Reforming Copyright to Foster Innovation: Providing Access to Orphaned Works

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Michael Mahon owns a large collection of software for the Apple II computer, a popular personal computer in the 1980s. He wants to preserve his collection and make it available to others, because, as he states, "it is of considerable historical interest, since it chronicles the development of personal computer technologies and marketers prior to the modern era, dominated by PCs and Macs." Because copyright law prohibits reproduction even for personal preservation, however, Mahon is prevented from making a backup copy of the software in his collection without permission from the copyright owner. Unfortunately, determining the copyright owner is difficult, if not impossible, as many of the companies that sold software in the 1980s have gone out of business and the copyright owners are often unreachable. Time is running out for the preservation of his collection; some of his disks have already become unreadable, and the copy of the software contained therein lost forever.

Suzanne White Junod is a historian with the United States Food and Drug Administration (FDA). To celebrate the FDA’s centennial in 2006, the agency came up with the idea of putting together a book of historical cartoons dating back to the early years of the twentieth century. The project had to be abandoned, however, as the historians at the agency realized that even with legal help it was simply not cost-efficient to attempt to follow the trail of copyright ownership for each cartoon.

Cornell University’s A.R. Mann Library has for the past ten years been involved in a digitization project called The Core Historical Literature of...
ACCESS TO ORPHANED WORKS

Agriculture (CHLA). The materials provided in the CHLA "document the experience of the individual farm family, the establishment and evolution of farm communities, the pressures affecting rural culture, and the shifting and evolution in rural culture in response to national and world events." Of the approximately one thousand works the Library determined were of uncertain copyright status, 397 were found to be still under copyright. Of those 397 titles, the Library was unable to resolve copyright issues for 198. The unresolved copyright issues resulted from either an inability to locate the author or publisher to situations where a potential owner was located, but either did not respond or denied copyright ownership. The Library has estimated that over $50,000 in staff time has been spent in attempting to clarify the copyright status and obtain permission to use these works. Because the Library was unable to identify or contact the copyright owners to secure permission to use these works, they have been excluded from the CHLA database.

Problems such as these have skyrocketed in recent years as copyright terms lengthened and the scope of copyright expanded to include many newer categories of works that lose their value rapidly. These complex situations are known as problems with "orphaned works." An orphaned work is a work that is still protected by copyright, but that a potential user cannot obtain permission to use because she is unable to either identify or locate the copyright owner. In his dissent from the Court's decision in Eldred v. Ashcroft, Justice Stephen Breyer noted that lengthened copyright terms under the Copyright Term Extension Act (CTEA) "can inhibit or prevent the use of old works (particularly those without...
Justice Breyer recognized that lengthened copyright terms created a greater likelihood of copyright ownership becoming unstable and confusing for potential users, because as time passes copyright status becomes more likely to be either prohibitively expensive or impossible to determine. 19

The duration of copyright now threatens to outstrip not only the lives of the author and the first generation of heirs, but also the lifespan of the very material upon which many copyrighted works are housed. In 1994, the Librarian of Congress emphasized the problems posed by unstable, deteriorating film stock from the early days of motion pictures; 20 the problem is even more pressing today. As long as it remains unprofitable for motion picture companies to undertake comprehensive preservation strategies that include films other than the standard Hollywood feature film, these works will continue to deteriorate and be lost forever. 21 Although organizations across the country are willing to take on the task of restoring and preserving these lesser-known, but historically and culturally important films, they are hesitant to do so as long as the legality of their use is in question. 22

Deteriorating materials are an even greater problem for owners of computer software. A computer disk from the 1970s and 1980s will only be readable for ten to thirty years, 23 a fraction of the current term of copyright protection. 24 Another issue is that of format. Software is often designed to run on a specific operating system. 25 Once the system is superseded, it is virtually impossible to run the

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19 Id.
20 See James H. Billington, Preface to Redefining Film Preservation: A National Plan (1994), http://www.loc.gov/film/plan.html (“Of America’s feature films of the 1920s fewer than 20% survive; and for the 1910s, the survival rate falls to half that.”).
21 See Brief for Hal Roach Studios & Michael Agee as Amici Curiae Supporting Petitioners, at 14–18, Eldred v. Ashcroft, 537 U.S. 186 (2003) (No. 01–618) (arguing that films in most urgent need of preservation are those with less economic value and which are therefore not protected by commercial interests).
22 See, e.g., Comment of Mike Dalby, Ph.D., Staff Research Assoc., Univ. of Cal., to Julie L. Sigall, Assoc. Register for Policy & Int’l Affairs, Copyright Office (Mar. 17, 2005), http://www.copyright.gov/orphan/comments/OW0213-Dalbey.pdf (relating that his university owns an extensive collection of orphaned 16mm films, which are deteriorating but which the campus media center will not convert to DVD without authorization).
23 Simon Carless, Preserving Your Games, GAME DEVELOPER, Apr. 1, 2004, at 72.
25 See Greg Costikyan, New Front in the Copyright Wars: Out-of-Print Computer Games, N.Y. TIMES, May 18, 2000, at G11 (“Game preservation is in worse shape. Hardware and operating systems come and go. If you have a game designed for an Apple II, you will have a hard time figuring out how to run it.”).
software without creating a system emulator. While repealing the CTEA and shortening copyright terms will likely help with works that lose value over a long period of time and deteriorate slowly, such as films, music, and books, these measures will do little to solve the problems posed by software deterioration.

