google-book-settlement/> (noting that the American Society of Composers, Authors and Publishers licenses only public performances of music, and that while the Copyright Clearance Center has relationships with many publishers for which it collects fees for licensing photocopies of textual works, it has a far more limited role in licensing than EU CMOs, and represents only a fraction of the rightsholders whose works would be licensed under a comprehensive orphan works ECL regime. In addition, following the litigation in *Cambridge University Press v. Becker*, (*supra*, note 46), the

would be required for a comprehensive orphan works regime, and do not represent the majority of rightsholders of classes of works. In short, although ECL has a long history in the Nordic countries, collective management of rights is less familiar in U.S. copyright culture, and the U.S. lacks the relevant infrastructure that is in place in other countries where broader use of ECL regimes has been proposed as a solution to the orphan works problem.

Second, on closer inspection, it is not at all clear that ECL regimes offer the chief advantage frequently attributed to them in relation to orphan works: reducing transaction costs by avoiding the need for a diligent search for rightsholders. Although ECL regimes authorize CMOs to issue a license permitting use of orphan works without first undertaking a search, the CMO must still conduct a search for rightsholders for at least two reasons: first, in order to distribute funds to owners; and second, so that they can price licenses appropriately for use of rights in collections of works that have a significant proportion of orphan works.¹¹³ Pricing licenses appropriately requires knowing at least the approximate proportion of orphan works in a licensed class, which requires the orphan works to be identified. Thus, ECL regimes do not appear to obviate the need for a search, but merely defer the time at which it is undertaken and impose the costs of doing so on the CMO rather than the prospective user of the orphan work.

Nordic CMOs are required to undertake searches in order to distribute collected license fees to all rightsholders that they are deemed to represent to fulfill their statutory obligation to provide equal treatment to members and non-members regarding remuneration. In addition, EU CMOs would be required to conduct searches to identify unknown rightsholders for distribution of collected funds under a proposed EU Directive on Management of Collective Management Organizations, which would impose new governance and transparency obligations on all CMOs operating in the EU.¹¹⁴ CMOs would be permitted to make determinations to retain funds that

library community would have very strong reservations about the CCC fulfilling this role. As Professor Samuelson notes, the library community was deeply disappointed by CCC's decision to use CCC funds (including license fees paid by libraries) to support the three plaintiff publishers' claims about the particularly restrictive interpretation of fair use in educational and non-profit library settings, by underwriting 50% of the plaintiff publishers' costs in the litigation they brought against Georgia State University. *See* Letter from Charles B. Lowry, Executive Director, Association of Research Libraries, to Tracey L. Armstrong, President and Chief Executive Officer, Copyright Clearance Center (Nov. 11, 2010), <http://www.arl.org/bm~doc/lccc-final.pdf> (urging the CCC to reconsider its decision, and noting that "this action by the CCC signals to the content user community that the CCC no longer seeks to serve the interests of all of the partners in the scholarly communications enterprise"); *see also* Peter Hirtle, *Who Infringed at Georgia State?* LIBRARY LAW BLOG (Oct. 4, 2010), <http://blog.librarylaw.com/librarylaw/2010/10/who-infringed-at-georgia-state.html>. Andrew Albanese, *Libraries Urge CCC to Reconsider Its Funding of E-Reserve Copyright Case*, PUBLISHERS WEEKLY (Nov. 19, 2010), <http://www.publishersweekly.com/pw/by-topic/digital/copyright/article/45257-libraries-urge-ccc-to-reconsider-its-funding-of-e-reserve-copyright-case.html>.

¹¹³ *See* David Hansen, Gwen Hinze & Jennifer Urban, *Orphan Works and the Search for Rightsholders: Who Participates in a "Diligent Search" Under Present and Proposed Regimes?* (White Paper No. 4, Berkeley Digital Library Copyright Project, 2013), available at <http://ssrn.com/abstract=2208163>.

¹¹⁴ Proposal for a Directive of the European Parliament and of the Council on Collective Management of Copyright and Related Rights and Multi-Territorial Licensing of Rights in Musical Works for Online Uses in the Internal Market, COM (2012) 372 final, July 11, 2012, http://ec.europa.eu/internal_market/copyright/management/index_en.htm#maincontentSec1. Article 12.1 would require CMOs to carry out the distribution of revenue collected within 12 months from the end of the financial year in which the rights revenue was collected unless "objective reasons related to . . . identification of rights,

have not been distributed after five years from the end of the financial year in which the revenue was collected, provided that they have taken “*all necessary measures to identify and locate the rightsholders*” (emphasis supplied) and that members approve rules governing distribution of funds in the event of unidentified or unlocatable rightsholders.¹¹⁵ Measures to identify and locate rightsholders would include “verifying membership records and making available to the members of the collective society as well as to the public a list of works and other subject matter for which one or more rightsholders have not been identified or located.”¹¹⁶ To facilitate independent scrutiny of CMOs’ efforts to identify rightsholders, CMOs would also be required to publish an annual transparency report on their website within 6 months of the end of the relevant financial year, with (among other things) “the total amount collected but not yet attributed to rightsholders, with a breakdown per category of rights managed and type of use, and indicating the financial year in which these amounts were collected.”¹¹⁷

In order to establish appropriate pricing models for licenses they issue, CMOs that administer ECL regimes may also need to conduct searches to obtain an understanding of the proportion of orphan works in the rights regimes that they administer. Because orphan works are not actively present in the market, licensees presumably would expect to pay less for licensing them than for non-orphaned works. Given this, pricing the license properly presumably requires some idea of the proportion of orphans in the licensed collection before licenses are priced and granted. As leading U.S. law and economics scholar Randall Picker notes, given the ex ante motivations for creating copyrighted works (and the general expectation that one’s work will not become an orphan), “basing the royalty on the price that is being paid to non-orphans or that would have been paid in a hypothetical negotiation between the entrant and the copyright holder almost certainly results in a royalty that is too high, as measured by what we want socially. We should expect royalty rates for orphan use to be modest.”¹¹⁸

At the same time, the duty to search for rightsholders to distribute unclaimed funds presents a serious potential conflict of interest for CMOs that would otherwise retain unallocated funds for their own uses because CMOs would be incentivized to conduct a less thorough search for non-members. This would also be true in relation to efforts to identify orphan works within a collection for appropriately setting pricing models. CMOs that do not undertake a thorough investigation would stand to benefit from charging a flat fee across all rights and works under their administration.

Finally, ECL regimes pose special concerns for the U.S. legal environment. Creating an ECL regime for mass digitization – even if drafted very narrowly - would likely undermine the scope of operation of fair use, and threaten existing perfectly lawful library mass digitization projects, such as those described in the above discussion of *Authors Guild, Inc. v. HathiTrust*.

rightsholders or to the matching of information on works and other subject matter with rightsholders prevent the collecting society from respecting this deadline.”

¹¹⁵ *Id.*, Article 12.2.

¹¹⁶ *Id.*, Article 12.3; Recital 15.

¹¹⁷ *Id.*, Article 20 & Annex I.

¹¹⁸ See Randal C. Picker, *Private Digital Libraries and Orphan Works*, 27 BERKELEY TECH. L.J. (forthcoming 2013) (arguing that, given ex ante incentives, prices for orphan works under a licensing regime should be modest).

Recommendation 7: The Office should not adopt ECL as a potential means to facilitate use of orphan works.

Recommendation 8: Although an ECL regime may be worth considering as a possible solution for mass digitization projects, there are significant implementation challenges that the Office should more thoroughly study before recommending this approach. If the Office does decide to consider creating an ECL regime to facilitate mass digitization of collections, it should take care to expressly preserve room for the full operation of fair use, and not undermine ongoing mass digitization projects by libraries that would constitute permissible fair use, as recognized in the *Authors Guild, Inc. v. HathiTrust* judgment. To promote efficiency and fairness, the Office should also consider appropriate good governance and transparency obligations that would apply to CMOs that wish to administer rights in the ECL regime.

V. Forward Looking Proposals

Finally, the Office should consider several forward-looking changes that would address the number of orphan works created in the future. As the Office makes clear in its Notice of Inquiry, one of the reasons the orphan works problem is so severe is because the current copyright system generates inadequate information about ownership of copyrighted works. We believe that a proposal that fails to address this root cause of the orphan works problem would be incomplete. Although we ultimately recommend that the Copyright Office investigate these proposals further, we believe that the reinvigoration of copyright formalities, and the creation of technological solutions, such as enhanced copyright-metadata standards and voluntary orphan works registries, would go a long way toward reducing the number of orphan works created in the future.

Reinvigorated Copyright Formalities

As the Office recognizes in this Notice of Inquiry, several changes in the law over the last thirty years have exacerbated the orphan works problem.¹¹⁹ The relaxation of copyright formalities in particular has reduced the need for copyright owners to track and manage their works, and have effectively shifted the burden of discovering information about copyright ownership to users who have little expertise or even ability to do so.¹²⁰ At the same time, copyright owners receive protection for terms that extend longer than ever, with no requirement that they ever provide publicly accessible information about their continued interest in copyright protection or current ownership information about the work. While copyright owners do obtain certain benefits by complying with registration and notice requirements, such as by gaining access to statutory

¹¹⁹ See Orphan Works and Mass Digitization Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012). In addition to addressing copyright formalities, we also note that copyright term extension and enhanced statutory damages also contribute to the orphan works problem. While we do not suggest that these aspects of the problem can be realistically addressed in a single legislative proposal aimed at orphan works, we do urge the Office to consider revisiting these issues in a more comprehensive way in the future.

¹²⁰ See Ariel Katz, *The Orphans, the Market, and the Copyright Dogma: A Modest Solution for a Grand Problem*, 27 BERKELEY TECH L.J. (forthcoming 2013) (describing copyright owners as least-cost avoiders of the problem).

damages or refuting claims of innocent infringement, these benefits have not resulted in a healthy level of publicly available information about copyright ownership.

Users of copyrighted works face an even more difficult challenge now that so many copyrighted works are created, stored, and transmitted in digital forms. In the pre-digital era, all works were locked up in physical information products and the cost of dissemination was high, the digital networked environment has enabled an interactive, simultaneous and decentralized creation, access and consumption of works. Never before have creative works been made available to the public on such a large scale. This has presented new challenges for copyright law, which lie in the need to create legal certainty regarding claims of copyright, to facilitate rights clearance and to enhance the free flow of information.

We recognize that changes in the past to copyright formalities were made for legitimate and important purposes, in part to keep unwary authors and copyright owners from losing their protection due to technical traps. However, recent thinking about copyright formalities has reimagined the way that formalities could be implemented to both protect legitimate ownership interests while clarifying and sorting those works with owners who are not concerned with copyright protection.¹²¹ Academic interest in formalities--both from the United States and Europe--has led to a cautious, but optimistic, view that the reintroduction of formalities may be an effective strategy for dealing with complex copyright challenges, including the orphan works problem.¹²² Likewise, formal intellectual property law reviews have identified formalities as an important component of their proposals.¹²³

As the Office is aware, the Berkeley Digital Library Copyright Project is sponsoring a conference about the reinvigoration of copyright formalities.¹²⁴ This conference will consider, among other things, the useful role that formalities can play in addressing today's copyright challenges, what kinds of formalities might best serve the interests of authors and of the public, economic considerations posed by formalities, the need for appropriate technological infrastructures to support new formalities regimes, and some constraints that the Berne Convention may pose for the design and implementation of new formalities regimes. We urge the Office to incorporate lessons from this research into any recommendations it makes regarding orphan works.

¹²¹ See LAWRENCE LESSIG, *REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY* 260-65 (New York: Penguin Press, 2008); William M. Landes & Richard A. Posner, *Indefinitely renewable Copyright*, 70 *UNIV. CHICAGO L. REV.* 471 (2003); Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 *STANFORD L. REV.* 485 (2004).

¹²² See STEF VAN GOMPEL, *FORMALITIES IN COPYRIGHT LAW: AN ANALYSIS OF THEIR HISTORY, RATIONALES AND POSSIBLE FUTURE*, Information Law Series 23, Alphen aan den Rijn: Kluwer Law International (2011). Pamela Samuelson, *Preliminary Thoughts on Copyright Reform*, 2007 *UTAH L. REV.* 551-71; Pamela Samuelson, Members of the CPP, *The Copyright Principles Project: Directions for Reform*, 25 *BERKELEY TECH. L.J.* 1175, 1199 (2010);

¹²³ HARGREAVES REVIEW, *supra* note 25, at 33 (proposing a digital copyright exchange to assist in securing permission for use, and suggesting that incentives for owner participation in such an exchange might include, for example, enhanced remedies for infringement of registered works); see also COMITÉ DES SAGES, *supra* note 26, at 22 ("Future orphan works must be avoided. Some form of registration should be considered as a precondition for a full exercise of rights. A discussion on adapting the Berne Convention on this point in order to make it fit for the digital age should be taken up in the context of WIPO and promoted by the European Commission.").

¹²⁴ *Reform(aliz)ing Copyright for the Digital Age*, BERKELEY LAW, <http://www.law.berkeley.edu/formalities.htm> (last visited Jan. 28, 2013).

Technological Tools – Registries and Metadata

The Office should also give serious attention to the development of modern registries that can quickly and easily convey information about ownership and copyright status of all varieties of creative works. In a parallel and complimentary track, the Office should investigate how to encourage metadata standards that would promote the attachment of copyright information to creative works. Regardless of which, if any, legislative solution the Copyright Office recommends, the development of these tools would promote greater certainty about the ownership of copyrighted works, enhance bargaining in the case of works with owners, and lower transaction costs for potential searchers under any orphan works regime. Legal commenters have recognized the importance of developing a range of tools, including a variety of types of registries and metadata standards, to help address orphan works-related challenges.¹²⁵ We encourage the Copyright Office to further investigate development of these tools through subsequent inquiries.

In Europe, policy makers have already lent support to the development of the Accessible Registries of Rights Information and Orphan Works towards Europeana (“ARROW”).¹²⁶ This system is designed to “facilitate rights information management in any digitisation project involving text and image based works.”¹²⁷ It bills itself as “a tool to assist ‘diligent search’ for the rights status and rightsholders of text-based works in an automated, streamlined and standardised way, thus reducing time and costs of the search process.”¹²⁸ ARROW itself is not a registry but has instead provides the infrastructure to bring together disparate resources from a variety of metadata providers. ARROW has generated support from a consortium of national libraries, publishers, and collective management organizations, to establish a rights information infrastructure that establishes a network of verified metadata sources containing information about copyright status. This network allows for determination of “whether a work is copyrighted or in public domain, whether it is in print or out of print and find the references of rights holders or collective management organisations (“RRO”s) to be contacted to obtain permission to digitise, or declare that the work is an orphan.”¹²⁹ The Office should encourage efforts to develop systems like ARROW and to develop the variety of resources on which it relies.

A significant set of countries have adopted an orphan works registry as part of their orphan works regimes, or are proposing to do so. The 2012 EU Orphan Works Directive establishes an EU-wide publicly accessible online database that will be managed by the European

¹²⁵ See Molly Shaffer Van Houweling, *Author Autonomy and Atomism in Copyright Law*, 96 VIRGINIA L. REV. 549, 632 (2010) (describing a “technology-powered mechanism” such as a registry of open-ended machine-readable tags to ease the problem); Molly Shaffer Van Houweling, *Atomism and Automation*, 27 BERKELEY TECH L.J. (forthcoming 2013).

¹²⁶ About, ARROW, <http://www.arrow-net.eu/> (last visited Jan. 28, 2013).

¹²⁷ *Id.*

¹²⁸ *ARROW System*, ARROW, http://www.arrow-net.eu/sites/default/files/ARROWsystem_trifoldSEP2012_WEB_0.pdf (last visited Jan. 28, 2013).

¹²⁹ ARROW: THE RIGHT WAY TO DIGITAL LIBRARIES, <http://www.arrownet.eu/sites/default/files/ARROWtrifoldMAR2011.pdf> (last visited Jan. 28, 2013).

Commission's Office for Harmonization in the Internal Market.¹³⁰ The pending legislative proposals in the UK¹³¹ and the Peoples' Republic of China¹³² respectively contemplate the creation of an orphan works registry. The Canadian¹³³ and Hungarian¹³⁴ orphan works legal regimes also established publicly accessible orphan works registers. In addition, since the Copyright Office's 2006 Report, there has been growing international interest in exploring voluntary registration and recording regimes as a means of reducing the future volume of orphaned works.¹³⁵

Recommendation 9: The Office should recognize that an orphan works solution that fails to reduce the number of orphan works going forward would be incomplete. Regardless of the particular approach it recommends, the Office should take further study how best to incorporate copyright formalities and the implementation of technological tools, like registries or metadata, into its recommendations. Further, the Office should encourage the development of these tools even in the absence of a legislative recommendation.

We would be pleased to provide additional information on the above matters or to elaborate on aspects that would be of assistance to the Copyright Office's inquiry. We can be contacted at dhansen@law.berkeley.edu or at (510) 643-8138.

Respectfully,



David Hansen, with and on behalf of Pamela Samuelson, Jennifer Urban, Jason Schultz, and Gwen Hinze

¹³⁰ See *supra* note 78 and accompanying text.

¹³¹ See *supra* note 101 and accompanying text.

¹³² See *supra* note 87 and accompanying text.

¹³³ See *Decisions – Unlocatable Rightsholders*, COPYRIGHT BOARD OF CANADA, <http://www.cb-cda.gc.ca/unlocatable-introuvables/licences-e.html> (visited Nov. 12, 2012).

¹³⁴ See *Szellemi Tulajdon Nemzeti Hivatala - Árva művek nyilvántartása*, HPO, http://sztnh.gov.hu/szerzoi jog/arva/ARVA-muvek-nyilvantartas_teljes.pdf (visited Oct. 2, 2012).

¹³⁵ See for instance, World Intellectual Property Organization Copyright and Registration Projects page, with links to projects created under the WIPO Development Agenda implementation program at http://www.wipo.int/copyright/en/activities/copyright_registration/index.html; and *Summary of the Response to the Questionnaire for Survey on Copyright Registration and Deposit Systems* (2010) at http://www.wipo.int/copyright/en/registration/pdf/registration_summary_responses.pdf and http://www.wipo.int/copyright/en/registration/registration_and_deposit_system_03_10.html.

Appendix A

Report on Orphan Works Challenges for libraries, archives, and other memory institutions

January, 2013

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Introduction

Orphan works pose significant challenges to nonprofit libraries, archives, and other memory institutions. When these institutions seek to reuse orphan works—copyrighted works whose owners cannot be located—they face the perceived risk of costly infringement suits from copyright owners who might later emerge. But libraries, archives and other memory institutions hold many orphan works in their collections, and risk-averse institutions that do not make these works available may fail to fulfill part of their core missions of preserving cultural and intellectual artifacts and providing access to users in a format and context that is reasonably available to those users. The fear of liability for providing access to orphan works thus threatens memory institutions' ability to serve their primary purposes as repositories of human culture, history, and accrued knowledge.

Because of the obstacles that orphan works pose to memory institutions and others, policymakers and affected institutions in the United States and internationally have recently renewed efforts to craft solutions to the orphan works problem, including through policy reform¹ and through existing legal mechanisms, such as fair use. This renewed interest in addressing the challenges posed by orphan works arises alongside additional efforts to address copyright challenges, including reform to the library protections in Section 108 of the United States Copyright Act and community-based best practices to help deal with complex copyright questions (especially those regarding fair use).

This Report synthesizes research on specific orphan works-related challenges faced by the community of libraries, archives, and other memory institutions, including historical societies, museums, and many others. The Report concludes with recommendations based on that research for meeting these challenges. In addition to drawing on existing orphan works research, we rely on information gathered via a two additional threads of research: a research workshop with librarians, archivists and other collectors on the topic or orphan works, and in-depth follow-up interviews with members of this community.

The findings of this Report include:

- Overwhelming evidence that concerns about liability severely limit the goals libraries, archives, and other memory institutions have for digitizing and providing digital access to collections that likely contain orphan works especially goals for the mass digitization of those collections;
- In the context of digitization and digital access, evidence that concerns about orphan works may obscure uses that libraries could make under fair use or under other copyright limitations without reference to the orphan status of a work;

¹ For example, the United States Copyright Office has reinitiated a study of the orphan works problem and policy. *See* Orphan Works and Mass Digitization Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012). European efforts to address the issue have already resulted in a directive on orphan works. *See* Directive 2012/28/EC of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>; *see also supra* notes 12-20 and accompanying text.

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- General uncertainty among librarians, archivists, and other collectors about how to engage in a diligent search for rightsholders, and when such a search is necessary;
- Uncertainty among the community about the true risks of using potentially orphaned works. Librarians and archivists express great concern about using orphan works; this concern is no doubt exacerbated by litigation against the HathiTrust consortium and the suspension of the University of Michigan's nascent orphan works digitization program. At the same time, of course, the vast majority of identified orphan works likely have no owner, making the risk inherent in using those works very low. Unsurprisingly then, this report finds that some institutions that have chosen to go forward with digitizing and making available collections of these works have encountered few complaints;
- Concerns within the community about non-copyright related issues, such as respecting the privacy of individuals named in copyrighted works, and balancing these and similar concerns with the importance of providing access to their collections.

To address these obstacles, this Report identifies some potential next steps for libraries, archives, and other memory institutions:

- Community development of best practices in orphan works use and diligent search activities to provide a clearer explanation of the current state of the law and community consensus around reasonable practices. A statement of best practices could support both institutional practice and decision-making, and help potential gatekeepers, such as general counsel or library or university administrators, consider appropriate approaches to orphan works.
- Encouraging better documentation and information-sharing among community members about their experiences using orphan works to help the community assess current practice, more accurately gauge risks, and share learning on successful and unsuccessful approaches to finding owners.
- Education and information-sharing about when the orphan works status of a work is paramount. This could help institutions distinguish situations where a straightforward application of fair use, Section 108 library and archive exceptions, or an evaluation of the public domain status of the work would apply.

Research Methods

The research summarized in this Report comes from three main sources:

- A literature review of existing research into and documentation of the issues presented by orphan works. Sources include policy work, scholarly articles and white paper reports.
- An in-depth workshop on the topic of orphan works problem and appropriate steps forward in the area, specifically with respect to the development of best practices; and
- In-depth follow-up interviews with participants from that workshop and with others working with similar collections at other institutions.

In terms of existing research, libraries, industry, and public research groups have developed an increasingly rich body of work on the topic of orphan works. In 2005, the United States

Copyright Office issued a notice of inquiry regarding the problem. In response, over 850 written comments were submitted, many from the community of institutions about which this report is concerned.² Since that time a number of interested institutions—including JISC in the UK, and a European digital library initiative—have published series of reports on the scope of the problem and the challenges that it poses to institutions with collections that are likely to contain many orphan works.³ Most recently, the Berkeley Digital Library Copyright Project has released several white papers summarizing much of this research. That research team has also generated new research on the orphan works by initiating the creation of several academic articles about orphan works, collected in the January 2012 issue of the *Berkeley Technology Law Journal*.⁴ In April 2012, the Project hosted a conference in Berkeley, California on the topic of orphan works and mass digitization that resulted in extensive discussion of who wants to make orphan works available (and why), who has discomfort with making orphan works available (and why) and how the challenges posed by orphan works might be met in light of all of these interests.⁵

To supplement this more general background and obtain findings more focused on memory institutions' experiences with orphan works, we employed two discussion-based methodologies. First, we held an all-day workshop on the issue of orphan works with members of this community. The workshop included representatives from small and large collections, from institutions that support collections, such as, for example, the Society of American Archivists, the Association of Research Libraries, the Music Library Association, and the Dance Heritage Coalition, and from a range of geographic locations, including the East and West Coasts, the Midwest, and the Southeast. Second, we conducted individual follow-up interviews with community members, including some workshop participants and a variety of others. Interview questions focused on the perceived scope and nature of the orphan works problem, the likely number of orphan works in these institutions' collections, and the ways that institutions have tried to engage with these works in their collections in order to make them more available to users.

Literature Review: the “Orphan Works” Problem

The term “orphan works” commonly is employed to refer to items which are presumptively protected by copyright but cannot be confidently traced to particular copyright owners. Challenges presented by works whose owners cannot be located—the “orphan works problem”—have grown in recent years. In the United States, changes in the copyright law

² For the complete set of documents relating to the Copyright Office study (and subsequent legislative proposals), see *Orphan Works*, U.S. COPYRIGHT OFFICE, <http://www.copyright.gov/orphan/> (last updated Dec. 28, 2012).

³ *Managing Orphan Works*, JISC, <http://www.jisc.ac.uk/whatwedo/programmes/contentalliance/reports/ipr/orphanworks.aspx>; *Digital Agenda for Europe*, DIGITAL LIBRARIES INITIATIVE, http://ec.europa.eu/information_society/activities/digital_libraries/index_en.htm.

⁴ *Symposium: Orphan Works and Mass Digitization: Obstacles and Opportunities*, 27 BERKELEY TECH. L. J. (2013).

⁵ *Orphan Works and Mass Digitization: Obstacles and Opportunities*, BERKELEY LAW, <http://www.law.berkeley.edu/orphanworks.htm> (last visited Jan. 5, 2012) (linking to all of the Project's orphan works related materials).

starting with the 1976 Copyright Act, such as the elimination of copyright formalities and the extension of copyright terms, now mean that many decades of copyright protection automatically attach to virtually every creative work as soon as it is fixed, regardless of any intent on the part of the creator to protect the work.⁶ Over time, a vast number of works have become disconnected from these owners, who may very well no longer exist.⁷ These legal changes mean that there are likely more orphan works now than at any time in the past. At the same time, recent changes in use of copyrighted works, especially collectors' need to digitize large amounts of material in order to preserve and provide digital access to it, raise the specter of possible copyright liability, yet provide no way of obtaining permission from unlocatable owners.⁸

These developments also have given rise to significant variants on the core orphan works problem. These include situations in which outreach to a tentatively identified copyright owner does not generate any response, or those in which uncertainty about copyright ownership has given rise to multiple and conflicting claims.⁹ In practice, these variants may be as problematic for memory institutions as the inability to ascertain ownership. In all these contexts, orphan works can pose serious obstacles. When these institutions cannot obtain permission from the copyright owner, they might decide against using the work altogether rather than run the risk of a costly copyright infringement suit, should an owner emerge and sue.

These concerns have a clear negative effect on public access to knowledge and historical and cultural materials. Preliminary research from collections across the world indicates that libraries and archives hold a large number of orphan works.¹⁰ Further, while collections of published books may already include many orphan works, special collections containing copyrighted works pose even greater challenges because these collections often contain ephemeral, personal, and other non-traditional materials, for which contextual information about ownership is less uniform and often, non-existent.¹¹ For example, one study of a collection containing early twentieth-century personal correspondence containing over 8,400 documents (with around 3,300 unique authors ultimately studied) concluded that, after over 450 hours of copyright investigation,

⁶ While this is a worldwide problem, this report focuses on uses by United States institutions.

⁷ See REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS 41-44 (2006), <http://www.copyright.gov/orphan/orphan-report-full.pdf>.

⁸ See *id* at 36-39; see also David R. Hansen, *Orphan Works: Causes of the Problem* (White Paper No. 3, Berkeley Digital Library Copyright Project, 2012), <http://ssrn.com/abstract=2038068>.

⁹ The situations are to be distinguished from those in which a known owner refuses consent or declines to correspond with a permission-seeker. In the general understanding, these fall outside the scope of the complex of orphan works-related problems.

¹⁰ See, e.g., BARBARA STRATTON, SEEKING NEW LANDSCAPES: A RIGHTS CLEARANCE STUDY IN THE CONTEXT OF MASS DIGITISATION OF 140 BOOKS PUBLISHED BETWEEN 1870 AND 2010 (London: British Library, 2011), <http://pressandpolicy.bl.uk/ImageLibrary/detail.aspx?MediaDetailsID=1197> (concluding that 43% of the potentially in-copyright books in the sample were orphan works, after more than an average of 4 hours of investigation for each work).

¹¹ Dwayne K. Butler, *Intimacy Gone Awry: Copyright and Special Collections*, 52 J. LIBR. ADMIN. 279 (2012) (“Copyright interpretation requires highly fact specific analysis. For many special collections, much of that factual predicate has simply drifted from the historical record.”).

permission could be obtained for only 4 letters in the study.¹² Based on experiences like this, research from around the world has concluded that the orphan works problem has a crippling effect on libraries and archives, especially as they seek to digitize whole collections of works in order to make them more accessible to their users online.¹³

In 2005, the United States Copyright Office conducted the first substantial investigation into the orphan works problem. In 2006, the Office published a report summarizing its findings and recommending a legislative amendment to limit the copyright remedies available against users who had first conducted a reasonably diligent search for a work's rightsholders. This approach aimed to ameliorate the difficulties of using orphan works by alleviating fears of high copyright damages or injunctions. The report led to serious efforts in Congress to pass legislation based on the Copyright Office proposal, though ultimately Congress did not enact these bills into law.¹⁴ After a hiatus, the Copyright Office recently restarted its efforts to study the orphan works problem, but has not yet made additional legislative recommendations.¹⁵

Outside of the United States, recent approaches include the European Commission's 2012 Orphan Works Directive, which requires European member states to implement in their national laws mechanisms to allow libraries, archives, and other nonprofit institutions to make limited uses of orphan works after a diligent search;¹⁶ schemes under which licenses are obtained from a central administrative authority;¹⁷ and systems where orphan works are licensed by a collective management organization that represents owners of works similar to the suspected orphan work.¹⁸ A common thread among all proposals is the requirement that one must show reasonable diligence in identifying actual orphaned works by undertaking a search for rightsholders. The question that then arises—"what exactly constitutes a diligent search?"—remains difficult to

¹² See Maggie Dickson, *Due Diligence, Futile Effort: Copyright and the Digitization of the Thomas E. Watson Papers*, 73 AM. ARCHIVIST 626 (2010), <http://archivists.metapress.com/content/16rh811120280434/fulltext.pdf>

¹³ See, e.g., COMITÉ DES SAGES, *THE NEW RENAISSANCE* (2011), http://ec.europa.eu/information_society/activities/digital_libraries/doc/refgroup/final_report_cds.pdf; i2010: DIGITAL LIBRARIES HIGH LEVEL EXPERT GROUP, COPYRIGHT SUBGROUP, FINAL REPORT ON DIGITAL PRESERVATION, ORPHAN WORKS, AND OUT-OF-PRINT WORKS (2008), http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/reports/copyright/copyright_subgroup_final_report_26508-clean171.pdf.