Small museums, libraries, and archives across the country contain treasure-troves of information which they would like to make available to the public, but which they cannot because the rights holders cannot be located in order to obtain permission. Scholars and researchers who wish to make use of a work in order to illuminate our cultural heritage cannot do so because they are unable to determine and locate the rights holders. Creators of new works who wish to build upon the work of others cannot do so because they cannot locate the rights holders. Present limitations on access to orphaned works may also compromise the legal system, as patent claims cannot be properly prosecuted without full access to the cultural record. These problems can only be solved by a system that recognizes that works lose value and are abandoned prior to the expiration of copyright, and therefore provides adequate means by which access to these works can be obtained. The current American copyright system does not provide

26 Id. See Andrew Leung, *Video Game Emulation and the Law*, 2002 UCLA J.L. & TECH. NOTES 12, http://www.lawtechjournal.com/notes/2002/12_020819_leung.php (“Video game emulators are software that emulates a video game console’s hardware and firmware on a PC. This allows the PC user to play games for the emulated console on the PC.”). Although the Ninth Circuit found that copying of the basic input-output system (BIOS) for the Sony Playstation in the course of creating an emulator was fair use, *Sony Computer Entm’t, Inc. v. Connectix Corp.*, 203 F.3d 596, 599 (9th Cir. 2000), other courts have held that creation of an emulator was likely to be found to be copyright infringement, see *Control Data Sys., Inc. v. Inforware, Inc.*, 903 F. Supp. 1316, 1316-17 (D. Minn. 1995) (granting a preliminary injunction to a plaintiff where the defendant created an emulator).

27 See, e.g., Comment of Tracey Baker, Assistant Head of Reference, Minn. Historical Soc’y, to Jule L. Sigall, Assoc. Register for Policy & Int’l Affairs, Copyright Office (Mar. 10, 2005), http://www.copyright.gov/orphan/comments/OW0253-BakerT.pdf (relating that her library owns many historical films with little or no credit information, which they are unable to make available to researchers).

28 See *Hearing, supra* note 17, at 150 (statement of Dennis J. Karjala) (noting that because of the complexities of “tracking down and obtaining permission from all those who by now may have a partial interest in the copyright, a hapless historian will be tempted to pick a subject that poses fewer obstacles and annoyances”).

29 See, e.g., Comment of Robert Hill, to Jule L. Sigall, Assoc. Register for Policy & Int’l Affairs, Copyright Office (Mar. 2, 2005), http://www.copyright.gov/orphan/comments/OW0159-Hill.pdf (noting the author’s inability to use material to create new works of animation); Comment of Joshua, to Jule L. Sigall, Assoc. Register for Policy & Int’l Affairs, the Copyright Office, http://www.copyright.gov/orphan/comments/OW0266-Joshua.pdf (citing his difficulty with locating copyright owners for works to be used in multimedia collage).

for this situation, but may be modified to address the problems posed by orphaned works without a substantial shift in the theoretical basis behind contemporary copyright law.

The problems engendered by ever-increasing numbers of orphaned works have recently received attention from both copyright scholars and the Copyright Office. After his defeat in *Eldred*, Lawrence Lessig raised the issue of orphan works in a challenge to the constitutionality of the CTEA, *Kahle v. Ashcroft*. Senator Orrin Hatch asked the Copyright Office to study the issue, and in early 2005 the Copyright Office issued a call for initial comments on the issues relating to orphaned works. After a call for reply comments, the Copyright Office held roundtable discussions on the subject in the summer of 2005, resulting in the release of a report containing proposed statutory language in early 2006.

This Note first explores the factors that have converged to create orphaned works and the means by which access to orphaned works may be provided by modest changes to our current system of copyright protection. This Note will then evaluate the potential solutions that have been advanced to determine their potential efficacy and feasibility. Part II will provide an overview of the copyright system and the origin and nature of the problems posed by orphaned works. Part III will then evaluate several proposed methods by which a work that has been determined to be orphaned may be made available for use. These can be divided into two major types: solutions that rely upon a change in the copyright term and solutions that require a case-by-case, ad hoc determination. Part IV will present the case for a compulsory licensing system for orphaned works, an alternative solution which is efficient, feasible, and easily implemented. Finally, Part V will conclude with a comparison of this proposal to those previously offered.

**II. BACKGROUND**

The Constitution provides that in order to “promote the Progress of Science and useful Arts” Congress shall have the power to secure “for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” From this beginning, copyright law has steadily expanded both in scope and in duration. Congress has interpreted this language to provide protection not only for what the general public traditionally views as copyrightable

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33 Id.
material, such as works of fiction, film, and art, but also for maps, photographs, computer software, architecture, and nonfiction works. Further, the scope of copyright protection now encompasses not only the prohibition on reproduction inherent in the term “copyright,” but other affiliated rights of use, such as rights of adaptation, display, and performance.

The nature of U.S. copyright law has also been heavily influenced by the United States’ efforts to comply with the terms of the Berne Convention. The Berne Convention requires that the “enjoyment and the exercise” of rights associated with copyright “shall not be subject to any formality,” and that the term of copyright protection be “the life of the author and fifty years after his death.” Berne compliance has resulted in a dramatic shift in copyright law, which has been described as a shift from a “conditional copyright” system, in which the owner must take affirmative steps to secure copyright protection, to an “unconditional copyright” system, in which all creative work is automatically copyrighted at the moment of fixation.

The broad scope, lengthy duration, and shifting requirements (or lack thereof) for copyright protection in the United States all assist in creating a class of orphaned works. Although orphaning is an inevitable result of a standardized copyright system, the particulars of American copyright law combine to create a unique environment in which users are beset on all sides by obstacles to the use of older works of limited value.

A. SCOPE OF PROTECTION

American copyright law confers several rights upon the rights holder, who may be the author of the work, the author’s employer under the often complicated work-for-hire doctrine, or a transferee, including a devisee of a will or an heir under intestacy law. The author may also contract away his copyright in a particular work. The reproduction right protects the author against unauthorized copying of his work, even if that copying is for non-commercial,
archival purposes. Certain protections for libraries wishing to archive works in 
their collections are available, but archival copying is generally prohibited. In 
addition, unauthorized copying of a work as a part of the process of creating a 
non-infringing work has been held to be a violation of the reproduction right. Other 
rights conferred include the right to control public distribution, display, and 
performance of the work. Copyright protection also provides the right to 
control adaptation of a work, often classified as the right to control the creation 
of "derivative works." A derivative work is one which incorporates or builds 
upon the original, copyrighted work.

Several necessary checks on the scope of these rights exist. The fair use 
document allows for the reproduction, display, performance, or adaptation of a 
copyrighted work when that use is determined to either have little effect on the 
market for the original work or to be of great social benefit. The first sale 
document restricts the power of the distribution right, cutting off the right to 
control distribution of a particular copy after it has been sold to a consumer. 
After the "first sale," the consumer may freely resell the copy. Compulsory 
licenses for cable television broadcasting and nondramatic musical works allow 
the reuse of copyrighted works upon payment of a predetermined royalty and 
eliminate the need to negotiate with the copyright owner for permission.

B. DURATION OF PROTECTION

More marked than the expansion of the rights of the copyright owner is the 
expansion of the length of copyright protection. The 1790 Copyright Act echoed 
the English Statute of Anne in granting authors an initial fourteen-year term of

43 2 NIMMER & NIMMER, supra note 37, § 8.02[C].
44 See 17 U.S.C. § 108 (stating that certain types of reproduction and distribution by libraries and 
archives are not constitute copyright infringement).
45 See 2 NIMMER & NIMMER, supra note 37, § 8.02[C] (stating that reproduction is infringement, 
even if for purely personal purposes and with no distribution).
law "prohibits the creation of copies, even if the creator considers those copies mere interim steps 
toward some final goal").
48 Id.
50 17 U.S.C. § 107; 4 NIMMER & NIMMER, supra note 37, § 13.05.
52 Id.
54 Id. § 115.
55 See discussion infra Part IV.
protection with the possibility of a fourteen-year renewal term. In 1831 the length of the initial term was doubled to twenty-eight years, providing a potential forty-two years of protection. The 1909 Copyright Act doubled the renewal term, resulting in twenty-eight year initial and renewal terms. The term of protection was expanded again in 1962 by another nineteen years as Congress considered moving to a different term of protection in order to comply with the Berne Convention. Congress shifted to the term of protection required by the Berne Convention with the 1976 Act, one based not on the date of creation of the work but on the life of the author, mandating that copyright last the life of the author plus fifty years for all works created on or after January 1, 1978. Works-for-hire and works by corporate authors were granted seventy-five years of protection if published; otherwise, they were protected for one hundred years from the date of creation. However, as this change in duration did not apply, works created prior to 1978 were still subject to the 1909 Act twenty-eight year initial and renewal terms, as well as the 1962 Act extension. In 1992, Congress automated renewal of works created from 1964 to 1977, creating a category of works for which the copyright owner did not have to take active measures to retain copyright protection under the 1909 Act.

While the United States was systematically expanding copyright duration in order to standardize its duration with the rest of the world, the European Union was also expanding its term of copyright protection. The adoption of the European Council Directive mandated that European Union countries follow what came to be known as "the rule of the lesser term." The Directive required that the work in question be protected by the shortest term possible, whether that be the term in the work’s country of origin or in the country in which protection.

57 Id.
58 Id.
60 Id.
61 See id. at 215 (noting that the current terms of protection under the CTEA are 95 and 120 years, respectively).
62 Id. at 219.
63 3 NIMMER & NIMMER, supra note 37, § 9.05[A][2].
64 See Council Directive 93/98, art. 7(1), 1993 O.J. (L 290) 9 (EEC) (providing that, when the country of origin and the author of the work are not members of the European Community, “the term of protection granted by the Member States shall expire on the date of expiry of the protection granted in the country of origin of the work, but may not exceed” the term set by Article 1, the life of the author plus seventy years).
is sought. The result was that American works were protected for the American life plus fifty years term rather than the European life plus seventy years term. Congress passed the Copyright Term Extension Act (CTEA) in 1998 to address this perceived inequity, extending all existing and future copyright terms by an additional twenty years.

Currently, most works created after 1978 are protected automatically for the life of the author plus seventy years. All works-for-hire and works created by corporate authors are protected for ninety-five years. As a result, almost all works created after 1923 are protected by copyright until 2018.

Critics of the CTEA cite the increase in the number of orphaned works as a major argument against term extension. Although the number of works orphaned rises as time passes, the problem is not confined to the final twenty years of the current term. Justice Breyer noted this precise problem in 1970 in arguing against the 1976 Act’s life plus fifty years term:

As time passes persons wishing to reproduce old articles, books, designs, or other writings find it progressively harder to find the copyright owner to secure permission—particularly when copying is necessary because, for example, a book is out of print. The owner may have moved, gone out of business, sold his copyright, or died.

The problem today is not limited to “old books,” however. The rapid rate of technological change in the computer industry often results in computer software being orphaned after only a few months or years, giving rise to a category of out-
of-print computer programs known as "abandonware." Computer software loses the majority of its economic value within the first two years of its existence. If the primary purpose of modern copyright law is to grant an economic incentive to spur further creation, a copyright term of two years would arguably provide sufficient protection.

Despite evidence that many copyrighted works may lose economic value more rapidly than in the past, the term of copyright protection has increased. The result of the lengthening of copyright terms, therefore, absent a corresponding increase in the length of time for which the average copyrighted work retains its commercial value, is an increase in the rate of abandonment. It is unlikely that there is an increase in the length of time a work remains commercially viable; empirical evidence that the number of works abandoned has only increased along with the duration of copyrights. Given that the CTEA increases the term of copyright protection by twenty years in exchange for a nominal increase in copyright value, the practical effect of the CTEA is to grant additional copyright protection to owners at the very time when they are least likely to maintain their work. As such, the CTEA provides no measurable incentive to owners and has no practical effect except the prevention of use by the public.