¹⁴ REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS (2006), <http://www.copyright.gov/orphan/orphan-report-full.pdf>.

¹⁵ Orphan Works and Mass Digitization Notice of Inquiry, 77 Fed. Reg. 64,555 (Oct. 22, 2012).

¹⁶ See Directive 2012/28/EC of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>.

¹⁷ See Jeremy De Beer & Mario Bouchard, *Canada's 'Orphan Works' Regime: Unlocatable Copyright Owners and the Copyright Board*, 10 OXFORD UNIV. COMMONWEALTH L.J. 215 (2010).

¹⁸ See JOHAN AXHAMN & LUCIE GUIBAULT, CROSS-BORDER EXTENDED COLLECTIVE LICENSING: A SOLUTION TO ONLINE DISSEMINATION OF EUROPE'S CULTURAL HERITAGE? (2011), http://www.ivir.nl/publicaties/guibault/ECL_Europeana_final_report092011.pdf.

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answer, despite calls in almost all proposals to develop best practices to help users address this question.¹⁹

In the United States, libraries and archives,²⁰ and researchers such as Jennifer Urban,²¹ have argued that the flexible doctrine of fair use should allow for some uses of orphan works, especially when the use is nonprofit and made in the same context as uses traditionally made by libraries and archives. While no court has directly addressed this argument, in 2012, the HathiTrust Digital Library won a significant fair use decision that did address the benefits of library digitization for preservation and access purposes more generally, and held that such uses positively impact the fair use analysis.²² At the same time, that decision could be revised on appeal, and does not specifically address orphan works. In addition, the University of Michigan's program to identify owners and make orphans in its portion of the HathiTrust collection more available was suspended and remains suspended at the time of this writing. As such, uncertainty about the parameters of a fair use defense for using orphans remains.

Librarians, archivists and other collectors do rely on fair use for many of their day-to-day activities, though they have expressed some uncertainty when doing so.²³ To help guide their actions, the research library community, as well as the community of dance heritage collections, have followed documentary filmmakers, media educators, and others in developing codes of best practices for reasonably employing fair use in fulfilling their missions. As we discuss below under Recommendations, some of these efforts could guide collections' approach to the orphan works problem, more specifically.

More directly, although not following the community-centered methodology, in 2009 the Society of American Archivists (SAA) released a statement of best practices for orphan works, specifically. That document "describes what professional archivists consider to be best practices regarding reasonable efforts to identify and locate rights holders."²⁴ The SAA statement, which

¹⁹ See David Hansen, Gwen Hinze, and Jennifer Urban, *Orphan Works and the Search for Rightsholders: Participants in the Search Process* (White Paper No. 4, Berkeley Digital Library Copyright Project, 2013).

²⁰ ASSOC. RES. LIBRS., RESOURCE PACKET ON ORPHAN WORKS: LEGAL AND POLICY ISSUES FOR RESEARCH LIBRARIES 9-17 (2011), http://www.arl.org/bm~doc/resource_orphanworks_13sept11.pdf;

²¹ See Jennifer Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 BERKELEY TECH. L.J. ____ (forthcoming 2013), <http://ssrn.com/abstract=2089526>; David R. Hansen, *Orphan Works: Mapping the Possible Solution Spaces* 11-16 (White Paper No. 2, Berkeley Digital Library Copyright Project, 2012), <http://ssrn.com/abstract=2019121>.

²² *Authors Guild, Inc. v. HathiTrust*, No. 11-6351(HB), 2012 WL 4808939 (S.D.N.Y. Oct. 10, 2012). In 2011 the HathiTrust Digital Library began a program to identify orphan works in its collection and post a list of those works to its website, with the ultimate goal of enabling full-text access to those works subject to certain access restrictions. While HathiTrust never made an orphan works available through that program, the project was well publicized after HathiTrust was sued by the Authors Guild, alleging copyright infringement. HathiTrust suspended the orphan works part of the project, and the court rendered no decision on that aspect of HathiTrust's activities.

²³ See ASSOC. RES. LIBRS., FAIR USE CHALLENGES IN ACADEMIC AND RESEARCH LIBRARIES (Dec. 20, 2011), http://www.arl.org/bm~doc/arl_csm_fairusereport.pdf.

²⁴ Society of American Archivists, *Orphan Works: Statement of Best Practices* (2009), <http://www.archivists.org/standards/OWBP-V4.pdf>.

describes a range of steps that could be taken in an attempt to trace ownership of certain kinds of collection materials, is the only known U.S.-based guide of its type. The extent to which that statement has been used in practice remains unknown; however, it represents an effort to describe the full range of efforts that might be undertaken in highly professionalized archival settings to trace the copyright status and ownership of collection items. The SAA statement does not purport to address what measures may be practically appropriate with respect to different kinds of items held in collections of various kinds and sizes. The latter point is significant, because since 2009, libraries and archives around the country have begun experimenting with smaller-scale digitization and digital access projects to enhance the usefulness of their collections. These projects have included collections with orphan works, but have proceeded to evaluate potential orphan work status on a mostly ad hoc basis.

Workshop and Interview Findings: Memory Institutions Confront Orphan Works

Our direct discussions with representatives of libraries, archives, special collections, and subject-matter-based memory institutions (such as institutions focused on preserving dance heritage or civil rights history) revealed the following major findings: there is a high level of need to use orphan works; collectors experience a great deal of uncertainty both in deciding when to search and knowing how to search for owners; collectors confront challenges when attempting to assess the risk of using orphan works; and concerns other than copyright—especially privacy concerns—also affect collectors’ ability to make orphans available.

The Need to Use Orphan Works

Nonprofit libraries, archives, and other memory institutions seek to preserve and provide access to knowledge as a core institutional mission. As such, one of their major goals is often the digitization and digital access to their collections for the benefit of their users. Because those collections likely contain a significant number of orphan works, they must address the orphan works problem, especially for digitization of special collections that contain a great number of difficult-to-trace works. These institutions have had such a focus for some time. Comments submitted in response to the Copyright Office’s 2005 study, for example, made clear that libraries and archives considered orphan works a major obstacle to their digitization efforts.²⁵ More recent reports reaffirm the importance of digitization and digital access to collections that contain orphan works.²⁶ Our workshop participants and interviewees confirmed the same;

²⁵ See, e.g., Response by the Carnegie Mellon University Libraries to the Notice of Inquiry Concerning Orphan Works, Comment OW0537 (March 22, 2005), <http://www.copyright.gov/orphan/comments/OW0537-CarnegieMellon.pdf>; Response by the University of Michigan, Comment OW0565 (March 22, 2005), <http://www.copyright.gov/orphan/comments/OW0565-UofMI.pdf>; Response by the Cornell University Library, Comment OW0569 (March 23, 2005), <http://www.copyright.gov/orphan/comments/OW0569-Thomas.pdf>; Response by the Prelinger Library, (March 22, 2005), <http://www.copyright.gov/orphan/comments/OW0593-PrelingerLibrary.pdf>.

²⁶ See, e.g., Brewster Kahle – Panel Presentation: Who wants to make use of orphan works and why?, Symposium: Orphan Works and Mass Digitization: Obstacles and Opportunities, Berkeley Law (April 12, 2012), <http://www.law.berkeley.edu/files/kahle.pdf> (speaking about broader digital access).

overall, we found a high perceived need to use orphan works in their collections in order to fulfill their missions.

Parsing the digital access question further, our workshop participants and interviewees articulated at least three categories of activities that seem to pose unique orphan works challenges:

- Digitizing and providing digital access to copies on a copy-by-copy basis;
- Systematically digitizing entire collections of copyrighted works that contain potential orphans (i.e., mass digitization), and;
- Digitally preserving and providing access to born-digital content (e.g., harvested from the Web or otherwise obtained), which also often contains likely orphans, despite its contemporary nature.

While digitization activities were cited most frequently, workshop participants and interviewees also expressed concerns about their ability to make other uses of the orphan works in their collections, such as the preparation of derivative works or the creation of in-person displays or exhibits of these works. In addition, several participants expressed interest in making limited, potentially commercial, uses (e.g., the sale of postcards with images from a collection), but only so far as those uses related to the overall non-profit institutional role.

Understanding When to Address a Work as an Orphan Work

Workshop participants and interviewees expressed uncertainty about when to engage in an analysis of the orphan works status of work for a particular use. Some uses that libraries and archives seek to make—for example, digital displays that transform or adapt the work in some way—could be made with a straightforward assertion of the fair use right, without regard to the work’s orphan status.

But in interviews and at the September workshop, participants expressed concern that worries about whether a work is orphaned sometimes overshadow a more straightforward application of fair use or other exceptions or limitations that allow for use of those works regardless of orphan status. As one participant explained, “the more I think of scenarios where libraries, archives, and museums want to digitize orphans, the more I realize how many of those scenarios are already adequately covered by principles” identified by the Association of Research Libraries’ *Code of Best Practices in Fair Use Best for Academic and Research Libraries*. Given the potentially costly prospect of searching for rightsholders, the same participant explained that users would need some clear guidance for distinguishing situations when “you probably don’t need to worry about . . . [search], and whether something is an orphan.” As another participant pointed out, the problem stems in some ways from confusion about the order of operations when considering a proposed use: does one first seek permission (and therefore search for rightsholders), or first conduct an independent fair use analysis? Furthermore, as discussed above, sometimes the two are interrelated, as the fair use argument for using a work is strongest *because* the work is orphaned, which one can only determine after conducting a search.

Conducting the Diligent Search

Participants agreed that some of the most challenging aspects of dealing with orphan works involve determining how to go about conducting a diligent search for rightsholders. At present, participants expressed, there is no actionable standard for this practice, particularly in cases where many works are at issue. While workshop participants and interviewees agreed that “diligent search” could be an actionable standard by which an institution can confirm a work’s orphan status, they also agreed that they lack a clear explanation for how such a standard should be put into practice.

For instance, workshop participants and interviewees expressed a sense that several factors should affect how extensive a search must be, and appropriate steps within each search. Participants identified factors such as the (often severe) resource constraints under which they operate, potential harm to a works’ copyright owner (should one exist), whether the planned use of the work is commercial or non-commercial, the published or unpublished status of the work, the public availability of documentation about the proposed use, and adherence to institutional policies. In addition, they cited good faith and compliance with owners’ wishes (when an owner does come forward) as important factors in considering the continued use of a work.

To some extent, participants were expressing known issues. Libraries (and others) have long recognized similar sets of factors as potentially important for a diligent search. The Copyright Office’s 2006 *Report on Orphan Works*, for example, identified a similar set of factors as potentially relevant when assessing the reasonableness of a given search under its proposal.²⁷ Workshop participants clearly stated, however, that the present, and difficult, challenge lies in articulating how such factors might be organized and balanced for use in practice. Enabling community members to articulate that balance may become especially important when an orphan work is used under an assertion of the fair use right, which itself requires a careful balancing of factors such as the purpose and character of the use, the nature of the work, the amount used, and the impact on the market for the work.

Workshop participants and interviewees also explained that they had little understanding of the mechanics of how to start and then follow through with a sufficient search for rightsholders. Workshop participants and interviewees knew about the SAA document, *Orphan Works: Statement of Best Practices*, which guides users through a range of steps that could be taken to search for rightsholders, and appreciated the guidance it provided. But none expressed confidence in using that document as a general rule because of the variability in their particular circumstances. Workshop participants generally agreed that following *all* of the steps identified in the SAA document would be far more than the diligent search standard would require, but expressed that there is no clear understanding of what steps were required in what circumstances, and what resource expenditures would be most appropriate. Some participants also raised more specific concerns about situations unique to particular formats of works or particular types of

²⁷ REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>.

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collections. For example, one participant noted that many of the works in his collection originated with an organization that no longer exists. Few resources exist to help collectors track copyright ownership through dissolved corporations, bankruptcy, or an organization that is now defunct for other reasons. Other participants pointed out that digital formats also raise special challenges and questions, such as when and how to appropriately use technological means to track files to an original creator.

In addition, participants expressed concern that undertaking individual diligent searches on a work-by-work basis might be inefficient or infeasible for enabling digital access to collections on a larger scale. Participants were interested in whether and how a diligent search could be conducted on a collection-wide basis, but few participants had developed ideas about how such a search could be implemented in practice. Many expressed concerns about how institutional capacity might affect the need to conduct a diligent search or the most appropriate steps in a search. While all community members are non-profit institutions that operate with limited resources, there are significant resource disparities between larger institutions, such as university libraries, and smaller institutions, such as local historical societies or subject-matter based non-profits.

Participants and interviewees also emphasized that, underlying all of the above questions about diligent search, they have concerns about how to explain and document diligent search activities for review by others. For example, one interviewee explained that part of his efforts to search for rightsholders included informal, direct interaction with the relevant research community. While such efforts certainly develop expertise and knowledge about potential owners of works, those efforts are difficult to quantify when analyzing search efforts for a particular work.

Explaining diligent search to gatekeepers is also a challenge. One librarian working with an online collection containing orphan works explained that “[a]t the time [the project was conducted and then published online], our University Counsel was not very responsive to inquiries regarding campus activities. [As t]hat has since changed I wonder how our project may have been influenced by a more active Counsel.” Without clear documentation to help guide an orphan works use project and without documentation explaining the legal rationale supporting such projects, librarians and archivists must conduct searches based on standards that are recreated for each project, and are forced to individually learn and then argue complex legal points to gatekeepers such as administrators and general counsel.

Likewise, participants expressed uncertainty about how to proceed when a tentative assignment of copyright ownership had been made as a result of diligent search, especially in situations where correspondence addressed to the last known location of the person or entity thus identified yielded no response. Likewise, they expressed concerns about situations in which a diligent search revealed multiple persons or entities with putative ownership claims.

Assessing Risk and Sharing Knowledge

Participants and interviewees frequently mentioned uncertainty about how to accurately assess the risk of using orphan works, an issue that has also been documented in a variety of other copyright risk assessment scenarios. Librarians and archivists have, in a number of contexts, expressed concern about engaging in activities that they view as potentially infringing copyright. Sometimes fear of litigation and the potentially large damage awards drives this concern: for example, in situations where the law is intentionally flexible and allows for some interpretation, as with fair use, librarians have taken risk-averse positions despite clear statutory protections from large statutory damage awards.²⁸ In other cases, this conservative approach may stem from a professional culture that is “imbued with the desire to respect the law,”²⁹ but that can struggle to apply the law in complex or newly developed situations where the law might actually allow use of the work. In yet other cases, as explained by our workshop participants and interviewees, it is gatekeepers, such as general counsel or university administrators who, perhaps acting on limited or no experience with the copyright challenges posed by orphan works, raise these concerns and take highly risk-averse positions.

Despite this cautious stance within the community, participant institutions that have taken the step of digitizing orphan works and making them available to users stated that they have experienced few legitimate complaints. As one librarian explained about her popular online archive, “to my knowledge no one has come forward and asked us to take anything down. Our students . . . and scholars from all over the world use this resource so it was absolutely worthwhile to take our chances and move forward with digitizing late-twentieth century materials.” In our workshop and in subsequent interviews, curators of online archives of photos, printed materials, born-digital works, and (to a lesser extent) audiovisual works, echoed those sentiments, though other institutions have had negative experiences dealing with potential rightsholders of orphan works, and that, in the case of the HathiTrust, these experiences have led to a temporary suspension of that institution’s initiative in the area.³⁰

In the few situations when these participants or interviewees did receive legitimate complaints, the concerns expressed by potential owners related to privacy concerns, often stemming from some potentially embarrassing fact revealed by a digitally accessible work. In all reported situations where complaints were legitimate, the potential copyright owner and the collection owner came to a mutually acceptable solution, such as redaction or removal of the work into a dark archive.

²⁸ PRUDENCE ADLER, BRANDON BUTLER, PATRICIA AUFDERHEIDE & PETER JASZI, FAIR USE CHALLENGES IN ACADEMIC AND RESEARCH LIBRARIES (Dec. 20, 2010), http://www.arl.org/bm~doc/arl_csm_fairusereport.pdf.

²⁹ Peter Hirtle, *Undue Diligence?*, 34 COLUMBIA J.L. & ARTS 55 (2011).

³⁰ Note that all of these reports came from workshop participants and interviewees working with special collections. No participants or interviewees reported digitizing published books in their core library collection, for example, and there is evidence that mass digitization of the core collection of books may be more controversial and thus more likely to raise objections. See *Authors Guild, Inc. v. HathiTrust*, No. 11-6351(HB), 2012 WL 4808939 (S.D.N.Y. Oct. 10, 2012); *Authors Guild, Inc. v. Google Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011).

Some participants expressed the view that more information about successful practices would help in assessing risk. Very few institutions have systematically documented and made publicly available their experiences working with orphan works. We did not ascertain a definite reason for this, but suspect that resource constraints and perhaps the fear of litigation contribute. Workshop participants explained that they do not regularly share information within the community about their experiences. This indicates a possible disconnect between the observed level of risk associated with using orphan works and the level of risk perceived by librarians, archivists, collectors, and associated gatekeepers making decisions about the use of these copyrighted works in the absence of knowledge about others' experiences.

Privacy and Related Non-Copyright Challenges

Finally, several workshop participants and interviewees explained that copyright created only some of the challenges that accompany orphan works.³¹ As noted above, participants and interviewees frequently described encountering privacy-related concerns when working to provide access to collections containing potential orphan works. One interviewee explained, for example, that his primary worry regarding digitization and access to his collection was not motivated by copyright, but by the risk of revealing potentially embarrassing or incriminating information about people contained in the collection.

This concern came up most frequently for those working with special or other limited collections containing unpublished and potentially sensitive information. While collectors can use automated means to remove some private information, such as social security numbers, private addresses and phone numbers, collectors with works containing more detailed private information cannot do so and may feel the need to review each item individually to search for sensitive information. Even when the collector can identify that information, if the work is an orphan he must make a judgment call regarding whether to post the work online despite failing to locate the relevant person for permission.³²

Recommendations and Next Steps

The challenges described in our findings appear substantial. In many cases, they have hampered collectors' efforts to effectively manage the orphan works in their collections, especially as they seek to digitize and make their collections more accessible to users. However, U.S. nonprofit libraries, archives, and other memory institutions may also be able to address a substantial subset

³¹ These concerns are echoed in literature on this topic. See Laura Clark Brown & Nancy Kaiser, *Opening Archives on the Recent American Past: Reconciling the Ethics of Access and the Ethics of Privacy*, in, *DOING RECENT HISTORY: ON PRIVACY, COPYRIGHT, VIDEO GAMES, INSTITUTIONAL REVIEW BOARDS, ACTIVIST SCHOLARSHIP, AND HISTORY THAT TALKS BACK* (Claire Bond Potter & Romano, Renee C. Romano, Eds., Univ. of Ga. Press, 2012).

³² A related challenge is how to provide proper attribution for a work that, by its nature as an orphan work, may lack important bibliographic data about its author. While participants and interviewees expressed a strong preference for providing attribution where possible, the actual impediment posed by this norm seemed minimal. Most expressed an understanding that, in cases of uncertainty, making available most known attribution information about the work would suffice.

of the challenges noted above without drastic changes in the law and without expensive research programs. Indeed, as explained above, the law may already allow for many uses of orphan works under the existing doctrine of fair use.

Fair use itself is a complex copyright issue that user communities confront on a regular basis. In recent years some communities—including documentary filmmakers, media educators, journalists, as well as some collectors—have reduced the uncertainty surrounding fair use by employing an innovative, and now well-tested, method developed by Peter Jaszi and Patricia Aufderheide for developing norms—“best practices”—related to complex copyright questions. The method relies on extensive input from the members of the practice community who are tasked with answering those questions in their daily activities.³³ Because they grew out of this community-based methodology, in each case the best practices have been widely adopted and used by community members to address the copyright issues that they face on a regular basis. Libraries in particular have benefited from this methodology through the development of the Association of Research Libraries’ *Code of Best Practices in Fair Use for Academic and Research Libraries*.³⁴

Based on the research we undertook for this Report and the experience of a variety of user communities with the best practices approach, we think that memory institutions themselves likely can meet some orphan works challenges in two ways: first, by employing a similar “best practices” methodology to develop an organized framework for dealing with orphan works, agreed upon by members of the community; and second, by working to share information about risk management, search techniques, related issues on an ongoing basis. A best practices framework could alleviate the prevailing uncertainty regarding uses of orphan works, both by creating consensus reasonable best practices and by clarifying the legal justification for the use of orphan works. A best practices guide could thus help individual collections make reasonable decisions and also alleviate concerns raised by gatekeepers who have little experience evaluating the legal issues related to orphan works. Ongoing information-sharing and communication could help the community implement reasonable approaches and adjust to changing circumstances over time.

With that in mind, we suggest the following next steps:

- Development of best practices to help guide and empower digitizing institutions that seek to make good faith efforts in using orphan works. This should include best practices for topics including identifying when a search is desirable, the form that a search should take in various circumstances, the role of ancillary considerations (including privacy) in

³³ Documentary film makers, poets, open courseware providers, K-12 media literacy teachers, dance archivists, and cinema and communications scholars have all developed best practices documents of this kind. For reports from each best practices initiative, see *Fair Use Codes & Best Practices*, AM. UNIV. CTR. FOR SOCIAL MEDIA, <http://www.centerforsocialmedia.org/fair-use/best-practices/fair-use-codes-best-practices> (last visited Jan. 5, 2013).

³⁴ ASSOC. RES. LIBR., *CODE OF BEST PRACTICES FOR FAIR USE IN ACADEMIC AND RESEARCH LIBRARIES* (2012), available at <http://www.arl.org/bm~doc/code-of-best-practices-fair-use.pdf>.

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designing any search, and approaches to seeking permissions for use when a search has indicated a possible copyright owner.

- Documenting and sharing information within the community about experiences in using orphan works. We have found some differences within the community between the perceived and observed level of risk of using orphan works. Given the recognized importance of accurate risk assessment in dealing with copyrighted works,³⁵ libraries and others in the memory institution community could develop a better understanding of the risks associated with using orphan works through, for example, formal and informal information sharing through meetings, listservs, or the development of a voluntary orphan works database or registry.
- Enhanced support for librarians, archivists, and others who are working with collections that contain potential orphan to understand the copyright challenges and to identify when solutions unrelated to orphan works status might apply. The community could start with existing guidance—such as the *ARL Code of Best Practices in Fair Use for Academic and Research Libraries*, and could provide support—financial or otherwise—to develop, through separate research projects, additional guidance for other legal analysis, such as under library and archive Section 108 rights, or when conducting a public domain analysis.
- Continued meeting and discussion within the community to better understand related orphan works obstacles, such as those relating to privacy or attribution, how those relate to community members' already developed codes of practice, and the extent to which the community should address those obstacles through the other next steps identified above.

³⁵ See Kevin L. Smith, *Copyright Risk Management: Principles and Strategies for Large-Scale Digitization Projects in Special Collections*, *Research Library Issues*, No. 279 (June 2012), <http://publications.arl.org/2ds1pl.pdf>.

**Orphan Works and the Search for Rightsholders:
Who Participates in a “Diligent Search” Under Present and Proposed Regimes?**

David R. Hansen, Gwen Hinze, and Jennifer Urban*

Over the past several years, policy makers and private actors have developed an evolving set of approaches for addressing the orphan works problem¹—a problem that arises when “the owner of a copyrighted work cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner,”² preventing follow-on uses of works. These approaches usually attempt to address the orphan works problem by employing some threshold mechanism to differentiate true orphan works, to which the proposed solutions would apply, from non-orphaned copyrighted works. Satisfying a “reasonably diligent search” is one well-known formulation by which users can designate works as orphaned and therefore subject to a proposed solution, though—as this paper points out—alternative approaches certainly exist. Regardless of the specific formulation, the search for rightsholders (or conversely, the confirmation that no rightsholder can be located) is an integral component of almost every orphan works proposal. This paper examines in detail the core schemes for identifying rightsholders among the leading orphan works regimes and proposals.

Although these schemes differ across many variables, three factors predominate: (1) who is expected to participate in the search process, (2) the nature and extent of the required search

* **About this Paper:** This white paper is the fourth in a series from the Berkeley Digital Library Copyright Project, an effort organized by Berkeley Law professors Pamela Samuelson, Jason Schultz, and Jennifer Urban. The project aims to investigate copyright obstacles facing libraries and other like-minded organizations in their efforts to realize the full potential of making works available digitally. More information can be found on the project’s website, available here: <http://www.law.berkeley.edu/12040.htm>.

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¹ For a more complete description of the variety of proposed solutions, see David R. Hansen, *Orphan Works: Mapping the Possible Solution Spaces* (Berkeley Digital Library Copyright Project, White Paper No. 2, 2012), <http://ssrn.com/abstract=2019121>.

² REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS 1 (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>; see also Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739, 3741 (Jan. 26, 2005) (describing orphan works as those “whose owners are difficult or even impossible to locate”).

generally; and (3) specifically what types of resources, tools, registries or other information-sharing mechanisms are required or allowed. This paper compares existing proposals' approaches with respect to the first factor: who participates in a search? A subsequent paper will focus on the second and third factors. In practice, however, all three factors are intertwined. For example, the standard under which a search must be performed might be uniform, or it may vary depending on the identity of the entity performing the search and the resources available to it, on the class of work, or on the nature of the proposed re-use. Similarly, the extent to which users are permitted to rely on information about the orphan status of a work obtained via another's prior search may depend on issues such as the identity of the entity that performed the prior search and the quality of the search as documented in a registry.

We identify four general categories of responses to the "who participates?" question in recent proposals:

(1) The first category relies on users to conduct an independent search for rightsholders, such as that envisioned by the U.S. Copyright Office's 2006 *Report on Orphan Works* and the ensuing legislative proposals.

(2) A second category requires an independent user search that is then approved or reviewed by a central administrative authority, such as the systems used in Canada, Japan, and several other jurisdictions.

(3) The third category includes systems that require a search by a licensing authority, such as the collective management organizations used in some Nordic countries.

(4) The final category includes hybrid approaches that combine different sets of participants at different stages. This includes regimes that have differentiated mechanisms for mass digitization and other bulk uses, and for facilitating individual uses of orphan works, such as that proposed in the U.K.

I. User-conducted Diligent Search

Several proposals rely on users themselves to designate works as orphaned. Under these approaches, users must conduct an independent diligent search for rightsholders; if rightsholders cannot be found then the proposed orphan works solution is triggered. The US Copyright Office led with this approach in its 2006 *Report on Orphan Works*, and the basic framework of a user-conducted diligent search is possible under other more recent approaches, as well, such as the model adopted recently in the EU Orphan Works Directive and those being considered in Australia.

A. US Copyright Office Proposal and Proposed US Legislation

Following one of the most comprehensive studies of the orphan works problem to date, in 2006 the U.S. Copyright Office published its *Report on Orphan Works*.³ In that report, the Copyright Office ultimately endorsed a remedy-limitation approach based on a threshold search for owners by those who wished to use a copyrighted work. Under this proposal, users who had engaged in a “reasonably diligent” but ultimately unsuccessful search for the owner of a given work would be shielded from some monetary damage awards and some injunctive remedies, should an owner later emerge and bring suit.⁴ The report concluded that a “fundamental requirement for designation of a work as orphaned is that the *prospective user* have conducted a search for the owner of the work.”⁵

The Office stated that one of its overarching goals was “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.”⁶ As such, it is unsurprising that the Office concluded that autonomous and independent searches by users would be the most appropriate way to designate works as orphaned under its proposal. This approach places the burden of reasonable search squarely on prospective users, making clear that “each user must perform a search, although it may be reasonable under the circumstances for one user to rely in part on the search efforts of another user.”⁷ In its *Report*, the Office also rejected the idea that it should have a prominent role in the search for rightsholders,⁸ ultimately concluding that a “truly ‘ad hoc’ system – where users simply conduct a reasonable search and then commence use, without formality – is the most efficient way to proceed.”⁹ (The role Congress envisioned for the Office, however, was somewhat expanded from this, as discussed further below.)