While the rate of orphaning increases as the copyright term lengthens, a certain amount of orphaning is also a necessary result of standardized copyright durations. Of the traditional purposes underlying intellectual property law,
proponents of recent term extensions rely most heavily upon the economic incentive argument to justify lengthening copyright terms. The economic incentive argument posits that the author will not create unless he (and now his family, including successor generations) will receive an economic benefit from his creation. The argument has historic roots; Lord Macaulay once famously observed that "[f]or the sake of the good we must submit to the evil; but the evil ought not to last a day longer than is necessary for the purpose of securing the good." More recently, Lawrence Lessig has argued that copyrights should endure only as long as the economic value of the copyrighted work. Under the economic incentive justification, therefore, the length of time we must endure the "evil" of copyright protection should be determined by viability of the economic motivation.

The value of a copyright decreases markedly over the life of a copyright term. A 1998 Congressional Research Service study found that only a small percentage of works had an economically viable life approaching seventy-five years. If it is true that economic motivation is necessary to spur creativity, then a corollary must also be true: once the economic value of a copyright is exhausted, the motivation to maintain the work disappears. As the value of a copyright falls, the apathy of the owner rises, as do the number of works that are orphaned.

If we accept that interest in copyrighted works is only maintained as long as an economic incentive exists, then orphaned works will exist no matter what the duration of the copyright term. Copyright terms are standardized by necessity; copyright values, however, vary individually. When a standardized term is imposed upon works whose value varies individually, the ideal term of protection must inevitably be only approximate. If the rate at which works entered the public domain through failure to renew under the 1909 Act indicated the rate at which those works lost value (and thus lost the interest of the copyright owner, resulting in the failure to renew), then evidence shows that most works lose the value that provides the economic motivation to create and preserve these works within the first twenty-eight years of protection. Further, the rate at which a

80 Id.
81 THOMAS BABINGTON MACAULAY, SPEECHES AND LEGAL STUDIES 241 (1900).
82 See LAWRENCE LESSIG, THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD 251 (2001) ("[Authors and] creators deserve to receive the benefits of their creation. But when those benefits stop, what they create should fall into the public domain.").
84 See REGISTER OF COPYRIGHTS, U.S. COPYRIGHT OFFICE, REGISTER'S REPORT ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 51 (1961), in 8 NIMMER & NIMMER, supra note 37, at app. 14, at 14–72 ("Experience indicates that the present initial term of 28 years is sufficient
work loses value varies depending on the type of work. The rate at which a work loses value increases when the work is within a technological field; many copyrighted computer programs are therefore abandoned after a few years, as the rapid rate of technological change renders them obsolete and of limited or no value.

C. REQUIREMENTS FOR PROTECTION

Copyright protection prior to the 1976 Act was attended by a bevy of formalities. These formalities created a “conditional copyright” system, which required authors to take affirmative measures to secure copyright protection for their works. Under this “opt-in” system, a copyright author was often required to register the work with the Copyright Office in order to gain copyright protection. If a work was not registered and did not bear a proper copyright notice upon first publication, it was not copyrighted. Further, statutory copyright only attached upon publication of a work; unpublished works were protected by a virtually indefinite term of protection under common law. Complexity arose in determining what sort of distribution counted as a “publication” sufficient to require notice.
The 1976 Copyright Act discarded most of these formalities, shifting to an “opt-out” system that granted copyright protection upon the initial creation and fixation of a work. Requirements of publication and notice were abandoned in order to adhere to the terms of the Berne Convention, which mandated that the “enjoyment and exercise” of copyrights “shall not be subject to any formality.” Unpublished works are protected statutorily under the 1976 Act; works protected by common law copyright were offered statutory protection if they were published prior to December 31, 2002.

These idiosyncrasies in American copyright law conspire to create orphan works. The 1976 Act did not apply retroactively; therefore, the often confusing and counterintuitive renewal and notice provisions of the 1909 Act continue to affect the copyright status of works created prior to January 1, 1978. The work-for-hire doctrine requires users wishing to determine ownership to investigate the particular context in which the work was created. This situation is further complicated by the Uruguay Round Agreements Act (URAA), which restored many previously expired copyrights for foreign works.

Yet it is not just the requirement of 1909 Act formalities that creates orphan works. The abrogation of statutory formalities under the 1976 Act has also created orphans. Statutory formalities of notice and registration, although somewhat confusing in practice, allowed for the creation of a formal record of copyright ownership. No such record exists for the vast majority of works created under the 1976 Act. Ultimately, ascertaining who is the rightful copyright owner can be a matter of guesswork. When even one of the facts necessary for a determination is lost, the user is often left at a dead end, unable to resolve the question of ownership and unable to obtain permission to use the work.