³ REGISTER OF COPYRIGHTS, *supra* note 2, at 5. The report was the culmination of a more than year-long study which synthesized the results of three days of public roundtable discussion and over 850 initial and reply comments in response to the Office’s Notice of Inquiry. *See* Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739 (Jan. 26, 2005) (soliciting comments on the orphan works problem); *Orphan Works*, U.S. COPYRIGHT OFFICE (last updated Oct 23, 2012), <http://www.copyright.gov/orphan/> (collecting initial and reply comments).

⁴ REGISTER OF COPYRIGHTS, *supra* note 2, at 127 (proposed statutory text).

⁵ *Id.* (emphasis added).

⁶ *Id.* at 93.

⁷ *Id.* at 9

⁸ For example, the Office resisted suggestions that users should file notices of their searches in a registry maintained by the Copyright Office, *id.* at 112, though it did concede that there may be some future role for the Copyright Office in developing reasonable search guidelines. *Id.* at 109.

⁹ *Id.* at 113.

In terms of the actual search standard itself, the Copyright Office suggested in its *Report* that the extensiveness of the search should vary based on a number of factors, one of which was whether the proposed use was commercial or non-commercial, or if the work was broadly disseminated or played a “prominent role in the user’s activity.”¹⁰ Although this factor directly relates to the proposed use (not the proposed user), it implies that some users whose purposes are ordinarily favored—such as non-profit libraries—might approach searches somewhat differently from commercial users. As explained below, differential treatment for specific uses or users is more fully embraced by other approaches such as the proposed UK legislative regime and the EU Orphan Works Directive. One argued advantage of this approach is that it avoids or limits more controversial, commercial uses while still offering a solution that allows non-profit cultural institutions to make parts of their collections more widely available.¹¹ Such an approach is not without its critics. Professor Jane Ginsburg argues, for instance, that adjusting the level of diligence required based on circumstances “would be problematic . . . [because] variable levels of diligence would render the same work (or same rights in the work) ‘orphaned’ as to some users but not as to others.”¹²

The Copyright Office proposal resulted in a series of legislative proposals between 2006 and 2008 in both the House and Senate,¹³ though none of these bills were ultimately enacted. On the

¹⁰ *Id.* at 107. Other factors included the presence of identifying information on the work itself, whether the work had been made available to the public, the age of the work, the availability of information in publicly-available databases (e.g., Copyright Office records), and whether the author was still alive. *Id.* at 99–108.

¹¹ See Stef van Gompel, *The Commission’s Proposal for a Directive on Orphan Works*, KLUWER COPYRIGHT BLOG, JUNE 14, 2011, [http://kluwercopyrightblog.com/2011/06/14/the-commission%E2%80%99s-proposal-for-a-directive-on-orphan-works/\(noting-limitations-of-this-approach\)](http://kluwercopyrightblog.com/2011/06/14/the-commission%E2%80%99s-proposal-for-a-directive-on-orphan-works/(noting-limitations-of-this-approach)). The EU Orphan Works Directive has been widely criticized for its narrow scope of application because, among other things, it leaves out stand-alone photographs and fails to address for-profit uses, arguably a very large part of the OW inaccessibility problem. See *The European Orphan Works Directive: A Missed Opportunity?*, KEI ONLINE, June 26, 2012, <http://keionline.org/node/1445> (criticizing the directive because “it sets unnecessary limitations on potential beneficiaries, does not solve for-profit use of orphan works and establishes an over-regulated mechanism that could suffocate non-profit initiatives); *EBLIDA, LIBER and ENCES Statement on the European Commission Proposal for a Draft Directive on Orphan Works*, ENCES (2011), http://www.ences.eu/fileadmin/important_files/Documents/Directive-proposal_Orphan-Works_EBLIDA-LIBER-ENCES.pdf (“[T]he proposal’s exclusion of all varieties of unpublished works, standalone artistic works and sound recordings has the potential to heavily distort memory institutions representation of 20th century culture and scientific output online.”).

¹² Jane C. Ginsburg, *Recent Developments in US Copyright Law: Part I – “Orphan” Works* 12 (Columbia Law Sch. Pub. Law & Legal Theory Working Paper Group, Paper No. 08152, 2008) (published as Jane C. Ginsburg, *Recent Developments in US Copyright Law: Part I – “Orphan” Works*, 217 REVUE INTERNATIONALE DU DROIT D’AUTEUR, (2008)), available at http://lsr.nellco.org/columbia_pllt/08152.

¹³ The bills were the Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006), The Orphan Works Act of 2008, H.R. 5889, 110th Cong. (2008) (as introduced in the House), and the Shawn-Bentley Orphan Works

whole the bills adopted the same basic remedy-limitation approach, based on a user-conducted diligent search, as outlined by the Copyright Office. The *Orphan Works Act of 2006* did, however, include an enhanced role for the Copyright office compared to the Office's approach in its *Report*. Under the bill, the Office would be required to maintain authoritative search information available to the public that might include, for example, Copyright Office records, information on best search methods, technological tools to aid the search, and best practices for documenting the search.¹⁴

B. EU Orphan Works Directive

The United States approach relies solely on searches by prospective users; the European Union's new Orphan Works Directive largely follows this approach, but also gives member states some leeway to allow searches by other state-designated organizations.

In October 2012, the European Union adopted a new Directive covering certain uses of orphan works.¹⁵ The 27 EU member states must implement the Directive in their national laws by October 29, 2014. Like the U.S. Copyright Office proposal and proposed legislation, the Directive provides that works and phonograms shall be considered orphaned if all the rightsholders in a work cannot be identified and located after a diligent search has been conducted.¹⁶ The EU Directive applies to a more limited set of users and uses than the U.S. proposals, however. First, whereas the U.S. proposals applied to any prospective user, the EU Directive only directly applies to publicly-accessible libraries, educational establishments and museums, archives, film and audio heritage institutions, and public service broadcasting organizations.¹⁷ Second, the U.S. proposals applied

Act of 2008, S. 2913, 110th Cong. (2008) (as passed by Senate). For a more thorough explanation of the changes made throughout the legislative process, see BRIAN T. YEH, CONG. RESEARCH SERV., RL33392, "ORPHAN WORKS" IN COPYRIGHT LAW (2008), available at http://assets.opencrs.com/rpts/RL33392_20081010.pdf.

¹⁴ Orphan Works Act of 2006, H.R. 5439, at 4–5, 109th Cong. (2006) (proposed § 514(a)(2)(C)). Additionally, one of the bills—the *Shawn-Bentley Orphan Works Act of 2008*—seemed to modify not who must conduct the search but who must be searched for. It provided that users must search for “the owner of any particular exclusive right under section 106 that is applicable to the infringement, or any person or entity with the authority to grant or license such right on an exclusive or non-exclusive basis.” By including those with authority to license (even non-exclusively) the right at issue, the proposed legislation seemed to broaden the group that would be the subject of the diligent search. Shawn-Bentley Orphan Works Act of 2008, S. 2913, § 2(a), 110th Cong. (2008) (as passed by Senate).

¹⁵ Directive 2012/28/EC of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>

¹⁶ *Id.*, Articles 2(1) & 3(1).

¹⁷ *Id.*, Article 1.

equally to nearly all classes of works,¹⁸ while the Directive applies to only certain works within these institutions' collections: text, audiovisual and cinematographic works, and phonograms that are first published or broadcast within an EU member state. In particular, the Directive does not apply to stand-alone photographs, but does apply to photographs and other works incorporated in covered works. Finally, the Directive is more limited than the U.S. proposals in the uses it permits cultural institutions to make: non-commercial reproduction (including for the purpose of digitization, indexing and preservation) and making available of orphan works in furtherance of the cultural institutions' public interest mission.

With regard to who participates in the search, the Directive requires the diligent search to be conducted either by the institution that wishes to make a permitted use of a suspected orphan work, or by other organizations that EU member states specify in their national implementation legislation. This could include services that undertake diligent searches for a fee.¹⁹

Because the Directive establishes a central EU Orphan Works Register and requires reciprocal recognition across EU member states, relevant EU cultural institutions will be able to rely on other institutions' prior diligent searches. The Directive requires cultural institutions to document the search they have undertaken and the results, which will be recorded in a single publicly-accessible online database²⁰ that will be established and managed by the European Commission's Office for Harmonization in the Internal Market.²¹ To facilitate cross-border use of orphan works within the EU, the Directive requires mutual recognition of works considered to be orphan works after a diligent search is undertaken in one of the 27 EU Member States. A work or phonogram that is considered to be an orphan work in one EU country shall be considered an orphan work in all EU Member States and may be used and accessed as the Directive permits throughout the EU.²²

This mutual recognition is likely somewhat limited, however. Because the Directive only

¹⁸ However, the Shawn-Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. (2008) (as passed by Senate), provided that its remedy-limitation approach would not apply to orphan works that were fixed in or on a useful article that is offered for sale or other commercial distribution. *Id.* (proposed § 514(f)).

¹⁹ *Id.*, Article 3(1) & Recital 13.

²⁰ *Id.*, Article 3(6).

²¹ *Id.*

²² *Id.*, Article 4; Recital 23 (“In order to foster access by the Union's citizens to Europe's cultural heritage, it is also necessary to ensure that orphan works which have been digitised and made available to the public in one Member State may also be made available to the public in other Member States. Publicly accessible libraries, educational establishments and museums, as well as archives, film or audio heritage institutions and public-service broadcasting organisations that use an orphan work in order to achieve their public-interest missions should be able to make the orphan work available to the public in other Member States.”).

facilitates the use and making available to the public of orphan works by cultural institutions and not by other types of users, it is unclear if other subsequent users could rely on a work's inclusion in the central EU orphan works database. At the very least, a subsequent user that was not a cultural institution would presumably have to make an assessment about the accuracy of the first diligent search and the potential liability exposure incurred in relying upon it. This is because the Directive provides that the full range of copyright remedies remain available where a work or phonogram is wrongly found to be an orphan following a search that was not diligent.²³ In addition, the Directive requires payment of fair compensation to a re-appearing rightsholder for both commercial and non-commercial uses and precludes ongoing use without the consent of the re-appearing rightsholder.

II. User Search Approved by Central Administrative Authority (Canadian Approach)

A second approach to rightsholder search combines aspects of the approaches described above with administrative oversight. Canada pioneered this approach with its centralized system for licensing orphan works. Under Canada's approach, prospective users of works for which owners cannot be located may apply to the Copyright Board of Canada requesting a non-exclusive license to make certain uses of a work where it is satisfied that the user has made "reasonable efforts" to locate the rightsholder(s) in the work, and that the owner is unlocatable.²⁴

The Canadian law contains no explicit authorization allowing subsequent user to rely upon a prior user's search, and because of the relatively small number of licenses granted—only 441 in the first 21 years of the program—it is unclear whether a subsequent applicant could do so.²⁵ Moreover, there is no requirement that applicants make their search documentation public, so it would be difficult for subsequent users to know about the documentation provided to the board by earlier applicants.

Canada's approach to orphan works search has been followed in several jurisdictions. Other regimes that involve central government agencies in reviewing or approving a user's search have

²³ *Id.*, Recital 19.

²⁴ Copyright Act of Canada, RSC 1985, c. C-42, section 77, available at <http://www.canlii.org/en/ca/laws/stat/rsc-1985-c-c-42/latest/rsc-1985-c-c-42.html>.

²⁵ See Jeremy De Beer & Mario Bouchard, *Canada's 'Orphan Works' Regime: Unlocatable Copyright Owners and the Copyright Board*, 10 OXFORD UNIV. COMMONWEALTH L.J. 215, 242 (2010), explaining that between 1988, when the Canadian regime was established, and 2009, only 441 applications had been filed for licenses to use 12,640 suspected orphan works. Of those, 230 licenses were granted between August 1990 and July 2008. See *Decisions – Unlocatable Rightsholders*, COPYRIGHT BOARD OF CANADA, <http://www.cb-cda.gc.ca/unlocatable-introuvables/licences-e.html> (last visited Nov. 12, 2012).

been adopted in Japan, India, South Korea, and Hungary.²⁶ Legislation is pending in the UK (discussed in more detail below) and the People’s Republic of China, under which a government agency would similarly grant a license for use of a suspected work after the person or entity wishing to make the use conducts a diligent search.²⁷

III. Search by Collective Management Organizations

In recent years there has been increasing interest in Extended Collective Licensing (ECL) regimes as a means of facilitating access to orphan works. Proponents see ECL regimes as offering protection against copyright infringement liability with lower transaction costs than other approaches to orphan works.²⁸ Under an ECL regime, unlocatable rightsholders would be represented by a collective management organization (CMO) that represents the majority of holders

²⁶ See *Copyright Act 1970, Law No. 48 of 1970, 2009* (Japan) art. 67, unofficial translation available at http://www.cric.or.jp/cric_e/clj/clj.html (requiring a potential user to submit an application for a license along with data explaining why the copyright owner cannot be found); *Copyright Act 1957 as amended by the Copyright Amendment Act of 2012* (India) at paras. 17–18, http://copyright.gov.in/Documents/CRACT_AMNDMNT_2012.pdf (allowing for applications to Copyright Board for works where “the author is dead or unknown or cannot be traced, or the owner of the copyright in such work cannot be found,” and directing that the Copyright Board to grant licenses for use after it has made an inquiry into the good faith and satisfied itself that the license needs to be granted after giving any owners an opportunity to be heard); *Copyright Act 1957, Law No. 432, as last amended by Law No. 9625 of April 22, 2009* (South Korea) art. 50, <http://www.wipo.int/wipolex/en/details.jsp?id=7182> (requiring users to submit evidence of considerable efforts to locate the owner); see also *Enforcement Decree of the Copyright Act, 2009-08-06 / No. 21676 / 2009-08-07* (South Korea) (defining “considerable efforts” and detailing the administrative process) at: http://www.wipo.int/wipolex/en/text.jsp?file_id=200937.

²⁷ The existing UK *Copyright, Patent and Designs Act 1988* permits licensing for orphan performances, but would be broadened under draft legislation currently pending before the UK Parliament which implements the Hargreaves Report recommendations. See proposed sections 116A-116D of the Copyright, Designs and Patents Act of 1988, which would be inserted by section 68 of the draft Enterprise and Regulatory Reform Bill, HL Bill 045 2012-2013, as brought from the Commons on October 18, 2012, at http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0045/lbill_2012-20130045_en_8.htm#pt6-pb1-11g68 and <http://services.parliament.uk/bills/2012-13/enterpriseandregulatoryreform.html>; Maria Strong, *External Perspectives on the New Draft Chinese Copyright Law: Informal Comments of the U.S. Copyright Office*, presentation at the Conference on New Developments in Chinese Copyright Law and Enforcement, Berkeley Centre for Law & Technology, October 4, 2012 at http://www.law.berkeley.edu/files/bclt_Panel_2_Maria_Strong.ppt; Dr. Prof. Hong Xue, *A User-Unfriendly Draft: 3rd Revision of the Chinese Copyright Law* at <http://infojustice.org/wp-content/uploads/2012/04/hongxue042012.pdf>.

²⁸ See, e.g., JOHAN AXHAMN & LUCIE GUIBAULT, CROSS-BORDER EXTENDED COLLECTIVE LICENSING: A SOLUTION TO ONLINE DISSEMINATION OF EUROPE’S CULTURAL HERITAGE? 25 (2011), http://www.ivir.nl/publicaties/guibault/ECL_Europeana_final_report092011.pdf (“ECLs have been an important part of the copyright acts of the Nordic countries ever since their first introduction in relation to primary broadcasting at the beginning of the 1960s.106 This system offers a solution to the high level of transaction costs associated with mass-digitisation and online dissemination.”).

of the rights in the relevant class or classes of works.²⁹

It is sometimes assumed that using ECL regimes would bypass the need for a diligent search to be undertaken.³⁰ However, as highlighted by the recently proposed EU Collective Management Directive³¹ discussed below, a search for rightsholders would still be required in order to distribute license funds to owners. The primary difference between ECL regimes and other proposals is in who conducts the search. Under ECL regimes under discussion, the search may likely be conducted by the CMO (not the end user), and the search might be deferred to a later time (after use of the orphan work has been made) when the CMO is required to distribute funds to the rightsholders it is deemed to represent.

While searches in order to compensate owners may be deferred to a later time, the need to price the licenses that include orphan works raises an additional important question. Because orphan works are not actively present in the market, licensees presumably would expect to pay less (perhaps far less) for licensing them than for non-orphaned works. Indeed, it may be considered a troubling misallocation of resources for end users to pay higher prices for orphan works.³² Given this, pricing the license properly presumably requires some idea of the proportion of orphans in the licensed collection before licenses are priced and granted.

²⁹ DANIEL GERVAIS, APPLICATION OF AN EXTENDED COLLECTIVE LICENSING REGIME IN CANADA: PRINCIPLES AND ISSUES RELATED TO IMPLEMENTATION (prepared for Department of Canada Heritage, 2003), available at http://aix1.uottawa.ca/~dgervais/publications/extended_licensing.pdf.

³⁰ See submission of National Library of the Netherlands, as reported in European Commission Impact Assessment on Orphan Works 16 (March 2011), available at http://ec.europa.eu/information_society/activities/digital_libraries/doc/reports_orphan/anna_report.pdf (“The National Library of the Netherlands has indicated clearly that a title by title search is not feasible for large scale digitisation projects which normally include thousands of right holders to possibly hundreds of thousands works. . . . The library states that although it has concluded collective agreements with right holders, the use of potential orphan works by the library remains infringing, because this collective solution lacks a legal basis. The Scandinavian extended collective licensing regime is seen as a promising solution to the problem. . . . The library advocates that the EU should introduce a Europe-wide, mandatory legal solution for both orphan works and mass-scale digitisation, which does not require a diligent search on a per-work basis.”).

³¹ Proposal for a Directive of the European Parliament and of the Council on Collective Management of Copyright and Related Rights and Multi-Territorial Licensing of Rights in Musical Works for Online Uses in the Internal Market, COM (2012) 372 final, July 11, 2012, http://ec.europa.eu/internal_market/copyright/management/index_en.htm#maincontentSec1.

³² See Randal C. Picker, *Private Digital Libraries and Orphan Works*, 27 BERKELEY TECH. L.J. (forthcoming 2013) (arguing that, given ex ante incentives, prices for orphan works under a licensing regime should be modest).

A. Renewed Worldwide Interest in ECL Regimes

Various countries across the world are studying ECLs as a possible way to address the orphan works problem: legislation to enable an ECL scheme for mass digitization of orphan works by cultural institutions is pending before the British Parliament;³³ the Australian Law Reform Commission is currently asking stakeholders to comment on whether Australia should introduce a collective licensing regime or a statutory exception to permit use of orphan works;³⁴ and the US Copyright Office has indicated possible interest in considering collective management of rights in the context of mass digitization of collections of copyrighted works that include orphan works.³⁵ In addition, France has adopted a law implementing an ECL-like regime for digital access to out-of-print books.³⁶

The European Commission considered (but ultimately rejected) an ECL regime for orphan works regime in its 2011 Impact Assessment on Orphan Works³⁷ and in its 2009 Reflection

³³ See proposed sections 116A-116D of the Copyright, Designs and Patents Act of 1988, which would be inserted by section 68 of the draft Enterprise and Regulatory Reform Bill, <http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0045/2013045.pdf> (as at first reading in UK Parliament, 18 October 2012).

³⁴ AUSTRALIAN LAW REFORM COMMISSION CONSULTATION ON COPYRIGHT AND THE DIGITAL ECONOMY, ISSUES PAPER paras. 149-167 & Question 24, (Aug. 20, 2012), <http://www.alrc.gov.au/publications/issues-paper/orphan-works>.

³⁵ See *Priorities and Special Projects of the United States Copyright Office, October 2011-October 2013*, 7, at <http://www.copyright.gov/docs/priorities.pdf>; U.S. COPYRIGHT OFFICE, LEGAL ISSUES IN MASS DIGITIZATION: A PRELIMINARY ANALYSIS AND DISCUSSION DOCUMENT 37 (2011), http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf (“Further public discussion on this subject should explore the pros and cons of extended collective licensing for books or other digitized works, whether this model would be of interest or concern to authors, publishers, libraries, and other interested stakeholders, and whether it would create or remove obstacles to mass digitization projects.”). The Office has now formally invited comments on the issue of orphan works and mass digitization. *Orphan Works and Mass Digitization Notice of Inquiry*, 77 Fed. Reg. 64,555 (Oct. 22, 2012), <http://www.copyright.gov/fedreg/2012/77fr64555.pdf>.

³⁶ See Loi no 2012-287 du 1er mars 2012 relative à l’exploitation numérique des livres indisponibles du XXe siècle (1) [Law 2012-287 of March 1, 2012 on the Digital Exploitation of Unavailable Books of the Twentieth Century], JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [OFFICIAL GAZETTE OF FRANCE], March 2, 2012, p. 03986, available at http://www.legifrance.gouv.fr/jopdf/common/jo_pdf.jsp?numJO=0&dateJO=20120302&numTexte=1&pageDebut=03986&pageFin=03988#. See also *France Guillotines Copyright*, ACTION ON AUTHORS RIGHTS (Feb. 28, 2012), <http://blog.authorsrights.org.uk/2012/02/28/france-guillotines-copyright/> (Basic English translation of the law and links to commentary).

³⁷ Commission Staff Working Paper, *Impact Assessment on the Cross-Border Online Access to Orphan Works*, at 17, COM (2011) 289 final (May 24, 2011), http://ec.europa.eu/internal_market/copyright/docs/orphan-works/impact-assessment_en.pdf.

Document on Creative Content in a European Digital Single Market: Challenges for the Future.³⁸ It has also considered ECL regimes for mass digitization of out-of-commerce works.³⁹ The Commission's 2009 Reflection Document made clear that the use of ECL for facilitating access to orphan works would be conditional upon a prior diligent search.⁴⁰ Although the latest version of the EU Orphan Works Directive did not mandate ECLs for orphan works, it contains text that accommodates the existing ECL regimes in the Nordic countries and would permit introduction of new national schemes by EU Member States.⁴¹

Aside from the existing national ECL regimes, the September 2011 Memorandum of Understanding on Out-of-Commerce Works between Publishers and Library and Archive Organizations (MoU) created indirect pressure to adopt collective licensing of out of commerce works in EU member states.⁴² The MoU promotes voluntary licensing agreements for broad categories of works, which has been characterized by some commentators as akin to an ECL regime,⁴³ although traditional ECL regimes, such as those used in the Nordic countries, require

³⁸ European Commission, *Creative Content in a European Digital Single Market: Challenges for the Future, A Reflection Document produced by DG INFOSOC and DG MARKT* (October 22, 2009), http://ec.europa.eu/avpolicy/docs/other_actions/col_2009/reflection_paper.pdf.

³⁹ European Commission, Communication – Copyright in the Knowledge Economy, at 5, COM (2009) 0532 final, (October 19, 2009), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52009DC0532:EN:NOT>. Apart from the Nordic national regimes, ECL regimes exist in EU Member States (both Nordic and non-Nordic) for cable and satellite retransmission under the EU Satellite and Cable Directive, 93/83/EC, 1993 O.J. (L 248) 15 (EEC). See Thomas Riis & Jens Schovsbo, *Extended Collective Licences and the Nordic Experience – It's a Hybrid but is it a VOLVO or a Lemon?*, 33 COLUMBIA J.L. & ARTS 8 (2010), available at <http://ssrn.com/abstract=1535230>.

⁴⁰ European Commission, *supra* note 38, at 14 (“The introduction of such practices should take into account the adequate protection of the creators’ rights and should not prejudice their commercial interests unreasonably. This could imply that orphan works would only be included in an extended collective licence scheme after a diligent search has confirmed their orphan status. This option could be considered as a general rule in order to create broad coverage and thus a high degree of legal certainty; or as applicable only to certain uses, such as the scanning of orphan works or out-of-print books.”).

⁴¹ Directive 2012/28/EC of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, 2012 O.J. (L 299) 5, Article 1.5 at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:299:0005:0012:EN:PDF>.

⁴² *Memorandum of Understanding: Key Principles on the Digitisation and Making Available of Out-of-Commerce Works*, September 20, 2011, at: http://ec.europa.eu/internal_market/copyright/docs/copyright-infso/20110920-mou_en.pdf. See also Press Release on signing of Bookshelf Contract between the Norwegian National Library and KOPINOR, Aug. 28, 2012, <http://www.kopinor.no/en/about-kopinor/news/online-access-to-all-norwegian-literature-from-the-20th-century> (under which 250,000 books, including many from the twentieth century, will be made accessible to Internet users with Norwegian IP addresses).

⁴³ See US COPYRIGHT OFFICE, *supra* note 35, at 36 & n.80; Dugie Standeford, *Breakthrough Gives EU Principles for Digitising Out-Of-Print Books*, INTELL. PROP. WATCH (Sept. 20, 2011), <http://www-ip-watch.org/weblog/2011/09/20/breakthrough-gives-eu-principles-for-digitising-out-of-print-books/>.

statutory provisions to give extended effect to licensing regimes.

B. Existing Extended Collective Licensing Regimes

Extended Collective Licensing regimes covering various uses of copyrighted works are already in operation in Hungary, the Czech Republic, and in the Nordic States of Sweden, Norway, Denmark, Iceland, and Finland.⁴⁴ The Nordic ECL regimes are used for primary broadcasting, cable retransmission and communication to the public of previously broadcast television programs, and for certain forms of reproduction (including photocopying) for certain activities (including educational purposes in several of the countries) or by certain institutions. In addition, ECL regimes operate for other narrow uses of works varying by country.⁴⁵

The Nordic regimes build on existing collective management agreements covering particular classes of works, but extend their operation via legislation to permit the collective management organization (CMO) to represent rightsholders who are not members. This enables the CMO to offer a license for use of the rights in the relevant class of works, which in turn provides comfort to licensees that they can make use of works without legal liability. Non-member rightsholders' interests are protected through legislative provisions requiring CMOs to provide equal treatment of members and non-members regarding remuneration, by provisions on mediation and arbitration, and by providing rightsholders with the ability to opt out and/or seek individual remuneration.⁴⁶

The Nordic ECL regimes are mostly sectorial, covering narrow uses and/or classes of works set out in the relevant legislative provisions.⁴⁷ By comparison, an ECL regime to facilitate access to orphan works would likely have to be broader in scope of works and permitted uses to be useful. It would deem unlocatable rightsholders to be represented by a collective management organization that represents holders of the rights in the relevant class or classes of works.⁴⁸

Since the Nordic regimes empower the relevant CMOs to grant licenses for use of specified

⁴⁴ In addition, France has recently enacted a limited ECL-like regime to encourage digital accessibility to out-of-print books. See *supra*, note 36..

⁴⁵ See Tarja Koskinen-Olsson, *Collective Management in the Nordic Countries*, ch. 9, in *COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS*, (Daniel Gervais, ed., 2d ed., Kluwer Law International, 2010); AXHAMN & GUIBAULT, *supra* note 28, at 29-30. ;

⁴⁶ AXHAMN & GUIBAULT, *supra* note 28, at 27-28, 30.

⁴⁷ However, in 2008 Denmark introduced a general provision, allowing an extended effect for collective management agreements made in respect of any type of rights in works. Other Nordic countries are considering adopting similar general provisions. Tarja Koskinen-Olsson, *supra*, note 45, ch.9 n.59..

⁴⁸ GERVAIS, *supra* note 29.

classes of works, the CMOs do not need to conduct searches for the identity of non-member rightsholders before granting a license. However, CMOs do need to take measures to identify non-member rightsholders at a later time, to distribute license fees due to them, by virtue of the statutory obligation to provide equal treatment to members and non-members regarding remuneration. CMOs face a potential conflict of interest in these circumstances: to the extent that unallocated funds may revert to the CMO after a specified time period, CMOs could be incentivized to conduct a less thorough search for non-members.⁴⁹

Identifying how these regimes price licenses or uses that may include orphans, and what type of search they do in order to price licenses for rights that they administer will be the subject of future research by the Digital Library Copyright Project. These factors, discussed more below, raise significant questions about how CMOs would operate with respect to orphan works, especially in countries with little or no experience with such regimes, where CMOs may have no transparency or governance obligations, and where CMOs do not currently exist to license relevant uses of all classes of works.

C. Proposed EU Directive on Collective Management Organizations

The European Commission has released a proposed “Directive on Collective Management of Copyright and Related Rights and Multi-Territorial Licensing of Rights in Musical Works for Online Uses” on July 11, 2012 (draft CMO Directive).⁵⁰ This draft CMO Directive contains two sets of provisions. The first is aimed narrowly at facilitating multi-territorial copyright licensing of

⁴⁹ Thomas Riis, *Collecting Societies, Competition, and the Services Directive*, 6 J. INTELL. PROP. L & PRAC. 482, 492 n.70 (2011). The recently passed French law is one notable modification to this arrangement. That system operates on an essentially opt-out basis; works that are not being commercially exploited in print or digital formats are added to a public registry, and if the author chooses not to exploit the work within six months, the digital rights are transferred to a CMO. The CMO must first offer digital publication rights to the publisher of the work—which has a right of first refusal—and then may license the work more generally. Loi no 2012-287 du 1er mars 2012 relative à l’exploitation numérique des livres indisponibles du XXe siècle (1) [Law 2012-287 of March 1, 2012 on the Digital Exploitation of Unavailable Books of the Twentieth Century], arts. 134-1 to 134-6; see also Lucie Guibault, *France solves its XXe century book problem!*, KLUWER COPYRIGHT BLOG, April 13, 2012, <http://kluwercopyrightblog.com/2012/04/13/france-solves-its-xxe-century-book-problem/>. While the collecting society still has an obligation to search for rightsholders of works for which fees have been collected, the French law interposes a number of opt-out and notice requirements that would lead to the discovery of rightsholders. However, the law also provides that for work remains unclaimed after 10 years, the CMO may license its use for free to libraries, subject to a variety of non-commercial exploitation terms. *Id.*

⁵⁰ Proposal for a Directive of the European Parliament and of the Council on Collective Management of Copyright and Related Rights and Multi-Territorial Licensing of Rights in Musical Works for Online Uses in the Internal Market, COM (2012) 372 Final (July 11, 2012), http://ec.europa.eu/internal_market/copyright/docs/management/com-2012-3722_en.pdf.

musical works across EU member states.⁵¹ The second set, contains detailed regulations covering the governance and transparency of *all* collective management organizations operating in the EU, including existing CMOs that manage rights in books, journals and other categories of copyrighted and related rights works beyond musical works.⁵²

With regard to orphan works, an important benefit claimed for a collective license approach is the avoidance of a need to search for owners.⁵³ For large collections in particular, this is an attractive idea. However, the proposed Directive highlights that CMOs must still conduct searches.

One of the key provisions in the new framework addresses the distribution of monies collected by a CMO and due to rightsholders that it represents. Although not framed in the language of orphan works, this provision clearly raises issues about the level of effort required to identify potential claimants entitled to funds collected by the collecting society. The draft Directive requires EU Member States to ensure that collecting societies carry out the distribution of revenue collected within 12 months from the end of the financial year in which the rights revenue was collected unless “objective reasons related to . . . identification of rights, rightsholders or to the matching of information on works and other subject matter with rightsholders prevent the collecting society from respecting this deadline.”⁵⁴

Where funds cannot be distributed because relevant rightsholders cannot be found after searching, CMOs can decide how to use funds that have not been distributed after five years from the end of the financial year in which the collection of the rights revenue occurred, provided that collecting societies have taken “all necessary measures to identify and locate the rightsholders” and that members approve rules governing distribution of funds in this event.⁵⁵ Measures to identify and locate rightsholders shall include “verifying membership records and making available to the members of the collective society as well as to the public a list of works and other subject matter for which one or more rightsholders have not been identified or located.”⁵⁶

As noted above, this scheme creates a possible conflict between the collecting society’s responsibility to find owners and its interest in making its own determinations about retaining and

⁵¹ *Id.*, Title III and Articles 36 and 40 of Title IV.

⁵² *Id.*, Titles I, II and IV.

⁵³ *See supra* note 30.

⁵⁴ *Id.*, Article 12(1).

⁵⁵ *Id.*, Article 12(2).

⁵⁶ *Id.*, Article 12(3); Recital 15.

using the money. The Directive does contemplate at least indirect external scrutiny of the CMO's efforts to identify rightsholders. It requires collecting societies to publish an annual transparency report on their website within six months of the end of the financial year, with (among other things) "the total amount collected but not yet attributed to rightsholders, with a breakdown per category of rights managed and type of use, and indicating the financial year in which these amounts were collected."⁵⁷

These reports are likely to provide valuable information for analyzing what EU CMOs are currently doing, and in particular, how they are setting prices for licenses to use works where the rightsholder or holders are unlocatable.

D. Questions Raised by Use of ECL Regimes to Facilitate Access to Orphan Works

The most comprehensive experience with ECL regimes comes from the Nordic regimes described above. Those regimes generally cover narrower sets of rights and classes of works than current ECL proposals for facilitating access to all classes of orphan works. Accordingly it is unclear whether any of those regimes have dealt with classes of works in which a substantial proportion are orphans. In order to ascertain whether transparency obligations and good governance measures provide adequate protection against potential conflicts of interest, and to determine whether the Nordic ECL regimes provide a scalable model for national orphan works access regimes, further research needs to be undertaken focusing on how the Nordic CMOs currently handle record keeping and the search and distribution process, the pricing mechanisms used by CMOs that have large numbers of orphan works in their regimes, the costs involved in locating non-members, whether non-members have routinely opted out of the schemes and sought individual compensation, along with analysis of previous litigation on these issues, and the impact of the CMO governance provisions in the draft EU CMO Directive, once adopted.

Leaving aside the actual standard required for searching for rightsholders, the provisions in the draft CMO Directive discussed above highlight several other important considerations for policymakers considering use of ECL regimes as a means of facilitating access to orphan works:

- First, extended collective licensing regimes that authorize up-front licensing, still require CMOs to conduct a search for rightsholders to disburse collected license fees. For policymakers who are considering different orphan works models based on the cost and allocation of those costs for conducting diligent searches, this is an important consideration.

⁵⁷ *Id.*, Article 20 & Annex I.

In ECL regimes the cost of the search is merely delayed to a later time, but it is not completely avoided.

- Second, in order to establish appropriate pricing models for licenses they issue, CMOs that administer ECL regimes may need to have an understanding of the proportion of orphan works in the rights regimes that they administer, which in turn may require searches. The status of a work could be expected to have an impact on the price of the license to make use of particular rights in it. Orphan works are still in copyright but may be out of print and not trading in the marketplace unlike other works in the collection. In addition, because of the uncertainty about whether a currently unknown or unlocatable rightsholder or holders of a suspected orphan work may re-appear, a full economic analysis might suggest a discounted price for licensing orphan works based on a probabilistic weighting (i.e. the likelihood of a payout for works considered or suspected of being orphaned). As leading law and economics scholar Randall Picker argues, given the ex ante motivations for creating copyrighted works (and the general expectation that one's work will not become an orphan), "basing the royalty on the price that is being paid to non-orphan works or that would have been paid in a hypothetical negotiation between the entrant and the copyright holder almost certainly results in a royalty that is too high, as measured by what we want socially. We should expect royalty rates for orphan use to be modest."⁵⁸
- Third, the discussion above highlights a potential conflict of interest inherent in approaches that involve searches by licensing authorities. The CMO that is required to conduct the search for absent rightsholders may stand to gain funds that cannot be allocated to unlocatable rightsholders, potentially creating an incentive for a CMO to be limited in the thoroughness of its search procedure.⁵⁹ This would also be true in relation to searches for appropriately setting pricing models. CMOs who do not undertake a thorough investigation would stand to benefit from charging a flat fee across all rights and works under their administration. Here, again, transparency and governance mechanisms have a key role to

⁵⁸ Picker, *supra* note 32.

⁵⁹ Riis, *supra* note 49, at 492 n.70. In addition, jurisdictions that have no experience with ECL systems, such as the United States, confront a more basic challenge in that designing an ECL would be very difficult because there are no U.S. CMOs that are qualified and trusted to do this job. See Pamela Samuelson, *Reforming Copyright Is Possible*, CHRONICLE HIGHER ED., July 9, 2012 (discussing some of the challenges of implementing a licensing regime in the United States in the absence of an established CMO); see also Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, 34 COLUMBIA J.L. & ARTS 697, (2011) at <http://www.lawandarts.org/articles/legislative-alternatives-to-the-google-book-settlement/>

play. Policymakers seeking solutions to foster streamlined access to orphan works may not be inclined to push CMOs to conduct searches for pricing purposes unless new transparency and governance mechanisms indicate that CMOs are holding large quantities of royalties for which no rightholders have been located.

IV. Hybrid Approaches

Several proposed approaches involve searches by a number of different parties at different times. Not all are purely orphan works solutions, for example, the Google Books Amended Settlement Agreement, yet they are instructive in understanding alternative structures for identifying and enabling uses of these works.

A. Proposed Google Books Search Settlement Books Rights Registry

The Google Books Search Amended Settlement Agreement (ASA) imagined searches done by different entities at different times. The ASA grew out of the class action lawsuit brought by a number of rightholders seeking to halt Google’s Google Books project.⁶⁰ The now rejected⁶¹ ASA created a system that operated much like ECL,⁶² giving Google a license to make out-of-print works available for a set percentage of revenues generated by Google from those works.⁶³ Orphan works—an important subset of the “out of print” category of works—were included under the ASA. The settlement differed from ECL regimes, however, in that search for rightholders was spread out in various stages and over several entities. First, the ASA required that Google first make an initial search to determine whether the work was “not commercially available.”⁶⁴ Google was tasked under the terms of settlement with making this determination by referring to third-party databases, analyzing the books retail availability, and searching through other publicly available online sources.⁶⁵

⁶⁰ Authors Guild v. Google, Inc., 770 F. Supp. 2d 666 (S.D.N.Y. 2011).

⁶¹ *Id.*

⁶² See Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, *supra*, note 59, 706-15 (discussing how the Google Books settlement was like and unlike an ECL regime).

⁶³ See Authors Guild v. Google Inc., Case No. 05 CV 8136-DC, Amended Settlement Agreement, § 3.8, at 45; § 7.2(b)(v), at 95. (Nov. 13, 2009). The amended settlement would also allow Google to make “non-display” and “preview” uses of yet more works. *Id.* at 35, 65.

⁶⁴ *Id.* § 3.2(d)(i), at 29.

⁶⁵ *Id.* (“Google shall determine whether a Book is Commercially Available or not Commercially Available based on its analysis of multiple third-party databases as well as its analysis of the Book’s retail availability based on information that is publicly available to it on the Internet.”).

Google would be obligated to use a “commercially reasonable effort” to make the determination, and rightsholders could come forward with contradictory evidence to reverse the determination. Once the determination was made, Google was permitted to make display uses of the work subject to paying a fee based on revenue generated.

Under the ASA, money generated from Google’s uses of the corpus would be turned over to a Books Rights Registry (BRR), which would in turn be responsible for apportioning the revenues to rightsholders. The BRR itself would be obligated to “use commercially reasonable efforts to locate Rightsholders of Books,”⁶⁶ but for unregistered and unlocatable rightsholders, the funds would go into an escrow account. For funds paid but unclaimed after a period of time, the Registry was directed to use the collected funds in its efforts to locate rightsholders. To address conflict of interest issues, the Registry was also directed to appoint an independent “Unclaimed Works Fiduciary” to help determine how best to search for rightsholders.⁶⁷

While the ASA was rejected by the court for a variety of reasons,⁶⁸ it may still yield valuable lessons for policy makers who are considering analogous licensing regimes. As explained above, there are many unanswered questions regarding who would participate in searches under any licensing regime designed to addressing the digitization of collections of works that contain orphans. The ASA illustrates one possible method of addressing concerns about searches for rightsholders in the licensing context and, with the creation of the unclaimed works fiduciary, a mechanism for addressing conflict of interest issues. Of course, the ASA was hotly debated at the time and has many critics who have written about the shortcomings of this approach, including the same types of conflict-of-interest and pricing issues raised with regard to ECL regimes.⁶⁹ Those concerns should be carefully considered as part of any attempt to draw guidance from the ASA.

B. Proposed UK Two-tiered Approach

The UK Parliament is considering whether to adopt a two-tiered orphan works regime,

⁶⁶ *Id.* § 6.1, at 80.

⁶⁷ *Id.* § 6.2(b), at 82.

⁶⁸ *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011). In part, the agreement was rejected because it attempted to create what amounted to an extended collective licensing system outside of the normal legislative process and without appropriate input from all stakeholders. *See id.* at 676-78; *see also* Pamela Samuelson, *The Google Book Settlement as Copyright Reform*, 2011 WIS. L. REV. 477.

⁶⁹ *See* Samuelson, *supra* note 68; *see also* *Amended Settlement*, THE PUBLIC INDEX, http://thepublicindex.org/documents/amended_settlement (linking to copies of objections filed in response to the ASA).

permitting commercial and non-commercial use of published and unpublished works, with different processes for mass digitization and for other proposed uses of orphan works. At the first tier, cultural institutions would be permitted to digitize orphan works in their collections through an Extended Collective Licensing regime. The second tier involves a more tailored clearance procedure via a non-exclusive license granted by a new central licensing agency for users who wish to make other types of uses of suspected orphan works. The first tier is modeled on the ECL regimes of the Nordic countries; the second is similar to the regimes in Canada, Japan, and Hungary.⁷⁰ Legislation pending before UK Parliament empowers the UK Secretary of State to issue statutory regulations that will set out procedures and the details of the proposed regime.⁷¹

Diligent search would be required before use at both tiers. At the first tier, the diligent search would be performed by the cultural institution that wishes to digitize its collection or, potentially, by a collective management organization that has applied to operate an ECL regime for particular works. At the second tier, diligent searches will be performed by the user (whether individual or institution) that wants to make use of an individual orphan work. At both tiers searches would be carried out by the applicants according to sector-specific guidelines to be developed by the authorizing body with input from the sector.

It was originally proposed that diligent searches for both tiers would be reviewed and confirmed by a new government body that would be tasked with authorizing use of orphan works. After consultation with library and publisher stakeholders, the UK government has decided that the new authorizing body will not generally validate searches done by institutions or their agents in the first tier. Instead, it will take a “regulatory” approach, accrediting institutions that want to register orphan works, and periodically testing the quality of institutions’ searches and the search process on a random sampling basis.⁷² The UK Intellectual Property Office considers that institutions will be incentivized to conduct appropriately diligent searches because of the requirement to pay fees, and because the new agency will have power to exclude organizations that do not continue to meet the

⁷⁰ This regime is based on recommendations in Professor Ian Hargreaves’ report to the UK Government, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH, paras 4.56-59 & p. 40 (2011), www.ipo.gov.uk/ipreview-finalreport.pdf.

⁷¹ See proposed sections 116A-116D of the Copyright, Designs and Patents Act of 1988, which would be inserted by section 68 of the draft Enterprise and Regulatory Reform Bill, HL Bill 045 2012-2013, at <http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0045/2013045.pdf> (as brought from the Commons on 18 October 2012), *supra*, note 33.

⁷² The government apparently rejected this on the basis of the Canadian experience, which was criticized in submissions as being bureaucratic, costly, and “likely to be little used”. INTELLECTUAL PROPERTY OFFICE, FINAL IMPACT ASSESSMENT 4-6 (July 2012) <http://www.ipo.gov.uk/consult-ia-bis1063-20120702.pdf>.

required standards.⁷³

By comparison, at the second tier, for applications for use of orphan works by individuals and for institutions seeking to make smaller scale uses than mass digitization, the new authorizing agency *will* verify the diligent search.⁷⁴ For licenses for individual uses of orphan works, the new body will require details of searched databases and methods, which will be included on a new orphan works registry.⁷⁵ The UK Intellectual Property Office estimates that the cost to users of conducting these diligent searches would be £31m - £122m per annum and the cost of operating the authorizing body would be £0.5m - £1.8m per annum.⁷⁶

Several key details of the UK regime are yet to be resolved, including the identity of the government authorizing body that will confirm searches, whether it will be managed as a public agency or as a public-private sector partnership with collective management organizations, and whether the agency would be empowered to conduct diligent searches as a fee-based service.⁷⁷ The body will be initially funded by the UK Intellectual Property Office but over time may be funded as a collecting society, with administrative costs charged from users. Also yet to be resolved are the extent to which recent diligent searches can be re-used by other users.

C. Hungarian Two-Tiered Approach

In 2008, Hungary adopted a two-tiered orphan works regime that comprises an Extended Collective Licensing Regime for uses of rights in works managed by existing collective management organizations, and a centrally-granted non-exclusive and non-transferable license granted by the Hungarian Patent Office for use of orphan works falling outside the scope of collective rights management.⁷⁸ Individual licenses to use orphan works may be granted for a maximum term of five

⁷³ *Id.*, at 3.

⁷⁴ *Id.* at 5.

⁷⁵ *Id.* at 7.

⁷⁶ *Id.*

⁷⁷ If the agency will be a public agency, it seems that it would likely not offer a diligent search service. The Final Impact Assessment notes that stakeholders were generally not supportive of this concept in the public consultation on this point. *Id.* (“They felt that this would depend on whether the authorizing body had the necessary experience and access to relevant databases to complete high quality searches.” It was also recognized that this could be a conflict of interest “as there would be concern that the authorizing body [would] subsidise such searching activity with collected fees and distort private market providers for such services. . . . Given these considerations, a public sector body should not be offering diligent searches.”).

⁷⁸ Mihaly Ficsor, *How to deal with orphan works in the digital world? An introduction to the new Hungarian legislation on orphan works*, Presentation to European Parliament, October 2009 at: <http://www.europarl.europa.eu/document/activities/cont/200911/20091117ATT64717/20091117ATT647>

years and may cover commercial and non-commercial uses. Licenses for commercial use require payment of remuneration fixed by the HPO, which is held on deposit for reappearing rightsholders for a period of five years. Diligent search is a core part of the regime. Applicants for an individual license from the HPO must conduct a diligent search for rightsholders based on sector-specific guidelines as a precondition for lawfully using an orphan work.⁷⁹ The HPO conducts a procedural review of the license application to ensure that all required information has been provided.”⁸⁰ As of the writing of this paper, there is little available data about the costs and effectiveness of the scheme. To date, 22 applications for licenses appear on the Hungarian Orphan Works Register.⁸¹ Some of these cover multiple orphan works. For example, the National Audiovisual Archive sought a license to use 370 orphaned works and the Library of the Hungarian Parliament sought a license to use about 1000 orphaned works.⁸²

D. Assertions of Fair Use or Other Exceptions

In some cases, a diligent search might be limited or obviated because unpermitted use is allowed. In the United States, for example, the fair use doctrine allows some uses of copyright works without permission,⁸³ and many countries have a variety of exceptions to permission.⁸⁴ In such

[17EN.pdf](#).

⁷⁹ Decree 100/2009. (V.8.) Korm. of the Government of Hungary on the Detailed Rules Related to the Licensing of Certain Use of Orphan Works, Article 2, *available at* http://www.wipo.int/wipolex/en/text.jsp?file_id=242073.

⁸⁰ See *id.*, Article 2(1)). Applicants must include information suitable to identify the work and the author or authors, and the mode, extent, and planned duration of the use. Applicants must also attach “all the proofs, which certify that for the conclusion of the licensing agreement the applicant has taken the appropriate measures in a manner that are deemed reasonable under the given circumstances and with regard to the concerned type of work and mode of use to quest the author and the quest of the author is unsuccessful.” (Article 2(2).)

⁸¹ See *Szellemi Tulajdon Nemzeti Hivatala - Árva művek nyilvántartása*, HPO, http://szttnh.gov.hu/szerzoijog/arva/ARVA-muvek-nyilvantartas_teljes.pdf (through Oct. 2, 2012).

⁸² Aniko Gyenge, Hungarian Ministry of Justice and Law Enforcement, Head of Unit on Consumer Protection, Copyright and Industrial Property Unit *The Hungarian Model of Licensing Orphan Works* 8 (Presentation at the European States Presidency Conference on Digitisation of Cultural Material, Digital Libraries and Copyright, March 14, 2010, Madrid), http://www.mcu.es/principal/docs/MC/PresidenciaUE2010/Aniko_Gyenge_presentation.pdf. See also Ficsor, *supra* note 78; Audiovisual Orphan Works in Europe – National Survey, Report prepared for the British Film Institute by KEA European Affairs (May, 2011), <http://www.keanet.eu/docs/ORPHAN%20WORKS%20STUDY%20KEA.pdf>; *Orphan Works*, WIPO Lecture Series (May 2010, Paper prepared by Yael Lifshitz-Goldberg), http://www.wipo.int/edocs/mdocs/sme/en/wipo_smes_ge_10/wipo_smes_ge_10_ref_topic11_1.pdf.

⁸³ See 17 U.S.C. 107 (2006). Examples of permissible uses include digitization for purposes of preservation or

cases, there is less need, or no need, to locate and contact an owner of a work.

Nonetheless, follow-on users are likely to undertake searches for a number of reasons. In some cases, the applicability of the exception is uncertain; for example, a user may be unsure that fair use applies, and prefer to request permission. In some cases, a search might buttress the use of an exception, as in demonstrating good faith in making a fair use claim.⁸⁵ And in some cases, other requirements—especially *droits moral*, such as proper attribution—may require a search regardless of reliance on an exception. How extensive a search should be, and who should do it, are important questions in cases where an exception might apply, especially given the resources that might be required to fulfill a search. The recent *Report on Orphan Works Best Challenges for Libraries, Archives and Other Memory Institutions*⁸⁶ discusses this issue in further detail for libraries, archives, and other memory institutions that seek to use orphan works, but further research is undoubtedly required.

Conclusion

The solutions described above vary considerably in their approach to the orphan works problem. Some systems, such as that proposed by the U.S. Copyright Office's 2006 *Report on Orphan Works* and the ensuing legislative proposals, are relatively simple in that searches are conducted by independent users acting on their own. Others, such as the system currently in place in Canada and elsewhere, involve more government oversight and an approval process for the use of orphan works. Still others remain relatively unclear with respect to what parties would be involved in the search or what level of oversight, if any, would be required to ensure that adequate searches are undertaken. ECLs have recently been proposed as a potential orphan works solution. But as this paper points out, there are several unknowns as to how searches by CMOs would be conducted, how orphan status would be accounted for in the pricing of licenses, and what sort of oversight

for providing access to users with disabilities in a way that transforms the work, *Authors Guild, Inc. v. HathiTrust*, 11 CV 6351 HB, 2012 WL 4808939 (S.D.N.Y. Oct. 10, 2012), or uses that incorporate and comment on the work more directly. See, e.g., *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir.2006); see generally Pamela Samuelson, *Unbundling Fair Uses*, 77 *FORDHAM L. REV.* 2537 (2009) (reviewing the wide variety of uses that are permitted under fair use).

⁸⁴ For a series of recent worldwide surveys of limitations and exceptions for various categories of users (e.g., for libraries and archives, visually impaired, for educational and research uses), see *Limitations and Exceptions—Studies and Presentations*, WORLD INTELL. PROP. OFFICE, <http://www.wipo.int/copyright/en/limitations/studies.html>.

⁸⁵ See Jennifer Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 *BERKELEY TECH. L.J.* (forthcoming 2013), available at <http://ssrn.com/abstract=2089526>.

⁸⁶ REPORT ON ORPHAN WORKS BEST CHALLENGES FOR LIBRARIES, ARCHIVES AND OTHER MEMORY INSTITUTIONS (Jan. 2013), available at <http://centerforsocialmedia.org/orphan>.

would be required to quell conflict of interest concerns. Similarly, other hybrid solutions involve more complex arrangements between various parties involved in the search, but because those systems are relatively new or in the proposal stage, little information is available about how searches work in practice.

One notable commonality, however, is that most approaches require at least one party to conduct a search for rightsholders. More research is needed to understand the relative costs and benefits of allocating search responsibility to different parties, such as the end user or a CMO. This research is especially needed to understand systems—such as ECL or the hybrid models described above—that raise other more complex concerns regarding conflicts of interest and potential fiduciary responsibilities to the orphan works rightsholders, and to enable policymakers to develop an understanding of the most appropriate and efficient allocation of the costs of searching for owners.

Orphan Works: Causes of the Problem

David R. Hansen *

The orphan works problem can be traced in part to several recent changes in the way copyright law grants rights to owners and in the way that users consume copyrighted works. Broadly defined as the situation where the owner of a copyrighted work cannot be located by someone who wishes to make use of the work in a manner that requires authorization,¹ the problem of orphan works may have existed in theory since the first copyright laws came into effect. But in recent years the problem posed by orphan works has risen in importance and, as a result, has received vigorous consideration by a variety of owners, users, and policy makers,² all of whom have differing opinions about how to solve the problem.³ This paper seeks to familiarize the reader with the confluence of legal and technological developments that have reacted together to bring this problem to the forefront. At least four developments are apparent and will be discussed here: (1) the elimination of copyright formalities, (2) the progressive extension of copyright terms, (3) technological advances

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About this Paper: This white paper is the third in a series from the Berkeley Digital Library Copyright Project, an effort organized by Berkeley Law professors Pamela Samuelson, Jason Schultz, and Jennifer Urban. The project aims to investigate copyright obstacles facing libraries and other like-minded organizations in their efforts to realize the full potential of making works available digitally. More information can be found on the project's website, available here: <http://www.law.berkeley.edu/12040.htm>.

¹ See David R. Hansen, *Orphan Works: Definitional Issues* (Berkeley Digital Library Copyright Project, White Paper No. 1, 2011), <http://ssrn.com/abstract=1974614> (describing alternative definitions of the problem).

² See REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf> (discussing the importance of the problem in the United States); i2010 HIGH LEVEL EXPERT GROUP, FINAL REPORT ON DIGITAL PRESERVATION, ORPHAN WORKS, AND OUT-OF-PRINT WORKS (2008) available at http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/reports/copyright/copyright_subgroup_final_report_26508-clean171.pdf (discussing the importance of addressing orphan works from the European Union perspective); IAN HARGREAVES, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH 38–40 (2011), <http://www.ipo.gov.uk/ipreview-finalreport.pdf> (addressing the importance of solving the orphan works problem for the United Kingdom's intellectual property scheme); COMITÉ DES SAGES, THE NEW RENAISSANCE 22 (2011), http://ec.europa.eu/information_society/activities/digital_libraries/doc/refgroup/final_report_cds.pdf (addressing the importance of solving the orphan works problem across Europe, especially in the context of digital libraries).

³ See David R. Hansen, *Orphan Works: Mapping the Possible Solution Spaces* (Berkeley Digital Library Copyright Project, White Paper No. 2, 2012), <http://ssrn.com/abstract=2019121>.

that allow authors to create—and preserve—more copyrightable works, and (4) technological changes in the way users access and consume copyrighted works, especially in the shift from print to digital.

I. Elimination of Copyright Formalities

When the U.S. Copyright Office issued its *Report on Orphan Works* in 2006, it suggested that the rise of the orphan works issue could be tied, at least in part, to the omnibus copyright law revision process that resulted in the Copyright Act of 1976.⁴ The Copyright Office went on to explain, as have many others,⁵ that this was so because the 1976 Act and subsequent amendments eliminated the need for copyright owners to comply with several long-standing features of U.S. copyright law such as notice and renewal (commonly referred to as “formalities”) that once made it more difficult for creators to obtain and maintain protection for their works.⁶ Because copyright protection is now more easily obtained, the law is thought to grant rights beyond what is necessary to motivate authors to create,⁷ and now extends protection to a large number of works with questionable commercial importance.⁸ In the presence of formalities, many of those works would have entered the public domain and could be freely reused; in their absence, current law is thought to extend protection for the benefit of owners who are not motivated to manage it,⁹ and at the expense of those who wish to reuse the original works. The elimination of two particular types of

⁴ See REGISTER OF COPYRIGHTS, *supra* note 2, at 41 (citing The Copyright Act of 1976, Pub. L. No. 94-553).

⁵ See, e.g., Katharina de la Durantaye, *Finding a Home for the Orphan: Google Book Search and Orphan Works Law in the United States and Europe*, 21 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 229, 239–41 (2011); Jane Ginsburg, *Contracts, Orphan Works, and Copyright Norms: What Role for Berne And Trips?*, in WORKING WITHIN THE BOUNDARIES OF INTELLECTUAL PROPERTY: INNOVATION POLICY FOR THE KNOWLEDGE SOCIETY (Rochelle C. Dreyfuss, Diane L. Zimmerman & Harry First, eds., 2010); Olive Huang, *U.S. Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans*, 21 BERKELEY TECH. L.J. 265, 274–75 (2006).

⁶ See REGISTER OF COPYRIGHTS, *supra* note 2, at 41.

⁷ See William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 UNIV. CHICAGO L. REV. 471 (2003).

⁸ REGISTER OF COPYRIGHTS, *supra* note 2, at 43–44 (citing H.R. Rep. No. 94-1476, at 136 (1976) (recognizing that such a change would extend protection to works of no commercial significance)).

⁹ Reforms specifically focused on addressing the orphan works problem have incorporated more general proposals to readjust copyright through reinvigorated formalities, thereby placing the burden of continued protection on the owner. See IAN HARGREAVES, *supra* note 2, at 33; COMITÉ DES SAGES, *supra* note 2, at 22; see also Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485 (2004).

mandatory formalities, renewal and notice, play an important role in heightening the orphan works problem.¹⁰

Renewal had been a feature of the U.S. copyright system since it was created in 1790.¹¹ Under the law in place prior to the 1976 Act, authors were granted an initial twenty-eight year copyright term, with the option of a registering for an additional twenty-eight years renewal term.¹² To obtain renewal, owners had to first properly register the work with the Copyright Office, and then submit a fee along with a renewal application, which itself included details about the work and its ownership.¹³ When Congress revised the law in the 1976 Act, it eliminated the renewal requirement for works created on or after January 1, 1978.¹⁴ Only sixteen years later in 1992, Congress also granted automatic renewal for any works created between 1964 and 1978.¹⁵ The impact of both changes on the number of currently protected works may be substantial because historically, very few copyright owners actually took advantage of the renewal option. Over the twentieth century, renewal rates typically ranged between 2% and 20% for works that were initially registered with the Copyright Office.¹⁶ Even those low numbers, however, are overstated because under neither the 1909 Act nor the 1976 Act was initial registration required for the first term of

¹⁰ The 1976 Act also made other changes that might increase the severity of the orphan works problem. For instance, unlike rights under the 1909 Act, the 1976 Act allowed rightsholders to freely divide and subdivide their rights amongst many owners. See 17 U.S.C. § 201(d)(2) (2006); 2 PATRY ON COPYRIGHT § 5:120–123 (Westlaw 2012) (contrasting the divisibility of rights under the 1909 Act and the 1976 Act). Because of this, a copyrighted work may actually have many different enforcing rights holders, some or all of whom may need to be sought out to authorize a particular use of the work.