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94 Sprigman, supra note 40, at 494.
95 Id.
96 Berne Convention, supra note 38, art. 5(2).
97 See 17 U.S.C. § 102(a) (stating that copyright subsists in “original works of authorship fixed in any tangible medium of expression”).
98 3 Nimmer & Nimmer, supra note 37, § 9.09[A].
99 Crews, supra note 59, at 199.
100 Id.
101 17 U.S.C. § 104A.
102 See Mulligan & Schultz, supra note 30, at 457 (“The formalities eliminated the problems of absent, missing, dead, out of business, or uncaring rights holders, thus providing some balance to the additional years of protection offered by Congress.”).
103 Id.
104 Id.; see also Report on Orphan Works, supra note 32, at 5 (noting that several commentators advocated a return to recordkeeping as a partial solution to orphaning).
105 See Crews, supra note 59, at 199 (“[I]t is also a law that depends upon widely ranging facts that
Potential users of copyrights often have great difficulty ascertaining the identity of the correct copyright holder, especially when confronted with several parties with apparently good claims to ownership. As complex as the ownership problem in these situations can be, however, it is easy to visualize more difficult dilemmas. When copyrights pass through wills or intestacy statutes, the devisees or heirs may be either unaware of their ownership or unwilling to allow use of a work when they become aware of their ownership. The abrogation of statutory formalities under the 1976 Act means that there is often no record of initial ownership, let alone any record of successive transfers of ownership to heirs or devisees. Further, there may be disagreement as to whether the author even owned the initial copyright to the work, regardless of who filed the application for copyright.

Given these difficulties, it is not surprising that many scholars and researchers who wish to make use of a work abandon the search for the true owner when the transaction costs involved become too high. Indeed, the transaction costs involved in attempting to locate and contact potential copyright owners are often so high that many smaller libraries and museums that own material they wish to archive or make available to the public do not do so because obtaining permission is beyond the limits of their budgets and staff capabilities. In this environment, it is not just the users of the work who suffer; the potential beneficiaries of their innovation suffer as well.

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106 See Dolman v. Agee, 157 F.3d 708 (9th Cir. 1998) (involving confusion between the author’s heirs and the author’s employer as to which owned the copyright to the work in question); see also Nesbit, supra note 9, at 8 (describing a situation where “the publisher claimed that the artist had the copyright, while the artist claimed that the publisher had the copyright”).

107 See 17 U.S.C. § 201(d)(1) (2000) (stating that copyright ownership “may be bequeathed by will or pass as personal property by the applicable laws of intestate succession”).

108 See Cecil C. Kuhne, The Steadily Shrinking Public Domain: Inefficiencies of Existing Copyright Law in the Modern Technology Age, 50 LOY. L. REV. 549, 558 (2004) (noting that “it may be practically impossible to identify successors in interest to these copyrights” and that “[h]eirs wielding rigid control and high costs over works long after the original author’s death frequently frustrate the creativity of new authors”).


110 See supra note 106.

111 See Kuhne, supra note 108, at 549–50 (“It is obvious even to the casual observer that this search for the copyright owner is often difficult and expensive.... Many who face this daunting process will eventually give up, leaving the material unread by the public.”).

112 See Roundtable Discussion on Orphan Works 56 (Tuesday, Aug. 2, 2005), http://www.copyright.gov/orphan/transcript/0802LOC.PDF [hereinafter Roundtable Discussion] (noting that most museums and libraries are “very small and are really run by volunteer staff”).
III. PROPOSED SOLUTIONS

Several solutions to the problems posed by orphaned works have been suggested over the past few years. These solutions can be divided into two broad categories: those which rely upon an adjustment to the copyright term and those that propose a judicial solution by either adjusting existing defenses or creating new defenses to infringement actions. Although each proposal has its advantages, each ultimately fails to provide a complete solution to orphan works problems.

A. COPYRIGHT TERM ADJUSTMENTS

1. The Public Domain Enhancement Act. The Public Domain Enhancement Act (PDEA) was introduced in Congress in 2003, but it failed to leave committee.\(^\text{113}\) Under the PDEA, a work would be protected without any action by the copyright owner for the first fifty years after publication.\(^\text{114}\) In order to obtain the remainder of the copyright term, however, the copyright owner would be required to file for renewal and pay a nominal renewal fee ($1) for every ten years of additional protection.\(^\text{115}\)

There are several advantages to this proposal. First, it would reverse much of the damage done by the CTEA. If the copyright owner does not take the minimal step of renewing copyright after the first fifty years of protection, the work will enter the public domain. Further, because the potential term of protection remains the entire life plus seventy years granted by the CTEA, the PDEA also addresses the core CTEA concern of term harmonization between the United States and the European Union\(^\text{116}\) while adhering to the Berne Convention’s “no formalities” requirement for the initial term of protection.\(^\text{117}\)

Although the PDEA addresses concerns over the CTEA, its limited nature prevents it from serving as an adequate solution to many of the particular dilemmas posed by orphaned works. First, and most importantly, the PDEA does not provide a mechanism by which potential users can gain permission to


\(^{114}\) H.R. 2601 § 3(c)(1)(a).

\(^{115}\) Id.

\(^{116}\) See supra notes 64–67 and accompanying text.

\(^{117}\) Berne Convention, supra note 38, art. 5(2). Although the PDEA does not require formalities for the initial term of protection, that term is not the term of protection required under the Berne Convention. Id. art. 7(1). As such, the PDEA may not fully comply with the terms of the Berne Convention.
use works orphaned during the first fifty years of copyright protection. Although many films and books may retain their value for a longer period of time, the impact of this failure would be felt most keenly by users of works that lose their value rapidly and degrade quickly, such as computer software.

Secondly, the effect of the PDEA is to restore an already excessive copyright term. Empirical evidence showed that earlier this century, the value of copyrighted works depreciated so rapidly that the majority of works were not renewed after the initial twenty-eight year term of protection under the 1909 Act. Despite contentions to the contrary, there is no evidence that this has changed. As such, it can be inferred that many works will continue to be orphaned well within the initial fifty years of copyright protection. The PDEA provides no mechanism to access these works. Therefore, while the PDEA does represent an admirable step toward limiting the duration of copyright for most works, it does not provide the comprehensive solution necessary to adequately address the orphan works problem.