¹¹ Act of May 31, 1790 § 1, 1 Stat 124, 124. For a thorough discussion of copyright renewal, duration, and term extension, see Tyler T. Ochoa, *Patent and Copyright Term Extension and the Constitution: A Historical Perspective*, 49 J. COPYRIGHT SOC'Y U.S.A. 19 (2002).

¹² See An Act To amend and consolidate the Acts respecting copyright, ch. 320, § 23, 35 Stat. 1075 (1909) (codified as amended, former 17 U.S.C. § 24 (1976)).

¹³ See 37 C.F.R. § 202.17 (1976); 1976 Copyright Office Renewal Form “R”.

¹⁴ See 17 U.S.C. § 302 (2006).

¹⁵ See Copyright Amendments Act of 1992, Public Law 102-307, § 102 (1992). Although the act provided for an automatic renewal term, there are still some small advantages to owners that make a renewal registration. See Renewal of Copyright 2 (U.S. Copyright Office, Circular 15, 2006), <http://www.copyright.gov/circs/circ15.pdf>.

¹⁶ See Landes & Posner, *supra* note 7, at 499 (finding a ratio of registration to renewal that ranged from below 5% to just over 20% for works first registered between 1910 and 2000); see also Deirdre K. Mulligan, & Jason M. Schultz, *Neglecting the National Memory: How Copyright Term Extensions Compromise the Development of Digital Archives*, 4 J. APP. PRAC. & PROCESS 451, 458 (2002) (culling from Copyright Office registration and renewal records that only 12.86% of the works registered in 1930 were renewed when their first term expired in 1957).

copyright protection;¹⁷ a large but unknown number of works were never registered and, as a consequence, never renewed. As far as the orphan works problem goes, if a renewal system was still in place, works whose owners have long since disappeared (and therefore who would not be available to file for renewal) would now be in the public domain. Instead, those works remain protected by copyright.¹⁸

The reduced importance of copyright notice requirements may also contribute to the orphan works problem both because its elimination makes copyright more easily obtainable, and because it impacts the ability of a potential re-user to identify the proper rightsholder. For protection under the 1909 Copyright Act, rightsholders were required to affix a copyright notice to their works which included the name of the copyright proprietor and the year in which copyright was secured by publication, along with the appropriate copyright indicator, such as the © symbol.¹⁹ Works that did not comply entered the public domain. The 1976 Act,²⁰ however, followed by the Berne Implementation Act of 1988,²¹ weakened and finally eliminated this requirement for works created after the effective date of those acts. Today, copyright owners do not need to provide any notice at all for the works that they own.

Comments submitted in response to the Copyright Office's 2005 *Orphan Works Notice of Inquiry* revealed that lack of notice, or at least the lack of some identifying information on the face of the work itself, was a serious problem for many potential users who faced the prospect of searching for rightsholders. Most affected were users of visual works²² (especially users of photographs),²³ but

¹⁷ See 3 PATRY ON COPYRIGHT § 6:29 (Westlaw 2012) (describing the role of registration under the 1909 Act); 17 U.S.C. §§ 410–412 (2006) (describing the effect of registration under the current Copyright act).

¹⁸ The lack of a renewal registration requirement may also worsen the orphan works problem because renewal would provide an opportunity for the Copyright Office to obtain refreshed copyright ownership information. *But see* Ginsburg, *supra* note 5 (“The copyright owner of a formalities-compliant work might still prove unlocatable today because even mandatory copyright formalities did not require constant updating. Thus, the information identifying the author or copyright owner of a work published with notice in 1930 whose registration was renewed in 1958 (and whose copyright will endure until 2025) will today be 50 years old. The likelihood that the information in the 1958 renewal certificate remains accurate may not be very high.”)

¹⁹ An Act to amend and consolidate the Acts respecting copyright, ch. 320, § 18, 35 Stat. 1075 (1909).

²⁰ The Copyright Act of 1976, Pub. L. 94-553, §§ 401–406.

²¹ Act of Oct. 31, 1988, Pub. L. No. 100-568, § 7.

²² See College Art Association Response to Orphan Works Notice of Inquiry, March 25, 2005, Comment OW0647, <http://www.copyright.gov/orphan/comments/OW0647-CAA.pdf> (discussing nearly twenty pages worth of examples where rights holders could not be located for works with no identifying information on the face of a variety of visual works).

also the large number of groups such as libraries and archives that hold unpublished literary works such as letters or manuscripts,²⁴ collectors of visual art,²⁵ and holders of ephemera such as postcards, brochures, or pamphlets.²⁶ This can be especially problematic for works that are not authored by prominent individuals.²⁷ While it is true that notice can become quickly outdated, many of these users explained that the basic problem was not due to inaccurate notice of ownership, but rather a lack of any sort of indicating mark that would signal where the work originated.²⁸ Without that information, even beginning a search for rightsholders can be impossible.

II. Copyright Term Extension

In addition to making copyright protection easier to obtain and more difficult to track, Congress also lengthened the term of those rights. Copyright term extensions enacted by Congress over the last century are thought to worsen the orphan works problem because of the simple fact

²³ Chris Spurgeon Response to Orphan Works Notice of Inquiry, February 24, 2005, Comment OW0054, <http://www.copyright.gov/orphan/comments/OW0054-Spurgeon.pdf> (no identifying information on family photographs); Nicollete Bromberg (University of Washington Libraries) Response to Orphan Works Notice of Inquiry, March 5, 2005, Comment OW0189, <http://www.copyright.gov/orphan/comments/OW0189-Bromberg.pdf> (describing the difficulties of locating owners of works with no identifying information in a collection of “about a million” photographs at the University of Washington Libraries). *But see* Response of the Professional Photographers of America to Orphan Works Notice of Inquiry, March 25, 2005, Comment OW0642, <http://www.copyright.gov/orphan/comments/OW0642-PPA.pdf> (“If the person seeking a copy does not recall or know the source of the work in question, the original artist or copyright owner can usually still be discovered since most continue to mark their work. Even though this is no longer a legal requirement, artists continue to see it as good business practice. We do not know how widespread the practice is in other creative fields, but 89% of professional photographers mark their work in some fashion.”).

²⁴ *See* Response of Paul Getty Trust, et al., to Orphan Works Notice of Inquiry, March 24, 2005, Comment OW0610, <http://www.copyright.gov/orphan/comments/OW0610-ArtMuseums.pdf> (explaining the challenges with respect to entire unpublished donated collections that include letters, manuscripts, photographs, and audiovisual materials).

²⁵ *See* College Art Association Response to Orphan Works Notice of Inquiry, March 25, 2005, Comment OW0647, <http://www.copyright.gov/orphan/comments/OW0647-CAA.pdf>

²⁶ *See* Response of Deborah Miller, Minnesota Historical Society, to Orphan Works Notice of Inquiry, March 25, 2005, Comment OW0573, <http://www.copyright.gov/orphan/comments/OW0610-ArtMuseums.pdf> (describing the problem in the context of a local ephemera collection).

²⁷ *See* R. Anthony Reese, *Public but Private: Copyright's New Unpublished Public Domain*, 85 TEXAS L. REV. 585, 605–06 (2007) (discussing the high costs of finding owners of unpublished nineteenth-century materials individuals who are not well known).

²⁸ *See* REGISTER OF COPYRIGHTS, *supra* note 2, at 23.

that extended copyright terms mean that, except for a narrow category of unpublished works, fewer works will enter the public domain in the near future.²⁹

In 1900, federal copyright protection lasted for a maximum combined term of forty-two years.³⁰ Under the 1909 Act, copyright lasted for a maximum combined term of fifty-six years (although in reality, most owners did not file for renewal registration, and so protection lasted for only twenty-eight years).³¹ Works created today, or at any time since the 1976 Copyright Act came into force, however, are typically protected for the life of the author plus seventy years,³² resulting in copyright terms that may last for well near 150 years. The length of terms today are the result of a progressive extension of the standard copyright term, especially over the last three decades—first to the life of the author plus fifty years, and then to life plus seventy. Congress at the same time extended the maximum term of protection for copyrights subsisting before those extensions took effect, first from fifty-six years to seventy-five,³³ and then up to ninety-five years of protection from the date of first publication.³⁴ In so doing, it created a gap in time during which virtually no new works will enter the public domain. Indeed, no published copyrighted work has entered the public domain in the United States based on an expiration of its term of protection since 1997, after which

²⁹ Extended terms also mean that re-users of older works—whose ownership information is more degraded and difficult to trace—have a harder time identifying and seeking out authorization from owners. As time progresses, records are lost, ownership is transferred, and tracing the title to a particular work becomes more difficult. This problem is exacerbated with the elimination of formalities, and in particular, renewal requirements, because owners are no longer required to provide updated information regarding their ownership of the work. *See supra* note 18 and accompanying text.

³⁰ An Act to amend the several acts respecting copy rights, §§ 1–2, 4 Stat. 436 (Feb. 3, 1831) (providing a term of “for the term of twenty-eight years from the time of recording the title thereof” and a right of renewal for “for the further term of fourteen years.”); An Act to revise, consolidate, and amend the Statutes relating to Patents and Copyrights, §§ 87-88, 16 Stat. 198, 212-13 (July 8, 1870) (maintaining the twenty-eight year term, with a fourteen year renewal). For a thorough discussion of copyright duration and term extension, see Ochoa, *supra* note 11.

³¹ An Act to amend and consolidate the Acts respecting copyright, § 23, 35 Stat. 1075, 1080 (1909) (“The copyright secured by this Act shall endure for twenty-eight years from the date of first publication . . . and [the author or specified successors] shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years upon proper registration.”).

³² 17 U.S.C. § 301(a) (2006) (“Copyright in a work created on or after January 1, 1978, subsists from its creation and . . . endures for a term consisting of the life of the author and 70 years after the author’s death.”) Anonymous works, pseudonym works, and works made for hire are protected for a term of 95 years from the date of first publication, or 120 years from the date of creation, whichever comes first. 17 U.S.C. § 301(c) (2006).

³³ The Copyright Act of 1976, Pub. L. 94-553, §§ 304(a)-(b).

³⁴ *See* Sonny Bono Copyright Term Extension Act, Pub. L. 105-298, § 102 (1998); *see also* Ochoa, *supra* note 11, at 39–49 (describing the legislative considerations behind these extensions).

the most recent term extension act took effect.³⁵ In its current form, no work first published in the U.S. will enter the public domain until 2019. This means that many older works that under prior law would already be considered part of the public domain (and many of which are today considered orphans),³⁶ sit constrained behind continuing copyright protection.

However, while the story of copyright revision and term extensions is generally negative in terms of the orphan works problem, for unpublished works these changes may actually ease the problem. Unpublished works, formerly protected by state law under potentially perpetual terms,³⁷ were brought under federal law by the 1976 Act, and subjected to necessarily shorter terms of protection.³⁸ The Act stated that existing unpublished works would continue to be protected by applying a standard term of protection of the life of the author plus fifty years (now seventy), but that in no case would the protection expire before December 31, 2002.³⁹ Works that remained unpublished and unregistered, and whose authors died at least seventy years earlier, entered the public domain starting January 1, 2003.⁴⁰ Described as perhaps the “largest single deposit of material into the public domain in history,”⁴¹ the change means that many works of previously clouded ownership—some dating back to the Civil War or before—are now available for uninhibited re-use. To be sure, identifying authors and calculating death dates for these works make determining copyright status difficult (especially for works by little-known authors or with no identifying information), but the overall effect of this change is to make the re-use of these works less costly.

³⁵ See Sonny Bono Copyright Term Extension Act, Pub. L. 105-298 (1998) (codified at 17 U.S.C. § 301 (2006)).

³⁶ See Letter from Stanford Law Professor Lawrence Lessig to the Hon. Zoe Lofgren, at 4. (March 6, 2006). <http://www.lessig.org/blog/archives/20060306-lofgren.pdf> (asserting that “real problem of orphaned works is tied to old works”).

³⁷ See, e.g., An Act To amend and consolidate the Acts respecting copyright, ch. 320, § 2, 35 Stat. 1075, 1076 (1909) (“[N]othing in this Act shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor.”).

³⁸ 17 U.S.C. § 303 (2006).

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ Reese, *supra* note 27, at 586; see also Peter Hirtle, *Unpublished Materials, New Technologies, and Copyright: Facilitating Scholarly Use*, 49 J. COPYRIGHT SOC'Y U.S.A. 259 (2001).

III. Changing Information Creation and Storage Practices

The elimination of formalities and the extension of copyright terms mean that, almost purely as an operation of law, more works are protected for a longer duration for the benefit of those who do not necessarily care to own or manage those rights. For the orphan works problem, that situation is only accentuated by the fact that new technologies allow more copyrighted works to be authored, fixed, and preserved than ever before.⁴² Electronic publishing over the last twenty years has resulted in an explosion of new content. Even in the traditional world of book publishing, the number of new titles and editions “in print” has grown at an astounding rate;⁴³ much of that growth comes from the publication of e-book editions. Attempts to quantify the overall impact of digital technology on society’s total information output have similar findings. Two well-known studies by Professors Hal Varian and Peter Lyman, for example, attempted to estimate the total amount of information created each year, with specific regard to information flows in digital mediums.⁴⁴ Their conclusions—even with data from 1999 and 2002—illustrate the massive impact of digital creation and storage: in the later study they estimate that in 2002 alone, 5 exabytes of new data were created, or, as they described it, the equivalent of 37,000 new libraries, each the size of the Library of Congress.⁴⁵ While certainly not all—or even most—of that new information is made up of copyrighted works that might later be considered orphans, determining rightsholders and negotiating for permission for even a fraction of that content is a monumental task.

Of course, it should also be recognized that these same tools that help create and preserve works are not also without advantages in combating the orphan works problem.⁴⁶ Enhanced storage

⁴² Studies particular to the orphan works problem have noted this same fact. See Olive Huang, *U.S. Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans*, 21 BERKELEY TECH. L.J. 265, 274–75 (2006); Comment of the Ctr. for the Study of the Public Domain, Duke Law School, *In re Orphan Works*, No. 597, at 2 (Mar. 2005), <http://www.copyright.gov/orphan/comments/OW0597-CPD2.pdf>.

⁴³ See Bowker’s, *New Book Titles and Editions, 2002–2010* (2010), http://www.bowkerinfo.com/pubtrack/AnnualBookProduction2010/ISBN_Output_2002-2010.pdf (showing growth from 2002 to 2010 of near 1000%)

⁴⁴ See PETER LYMAN & HAL R. VARIAN, *HOW MUCH INFORMATION?* 2003 (2003); Peter Lyman & Hal R. Varian, *How Much Information?*, J. ELECTRONIC PUBLISHING, Dec. 2000, <http://dx.doi.org/10.3998/3336451.0006.204>. More recent efforts to answer this same question (particularly, with respect to information flows) have, unsurprisingly, concluded with much higher estimates. See ROGER E. BOHN, JAMES E. SHORT, *HOW MUCH INFORMATION? 2009: REPORT ON AMERICAN CONSUMERS* (2009), http://hmi.ucsd.edu/pdf/HMI_2009_ConsumerReport_Dec9_2009.pdf

⁴⁵ LYMAN & VARIAN, *supra* note 44.

⁴⁶ Because of these capabilities, some argue that the orphan works problem is actually shrinking, in part because publishers, libraries, and other information intermediaries are now better able to track copyright

and network capabilities allow creators and publishers to manage and understand the usage of their works; registries and new metadata standards make it much easier to track ownership and copyright status information about a work in ways that were formerly impossible.⁴⁷ Leveraging these capabilities to ease the problem going forward is an important part of the solution landscape,⁴⁸ and researchers answering one of the significant questions that remains in the orphan works context—determining exactly how large the impact digital creation and preservation has had on the number of works that might be considered orphans⁴⁹—will undoubtedly rely upon these advancements.

IV. Changing Formats for Information Consumption

One additional change that intensifies the orphan works situation is the rapidity with which users change the preferred format in which they desire access to copyrighted materials. Because moving material from one format to another—e.g., print to digital—is fraught with potential copyright consequences under current law,⁵⁰ users often undertake to seek out permission from copyright holders. The orphan works problem arises when that permission is unobtainable because the copyright holder cannot be located. Further complicating matters is the fact that existing law is unclear on who owns digital rights in many works; unresolved disputes over ownership of rights for “new uses” of copyrighted works (e.g., does a contract to publish a “book” include e-book rights as

status and ownership. See Joseph Esposito, The Shrinking Orphan Works Problem, The Scholarly Kitchen (Oct. 18, 2011), <http://scholarlykitchen.sspnet.org/2011/10/18/the-shrinking-orphan-works-problem/>. But see REGISTER OF COPYRIGHTS, *supra* note 2, at 23–26 (describing difficulties in managing copyright ownership metadata for the growing number of unpublished and ephemeral works that are generated and stored in the digital environment); see also *supra* notes 22–26.

⁴⁷ See Molly Shaffer Van Houweling, *Author Autonomy and Atomism in Copyright Law*, 96 VIRGINIA L. REV. 549, 632 (2010) (describing the use of “technology-powered mechanism” such as a registry of open-ended machine-readable tags to ease the problem). The establishment of a rights information infrastructure that would track copyright ownership data on a large scale, such as has been established in Europe with the ARROW project, is one example of a broadly-accessible version of such a system. See About, ARROW, <http://www.arrow-net.eu/> (last visited March 28, 2012).

⁴⁸ See e.g., IAN HARGREAVES, *supra* note 2, at 33; see also Hansen, *supra* note 3, at 20 (reviewing efforts to reinvigorate formalities and develop technical systems to track copyright ownership and status).

⁴⁹ See Hansen, *supra* note 1, at 8–12 (outlining the sparse existing work on this subject and suggesting areas for further research).

⁵⁰ The precise contours of the law on this issue are not entirely settled, but fair use in particular is thought to allow some format shifting activities, see *Sony Corp. of America v. Universal City Studios, Inc.*, 464 US 417 (1984).

well?) may well force a digitizing institution to search out and negotiate with both publisher and the author or her heirs.⁵¹

While attempts to reuse works in other ways (e.g., incorporation into derivative works)⁵² have also been an important part of orphan works considerations, the basic ability to shift copyrighted works from print to digital has become an overriding concern, and is something that has accentuated the importance of the problem. By all accounts, the format of choice is digital, and for many users, the aging exclamation “if it’s not on the Web, it doesn’t exist!”⁵³ is now truer than ever.⁵⁴ It may be unsurprising then that legal reform efforts to enable widespread format shifting—e.g., library mass digitization initiatives—have been tied closely to the issue of orphan works.⁵⁵ Behind those reform efforts stand massive digital libraries and archives that have already broached the issue.⁵⁶ Before them are others, such as the Digital Public Library of America and Europeana,

⁵¹ See Pamela Samuelson, *The Google Books Settlement as Copyright Reform*, 2011 WISC. L. REV. 477, 496 (discussing how a lack of clarity in the ownership of e-book rights is an impediment to mass digitization projects such as Google Books Search, and how it relates more generally to the orphan issue). The only case interpreting specific grant language in the e-books context, *Random House, Inc. v. Rosetta Books, LLC*, 283 F.3d 490 (2d Cir. 2002), favors an interpretation that leaves those rights with the author rather than the publisher. As Professor Samuelson notes, however, because that decision applied only to deny Random House’s motion for preliminary injunction, it is “far from definitive precedent for resolving the author-publisher e-book dispute.” Samuelson, *supra* at 497. Indeed, at least one publisher is currently litigating the scope of its rights under a similar publishing contract. See *HarperCollins Publishers LLC v. Open Road Integrated Media, LLP*, Case No. 1:2011-cv-09499, complaint (S.D.N.Y., Dec. 23, 2011) (contesting the scope of popular author Jean Craighead George’s retained authority over the e-book rights to the title *Julie of the Wolves*).

⁵² See REGISTER OF COPYRIGHTS, *supra* note 2, at 36–37 (discussing potential reuse by subsequent creators).

⁵³ See Sarah Stevens-Rayburn & Ellen N. Bouton, “If It’s Not on the Web, It Doesn’t Exist at All”: *Electronic Information Resources - Myth And Reality*, LIBRARY AND INFORMATION SERVICES IN ASTRONOMY III, ASP CONFERENCE SERIES, Vol. 153, 1998, at 195.

⁵⁴ This trend is especially true of consumers in academia. In 2008–2009, fifty-seven percent of Association of Research Library (“ARL”) member materials expenditures were devoted to licensed electronic content, ASS’N OF RESEARCH LIBRARIES, ARL STATISTICS 2008–2009, at 20–21 (2010), available at <http://www.arl.org/bm~doc/arlstat09.pdf>, which is about forty percentage points higher than expenditure on electronic content ten years earlier. *Id.*

⁵⁵ See, e.g., i2010: DIGITAL LIBRARIES HIGH LEVEL EXPERT GROUP, COPYRIGHT SUBGROUP, FINAL REPORT ON DIGITAL PRESERVATION, ORPHAN WORKS, AND OUT-OF-PRINT WORKS 5 (2008) (addressing the orphan works problem from the perspective of digital libraries and mass efforts to digitize books, journals, newspapers, photographs, museum objects, archival documents, and audiovisual materials, as part of Europe’s “collective memory”).

⁵⁶ The Internet Archive, for example, has pioneered access to a large collection of in-copyright but out-of-print works (some of which are presumably orphans) through its library e-book lending program. See David Rapp, *Internet Archive Tests New Ebook Lending Waters: In-Library, and License-Free*, LIBRARY JOURNAL, Mar. 2, 2011, http://www.libraryjournal.com/lj/communityacademiclibraries/889508-265/internet_archive_tests_new_ebook.html.csp. The HathiTrust and the Google Books Project are other

two recent and notable digital library initiatives.⁵⁷ Supporting those initiatives are library and archive digitization projects, including those funded or affiliated with the Institute of Museum and Library Science (IMLS), which number nearly 1,000.⁵⁸ Some of these have already experimented with digitizing in-copyright and potentially in-copyright works,⁵⁹ while others have proceeded to carefully digitize works only in ways that they hope will minimize the risk of costly infringement suits,⁶⁰ all the while calling for workable solutions to the orphan works problem.⁶¹

Conclusion

The four causes of the orphan works problem outlined briefly above—the elimination of formalities, extended duration of copyright, enhanced abilities to create and store works, and the need to shift works into new digital formats—have combined to make the orphan works problem an important and growing concern. Moving forward, researchers might try to better understand the relative impact that these causes have had on the problem, and to understand how the various proposed solutions would address these particular causes both now and in the future.

notable projects that have taken action to enable greater access. See Pamela Samuelson, *Google Books Search and the Future of Books in Cyberspace*, 94 MINN. L. REV. 1308 (2010) (reviewing the Google Books Search project, the class action lawsuit filed against Google by authors and publishers, and the problems with the proposed settlement in the case).

⁵⁷ See DIGITAL PUBLIC LIBRARY OF AMERICA, <http://dp.la/> (last visited Feb. 20, 2011); EUROPEANA, <http://www.europeana.eu> (last visited Feb. 20, 2011).

⁵⁸ There are, of course, many digitized projects focusing on published “core” collection works that are clearly in the public domain. HathiTrust reports that around 21% of its collection was published before 1923, amounting for about 2 million volumes. See John P. Wilkin, *Bibliographic Indeterminacy and the Scale of Problems and Opportunities of “Rights” in Digital Collection Building*, RUMINATIONS (Feb. 2011), <http://www.clir.org/pubs/ruminations/01wilkin/wilkin.html>.

⁵⁹ See Laura N. Gasaway, *Libraries, Digital Content, and Copyright*, 12 VANDERBILT J. ENT. & TECH. LAW 755, 760 (2010) (reviewing some recent projects to digitize in-copyrighted works and the difficulties encountered in obtaining rights clearance).

⁶⁰ See LAURA CLARK BROWN, JUDY RUTTENBERG & KEVIN L. SMITH, THE TRIANGLE RESEARCH LIBRARIES NETWORK’S INTELLECTUAL PROPERTY RIGHTS STRATEGY FOR DIGITIZATION OF MODERN MANUSCRIPT COLLECTIONS AND ARCHIVAL RECORD GROUPS 6 (2011), <http://www.trln.org/IPRights.pdf> (discussing a risk management strategy for the digitization and online access of modern manuscript collections).

⁶¹ See, e.g., *Orphan Works Initial Comments*, U.S. COPYRIGHT OFFICE, (last visited Feb. 20, 2012) <http://www.copyright.gov/orphan/comments/index.html> (listing the number of libraries with response comments to the initial inquiry).

Orphan Works: Mapping the Possible Solution Spaces

David R. Hansen *

Policy makers have struggled over the past decade to grapple with the orphan works problem, especially as publishers, libraries, and other information intermediaries have attempted to make copyrighted works more accessible online. While understandings of the problem vary, the basic challenge is one of enabling access to and use of copyrighted works whose owners cannot be located.¹ In such situations, institutions and individuals who wish to increase access to these otherwise unavailable works must assume significant legal risks under copyright law if they are to move forward.² Over the last few years, several considerate proposals to solve this problem have emerged. This paper seeks to acquaint the reader with these solutions, and to identify the positive and negative aspects of each.

The paper discusses four broad categories of proposed solutions: (1) Proposals that seek to encourage the reuse of orphan works by limiting remedies available in litigation against users that make a good faith, but unsuccessful, search for rightsholders. The Copyright Office proposal and several bills proposed in the U.S. Congress have taken this approach. In addition, the European

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About this Paper: This white paper is the second in a series from the Berkeley Digital Library Copyright Project, an effort organized by Berkeley Law professors Pamela Samuelson, Jason Schultz, and Jennifer Urban. The project aims to investigate copyright obstacles facing libraries and other like-minded organizations in their efforts to realize the full potential of making works available digitally. More information can be found on the project's website, available here: <http://www.law.berkeley.edu/12040.htm>.

¹ For a more complete review of the problem and its scope, see the first paper in this series, David R. Hansen, *Orphan Works: Definitional Issues* (Berkeley Digital Library Copyright Project, White Paper No. 1, 2011), <http://ssrn.com/abstract=1974614>.

² Fear of statutory damages (pre-established damages that can range as high as \$150,000 per work infringed) is a unique part of the U.S. copyright system that is thought to hinder some uses. See Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 480–90 (2009) (arguing that statutory awards on the higher end of the given range violate due process because they are both “plainly punitive” and “grossly excessive.”). This fear is sometimes raised even by those with credible arguments that they should not be subject to such harsh damage awards. See PRUDENCE ADLER, BRANDON BUTLER, PATRICIA AUFDERHEIDE & PETER JASZI, FAIR USE CHALLENGES IN ACADEMIC AND RESEARCH LIBRARIES 19 (2010), http://www.arl.org/bm~doc/arl_csm_fairusereport.pdf (noting the belief among some librarians that “libraries incur high risks, including exposure to statutory damages, for good-faith efforts to employ fair use” despite statutory protections that largely exempt non-profit library and educational users from statutory damage awards under 17 U.S.C. § 504(c)(2) (2006)).

Commission’s proposed E.U.-wide directive to enable the reuse of orphan works by certain public interest organizations (such as libraries) is similar in design. (2) Administrative systems that allow users to petition a centralized copyright board for specific reuses of orphan works. Canada has pioneered this approach, and similar systems are in place in Japan, South Korea, and India, and the UK. (3) Access and reuse solutions that are tailored to rely upon the existing doctrine of fair use. And (4) Broader extended collective licensing schemes, which permit collective management organizations (“CMOs”) to license the use of works that are not necessarily owned by CMO members, but that are representative of the types of works owned by CMO members.

In addition to these four categories of approaches, broader policy reforms that seek to address copyright formalities and duration, and library, archive and museum privileges, also have the ability to mitigate or partially address the orphan works problem. The paper concludes by situating those broader reforms in the context of the orphan works problem.

I. Limiting Remedies After a Diligent Search for Rightsholders

A. The U.S. Copyright Office Approach to Limiting Remedies

One of the most prominent proponents of a remedies-based orphan works solution has been the U.S. Copyright Office. In 2005, it issued its *Orphan Works Notice of Inquiry*³ and in 2006 its subsequent *Orphan Works Report*.⁴ In the *Report*, the Office recommended a statutory limit on the scope of remedies available against defendants who were unable to locate the copyright owner of a work after a good faith, reasonably diligent search.⁵ The *Report* discussed several factors that might limit this solution. Among them were the type and age of the work in question,⁶ the published or unpublished nature of the work,⁷ and the for-profit or non-profit status of the proposed use or user.⁸ The Copyright Office ultimately rejected all of these factors, accepting that “the *sine qua non*” of the problem—the fact that its owner cannot be located—was not necessarily tied to the variables

³ Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739 (Jan. 26, 2005).

⁴ REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS 1 (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>. The final report took into account over 850 comments, and was preceded by a series of roundtable discussions with stakeholders. See Library of Congress, Copyright Office, Roundtable Discussion on Orphan Works (Jul. 26–27, 2005, Washington, D.C.; Aug. 2, 2005, Berkeley, CA) available at <http://www.copyright.gov/orphan/>.