2. Indefinite Renewable Copyright. Professor William Landes and Judge Richard Posner have proposed shifting copyright protection to a short initial copyright term, such as ten years, which would be indefinitely renewable. This proposal is attractive on several levels. First, the term of copyright is sufficiently short that works in unstable media would most likely not have degraded to the point where they would not be preservable at the end of the initial term of protection; even for computer software, magnetic media lasts at least ten years. Second, the short initial term will place many works that lose their value rapidly in the public domain at a far greater rate than either the PDEA or constructive abandonment proposals. The similarly short duration of the renewal terms continues this, as works will enter the public domain at a rate which can potentially approximate the rate at which works lose economic value. This will significantly increase the value of the public domain, especially for works whose commercial and cultural value is not realized initially.

Professor Christopher Sprigman has succinctly identified two major problems with this proposal. First, it would effectively lock up works of enduring value

118 Id.
119 See supra notes 23–24 and accompanying text.
120 H.R. 2601 § 3(c)(1)(a).
121 REGISTER OF COPYRIGHTS, supra note 84.
122 See supra note 76 and accompanying text.
124 Tilley, supra note 87.
125 Sprigman, supra note 40, at 553.
indefinitely. 126 Under the proposal, Mickey Mouse would likely never enter the public domain, as Disney would have the ability to renew its copyright on “Steamboat Willie” in perpetuity. Similarly, works of enduring value, such as the novels of William Faulkner, the paintings of Mark Rothko, or the films of Alfred Hitchcock would be unlikely to ever enter the public domain. While most works would enter the public domain earlier, many of our cultural cornerstones would be unlikely to ever enter the public domain. 127 Second, this proposal would require that the United States withdraw from the Berne Convention. 128 The Berne Convention mandates that the initial term of copyright protection be no less than the life of the author plus fifty years. 129 This proposal stands in direct opposition to the requirements of the Berne Convention and therefore represents a complete reversal of the trend of copyright legislation. Despite its benefits, for these reasons a system with a short copyright term remains untenable as a solution to the problems posed by orphaned works.

3. Constructive Abandonment. Several solutions proposed to the Copyright Office center around what can be best described as a theory of constructive abandonment. A work may be abandoned under current copyright law by the copyright owner; however, unlike with other areas of the law, in order to abandon a copyright the owner must manifest an intention to surrender or abandon copyright by an overt act. 130 No doctrine of constructive copyright abandonment currently exists. 131 Copyright owners who cease publishing or supporting their works retain ownership so long as no overt act manifests an intention on their part to abandon the copyright. 132 The failure to keep a work in print or object to an infringing use does not constitute an “overt act” sufficient to effect an abandonment. 133 In Hampton v. Paramount Pictures, for example, the court held that a copyright owner who failed to object to repeated instances of unlicensed public performance of its work did not abandon its copyright. 134

One proposal, submitted to the Copyright Office by Creative Commons and Save the Music, would form a system of presumptive orphaining of works for

126 Id.
127 Id.
128 Id.
129 Berne Convention, supra note 38, art. 7(1).
131 See id. (stating that “abandonment of a statutory copyright must be ‘manifested by some overt act’ indicative of a purpose to surrender the right and allow the public to copy” (quoting Hampton v. Paramount Pictures Corp., 279 F.2d 100, 104 (9th Cir. 1960))).
132 Id.
134 Hampton, 279 F.2d at 105.
failure to register. The proposal requires that copyright owners of published works register their works within a twenty-five-year period following publication. Computer software would need to be registered within five years of publication. If a work is not registered within this initial period, it is moved into "orphan status." Orphan status does not completely abrogate copyright protection; rather, "[r]ightsholders who fail to register their works would be choosing to exploit their works through a lower-cost system of one-size-fits-all default licenses with no need to identify a rightsholder and ask permission." Because owners are required to register their works and maintain current contact information, a search of the registry would be sufficient to satisfy the requirement of a "reasonable" inquiry to determine if a work has been orphaned.

Unpublished works under this proposal would be subject to a notice system upon the death of the author. An author or his heirs may retain full rights by registering the work at any time before three years after the author's death. Corporate works are required to be registered within ten years of creation. If, after a proper investigation, a potential user determines that the author is deceased and the work was not registered within this time frame, the author may use the work after publishing a notice of intention to use on a centrally administered "Claim Your Orphan" database for a period of six months.

Professor Sprigman, one of the coauthors of the Creative Commons and Save the Music proposal, advocated a similar system of "reformalization" in a 2004 article. Under this system, as under the Creative Commons and Save the Music proposal, the author of a work would have the ability to voluntarily register his work for full copyright protection. If a work is not registered, then the work will be subject to a license of somewhat less than full copyright protection in essence, a license similar to that offered by the Creative Commons. Under

135 Lawrence Lessig et al., Comments of: Creative Commons and Save the Music (Mar. 25, 2005), http://www.copyright.gov/orphan/comments/OW0643-STM-CreativeCommons.pdf.
136 Id. at 16.
137 Id.
138 Id.
139 Id. at 17.
140 Id.
141 Id. at 18–19.
142 Id. at 19.
143 Id.
144 Id.
146 Id.
147 Id.
148 Id.
Sprigman’s system, the shift in the scope of copyright protection would be irrevocable.  

The Stanford University Libraries proposed a similar scheme, suggesting the creation of a category of “Archive and Library Orphan Works” (ALOW). Under this proposal, libraries and archives would be allowed to use out-of-print works that were initially published at least twenty-eight years earlier and that the copyright owner has not excluded from the program through an appropriate notice with the Copyright Office. This proposal remedies many aspects of the current copyright law which prevent libraries and archives from properly preserving their collections. It is tailored to solve the problems facing many libraries, however, and would not adequately address the situations of most ordinary users.