⁵ REGISTER OF COPYRIGHTS, *supra* note 4, at 127 (proposed statutory text).

⁶ *Id.* at 79–81 (categories of works covered).

⁷ *Id.* at 79–81, 100 (“Our recommendation does not categorically exclude unpublished works from being subject to the orphan works provision.”).

⁸ *Id.* at 81–82 (uses and users covered).

described above.⁹ Instead, the proposed solution applied broadly to all types of works and uses, and also applied non-exclusively, preserving other copyright defenses such as fair use or other more specific limitations on owners' rights.¹⁰

For its remedy-limitation to apply, the proposal first required that the user undertake a “good faith, reasonably diligent search to locate the owner” before using the work.¹¹ Rather than defining the specific method of search, however, the Copyright Office adopted what it admitted to be a “very general” search standard that would be solicitous of the varying techniques and resources used to investigate rights status in different industry contexts.¹² The report made reference to several factors that might influence the reasonableness of a particular search, but resisted formalizing these factors in the proposed statutory text. Factors included the presence of identifying information on the work itself, whether the work had been made available to the public, the age of the work, the availability of information in publicly-available databases (e.g., Copyright Office records), whether the author was still alive, and the type of use to which the work would be put.¹³ The Office also rejected the suggestion that it should have rulemaking authority to formalize search guidelines based on these or other factors, in part because of groups like libraries and archives that objected to such formalization.¹⁴

For users who complied with these search requirements, the Copyright Office proposal provided limited protection from both monetary damages and injunctive relief.¹⁵ For monetary damages, the proposal eliminated all monetary exposure (including actual damages, statutory

⁹ *Id.* at 79–80 (“[T]he *sine qua non* of an orphan work—the fact that its owner cannot be located—has no necessary tie with the age of the work.”).

¹⁰ *Id.* at 52, 127.

¹¹ *Id.* at 96–108 (describing factors of the reasonably diligent search), 127 (proposed statutory language). The proposal also required that users provide “attribution to the author and copyright owner of the work, if possible and as appropriate under the circumstances.” *Id.*

¹² *Id.* at 98. The Copyright Office suggested that guidelines might be developed for particular market sectors, but that the ultimate reasonableness of a search must be determined by courts on a case-by-case basis. The report went on to explain that a broad standard “is needed because of the wide variety of works and uses identified as being potentially subject to the orphan works issues, from an untitled photograph to an old magazine advertisement to an out-of-print novel to an antique postcard to an obsolete computer program. Each of these presents different challenges in trying to find a copyright owner, and what is reasonable in one circumstance will be unreasonable in another.” *Id.*

¹³ *Id.* at 99–108 (discussing the factors).

¹⁴ *Id.* at 109.

¹⁵ *Id.* at 115–19 (describing the approaches' limitation on monetary relief); 119–21 (describing the limitation on injunctive relief).

damages, and attorney's fees and costs) for users that made non-commercial uses of the work, provided that the use ceased quickly upon notice of a claim of infringement.¹⁶ For other uses, the proposal limited monetary relief to only "reasonable compensation," while still protecting users from other types of monetary damages such as statutory damages. For injunctive relief, the limitations were less extensive. The proposal provided that for most uses, courts could still issue injunctions to "restrain the infringement in its entirety," but cautioned that such relief should account for any harm to a user who acted in reliance on the statutory orphan works provision.¹⁷ Users who created derivative works incorporating the orphan would be entitled to more protection; in those cases a court could not restrain the user from continuing to prepare and use the final derivative work, but users would be required to pay reasonable compensation to the original owner, and would need to properly attribute the work.¹⁸

Commenters praised the report as one of the most thoroughly researched and balanced reviews of the problem to date,¹⁹ and overall, the proposed solution attracted a variety of supporters, including several members of Congress who ultimately offered versions of this approach for enactment (described below).²⁰ Nevertheless, several commenters registered concerns with the proposal, with most focusing around two issues: first, that the reasonable search requirements were too vague to be consistently applied,²¹ and second, that the remedy limitation providing for "reasonable compensation" would be chilling to potential users, and at the same time, provide

¹⁶ *Id.* at 127.

¹⁷ *Id.* at 127; 119–21 (describing the limitations on injunctive relief).

¹⁸ *Id.*

¹⁹ See e.g., Marc H. Greenberg, *Reason or Madness: A Defense of Copyright's Growing Pains*, 7 J. MARSHALL REV. INTELL. PROP. L. 1, 28 (2007); Katharina de la Durantaye, *Finding a Home for the Orphans: Google Book Search and Orphan Works Law in the United States and Europe*, 21 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 229, 248 (2011) (noting the extensive industry participation in the process); The "Orphan Works" Problem and Proposed Legislation: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary, 110th Cong. (Mar. 13, 2008) (statement of Marybeth Peters, Register of Copyrights, U.S. Copyright Office), <http://www.copyright.gov/docs/regstat031308.html> (recounting the broad industry and user support). The report itself reviewed some 850 comments and three roundtable sessions. For an excellent outside review of the comments, see Denise Troll Covey, *Rights, Registries and Remedies: An Analysis of Responses to the Copyright Office Notice of Inquiry Regarding Orphan Works*, in FREE CULTURE AND THE DIGITAL LIBRARY: SYMPOSIUM PROCEEDINGS 106–40 (Martin Halbert ed., 2005), available at http://works.bepress.com/denise_troll_covey/45

²⁰ See *infra* Part I.B.

²¹ See, e.g., Steven Hetcher, *Orphan Works and Google's Global Library Project*, 8 WAKE FOREST INTELL. PROP. L.J.1, 5 (2007).

insufficient or at least too unclear a level of compensation to ensure coverage of enforcement and legal fees for individual copyright owners.²²

Others leveled more basic objections to the overall approach. Professor Lawrence Lessig, for example, asserted that the “real problem of orphaned works is tied to old works,”²³ and as such an approach that clearly targets the duration and maintenance of copyright protections would be more appropriate than one that relies upon a vague “reasonably diligent search” standard. Likewise, photographers and visual artist groups objected to the approach because of the fear that any “reasonable search” standard would systematically favor the exploitation of visual works, because using existing search resources would mean that owners of visual works would be, in many cases, untraceable.²⁴ Objectors also pointed out that, from the users’ point of view, the reasonable search approach may not be cost-efficient for those interested in re-using large collections of works because of the burdensome task of work-by-work searches.²⁵

B. Proposed Remedy-Limitation Legislation in the United States

Spurred on by the Copyright Office recommendation, Congress considered three orphan works bills over a two-year period, from 2006 to 2008.²⁶ While all three bills closely resembled the Copyright Office proposal, each made changes that partly addressed the two specific concerns

²² These objections, reiterated after the proposal was published, were known and discussed in the report. REGISTER OF COPYRIGHTS, *supra* note 4, at 115–16. For the chilling effect, the Office concluded that the fear of litigation should be reduced by a properly conducted reasonably diligent search, and that in any case, most institutions raising this concern (museums, libraries, and archives) would make non-commercial uses that were not subject to the reasonable compensation clause. *Id.* at 115–19.

²³ Letter from Stanford Law Professor Lawrence Lessig to the Hon. Zoe Lofgren, at 4. (March 6, 2006). <http://www.lessig.org/blog/archives/20060306-lofgren.pdf>.

²⁴ See The “Orphan Works” Problem and Proposed Legislation: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary, 110th Cong. (Mar. 13, 2008) (statement of Marybeth Peters, Register of Copyrights, U.S. Copyright Office), <http://www.copyright.gov/docs/regstat031308.html>. (reviewing the concerns of visual artists and photographers); Jane C. Ginsburg, Recent Developments in US Copyright Law: Part I – “Orphan” Works 18–19. (Columbia Law Sch. Pub. Law & Legal Theory Working Paper Group, Paper No. 08152, 2008) (published as Jane C. Ginsburg, *Recent Developments in US Copyright Law: Part I—“Orphan” Works*, 217 REVUE INTERNATIONALE DU DROIT D’AUTEUR, (2008)), available at http://lsr.nellco.org/columbia_pllt/08152. For more background information on the objections of photographers and visual artists, see THE ILLUSTRATORS’ PARTNERSHIP ORPHAN WORKS BLOG, <http://ipaorphanworks.blogspot.com>.

²⁵ See Stef van Gompel, *Audiovisual Archives and the Inability to Clear Rights in Orphan Works*, IRISplus, 2007, at 6 http://www.obs.coe.int/oea_publ/iris/iris_plus/iplus4_2007.pdf.

²⁶ For a more thorough review of changes made in the course of the legislative process, see BRIAN T. YEH, CONG. RESEARCH SERV., RL33392, “ORPHAN WORKS” IN COPYRIGHT LAW (2008), available at http://assets.opencrs.com/rpts/RL33392_20081010.pdf.

noted above: first, regarding guidance on the reasonable search requirement, and second, adjusting the scope of the remedy limitation. The first bill, *The Orphan Works Act of 2006*, closely tracked the approach of the Copyright Office,²⁷ but attempted to clarify the wide-open reasonably diligent search requirement in three ways: First, the bill required that users document their search in a way that would satisfy later judicial review.²⁸ Second, the bill required that the Copyright Office make authoritative search information available to the public that might include, for example, Copyright Office records, information on best search methods, technological tools to aid the search, and best practices for documenting the search.²⁹ Finally, the bill listed several factors to guide the search, explaining that a reasonable search would, for example, ordinarily consult the Copyright Office maintained records, and might also require consultation of an expert.³⁰ Although these enhancements were designed to address the concerns mentioned above, the same objections persisted, while other commenters brought up new objections about the negative effect that increased guidance might also have on users, based on the possibility that users who did not follow the search guidelines would now be presumptive infringers.³¹ The bill ultimately stalled in committee and was not enacted.

Congress revisited the issue in 2008 when it considered two bills, *The Orphan Works Act of 2008*,³² in the House, and the *Shawn-Bentley Orphan Works Act of 2008*, in the Senate.³³ Both bills followed the general approach of the 2006 bill, but tweaked it in four important ways. First, both

²⁷ Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006).

²⁸ *Id.* at 2–3, Sec. 2 (proposed § 514(a)(1)(A)(i)).

²⁹ *Id.* at 4–5, Sec. 2 (proposed § 514(a)(2)(C)).

³⁰ *Id.* at 3–4, Sec. 2 (proposed § 514(a)(2)(B)). By commissioning an inquiry by the Copyright Office on the topic of small copyright claims, the bill also touched on the concern that the “reasonable compensation” standard would insufficiently compensate individual copyright owners. *Id.* at 10–11, Sec.4. Although this bill was not enacted, the Copyright Office recently initiated a study on the topic and has submitted a request for comments on the issue. *See Remedies for Small Copyright Claims Notice of Inquiry*, 76 Fed. Reg. 66758 (Oct. 27, 2011). The difficulty of defining an adequate “reasonably diligent search” standard, combined with this small-claims compensation issue was raised as an objection by photographer and illustrator groups throughout the legislative process. *See Statement of David P. Trust, CEO of Professional Photographers of America before the House Judiciary Committee, Serial No. 109–94 (March 8, 2006), at <http://www.gpo.gov/fdsys/pkg/CHRG-109hrg26410/pdf/CHRG-109hrg26410.pdf>; Statement of Victor Perlman, General Counsel of the American Society of Media Photographers, and statement of Brad Holland, Founding Board Member, Illustrators’ Partnership of America, before the Senate Judiciary Committee, Serial No. J–109–68 (April 6, 2006), at <http://www.gpo.gov/fdsys/pkg/CHRG-109shrg28336/pdf/CHRG-109shrg28336.pdf>.*

³¹ *See Greenberg, supra* note 19, at 41.

³² H.R. 5889, 110th Cong. (2008) (as introduced in the House).

³³ S. 2913, 110th Cong. (2008) (as passed by Senate).

bills took special consideration of visual works by requiring the Copyright Office to certify the maintenance and availability of reliable databases that allow users to search for owners of these works.³⁴ Because of the difficulties in identifying rightsholders of these particular works, photographers and visual artists raised significant objections about the efficacy of a search for rights holders for visual works, and the impact of an orphan works solution on their licensing market.³⁵ Second, the House bill added requirements to further heighten the certainty that an owner could not be located: it proposed that qualifying users must first file a “Notice of Use” with the Copyright Office, and that users post an orphan work mark, prescribed by the Copyright Office, on the re-used work.³⁶ Third, both bills required the Copyright office to take a more active role by generating and updating a series of best practices to assist in the search for rightsholders.³⁷

Finally, both bills modified the remedy limitation by providing a safe harbor for a specific class of users—nonprofit educational institutions, libraries, archives, or public broadcasting entities—whose use of orphan works was deemed particularly important.³⁸ Under this formulation, these institutions would enjoy expanded protection from any monetary damages, including reasonable compensation, if the use was made without any purpose of direct or indirect commercial advantage and was in an educational, religious, or charitable manner.

Ultimately, none of the three bills were enacted. Objections similar to those leveled against the original Copyright Office proposal persisted, and authors and rights holders maintained that even with the modifications, the reasonable search standard combined with weak remaining remedies proved too malleable and would allow certain works—in particular, visual works—to be exploited in ways that would give right holders little practical opportunity to object.³⁹ Likewise,

³⁴ H.R. 5889, 110th Cong., at 15–16, Sec. 3 (2008).

³⁵ See, e.g., Ginsburg, *supra* note 24, at 9.

³⁶ H.R. 5889, 110th Cong., at 5, 9, Sec. 2 (2008) (proposed § 514(b)(1)(A)(ii)–(iv), (b)(3)).

³⁷ *Id.* at 8, Sec. 2 (proposed § 514(b)(2)(B)); S. 2913, 110th Cong., at 12, Sec.2 (2008) (proposed § 514(b)(2)(A)(iii), (b)(2)(B)(ii)).

³⁸ H.R. 5889, 110th Cong., at 10–11, Sec. 2 (2008) (proposed § 514(c)(1)(B); S. 2913, 110th Cong., at 11–12, Sec. 2 (2008) (proposed § 514(c)(1)(B)). Both bills also provided that the remedy limitation would not apply to users who, after receiving notice of infringement, failed to negotiate in good faith with the owner. H.R. 5889, 110th Cong., at 6, Sec. 2 (2008) (proposed § 514(b)(1)(B)); S. 2913, 110th Cong., at 6, Sec. 2 (2008) (proposed § 514(b)(1)(B)).

³⁹ Ginsburg, *supra* note 24, at 6–7. Some authors also objected to the injunctive relief available under this approach because it would permit users who created derivative works with the supposed-orphan to act with impunity with respect to the original author’s moral rights, and would allow for a perpetual continuing use (subject to reasonable compensation) regardless of whether the new work offended or distorted the original author’s meaning. *Id.* at 8–10.

objectors to the overall approach were not appeased; none of the bills address the underlying problem of lengthened copyright terms,⁴⁰ nor did they create a regime that was thought scalable enough to accommodate rights clearance at the level needed for mass digitization.⁴¹

C. EU Remedy Limitation Proposal

The European Commission has proposed a directive that aims to harmonize E.U.-member national copyright law to allow for the use of certain types of orphan works.⁴² Although it does not specify precisely how member nations would implement this directive, it is, like the U.S. remedy-limitation approaches, dependent upon a “diligent search” for the rightsholders of each work. The proposed directive is much narrower in scope, however, than the U.S. proposals. For one, the directive applies only to one particular class of users and uses to which it is particularly important to grant access: educational institutions, libraries, archives, museums, public broadcasters, and film heritage institutions.⁴³ The directive is also limited in application to particular types of works (published textual and audiovisual materials) that are held in covered institutional collections,⁴⁴ conspicuously leaving out more problematic works such as photographs.⁴⁵ The proposal also contemplates that the results of searches would be posted in publicly accessible databases,⁴⁶ that

⁴⁰ See Lessig, *supra* note 23.

⁴¹ See Van Gompel, *supra* note 25, at 6.

⁴² *Commission Proposal for a Directive of the European Parliament and of the Council on Certain Permitted Uses of Orphan Works*, at 10 COM (2011) 289 final (May 24, 2011), available at http://ec.europa.eu/internal_market/copyright/orphan_works_en.htm. For more on the background on the history of the orphan works situation in the European Union, see Durantaye, *supra* note 19, at 251–56. In a parallel initiative, the European Union is also considering measures that would enable access to works that are not commercially available (though not considered orphans because rights holders can be located). See Memorandum of Understanding: Key Principles on the Digitisation and Making Available of Out-of-Commerce Works (Sept. 20, 2011), available at http://ec.europa.eu/internal_market/copyright/docs/copyright-info/20110920-mou_en.pdf.

⁴³ *Commission Proposal for a Directive of the European Parliament and of the Council on Certain Permitted Uses of Orphan Works*, at 10, art. 1(1), COM (2011) 289 final (May 24, 2011), available at http://ec.europa.eu/internal_market/copyright/orphan_works_en.htm.

⁴⁴ *Id.* art. 1(2). More specifically, the proposal covers “(1) books, journals, newspapers, magazines or other writings, and which are contained in the collections of publicly accessible libraries, educational establishments, museums or archives, or (2) Cinematographic or audiovisual works contained in the collections of film heritage institutions, or (3) Cinematographic, audio or audiovisual works produced by public service broadcasting organisations before the 31 December 2002 and contained in their archives.” *Id.*

⁴⁵ The proposed directive does include visual works, but only to the extent that they are embedded in other published works covered by the proposal. See *id.* at 3.

⁴⁶ *Id.*

searches would follow published guidelines that meet certain minimum standards,⁴⁷ and that an orphan determination in one country would apply in all other E.U. countries.⁴⁸

In terms of permitted uses, the proposed directive takes a two-pronged approach. First, the directive commands that “[m]ember States shall ensure”⁴⁹ that the organizations referred to above, are permitted to reproduce the works at issue and to make them available to the public, so long as these uses are within the institution’s public interest mission.⁵⁰ Second, the directive allows member states to authorize those same organizations to make additional uses of the works beyond the public interest mission, but with added requirements.⁵¹ For those uses, users must maintain records of their searches, make the use of the work publicly known, and name the orphan work owner on any use of the work (if that person is known but unable to be located). Similar to the U.S. remedy-limitation approach as applied to commercial users, the proposed directive also provides that these users must provide remuneration to the owner if one does come forward.⁵² The directive also provides that a rightsholder in a work considered to be orphan should have, at any time, the possibility of putting an end to the orphan status, thus ending its use.⁵³

The proposed directive has the advantage of applying narrowly to users and categories of works that are thought most important for increased access, and has been cited as a good starting point to enable greater access to cultural heritage materials.⁵⁴ Nevertheless, like the U.S. remedy-limitation proposals, it has been criticized as not going far enough because its work-by-work rights clearance approach is not thought suitable for mass digitization initiatives.⁵⁵ Likewise, the narrow approach of addressing the orphan work problem only in the context of published works held in

⁴⁷ *Id.*

⁴⁸ *Id.* art. 4.

⁴⁹ *Id.* art. 6.

⁵⁰ *Id.* This would include uses for “preservation, restoration and the provision of cultural and educational access to works contained in their collections.” *Id.*

⁵¹ *Id.* art. 7.

⁵² *Id.* The proposal also provides that remuneration for other uses may be limited by a statute of limitations, though that limit may not be less than five years in length. *Id.* art. 7(6).

⁵³ *Id.* at art. 5.

⁵⁴ See, e.g., EBLIDA, LIBER and ENCES Statement on the EC Proposal for a Draft Directive on Orphan Works, May 27, 2011, at <http://www.libereurope.eu/news/ebldata-liber-and-ences-statement-on-the-ec-proposal-for-a-draft-directive-on-orphan-works>.

⁵⁵ *Id.*; Allard Ringnalda, *Orphan Works, Mass Rights Clearance and Online Libraries: The Flaws of the Draft Orphan Works Directive and Extended Collective Licensing as a Solution*, 8 MEDIEN UND RECHTINTERNATIONAL 3, 3–11 (2011).

the collections of qualifying institutions also drew objections because digitization of only these materials might distort “representation of 20th century culture and scientific output online.”⁵⁶

II. Centrally Administered Licenses for Specific Uses

A few systems are already in place that allow for a central government authority to license works that it is satisfied are adequately identified as orphans. These systems exist in India, Japan, South Korea, the UK,⁵⁷ and Canada, which has pioneered what is arguably the most complete version of this administrative approach to orphan works.⁵⁸ Under the Canadian regime, anyone who has made a reasonable effort to locate a work’s owner can petition the Copyright Board of Canada to issue a nonexclusive license for use of the work that the user identifies as an orphan.⁵⁹ Only published works and certain recordings of performances are eligible to be licensed by the board.⁶⁰ Under this system, the applicant bears the burden of satisfying the board at the outset that the search was reasonable.⁶¹

For the use, the Board specifies the terms and conditions of the license, including the fee/royalties and duration of the licensing term.⁶² For users that require legal certainty and who wish to use only one or a few works, the system presents a solution that may be attractive.⁶³ Indeed,

⁵⁶ See EBLIDA, LIBER and ENCES Statement on the EC Proposal for a Draft Directive on Orphan Works, May 27, 2011, at <http://www.libereurope.eu/news/eblida-liber-and-ences-statement-on-the-ec-proposal-for-a-draft-directive-on-orphan-works>; see also Reaction of the COMMUNIA association to the proposed directive on certain permitted uses of orphan works (COM/2011/0289), at http://www.communia-association.org/wp-content/uploads/communია_orphan_works_policy_paper.pdf.

⁵⁷ For a more complete review of these nations’ systems, see AGNIESZKA VETULANI, THE PROBLEM OF ORPHAN WORKS IN THE EU: AN OVERVIEW OF LEGISLATIVE SOLUTIONS AND MAIN ACTIONS IN THIS FIELD, REPORT PREPARED BY EUROPEAN COMMISSION DG INFORMATION SOCIETY AND MEDIA UNIT E4: DIGITAL LIBRARIES AND PUBLIC SECTOR INFORMATION (Feb. 2008), available at http://ec.europa.eu/information_society/activities/digital_libraries/doc/reports_orphan/report_orphan_v2.pdf.

⁵⁸ See Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.).

⁵⁹ *Id.*

⁶⁰ See *id.*, s.77(1) (allowing the board to license the use of a published work, a fixation of a performers’ performance, a published sound recording, or a fixation of a communications signal).

⁶¹ *Id.*

⁶² Copyright Act, R.S.C. 1985, c. C-42, s. 77 (Can.). Royalties are typically paid to a copyright collective society “that would normally represent the unlocatable copyright owner,” which are then paid out to an owner, should one appear within five years after the license expires; if no owner comes forward, fees are used as the collective society sees fit. COPYRIGHT BOARD OF CANADA, UNLOCATABLE COPYRIGHT OWNERS, <http://www.cb-cda.gc.ca/unlocatable-introuvables/brochure2-e.html> (last modified July 7, 2001).

⁶³ *Id.*

experience with this system shows that, while any user can petition the Board for a license, it has been the case that most have been commercial users,⁶⁴ and a majority has requested licenses for a single work and for a discrete use.⁶⁵

While useful on a small scale, as part of a broader solution for users that wish to enable mass uses (e.g., those who wish to engage in mass digitization), commentators have noted the structure of the system may be too administratively burdensome on a larger, and would require potentially wasteful payments to owners that may never collect them.⁶⁶ Indeed, when conducting its review, the U.S. Copyright Office discussed the Canadian approach, but ultimately decided against advocating for a similar system in part because of the inefficiency associated with paying funds out to owners that may never collect them.⁶⁷

III. Access and Re-Use Systems Tailored to Fair Use

The U.S. Copyright Office approach and the legislative proposals noted above were all designed as an additional protection for users of orphan works, specifically preserving other copyright limitations or exceptions—and in particular, fair use—as an alternative defense to a claim of infringement.⁶⁸ Under the correct circumstances, the existing doctrine of fair use may already capture those proposals' basic solution-pattern of reducing the risk for those who make use of works reasonably identified as orphans.⁶⁹ Indeed, for full-text access to the digitized works,

⁶⁴ See Jeremy De Beer & Mario Bouchard, *Canada's 'Orphan Works' Regime: Unlocatable Copyright Owners and the Copyright Board*, 10 OXFORD UNIV. COMMONWEALTH L.J. 215, 249 (2010) (reviewing license applications to date, and noting that “[a]lthough it was often difficult to distinguish among categories of applicants, it can be said that most applicants have been commercial entities. Businesses account for 37% of all applications, while individual applicants follow closely behind at 31%. Educators or educational institutions constituted 13% of all applicants . . .”).

⁶⁵ *Id.* at 242–43 (“Though 65% of applicants sought to use only 1 work, 24% applied to use between 2 and 10 works and 7% applied to use between 11 and 100.”)

⁶⁶ *Id.* at 217–19, 242–54 (2010) (discussing this criticism and addressing particular concerns in context of an empirical review of the Canadian system’s performance).

⁶⁷ REGISTER OF COPYRIGHTS, *supra* note 4, at 83, 114. European commentators noted similar concerns. See BERNT HUGENHOLTZ, ET AL., THE RECASTING OF COPYRIGHT & RELATED RIGHTS FOR THE KNOWLEDGE ECONOMY 187 (2006), http://ec.europa.eu/internal_market/copyright/docs/studies/etd2005imd195recast_report_2006.pdf.

⁶⁸ REGISTER OF COPYRIGHTS, *supra* note 4, at 94; Orphan Works Act of 2006, H.R. 5439, 109th Cong., at 9 (2006); The Orphan Works Act of 2008, H.R. 5889, 110th Cong., at 14 (2008); Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong., at 15 (2008).

⁶⁹ Several academic proposals call for expansion of existing law that also follows this approach, particularly by analogizing applying judicially-crafted principles of real property law. See, e.g., Aryeh L. Pomerantz, *Obtaining Copyright Licenses by Prescriptive Easement: A Solution to the Orphan Works Problem*, 50 JURIMETRICS J. 195 (2010); Matthew W. Turetzky, Note, *Applying Copyright Abandonment in the Digital Age*, 2010 DUKE L. & TECH. REV.

educational users (and the libraries that support them) have an especially strong claim that their use of works generally identified as orphans should be considered fair use. Those same users benefit from special exceptions to the Copyright Act's statutory damages provisions,⁷⁰ reducing dramatically their exposure to monetary damages.

Fair use operates as a judicially-created exception to the rights of copyright owners to allow for unauthorized, but productive or socially beneficial uses of those works. Fair use is largely defined by the four factors identified by Congress when it gave statutory recognition to the doctrine in the 1976 Copyright Act.⁷¹ Thus, courts regularly consider (1) the purpose and character of the proposed use, (2) the nature of the copyrighted work, (3) the amount and substantiality of the portion used in relation to the original work as whole, and (4) the effect of the use on the potential market for the original.⁷² Fair use in its current configuration emphasizes two factors that weigh heavily on the problems associated with orphan works reuse,⁷³ looking first at the purpose and character of the proposed use, and also at the risk of market harm to the work's owner.⁷⁴ "Purpose and character" is generally thought to counteract market inefficiencies by being solicitous of uses that are "productive" or that are of "public benefit,"⁷⁵ such as those found in statutory preamble to the four factors ("criticism, comment, news reporting, teaching . . . , scholarship, or research").⁷⁶ This market correction is thought to be especially important in cases where owner permission, and therefore

[iv] (2010); Megan L. Bibb, Note, *Applying Old Theories to New Problems: How Adverse Possession Can Help Solve the Orphan Works Crisis*, 12 VAND. J. ENT. & TECH. L. 149 (2009).

⁷⁰ See Samuelson & Wheatland, *supra* note 2 (discussing the excessive and punitive nature of some statutory damage awards).

⁷¹ 17 U.S.C. § 107 (2006).

⁷² *Id.*

⁷³ This might be termed a case of market failure. The classic explanation of fair use as a tool to deal with market failure is made by Wendy J. Gordon in *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors*, 82 COLUM. L. REV. 1600 (1982).

⁷⁴ 17 U.S.C. § 107(1), (4) (2006). See Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 PENN. L. REV. 549, 585, 587 (2008) (finding that in fair use decisions studied, these two factors receive the vast majority of discussion in judicial opinions, and have the highest correlation to the overall fair use determination).

⁷⁵ See, e.g., *Sundeman v. Seajay Soc'y, Inc.*, 142 F.3d 194, 203 (4th Cir. 1998) ("Courts should also consider the public benefit resulting from a particular use notwithstanding the fact that the alleged infringer may gain commercially."); *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1523 (9th Cir. 1992) ("Public benefit need not be direct or tangible, but may arise because the challenged use serves a public interest."). *But see Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 559 (1985) (cabining exclusive reliance on "public benefit," explaining that "such a notion ignores the major premise of copyright and injures author and public alike.").

⁷⁶ 17 U.S.C. § 107 (2006).

reuse, is unlikely or impossible.⁷⁷ For the use of orphan works in the educational context—digitized holdings of research libraries, for example—the first factor would seem to tilt noticeably in favor of the use. Likewise, uses that transform or generally repurpose the work to make its contents more accessible are also favored.⁷⁸

The fourth factor (effect on the market) evaluates the problem from the opposite perspective, looking at the impact of the proposed use on the potential market for the original work. If the proposed use merely supplants copies of the original, the market harm will be more severe and will tend to weigh against a finding of fair use. But where there simply is no market for the original work and no reasonable prospect of creating one,⁷⁹ there is no market for the proposed use to harm. For works whose owners cannot be located after a search (i.e., works identified as orphans), the potential of purchasing or licensing access to those works is minimal.

The second factor (the nature of the copyrighted work) typically examines whether the work is published or unpublished, and whether it is primarily factual or creative.⁸⁰ However, as one court addressing this factor explains, “[a] key, though not necessarily determinative, factor in fair use is whether or not the work is available to the potential user. If the work is ‘out of print’ and unavailable for purchase through normal channels, the user may have more justification for reproducing it than in the ordinary case.”⁸¹ Though it is not traditionally a factor to which courts

⁷⁷ See, e.g., *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 597 (1994) (Kennedy, J., concurring) (noting the parody is fair use in part because “[i]t also protects works we have reason to fear will not be licensed by copyright holders who wish to shield their works from criticism.”). Justice Kennedy cites Judge Richard Posner, *When is Parody Fair Use?*, 21 J. LEG. STUDIES 67 (1992) for the point that “[t]here is an obstruction when the parodied work is a target of the parodist’s criticism, for it may be in the private interest of the copyright owner, but not in the social interest, to suppress criticism of the work.” *Id.* at 73. Judge Posner goes on to explain that “it is doubtful that this problem would be fully solved without an exemption from copyright protection even if the parodist could transform the social value of his work as criticism into private value and therefore compensate the copyright owner for the diminution in the latter’s revenues as a result of the criticism.” *Id.* at 73–74.

⁷⁸ See Pamela Samuelson, *Unbundling Fair Uses*, 77 *FORDHAM L. REV.* 2537, 2610-12 (2009) (discussing factors that impact fair use cases involving “indexing or otherwise making information about protected works more publicly accessible.”).

⁷⁹ *American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 929–30 (2d Cir. 1994) (explaining that the court is bound to “considering only traditional, reasonable, or likely to be developed markets when examining and assessing a secondary use’s effect upon the potential market for or value of the copyrighted work.”).

⁸⁰ See Matthew Sag, *Predicting Fair Use*, 73 *OHIO ST. L.J.* (forthcoming 2012), available at <http://ssrn.com/abstract=1769130> (noting the trend toward analysis of these two sub questions under the second factor).

⁸¹ *Maxtone-Graham v. Burtchaell*, 803 F.2d 1253, 1264 (2d Cir. 1986) (citing S. REP. NO. 94-473, 94th Cong., 1st Sess. 64 (1965); H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 67 (1976)); see also *Hofheinz v. A & E Television Networks*, 146 F. Supp. 2d 442, 447–48 (S.D.N.Y. 2001).

assign great weight,⁸² all true orphan works are by definition out of print and thus unavailable, and so this factor would ordinarily seem to weigh in favor of use.⁸³ Finally, because full-text reproduction is necessary for many proposed re-uses of orphan works, the third factor (amount and substantiality) stands as the lone reed that might tilt noticeably against a fair use finding.

Fair use may in fact be more easily applied for some users than the legislative solutions outlined above. For example, because analysis of the use (and not just the work) takes on added importance under the first factor, users that intend to put many works to a single use (e.g., mass digitization for use in a digital libraries) can spread the cost of analysis under that factor across many works. Further, while work-by-work searches are still necessary to show a lack of market harm and to aid the analysis under the second factor (nature of the work), those searches may be more permissive and less costly than searches under the legislative solutions identified above.

For uses that are tailored to satisfy this four-factor test, the remaining question is, what results if an owner is ultimately located and protests to the use of the work? For many fair use asserters, the risk of monetary damages is minimal. State institutions (e.g., the large number of state universities and state libraries that seek to digitize orphan works) are shielded from monetary damages in copyright infringement suits because of their claim to Eleventh Amendment sovereign immunity,⁸⁴

⁸² See Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 U. PENN. L. REV. 549, 617 (2008) (finding that the second factor has no statistically significant impact on the overall fair use outcome); Sag, *supra* note 80 (failing to find a statistical relationship between second-factor variables and the overall fair use determination); Robert Kasunic, *Is That All There Is? Reflections on the Nature of the Second Fair Use Factor*, 31 COLUM. J.L. & ARTS 529, 529 (2008) (“After a brief period of prominence following the Court’s decision in *Harper & Row*, the second factor has once again returned to its prior state of Spartan focus in fair use analysis.”).

⁸³ It is also worth noting that research library holdings are often scholarly in nature, are typically non-fiction, and are more factual as opposed to creative. See Brian Lavoie & Lorcan Dempsey, *Beyond 1923: Characteristics of Potentially In-Copyright Print Books in Library Collections*, D-LIB MAG., Nov./Dec. 2009, <http://www.dlib.org/dlib/november09/lavoie/11lavoie.html> (finding that in the collections of three major academic library collections which make up much of the Google Books corpus, 93% were nonfiction, and of those nonfiction books, 78% are aimed at a scholarly audience). Because the second factor also seeks to recognize that “some works are closer to the core of intended copyright protection than others,” *Campbell v. Acuff-Rose Music, Inc.*, 510 US 569, 586 (1994) (citing *Stewart v. Abend*, 495 US 207, 237 (1990) (“[F]air use is more likely to be found in factual works than in fictional works.”)), these facts might also tilt the second factor toward a finding of fair use for academic re-users.

⁸⁴ See *Nat’l Ass’n of Boards of Pharmacy v. Bd. of Regents of the Univ. Sys. of Georgia*, 633 F.3d 1297, 1315 (11th Cir. 2011) (“We hold that Congress may not abrogate the States’ sovereign immunity pursuant to the Copyright and Patent Clause; therefore, NABP cannot rely on that clause to support its claim for damages.”); see also *Florida Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 636 (1999) (Congress cannot validly abrogate states’ sovereign immunity under the patent or commerce clause).

and risk primarily just the costs associated with litigation and injunctive relief.⁸⁵ Further, for assertions of fair use in particular, Congress has provided that any “nonprofit educational institution, library, or archives” with a “reasonable basis” to believe its usage was “fair use,” is sheltered from the Act’s daunting statutory damages provisions.⁸⁶ Because actual damages (the only alternative monetary award against this type of would-be asserter) are likely to be minimal in most cases involving works thought to be orphaned, the provision effectively means that the risk to these users is limited to the costs associated with wasted effort and grappling with prospective injunctive relief.

In considering injunctive relief, some uses may need to be curtailed if an owner reemerges. If an owner reappears and contests the use, it would seem that much of the strength of the fair use argument would evaporate, especially when considering prospective market harm. Of course, if other factors weigh strongly in favor of the use, the use might still persist, but that is a question determined by specific circumstances. Outside of those circumstances, orphan work access systems that are tailored to fair use might consider implementing a take-down procedure that would discontinue the use of specific works upon owner request.

While the fair use argument may be particularly strong for educational users, even then it remains far from certain. The HathiTrust—a digital library of nearly ten million volumes drawn from the collections of several large academic libraries⁸⁷—is currently embroiled in litigation contesting, in part, its system of access for orphan works.⁸⁸ Depending on the outcome of that litigation, the approach described here may become more or less attractive to educational users. For

⁸⁵ See *Ex Parte Young*, 209 U.S. 123 (1908) (allowing injunctive relief against particular state actors for continuing violations of federal law). Attorney’s fees and costs may apparently be awarded against a state, regardless of sovereign immunity. *Hutto v. Finney*, 437 U.S. 678, 695 (1978) (“Costs have traditionally been awarded without regard for the States’ Eleventh Amendment immunity. . . . [A] federal court may treat a State like any other litigant when it assesses costs.”)

⁸⁶ 17 U.S.C. § 504(c)(2) (2006); H.R. Rep. No. 1476, 94th Cong., 2d Sess. 78 (1976). (“Section 504 (c)(2) provides that, where such a person or institution infringed copyrighted material in the honest belief that what they were doing constituted fair use, the court is precluded from awarding any statutory damages. It is intended that, in cases involving this provision, the burden of proof with respect to the defendant’s good faith should rest on the plaintiff.”). It is worth noting that the Copyright Office, in formulating its proposed solution, modeled its remedy limitation in part on this provision. See REGISTER OF COPYRIGHTS, *supra* note 4, at 49–50.

⁸⁷ See *About*, HathiTrust, <http://www.hathitrust.org/about> (last visited Dec. 9, 2011).

⁸⁸ See *The Authors Guild, Inc. v. HathiTrust*, Case No. 1:2011 CV 06351, complaint (Sept. 12, 2011).

some, even the existence of ongoing litigation belies a confident assertion of fair use,⁸⁹ and makes it one that others—especially commercial users—would forego.⁹⁰

IV. Extended Collective Licensing

Extended collective licensing (“ECL”) is a system that enables collective rights management organizations (“CMO”)s to extend their ability to license works that are representative of, but not necessarily owned by, the members of the CMO. ECL systems operate over top of licensing agreements for a particular use between a user and a CMO. The CMO is granted by law the authority to license works of rightsholders who are not members of the CMO itself, but whose works are representative of the type of works owned by CMO members.⁹¹ Thus, orphan works—whose owners cannot be part of the CMO since they are unknown or unlocatable—are licensed alongside works whose owners are known.

Several Nordic countries have successfully implemented ECL for use in specific instances where the high costs of obtaining rights are thought to restrict socially beneficial uses. These include educational reproductions, cable transmissions, uses for the benefit of users with disabilities, and the re-use of archived broadcasts.⁹² For uses that fall within those particular areas, an affirmative license from the CMO eliminates the risk of using the work.⁹³ Fees are collected by the CMO and are

⁸⁹ The fear of a negative fair use determination is common even among those that are shielded from statutory damages. *See* ADLER ET AL., *supra* note 2, at 19.

⁹⁰ Digitization for preservation purposes or for indexing and “snippet” view in the online environment (as implemented by Google) are seen as relatively safe applications to which fair use would apply. *See, e.g.*, Matthew Sag, *The Google Book Settlement and the Fair Use Counterfactual*, 55 N.Y.L. SCH. L. REV. 19, 23, 35–36 (2010); Jonathan Band, *The Long and Winding Road to the Google Books Settlement*, 27 JOHN MARSHALL REV. INTELL. PROP. L. 227, 237–60 (2009). Of course, the Authors Guild and the publishers that joined them in their lawsuit against Google contest this.

⁹¹ *See* JOHAN AXHAMN & LUCIE GUIBAULT, INSTITUUT VOOR INFORMATIERECHT, CROSS-BORDER EXTENDED COLLECTIVE LICENSING: A SOLUTION TO ONLINE DISSEMINATION OF EUROPE’S CULTURAL HERITAGE? 43 (2008) *available at* http://www.ivir.nl/publicaties/guibault/ECL_Europeana_final_report092011.pdf (summarizing the features of various Nordic extended collective licensing systems). *See also* REGISTER OF COPYRIGHTS, LEGAL ISSUES IN MASS DIGITIZATION: A PRELIMINARY ANALYSIS AND DISCUSSION DOCUMENT, Appendix E (2011), *available at* http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf (reviewing various foreign ECL systems).

⁹² *Id.*

⁹³ ECL systems do allow individual authors to claim remuneration that varies from the level agreed to by the CMO, but this typically must be requested within three years of the year in which the work was exploited. *See id.* at 36.

distributed as owners are identified. If none are located, how to distribute the fee is typically left to the CMO.

Because ECL systems allow CMOs to negotiate freely on the behalf of owners, and because copyright owners ordinarily retain the right to opt out of the system if they so choose,⁹⁴ ECL is thought to be beneficial because it preserves the freedom to contract more so than alternative compulsory license schemes.⁹⁵ In addition, because ECL avoids the costly work-by-work rights investigation that is required under all other solutions noted above, it is appealing to those that seek to make use of a large number of works.⁹⁶ Because of this, some suggest that ECL regimes can be adapted to specifically allow for the mass digitization initiatives that are required to bring about large online digital libraries,⁹⁷ such as the European Union's Europeana Digital Library.⁹⁸ Indeed, France has recently passed legislation creating its own version of an ECL system.⁹⁹ That law is aimed at

⁹⁴ Daniel Gervais, *Collective Management of Copyright: Theory and Practice*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 21 (Daniel Gervais ed., 2d ed. 2010)

⁹⁵ See AXHAMN & GUIBAULT, *supra* note 91, at 28.

⁹⁶ See *id.*

⁹⁷ See, e.g., IAN HARGREAVES, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH 38 (2011) [hereinafter HARGREAVES REVIEW] (recommending ECL as a solution for the orphan works problem in the United Kingdom); Stef van Gompel & P. Bernt Hugenholtz, *The Orphan Works Problem: The Copyright Conundrum of Digitizing Large-Scale Audiovisual Archives and How to Solve It*, 8 POPULAR COMM. 61 (2010). Probably the most notable online collection of digitized published works has been amassed by Google for its Google Books Search project. That project has placed Google at the center of a very public class action lawsuit over its ability to digitize and provide varied levels of access to millions of copyrighted works. In the scheme devised in the proposed settlement of that suit, commentators noted that its approach was similar in many ways to legislatively-endorsed ECL systems. See Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, 34 COLUM. J.L. & ARTS 697, 705–09(2011); Jonathan Band, *The Book Rights Registry in the Google Books Settlement*, 34 COLUM. J.L. & ARTS 671, 694 (2011). The terms of the settlement proposed to give Google what amounted to a license to use not just orphan books, but out-of-print books in general, for a set percentage of revenues generated by Google from those works. See *The Authors Guild Inc. v. Google, Inc.*, Case No. 05 CV 8136-DC, Amended Settlement Agreement, § 3.8, at 45; § 7.2(b)(v), at 95 (Nov. 13, 2009). These works would be made widely available through an institutional subscription database (“ISD”) to which universities would pay for faculty and student access, and which would be available for free through in-person terminals at public libraries. *Id.* at 50–51. Money generated from this and other uses of the corpus would be turned over to a Books Rights Registry (“BRR”), which would in turn be responsible for apportioning the revenues to rightsholders. For unregistered or unlocatable rightsholders, the funds would go into an escrow account. If unclaimed for a period of time, the funds would be sent out for other uses (e.g., to literacy charities).

⁹⁸ See, e.g., AXHAMN & GUIBAULT, *supra* note 91, at 28; Ringnalda, *supra* note 55.

⁹⁹ Loi no 2012-287 du 1er mars 2012 relative à l'exploitation numérique des livres indisponibles du XXe siècle (1) [Law 2012-287 of March 1, 2012 on the Digital Exploitation of Unavailable Books of the Twentieth Century], JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [OFFICIAL GAZETTE OF FRANCE], March 2, 2012, p. 03986, available at http://www.legifrance.gouv.fr/jopdf/common/jo_pdf.jsp?numJO=0&dateJO=20120302&numTexte=1&pageDebut=03986&pageFin=03988#. See also *France Guillotines Copyright*, ACTION ON AUTHORS RIGHTS (Feb.

increasing the use of all out-of-commerce books, authorizing a CMO to license electronic publishing rights to publishers of the print editions, who then must release a digital edition within three years. Because, under the law, the CMO may normally license electronic rights only to publishers that already hold print rights, it would seem that orphan works, which under the law are now managed by the CMO, will be left unused. The law provides, however, that after ten years, the CMO is authorized to license the use of unclaimed works to libraries, free of charge.¹⁰⁰ Presumably, the waiting period is meant to ensure that the work is a truly abandoned by its owner.

Because ECL can allow for licenses to works both with and without locatable owners, it has the potential advantage of reduced costs for mass users, as no search for the owner is required. The advantages may, however, prove costly in other ways; users under the more common ECL schemes users would be required to pay license fees for works whose owners may never surface.¹⁰¹ Those fees are collected and retained by CMOs and are, for the most part, lost from the overall incentive structure that is central to the U.S. Copyright system and its utilitarian motive. The French system seemingly avoids this inefficiency for some uses by allowing libraries to reproduce and distribute orphans free of charge, but that exception comes at the cost of time, only permitting reuse after a ten year waiting period. ECL also raises the issue of who is permitted to act on behalf of owners, and how. The French system has garnered criticism because it allows for a CMO that favors certain rightsholders (publishers that hold print rights) over others.¹⁰² Because ECL “presupposes the existence of a representative CMO with a sound culture of good governance and transparency,”¹⁰³

28, 2012), <http://blog.authorsrights.org.uk/2012/02/28/france-guillotines-copyright/> (Basic English translation of the law and links to commentary). The law apparently provides that after a work has been identified as out-of-commerce and listed in a public database for six months, a CMO will take control of licensing the work, so long as the author or publisher of the book does not object within the first six month period. With no objection, the CMO will license electronic rights to the publisher who owns the in-print rights, who must then release an electronic version within three years. *Id.*

¹⁰⁰ *Id.* The license would apparently be conditioned on the library making only non-commercial uses of the work. *Id.*

¹⁰¹ The Copyright Office noted objections on this point when it considered the Canadian approach, which also required pre-payment. See REGISTER OF COPYRIGHTS, *supra* note 4, at 83, 114. Recently, however, the Office expressed renewed interest in exploring ECL. See REGISTER OF COPYRIGHTS, *supra* note 91, at 34–37.

¹⁰² See *France Chooses Profit For Publishers Over Authors’ Rights And Public Libraries*, THE WELL PREPARED MIND (March 7, 2012), <http://wellpreparedmind.wordpress.com/2012/03/07/france-chooses-profit-for-publishers-over-authors-rights-and-public-libraries/>.

¹⁰³ AXHAMN & GUIBAULT, *supra* note 91, at 41.

any biases—real or perceived—could raise objections by both rightsholders and users.¹⁰⁴ Finally, it remains unclear whether a mass digitization scheme that relies upon ECL could work alongside other solutions, such as fair use, that function in part because licensing markets for orphan works do not exist.

V. Broader Copyright and Policy Reforms

Beyond the approaches outlined above lie some more general copyright reform efforts that might help mitigate or ease part of the orphan works problem. At least two such proposals are relevant: (1) reinvigorating copyright formalities and reducing the effect of increased copyright duration, and (2) reforms to library, archive, and museum privileges that would allow those institutions to provide new forms of access to the works in their collections.

A. *Reinvigorating Copyright Formalities and Registries*

Distinguishing true orphans from works with locatable owners is at the center of the orphan works problem, and most of the approaches above contain tools to approximate the distinction by searching for information about the work or about the user (e.g., “reasonably diligent search” under the legislative approaches, or the search for a market in a fair use analysis). Several recent changes in law and technology exacerbate the problem of identifying copyright status for creative works. In the past, authors needed to exert effort to obtain copyright protection by complying with the formalities of renewal, registration, and copyright notice. Over the years since the passage of the 1976 Copyright Act, Congress has steadily reduced the role of formalities, in large part to conform with international copyright law conventions. That, combined with great numbers of new works created in digital formats, has resulted in an increasing number of creative works to which copyright attaches, but with owners who are difficult to locate, or who simply do not care to maintain control of the works that they produce. One reform effort that would help close this gap is to reinvigorate formalities in a way that would scale back the automatic grant of strong copyrights to owners that do not necessarily care to hold them.¹⁰⁵ Broader efforts to bring copyright law in line with changing

¹⁰⁴ To the extent that the Google Books Search amended settlement created a system similar to ECL, objections on this point were raised concerning the propriety of granting licensing authority to one private corporation. *See* Samuelson, *supra* note 97, at 705–09.

¹⁰⁵ *See, e.g.*, Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485 (2004) (proposing such a system of formalities). *See also* Letter from Stanford Law Professor Lawrence Lessig to the Hon. Zoe Lofgren, at 4. (March 6, 2006). <http://www.lessig.org/blog/archives/20060306-lofgren.pdf> (proposing an alternative system).

technology and practice, both in the United States¹⁰⁶ and abroad,¹⁰⁷ have included reinvigorated formalities as an important part of their reform agendas.

But even without those changes in law, efforts to voluntarily track copyright status more efficiently could reduce the costs of identifying orphans. The proposed E.U. directive on orphan works, for example, contemplates national registries for sharing of copyright status information.¹⁰⁸ Indeed, one already established E.U. project, termed “Accessible Registries of Rights Information and Orphan Works towards Europeana” (“ARROW”),¹⁰⁹ is designed to “facilitate rights information management in any digitisation project involving text and image based works.”¹¹⁰ With the support of a consortium of national libraries, publishers, and collective management organizations, ARROW is already making efforts to establish a rights information infrastructure that would put together a network of verified metadata sources containing information about copyright status, ultimately to allow for determination of “whether a work is copyrighted or in public domain, whether it is in print or out of print and find the references of rights holders or collective management organisations (“RRO”s) to be contacted to obtain permission to digitise, or declare that the work is an orphan.”¹¹¹ Commenters have noted that this system may also create added benefits by working in conjunction with more specific orphan works solutions, such as ECL.¹¹²

¹⁰⁶See Pamela Samuelson & Members of the CPP, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1, 22–27 (2010) (discussing options to reinvigorate formalities in the United States).

¹⁰⁷ See HARGREAVES REVIEW, *supra* note 97, at 33 (proposing a digital copyright exchange to assist in securing permission for use, and suggesting that incentives for owner participation in such an exchange might include, for example, enhanced remedies for infringement of registered works). See also COMITÉ DES SAGES, THE NEW RENAISSANCE 22 (2011) (“Future orphan works must be avoided. Some form of registration should be considered as a precondition for a full exercise of rights. A discussion on adapting the Berne Convention on this point in order to make it fit for the digital age should be taken up in the context of WIPO and promoted by the European Commission.”). For a helpful outline of the history of formalities and their role in the digital world, see Stef van Gompel, *Formalities in the digital era: an obstacle or opportunity?*, in GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE, 2010, 395–424. (L. Bently, U. Suthersanen & P. Torremans eds., 2010), available at http://www.ivir.nl/publications/vangompel/Formalities_in_the_digital_era.pdf.

¹⁰⁸ *Commission Proposal for a Directive of the European Parliament and of the Council on Certain Permitted Uses of Orphan Works*, at 10 COM (2011) 289 final, art. 3 (May 24, 2011).

¹⁰⁹ About, ARROW, <http://www.arrow-net.eu/> (last visited Dec. 21, 2011).

¹¹⁰ *Id.*

¹¹¹ ARROW: THE RIGHT WAY TO DIGITAL LIBRARIES, <http://www.arrow-net.eu/sites/default/files/ARROWtrifoldMAR2011.pdf> (last visited Dec. 22, 2011).

¹¹² See Piero Attanasio, *Rights Information Infrastructures and Voluntary Stakeholders Agreements in Digital Library Programmes*, 1 J LIS.IT 237 (2010).

B. *Updating Library, Archive, and Museum Privileges*

Libraries and archives form a large group of users that are interested in increasing access to orphan works. In 2005 the Library of Congress commissioned the Section 108 Study Group, which was tasked with conducting “a reexamination of the exceptions and limitations applicable to libraries and archives under the Copyright Act, specifically in light of digital technologies.”¹¹³ While Section 108 already allows libraries to make preservation copies of works for maintenance in their own collections, those exceptions are narrow and outdated.¹¹⁴ Updating those exceptions to deal with digital preservation and access issues could also help increase access to orphan works.

In particular, the Section 108 Study Group recommended that libraries and archives be allowed to reproduce and loan out copies in physical digital mediums if that was the medium in which the work originally came.¹¹⁵ This would allow, for example, libraries to make replacement copies of DVDs that could be then lent out off-site. Incredibly, Section 108 does not currently allow for this, mandating that replacement digital copies not be made available to the public outside of the library’s physical premises.¹¹⁶ While this is a small change, it would at least allow libraries to preserve and maintain orphan works in formats that are useful to patrons. The Study Group also recommended changes to allow qualifying libraries to make preservation copies of works that are not yet deteriorating, but that are at risk published works.¹¹⁷ Current law allows libraries and archives to make preservation copies only of works that are lost, stolen, damaged, or deteriorating, or in formats that have become obsolete,¹¹⁸ but does not allow libraries to make preemptive preservation copies. Orphan works are always at risk works because they often exist as unique or near-unique copies, and cannot be obtained commercially; no owner exists to offer the work in the marketplace.

Finally, the Study Group proposed an exception to allow libraries and archives to capture and reproduce publicly available online content for preservation purposes, and to make those copies accessible to users for purposes of private study, scholarship, or research.¹¹⁹ Because of the ease with

¹¹³ THE SECTION 108 STUDY GROUP REPORT *ii* (2008), <http://www.section108.gov/docs/Sec108StudyGroupReport.pdf>

¹¹⁴ See generally Laura N. Gasaway, *Amending the Copyright Act for Libraries and Society: The Section 108 Study Group*, 70 ALBANY L. REV. 1331 (2007), available at <http://www.albanylawreview.org/articles/Gasaway.pdf>.

¹¹⁵ THE SECTION 108 STUDY GROUP REPORT, *supra* note 113, at 69–70.

¹¹⁶ See 17 U.S.C. § 108(c) (2006).

¹¹⁷ THE SECTION 108 STUDY GROUP REPORT, *supra* note 113, at 69–70.

¹¹⁸ 17 U.S.C. § 108(c) (2006).

¹¹⁹ THE SECTION 108 STUDY GROUP REPORT, *supra* note 113, at 80.

which copyrighted works are created and maintained in the online environment, such a provision would allow the reuse of millions of unique cultural items that may be currently be at risk of permanent loss. This change would allow libraries and archives to capture, preserve, and provide access to millions of copyrighted works—a large number of which would be considered orphans—in situations where owners are unlikely to be harmed by such actions.

Conclusion

This paper reviews some of the more notable approaches to solving the orphan works problem. The four categories of solutions outlined here—remedy limitations, centrally-administered licenses, fair use, and ECL—all drew objections and support from a variety of interested groups. Going forward, solutions might draw from the approaches described above to provide an adequate solution to the problem while minimizing negative effects on particular types of users or owners. The U.S. copyright office approach drew the ire of photographers, for example, because its reasonable search requirements were thought to ignore their special concerns about owners whose works were difficult to identify with available search tools. Matching together the variety of concerns of particular types of users and rightsholders (like photographers) with the range of alternative solutions that could address those specific concerns, may be one way to move forward on this issue. At a minimum, policy makers should understand the basic alternative structures that could be employed to address the orphan works problem.

	U.S. Copyright Office & Related Legislation	Proposed E.U. Directive	Fair Use	Centrally-granted license (Canadian model)	Extended Collective Licensing
Covered Works	All works, regardless of age, publication status, or format.	All ages of certain published works, mostly textual and audiovisual, held in libraries and archives. Excludes most visual works.	All works, but favors those that are factual in nature, generally unavailable, and previously published.	A published work or fixed performance whose owner cannot be located.	Works that are representative of the type owned by CMO members. Specific systems, may be more specific, such as the French which covers out-of-commerce books.
Orphan status verification	User must perform a reasonably diligent search for rightsholders. Legislative variations require documentation, reference to specific databases or best practices, and/or “Notice of Use” submitted to the Copyright Office.	User must undertake and document a diligent search for rightsholders that complies with the established guidelines; the proposed directive includes an appendix of minimum requirements.	Favors uses where the potential market is unlikely to exist, especially where no owner can be located.	User must prove to the Board that a reasonable search for the owner of the work was conducted before the license is granted.	None; fees are paid out by the CMO to owners that it can locate, but no set standards exist for how those searches are conducted for supposed orphan works. The French system authorizes free license to libraries after 10 years.
Uses Covered	All uses, including commercial and non-commercial.	Use by publicly accessible libraries, archives, museums, etc., to reproduce/make available, but only when use is aligned with the public-service mission of org. Other uses by those orgs. may also be permitted with added limits.	Favors uses that are productive, transformative, and/or for an educational purpose.	Board may license broadly, but only the use specified in the license is allowed. Typically, licenses cover only one work for a particular type of use.	Existing systems cover narrow applications like educational copying. Proposals also exist to adapt ECL specifically for mass digitization. French system focuses on digitized versions of out-of-commerce works.
Consequences if an owner comes forward and objects	<p>Monetary: Money damages are eliminated for non-commercial users (some legislative variations specifically exempt libraries, archives, and other educational users). Commercial users must pay “reasonable compensation” to owner.</p> <p>Continued use: Injunctive relief is available against user, except where the work is incorporated into a new derivative work (and if user pays reasonable compensation for continued use).</p>	<p>Monetary: Use within core public service mission has no monetary consequence; other uses may require remuneration to owner.</p> <p>Continued use: An owner that steps forward can end the orphan works status at any time.</p>	<p>Monetary: Statutory damages eliminated for reasonable fair use assertion by educational users. Most monetary damages eliminated for state institutions. Commercial users remain at risk, but proving fair use is a defense.</p> <p>Continued use: Strength of the argument for continued use may weaken if owner reappears. Use may need to cease unless other factors favor continued use.</p>	<p>Monetary: License specifies the permitted term; no additional monetary consequences during that time.</p> <p>Continued use: Licenses are for a set duration. If owner reappears, user presumably must negotiate with the owner for continued use after the expiration of the initial license.</p>	<p>Monetary: License-specific. Owners typically have limited ability to renegotiate terms for individual remuneration, but must prove level of use by organization.</p> <p>Continued use: Most existing ECL systems allow owners to opt out and bargain independently with the user. In that case, use must cease unless an agreement is reached. ECL systems designed for mass digitization projects may modify this rule.</p>

Orphan Works: Definitional Issues

David R. Hansen *

When discussing orphan works, two basic definitional questions arise: (1) exactly what is the “orphan works” problem?, and (2) what is the size of this problem? The answers to these two questions are central to understanding how proposed solutions work to remedy the situation. Though both questions have long been posed, the answer to the first (what is the “orphan works” problem) can vary based on the type of work or the particular user, and the answer to the second (what is the size of the problem) remains difficult to state with precision. This paper explores both and identifies areas where further research is needed.