Although a properly conceived constructive abandonment system can provide an adequate solution to many of the problems posed by orphaned works, implementation remains unlikely. The requirement of registration within a statutorily defined period works little more than an end-run around the abrogation of formalities required to join the Berne Convention. Although adhering to statutory formalities may not be a prerequisite for initial copyright protection under these proposals, registration is required for full copyright protection. The trend in American copyright law for the past half century, however, has been one of expanding protection and scope while lowering the entrance requirements for copyright protection. The proposals of Creative Commons, Save the Music and Professor Sprigman work a reversal of this trend. Therefore, although a reversal may be advantageous, it is unlikely.

Beyond the practical problems with reintroducing formalities in a copyright system averse to them, these proposals also lack the flexibility to deal with works that lose value at widely divergent rates. Films and books may lose value slowly, whereas computer software lose value quickly. To address this disparity, the point in the copyright term at which the status of the copyright registration and maintenance will be evaluated must be a midpoint between the two. Although a constructive abandonment doctrine would be a reasonable addition to the current copyright system, more flexible, case-by-case approaches exist which can better accommodate this diversity.

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149 Id.
151 Id.
152 See Berne Convention, supra note 38, art. 5(2) (mandating that “the enjoyment and the exercise” of copyrights “shall not be subject to any formality”).
153 See supra Part II.
B. JUDICIAL DETERMINATIONS

1. Fair Use. William Patry and Judge Richard Posner have also advocated an adaptation of the fair use doctrine to prove a safe harbor for users of orphaned works.\(^{154}\) The fair use defense protects socially beneficial uses against the tendency of copyright owners to attempt to retain any and all rights in the work.\(^{155}\) Patry and Posner’s argument is that the doctrine of fair use, properly conceived, should allow for the uses of old works where the transaction costs of seeking permission exceed the value of the license sought.\(^ {156}\) Any concern that this doctrine would sweep too broadly in favor of users could be checked, according to the authors, by the application of a “duty of reasonable inquiry.”\(^ {157}\) The duty would require that the user exhaust economically efficient methods of determining and contacting the copyright owner prior to making use of the work.\(^ {158}\)

A completely judicial solution such as this would avoid any problems with inconsistency between the term of full protection and the rate at which an individual work loses value. This is especially important with works that lose their value rapidly. It would allow the fact finder to take into account individual aspects of the work, such as its history of publication, special aspects of any transfers of ownership, and the particular character of the use, whether it be educational, commercial, or for research which is likely to be socially beneficial.

These benefits, however, are outweighed by the transaction costs imposed by such a system. Because every case must be decided individually, the level of uncertainty requisite in this system will drive away potential users who lack the resources to appear before a court for adjudication. A frequent reminder in the Copyright Office roundtable discussions was that a system must be comprehensible and easy for the end user, the person standing at the counter with an old family photo.\(^ {159}\) The fair use solution does not pass this test. Even though applying the doctrine of fair use provides great flexibility in application, it remains only a defense to an infringement action. Although Patry and Posner note that their suggestion provides “a legal safe harbor,”\(^ {160}\) it is unclear how a defense to an infringement suit provides the security which users need. Users require assurance

\(^{155}\) *Id.* at 1646–50.
\(^{156}\) *Id.* at 1650.
\(^{157}\) *Id.*
\(^{158}\) *Id.*
\(^{159}\) See Roundtable Discussion, *supra* note 112, at 35 (“I think the solutions have got to be looked at from the end consumer standpoint . . . .”)
at the point of use. As the archivist Kenn Rabin noted in his comment to the Copyright Office, "[s]ince Fair Use is only a defense if one is sued and not a defense against getting sued, it is often of little use to filmmakers without major financial resources."\textsuperscript{161} Potential users will remain afraid to use orphaned works if they are concerned about their ability to cover the attorney's fees required to defend against an infringement suit. Although the doctrine of fair use may be able to protect some uses of orphaned works, it cannot be a complete solution.

2. Limitation of Remedies. The Copyright Office proposed a system of limitations on remedies, or an "orphaned work defense," in its January 2006 Report on Orphan Works.\textsuperscript{162} The statutory language suggested by the Copyright Office was presented, with additions, before Congress in May 2006.\textsuperscript{163} Under this system, a user who wishes to take advantage of the limitations on remedies must perform a "good faith, reasonably diligent search" for the copyright owner prior to use and provide attribution to the author and copyright owner.\textsuperscript{164} If the user is sued for copyright infringement, upon a determination that the user meets the statutory requirement, the court may only award "reasonable compensation" for the use.\textsuperscript{165} If, however, the use is personal and without any "direct or indirect commercial advantage," and the user immediately ceases the use upon receiving notice of infringement, the court may not award any monetary damages.\textsuperscript{166} Injunctive relief is limited as well.\textsuperscript{167} Where the use of the copyrighted work is transformative, the copyright owner cannot obtain an injunction if the user provides reasonable compensation and attribution.\textsuperscript{168} The copyright owner is entitled to injunctive relief in other situations, but the terms of the injunction should "to the extent practicable account for any harm that the relief would cause the infringer due to the infringer's reliance on this section in making the infringing use."\textsuperscript{169}

This system answers many concerns raised to the Copyright Office, but ultimately also fails to provide the preemptive certainty necessary to prevent self-
censorship. As with the proposal for expanded fair use,\footnote{See supra Part III.B.1.} the Copyright Office statutory language provides a defense to an infringement action. Any system that relies upon a defense to infringement presents a sizable risk of chilling use, as users are unwilling to risk the possibility of a lawsuit, even if they would be likely to prevail.\footnote{See supra note 161 and accompanying text.} Further, as noted previously, a judicial system presents the potential for uneven application, as courts' determinations of what constitutes a "reasonable diligent search" may differ. With this level of uncertainty, it would not be surprising if many users, fearful of the potential for liability and the costs associated with defending against infringement, simply abandon any attempt to make use of an orphaned work. A statutory or regulatory mechanism that will provide preliminary assurance to users is required.