Probably the most commonly used description of the “orphan works” problem is that adopted by the U.S. Copyright Office in its *Orphan Works Notice of Inquiry* and subsequent *Orphan Works Report*: “[O]rphan works’ [is] a term used to describe the situation where the owner of a copyrighted work cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner.”¹ A broader issue, however—the inability to connect copyright owners with potential users—has led many to consider orphan works as part of a greater problem of market failure. Proposals to address this overall problem have also considered works that are out-of-print or not commercially available, categories which also generally include “orphan works.” Even broader solutions, such as extended collective licensing (“ECL”) regimes, have essentially the same goal. These solutions tend to enable uses for all works in a particular category regardless of commercial availability (e.g., particular types of television programs), but for a narrow set of uses that are particularly susceptible to high transaction costs and market

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About this Paper: This white paper is the first in a series from the Berkeley Digital Library Copyright Project, an effort organized by Berkeley Law professors Pamela Samuelson, Jason Schultz, and Jennifer Urban. The project aims to investigate copyright obstacles facing libraries and other like-minded organizations in their efforts to realize the full potential of making works available digitally. More information can be found on the project’s website, available here: <http://www.law.berkeley.edu/12040.htm>.

¹ REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS 1 (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>; see also Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739, 3741 (Jan. 26, 2005) (describing orphan works as those “whose owners are difficult or even impossible to locate”).

failure.

The size of the problem, in terms of the number of works considered orphans or the value of those works, is known to be significant. Depending on the type of collection considered, these estimates range in number from hundreds of thousands to millions of orphans, but data supporting those estimates only allows for rough approximation. Evaluation of the severity of the problem, which includes the social and economic costs and benefits of using these works, is based almost entirely on anecdotal or localized evidence. We know from these studies that the problem is large and significant, but the data on how large and how significant is incomplete. The remainder of this white paper reviews these two questions in more detail.

I. Defining the Orphan Works Problem

The orphan works problem is variously defined along a spectrum of common concerns about efficiently connecting and facilitating negotiation among copyright owners and potential users. The narrowest definitions focus strictly on the inability of a potential user to identify and locate the owner of the copyrighted work from whom permission must be sought. On the other end of the spectrum is a focus on situations where the user is able to locate an owner, but is unable to easily obtain permission to use the particular work at issue.

A. U.S. Copyright Office Approach

When the U.S. Copyright Office first solicited comments on the issue of orphan works in January of 2005, it posed the question, “How should an ‘orphan work’ be defined?”² The notice itself hinted at several possible facets of that definition, including the method of search for rightsholders that would lead to the designation as an “orphan,” the impact of the age of the work, and the relevance of the published or unpublished status of the work.³ The Copyright Office issued its *Orphan Works Report* in 2006, recounting the comments received in response to the initial inquiry. In that report the Copyright Office explained that “there appears to be consensus in the record that an ‘orphan work’ is a copyrighted work for which an owner cannot be identified or located, irrespective of whether the work is being exploited commercially.”⁴ While acknowledging the

² Orphan Works Notice of Inquiry, 70 Fed. Reg. 3739, 3741 (Jan. 26, 2005).

³ *Id.*

⁴ REGISTER OF COPYRIGHTS, *supra* note 1, at 34, n. 68. For a helpful external summary and analysis of the comments, see Denise Troll Covey, *Rights, Registries and Remedies: An Analysis of Responses to the Copyright Office*

broader context of market failure into which the orphan works problem fits, the report explained its approach in terms of the particular problem of usage risk to potential users:

In the situation where the owner cannot be identified and located . . . the user faces uncertainty—she cannot determine whether or under what conditions the owner would permit use. Where the proposed use goes beyond an exemption or limitation to copyright, the user cannot reduce the risk of copyright liability for such use, because there is always a possibility, however remote, that a copyright owner could appear and bring an infringement action after that use has begun.⁵

Concentrating on the risk of liability from unknown rightsholders, the Copyright Office maintained that the problem turned on an inability to identify and locate owners.⁶

The Copyright Office’s focus on identification and location of the owner as the defining characteristic expressly limited the reach of its study—and its proposed solution⁷—to other related issues. The report states that “[w]hile we have refrained from offering a categorical definition of ‘orphan works,’ . . . the term certainly must mean what it implies: that the ‘parent’ of the work is unknown or unavailable.”⁸ Thus, the Copyright Office did not include, for example, works whose owners could be located, but who were unresponsive to requests for permission to use the work.⁹ At the same time, the Copyright Office’s approach did not distinguish orphan works based on factors such as the age of creation, or the published or unpublished status of the work.¹⁰ These criteria are

Notice of Inquiry Regarding Orphan Works, in *FREE CULTURE AND THE DIGITAL LIBRARY: SYMPOSIUM PROCEEDINGS* 106–40 (Martin Halbert ed., 2005), available at http://works.bepress.com/denise_troll_covey/45

⁵ *Id.* at 15. In many cases, the report notes, such a risk will be thought so severe that the use is avoided altogether.

⁶ *Id.* at 1. Note that the Copyright Office intentionally left open the option that other solutions—for example, fair use or other specific exceptions to the owner’s exclusive rights—might also remedy issues of access or use. *Id.* at 94. Hence the orphan works problem considered in the report consists only of uses that “require[] permission of the copyright owner.” *Id.* at 1.

⁷ Introducing its ultimate recommendation, the report reemphasized this focus: “First, any system to deal with orphan works should seek primarily to make it more likely that a user can find the relevant owner in the first instance.” *Id.* at 93.

⁸ *Id.* at 34.

⁹ *Id.* at 34, 97 (“This area touches upon some fundamental principles of copyright, namely, the right of an author or owner to say no to a particular permission request, including the right to ignore permission requests. As noted above, the primary goal of this study is to prompt owners and users to find each other and commence negotiation—it is not intended to allow use of works in disregard of the owner’s wishes after that owner has been found.”).

¹⁰ In so doing, the Copyright Office approach was inclusive because it reached not just to the large number of commercial, published works, but also to the many more non-commercial works (e.g., personal photographs or letters) whose owners are even more difficult to locate. This was of particular concern to Copyright Office

certainly relevant to identifying owners (older works and unpublished works are thought to pose more difficulty in locating rightsholders), but the report explained that commenters resisted categorical restrictions, “pointing to the fact that the *sine qua non* of an orphan work—the fact that its owner cannot be located—has no necessary tie with the age of the work.”¹¹ Thus, the report cast a wide net over the types of works that it would include in its definition of “orphan works,” but was narrow in terms of the problem it sought to address—only remedying the relatively severe problem of unidentifiable and un-locatable owners, who in turn raise the risk that unauthorized uses might trigger costly infringement suits from unknown plaintiffs. Similarly, the Copyright Office’s proposal was broad in the type of users that it contemplated covering, reaching not just to libraries or non-profits, but to all users who would be subject to this risk. The central focus on risk reduction is borne out in the Copyright Office’s ultimate recommendation, a proposal to legislatively restrict the range of remedies that copyright owners can seek if users first engaged in a “reasonably diligent search” for the rightsholder.¹²

The approach of the Copyright Office reflects one of the most widely embraced characterizations of the problem. Between 2006 and 2008 Congress considered a series of orphan works bills, all of which tracked the Copyright Office’s owner-location approach.¹³ The bills all adopted variations of the Copyright Office’s remedy-limitation solution, and all used a “diligent search” standard for locating rightsholders as a qualifying factor to fall within the bills’ provisions. A number of academic articles and best practices have also accepted that identification and location are central to the problem, through either explicit discussion of the term or through an implicit

roundtable participants, such as Wal-Mart, who are routinely confronted with customers seeking to digitize non-commercial works such as old family photographs. *See* Library of Congress, Copyright Office, Roundtable Discussion on Orphan Works 33–35 (Aug. 2, 2005, Berkeley, CA) (statement of Joe Lisuzzo, Wal-Mart Stores, Inc.), available at <http://www.copyright.gov/orphan/transcript/0802LOC.PDF>.

¹¹ *Id.* at 79–80, 100 (“Our recommendation does not categorically exclude unpublished works from being subject to the orphan works provision.”); 102–03 (age is not a specific factor in the Copyright Office’s recommendation, though it may be an important consideration in determining what is a “reasonably diligent search” for the rightsholder).

¹² *Id.* at 96. Note that this white paper only attempts to explore the framing of the orphan works problem. A subsequent white paper will review in detail the universe of proposed solutions.

¹³ The bills were: Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006); Orphan Works Act of 2008, H.R. 5889, 110th Cong. (2008); and Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. (2008). None were ultimately enacted.

assumption that this is what is meant by the term “orphan works.”¹⁴ In Europe, where efforts to address the orphan works problem are further along, discussion of “orphan works” also follows this approach; though the broader issues associated with out-of-print works is also under review, they are addressed as a related, but separate matter.¹⁵

B. *The Google Books Approach*

The Google Books Search Settlement is perhaps the most visible solution to the problem of works whose owners are not, strictly speaking, unable to be located, but nevertheless are difficult to make use of because of an inability to bargain with the copyright owner for rights. The settlement itself barely uses the term “orphan work” at all,¹⁶ but rather, addresses the broader issue of market availability—i.e., allowing uses of works that are not commercially available. The 2009 Amended Settlement Agreement defines “commercially available” to mean “with respect to a Book, that the Rightsholder of such Book, or such Rightsholder’s designated agent, is, at the time in question, offering the Book (other than as derived from a Library Scan) for sale new, from sellers anywhere in the world, through one or more then-customary channels of trade”¹⁷ Books that are orphans, i.e., whose owners cannot be located, would be included in this definition, but so would books that

¹⁴ See, e.g., Olive Huang, *U.S. Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans*, 21 BERKELEY TECH. L.J. 265, 265 (2006) (“ ‘Orphan works,’ then, are those whose rightsholders cannot be located.”); Bernard Lang, *Orphan Works and the Google Book Search Settlement: An International Perspective*, 55 N.Y. L. SCH. L. REV. 111, 116 (2010-11) (“A work is said to be orphan when its rightsholder cannot be identified or found, even after a diligent search, so that it is not possible to obtain a license for exploiting protected uses of the work.”); Pamela Samuelson, *The Google Books Search Settlement as Copyright Reform*, 2011 WISC. L. REV. 479, 483 (identifying “orphans” as “books whose rights holders cannot readily be located”); SOCIETY OF AMERICAN ARCHIVISTS, ORPHAN WORKS: STATEMENT OF BEST PRACTICES 3 (2009), available at <http://www.archivists.org/standards/OWBP-V4.pdf> (“There are two ways an item can be orphaned: The identity of the rights owner cannot be determined; [or] The identity of the likely rights owner is known, but he or she cannot be located.”)

¹⁵ See, e.g., i2010: DIGITAL LIBRARIES HIGH LEVEL EXPERT GROUP, COPYRIGHT SUBGROUP, FINAL REPORT ON DIGITAL PRESERVATION, ORPHAN WORKS, AND OUT-OF-PRINT WORKS (2008) (addressing “orphan works”—i.e., those whose “rightsholders cannot be identified or, if they can be identified, they cannot be located”—as distinct from “out of print” works). European approaches are discussed further *infra* notes 22 to 29 and accompanying text.

¹⁶ The only apparent use of the term “orphan works” is in reference to Google’s ability to take advantage of those works should orphan works legislation be enacted. See *The Authors Guild Inc. v. Google, Inc.*, Case No. 05 CV 8136-DC, Amended Settlement Agreement, § 3.8, at 45; § 7.2(b)(v), at 95. (Nov. 13, 2009) [hereinafter Amended Settlement Agreement].

¹⁷ *Id.* § 1.31, at 6. The term “Book” is narrowly defined to exclude items such as periodicals, personal papers, works with substantial musical notation, and works published outside of Canada, the United Kingdom, Australia, or the United States. See *id.* § 1.19, at 4–5.

are simply difficult to purchase. The settlement agreement provides access to both types of works in a common way, by granting Google what is in effect a “compulsory license”¹⁸ to use these works in a variety of commercial and non-commercial ways.¹⁹ In return, Google would pay a portion of any revenues generated from these uses.²⁰

C. *Extended Collective Licensing*

The type of broad access solution proposed by the Google Book Search Settlement has been analogized to systems already in place in other countries which enable particular uses of works without negotiation between individual rightsholders and potential users.²¹ In several Scandinavian countries, for example, extended collective licensing (“ECL”) regimes allow users to pay license fees to a collective rights management organization for the use of certain specific categories of works (e.g., archived television programming) or for specific uses (e.g., educational photocopying or public broadcasting).²² Because these systems are designed to address uses where high transaction costs for work-by-work rights clearance would prove burdensome, the authorizing statute extends the authority of these collective management organizations to license on copyright owners’ behalf even where the particular owner is not a member of the collective. Licenses are granted for a specific purpose, and users are given certainty that their use presents no risk of infringement.²³

¹⁸ Samuelson, *supra* note 14, at 513. The Amended Settlement does so by allowing Google to make use of these works without first obtaining owner permission for a set fee. *See* Amended Settlement Agreement, *supra* note 16, § 2.1(a), at 23, § 3.3(a)-(c), at 33–34.

¹⁹ *See* Amended Settlement Agreement, *supra* note 16, § 3.3, at 33–34 (authorizing Google to make display uses of these works); *see also* Samuelson, *supra* note 14, at 520 (outlining the ways in which Google may commercialize these works).

²⁰ Amended Settlement Agreement, *supra* note 16, § 2.1(a), at 24 (Google would pay 63% of revenues generated).

²¹ *See, e.g.*, Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, 34 COLUM. J.L. & ARTS (forthcoming 2011).

²² *See* JOHAN AXHAMN & LUCIE GUIBAULT, INSTITUUT VOOR INFORMATIERECHT, CROSS-BORDER EXTENDED COLLECTIVE LICENSING: A SOLUTION TO ONLINE DISSEMINATION OF EUROPE’S CULTURAL HERITAGE?, at 43 (2008) *available at* http://www.ivir.nl/publicaties/guibault/ECL_Europeana_final_report092011.pdf (summarizing the features of various Nordic extended collective licensing systems).

²³ Proceeds from licenses are to be distributed from the collective to copyright owners, and rightsholders typically retain the right to opt-out of the collective. *See id.* (listing ECL systems which allow opt out for “outsiders” of the collective rights organization).

In some ways, ECL systems are much broader than the Google Books Settlement approach because they reach to include not just orphan or out-of-print works, but all works that fall within the specific class of works or uses at issue. ECL licenses are narrower, however, because they are for specific types of use, while the Google Books Settlement would permit broad levels of commercial and non-commercial uses. Both, however, take aim at the broader problem of market failure, and consequently both are aimed at particular problem areas where transaction costs make bargaining for use difficult. In contrast to the Copyright Office’s framing of the problem, these approaches are narrow in the type of works they consider problematic (out-of-print books in the Google Books Settlement; specific uses in ECL systems), but broad in terms of the problem to be addressed—namely, the inability of users to negotiate with owners in a meaningful, efficient way.

The two approaches—with the Copyright Office’s owner-identification approach on the one hand, and a broader market failure approach on the other—illustrate how orphan works solutions can be broadly designed to reach a variety of content types with a common solution, and how solutions can be tailored to specific problem uses or types of works. Both approaches have strengths and might be combined in a variety of ways.

D. The European Union Approach

The European Commission has combined elements of the approaches described above to address both orphan works and out-of-print materials. In its proposed orphan works directive, orphan works are designated as such only after a “diligent search” reveals that no owner can be located.²⁴ The proposed directive allows for relatively broad uses of orphans, but limits that allowance to particular classes of users: “publicly accessible libraries, educational establishments or museums as well as by archives, film heritage institutions and public service broadcasting organizations.”²⁵ For out-of-print works, the European Commission has developed a broad “Memorandum of Understanding on Key Principles on the Digitisation and Making Available of Out-of-Commerce Works.”²⁶ The memorandum specifically aims to guide voluntary licensing

²⁴ *Commission Proposal for a Directive of the European Parliament and of the Council on Certain Permitted Uses of Orphan Works*, at 10 COM (2011) 289 final (May 24, 2011), available at http://ec.europa.eu/internal_market/copyright/orphan_works_en.htm

²⁵ *Id.* at 9.

²⁶ Memorandum of Understanding Key Principles on the Digitisation and Making Available of Out-of-Commerce Works (Sept. 20, 2011), available at http://ec.europa.eu/internal_market/copyright/docs/copyright-infso/20110920-mou_en.pdf

solutions between owners of out-of-print books, and libraries and archives that wish to digitize those works.²⁷ The Commission describes the proposal as “sector specific,” and explains that it is intended to work in conjunction with an orphan works solutions by facilitating licensing where it is possible.²⁸

This mixed approach illustrates that the problem can be approached in a more nuanced way. Solutions that aim to address broad categories of works and uses, like that proposed by the Copyright Office Report, are workable in specific contexts. But more specific solutions for particular types of works and users that are most susceptible to harm from market failure is another practical option to address the situation. To assess the impact of either approach, or a mixture of these approaches, more detailed data is needed on the type and number of works involved, and the possible benefits and costs of increased access for users and owners. A review of existing research on that point is presented below.

II. The Size of the Orphan Works Problem

While the problem and basic concept of “orphan works” has received some definition, there is disagreement on the exact size of the problem. “Size” in this context raises at least two distinct, but related, empirical questions: (1) how many orphan works are there?, and (2) how big, or severe, is this problem—particularly, in economic or social terms? Empirical studies have shown that there are a great number of orphan works, but detailed data on the exact size and nature of these works has been difficult to muster. In many cases this is because the sample groups analyzed are unique subsets of larger collections, and generalizing results from those samples to an entire collection population is challenging. The value of these works is similarly difficult to assess because of this problem. While the first question (number of works) has received some attention, the second (severity of the problem) has received very little systematic study. Both are deserving of further research.

²⁷ Memorandum of Understanding (MoU) on Key Principles on the Digitisation and Making Available of Out-of-Commerce Works – Frequently Asked Questions, MEMO/11/619 (Sept. 20, 2011), *available at* <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/619&format=HTML&aged=0&language=EN&guiLanguage=en>

²⁸ *Id.*

A. How Many Orphan Works Are There?

Estimates on the number of orphan works vary significantly. For some works—in particular, those that are not commercially published (e.g., personal photographs, letters, or even emails)—the number of orphans is almost inestimable.²⁹ But for others, estimates are obtainable. The best available figures are of the number of commercially published orphan works (in particular, published monographs), because bibliographic data is generally available and samples are generalizable from collection to collection. However, even this data is spotty and is based on samples of rights analyses that may not extend to broader collections of works.

For “books”³⁰ the best estimates indicate that up to 50% of twentieth century publications should be considered “orphans” in that owners cannot be located. John Wilkin recently reviewed the HathiTrust project holdings—a digital library with a collection of over 5 million monographic titles at the time of the study—to estimate the number of orphan works in its collection.³¹ With a collection that is representative of research library holdings in general,³² Wilkin is able to roughly divide the collection into copyright-relevant segments (i.e., country and year of publication). Based on sample data from a Carnegie Mellon University project to secure rights for contemporary publications, he estimates that roughly 50% of the volumes in the HathiTrust collection of 5 million are likely to be orphans, explaining that “12.6% will come from the years 1923–1963, 13.6% from

²⁹ This is especially true for works of this type produced under the 1976 Copyright Act. Under prior law, creative works needed to comply with certain formalities to obtain copyright protection (including registration, renewal, and using proper copyright notice); in many cases, owners only bothered to comply for works that were commercially viable. For works produced under the 1976 Act, copyright protection adheres automatically upon fixation. That, combined with extension of the term of copyright protection and the rapid growth of unpublished and personal works created and stored on digital information systems, results in a large number of works that are protected by copyright and whose owners are difficult or impossible to locate. The use of these works by the general public may not be great in comparison to formally published works, but they nevertheless remain a troublesome issue for future digital information systems.

³⁰ Various referred to as “monographic volumes” or “monographic language materials” in the studies noted below. One study distinguishes between titles and works, explaining that “[a] work will often have multiple manifestations or derivations (paperback, library version, large print, etc.) and thus, while the statement that there may be ‘millions of Orphans titles’ may be partially correct, it is entirely misleading when the true measure applicable to the GBS discussion is how many orphan works exist.” Michael Cairns, *580,388 Orphan Works – Give or Take* (Sept. 9, 2009), <http://personanondata.blogspot.com/2009/09/580388-orphan-works-give-or-take.html>.

³¹ John P. Wilkin, Bibliographic Indeterminacy and the Scale of Problems and Opportunities of “Rights” in Digital Collection Building, RUMINATIONS (Feb. 2011), <http://www.clir.org/pubs/ruminations/01wilkin/wilkin.html>

³² *Id.*

1964–1977, and 23.8% from 1978 and years that follow.”³³ Wilkin is quick to note, however, that the estimates for the later years are “just guesses” built on extrapolating rights analyses samples for works with earlier publication dates. Thus, the first conclusion of the study must be that “we *still* need better data,”³⁴ especially for those later years.

Others have produced similar estimates. One study by Michael Cairns uses publishing data to verify estimates of the number of published works that should be considered orphans.³⁵ Of an estimated population of approximately 2 million works (as distinct from particular volumes) published in the United States since 1920, he is able to conclude that approximately 600,000 (or 25%) should be considered “orphans.”³⁶ Estimates for the number of orphan books in European collections are comparable, though those estimates vary significantly based on the date of publication and the collection from which the sample was taken.³⁷

Beyond books, estimates are difficult to make with any level of certainty. For copyrighted works in general, the British Library estimates that over 40% of all in-copyrighted works should be considered orphan works,³⁸ and surveys by the UK’s Joint Information Systems Committee (JISC) indicate that the number of creative works held in UK cultural institutions could well exceed 50 million.³⁹ While useful starting points in gauging the size of the problem, both estimates are based on unverifiable data or survey results. Similar estimates are also available for specific content types such as photographs or audiovisual works, though examples and data tend to be localized or anecdotal. The Gowers Review (a 2006 report on UK intellectual property law) notes, for example, that those familiar with museum copyright issues estimate that nearly 90% of museum works have

³³ *Id.* This amounts to “800,000 US orphans and nearly 2 million non-US orphans” in the HathiTrust collection.

³⁴ *Id.*

³⁵ Cairns, *supra* note 30.

³⁶ *Id.*

³⁷ See ANNA VUOPALA, ASSESSMENT OF THE ORPHAN WORKS ISSUE AND COSTS FOR RIGHTS CLEARANCE (2010, report for European Commission), http://ec.europa.eu/information_society/activities/digital_libraries/doc/reports_orphan/anna_report.pdf (summarizing estimates that range from 13% of all in-copyright books to up to 70% for certain collections).

³⁸ See BRITISH LIBRARY, ORPHAN WORKS AND MASS DIGITIZATION, <http://pressandpolicy.bl.uk/imagelibrary/downloadMedia.ashx?MediaDetailsID=635> .

³⁹ JISC, IN FROM THE COLD: AN ASSESSMENT OF THE SCOPE OF ‘ORPHAN WORKS’ AND ITS IMPACT ON DELIVERY TO THE PUBLIC 18 (2009), <http://www.jisc.ac.uk/media/documents/publications/infromthecoldv1.pdf>

no known author, and that for sound recordings, researchers in the British Library were unable to identify rightsholders for over 50% of works in a sample of over 200.⁴⁰

This research all indicates that there are a large number of orphans, but to truly understand the impact of the orphan works problem (however defined) it is important to have a basic grasp of the number of works that are at issue. The efforts noted above to quantify the number of orphan works are a useful starting point, but inadequate to inform more particularized legal solutions. Efforts should be made to produce clearer and more generalizable sample data evaluating the copyright status of works across a range of content types (e.g., books, serials, sound recordings). With that, some of the bibliographic data already leveraged to produce the estimates discussed above may yield yet more information about both quantity and the specific nature of the works at issue. In the context of a more content- or use-specific approach to the problem (as taken by the Google Books Settlement or in Scandinavian ECL regimes) this data could prove valuable in crafting particularized legal solutions for specific categories of works or uses. Even with the more general approach like that of the *Copyright Office Report*, this data could be used to, for example, more accurately gauge the potential costs of a “reasonably diligent search” for rightsholders across entire collections that might be digitized or used in other ways.

B. *How Severe Is This Problem?*

The severity of the problem is not well quantified. Numerous studies outline the problematic rights-clearance procedures that must be resolved in cases of orphan works, and these studies illustrate that dealing with orphan works is extremely problematic and costly in many situations. The JISC study mentioned above is one of the most recent assessments of those costs. JISC surveyed cultural institutions (predominately libraries and archives in the UK) on their experiences with orphan works. The survey yielded over 500 respondents from institutions with collections ranging from less than 1,000 items to over 1 million.⁴¹ When asked what percentage of the collection was made up of orphan works, many responded “don’t know,” but most also agreed that the inability to

⁴⁰ See GOWERS REVIEW OF INTELLECTUAL PROPERTY 69 (2006), available at <http://www.official-documents.gov.uk/document/other/0118404830/0118404830.pdf>

⁴¹ JISC, *supra* note 39, at Appendix A: Statistical Calculations, Accuracy, and Respondent Profile, 30–31. See also *Commission Staff Working Paper: Impact Assessment on the Cross-Border Online Access to Orphan Works*, at 11–12 COM (2011) 289 final (May 24, 2011), available at http://ec.europa.eu/internal_market/copyright/docs/orphan-works/impact-assessment_en.pdf

trace rightsholders either frequently or occasionally affected their projects.⁴² Based on the responses that did attempt to quantify the percentage of orphan works in their collection, the report was able to estimate that among the 500 respondents, over 13 million orphans were thought to be held.⁴³ Most respondents were unable to quantify precisely the amount of time spent seeking rightsholders for potential orphan works, but as the report notes, even with a rough (and conservative) estimate of four hours of search time per work, searches for owners would result in an extraordinary amount of time expended when multiplied across the estimated 13 million orphans. Other studies have explicitly translated time spent on rights analysis for orphan works into a dollar figure representing staff time wasted. Cornell University Library, for example, submitted as a comment to the Copyright Office's Notice of Inquiry an explanation of staff time spent searching for rightsholders of 343 monographs identified as still in copyright, but out of print. In staff time, the library spent over \$50,000, but was ultimately unable to identify owners for over half (58%) of the works in question.⁴⁴

These studies and others like them are useful in assessing the severity of the problem to the extent that they concretely illustrate the types of situations where rights analysis and owner identification can be costly. No study to date has quantitatively addressed, however, how orphan works accessibility or inaccessibility harms or hurts particular communities or the public at large. Likewise, no existing study attempts to quantify the value of these works, either in their current state or as digitally accessible copies. Initial assessments of the economic impact of large-scale digitization efforts (namely, Google Books) have concluded that those efforts do not harm, and perhaps even help, publishers' businesses.⁴⁵ A similar—and deeper—understanding of what orphan works access might mean, in terms of economic costs and benefits to users and owners, is essential. Of course, evaluating cultural materials only in terms of variables that can be tabulated for economic comparison is contrary to the purpose for which libraries and archives collect and maintain those works. Accordingly, serious study of the qualitative social value of these works should also be made. While quantifying more precisely the number of orphan works is a significant first step,

⁴² *Id.*

⁴³ *Id.* at 18.

⁴⁴ Response by the Cornell University Library to the Notice of Inquiry Concerning Orphan Works, 70 Fed. Reg. 3739 January 26, 2005, Comment OW0569, available at <http://www.copyright.gov/orphan/comments/OW0569-Thomas.pdf>.

⁴⁵ See generally Hannibal Travis, *Estimating the Economic Impact of Mass Digitization Projects on Copyright Holders: Evidence from the Google Book Search Litigation*, 57 J. COPYRIGHT SOC'Y U.S.A. 907 (2011).

understanding the value of access to those works is by far more important for informing legal and policy decisions about how and where the rules of access should be modified.

Conclusion

The orphan works problem is generally considered to be the situation where the owner of a copyrighted work cannot be located by someone who wishes to make use of the work in a manner that requires permission. This focus on owner identification has led much of the discussion of the problem so far, though broader conceptions of market failure have spurred alternative solutions to take form in the shape of the Google Books Settlement and in statutory ECL regimes. These solutions have tended, perhaps necessarily, to focus on specific types of works or specific uses. But the difference between the approaches is largely a matter of degree; where the complete inability to locate an owner may signal an absolute obstacle to a market transaction, uses of out-of-print works or specific uses covered by ECL regimes are associated with transactions that are costly, but not impossible, to overcome. Drawing from both approaches, it may be useful to further study how aspects of each might be combined into more nuanced sets of solutions. In either case, it is important to understand the size of the problem at issue, and detailed research on that point is scarce. More work should be done to create sample data on orphan status that can be extrapolated to broader collections. Likewise, study of the value of these works and the costs associated with the problems they cause is necessary to effectively implement targeted legal and policy changes.