IV. A COMPULSORY LICENSING MODEL

Another means by which orphaned works can be made available for use is through the mechanism of the compulsory license. Under a compulsory licensing system for orphaned works, once a work is determined to be orphaned, the user would be able to apply to the Copyright Office or an independent agency for a license. A license to use the work in the manner specified in the application would then be granted upon payment of a predetermined license fee. The license fee, which could be set to a reasonable royalty predetermined by the Copyright Office, could then be set aside in an escrow fund in case the copyright owner reasserts his rights to the work.

A similar system is currently in place in Canada. Under section 70.7 of the Canadian Copyright Act, if a potential user has conducted a reasonable search for the copyright owner and has been unable to determine ownership of the work, the user can apply to the Canadian Copyright Board for a license.\footnote{Canada Copyright Act, R.S.C., ch. C-42, s. 70.7 (1985).} The Canadian law does not make allowances for situations where the copyright owner has been located, but the potential user is unable to negotiate efficiently for the right to use the work.\footnote{Id.} The works and uses for which the Copyright Board can issue a license are set by statute.\footnote{Id.; Copyright Board of Canada, Unlocatable Copyright Owners Brochure, http://www.cb-cda.gc.ca/unlocatable/brochure-e.html (last visited Sept. 11, 2006).} If the Copyright Board is satisfied that the user has made an unsuccessful, but reasonable, effort to locate the owner and the use is reasonable, the Copyright Board will set a fee for the use and issue a nonexclusive license.\footnote{Id.}
Japan has also implemented a compulsory licensing system for works where the copyright owner is unlocatable. Unlike the Canadian system, however, the Japanese system provides for arbitration when a user who wishes to broadcast a published work or make and distribute phonograph records of a work is unable to negotiate with the copyright owner. The Japanese law also provides for arbitration when the user attempts negotiation but fails to reach an agreement with the copyright owner. In each instance the user must pay a reasonable royalty set by the Commissioner for the use of the work.

The compulsory license is not a foreign concept to American copyright law. Compulsory licensing is currently used in the United States for cable television and musical works. For musical works, if a person wishes to record a song, as with a "cover version," they may do so upon payment of a set fee to a collective licensing agency, such as the Harry Fox Agency, or to the copyright holder. The license fee is predetermined and applies to all works regardless of the author. This applies only to new recordings of underlying musical works, however; if a user wishes to incorporate a sound recording into a later work or change the basic structure of a musical work, the user must negotiate with the copyright owner for a license for that use. However, even with this restriction, the system still allows for a great deal of creativity. Cover versions of songs can reinterpret a song without making changes substantial enough to qualify as a change to the "basic structure" for which permission is required. A use that is more transformative, however, may require negotiation with the copyright owner. An example of this is the story of the Beastie Boys' attempted cover of the Beatles' song "I'm Down." The Beastie Boys' version changed the lyrics and many aspects of the basic structure and melody of the song, effectively creating a derivative work. The copyright owner, Michael Jackson, objected to

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177 Id. arts. 68–69.

178 Id.

179 Id. art. 67.


181 Id. § 115.

182 Id.

183 Id.


185 Id.

186 Id.

187 David Okamoto, 'Cover songs': The Play-it-again Sham, ST. PETERSBURG TIMES, July 5, 1988, at 1D.

188 Id.
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this adaptation of the underlying musical work, and the song was not released. 189
This situation is a relative rarity, however; less transformative works are subject
to compulsory licensing, while more transformative works may fall under the
protection of the fair use doctrine. 190

The creation of a compulsory license for orphaned works would also require
the creation of an adjudicatory body authorized to hear applications for licenses
and judge disputes between copyright owners and users. This body could either
exist under the auspices of the Copyright Office or the power could be vested in
an approved third party collective licensing organization, such as the Harry Fox
Agency. Although this would result in adding a level of bureaucracy to the
copyright system, the potential advantages outweigh this disadvantage.

Under a compulsory licensing system for orphaned works, the use is licensed
and approved prior to the actual use, resolving any uncertainty on the part of the
user. This system assures the user that the use is not infringing upon payment of
the statutory fee. Further, because each use must be approved, the Copyright
Office can use this system to build a registry of works for which licenses have
been granted. This system can then be used to determine which works can be
moved to an "orphaned status" similar to those suggested under the constructive
abandonment proposals. Once a user has conducted a reasonable efforts search,
failed to locate a copyright owner, and the Copyright Office has agreed that the
owner is unlocatable, the work may be declared orphaned and registered as an
orphaned work. Until the copyright owner comes forward to assert ownership,
any future users who wish to apply to use the work may do so without duplicating
the reasonable efforts search of the initial owner. Further, once the copyright
owner has reappeared, full copyright protection may be reestablished; however,
the uses that have already been licensed will be allowed to continue. Any future
uses, such as reproduction or the creation of derivative works, would require the
permission of the copyright owner.

This system presents several distinct advantages over the other systems
previously proposed. First, a compulsory licensing system provides the user with
a simple, cost-effective arbitration prior to use, providing much needed
reassurance that no unknown claimant will attempt to assert copyright privileges
at a later date. Second, issuing a compulsory license to use a work need not
change the fundamental character of the underlying copyright protection. Under
the constructive abandonment proposals, works that are determined to be
abandoned by the copyright owner are shifted to orphan status. Upon reassertion
of copyright ownership under a compulsory licensing system, however, the owner
can regain full copyright protection, except with regard to those uses licensed

189 Id.
190 DEMERS, supra note 184.
while the work was orphaned. Third, a compulsory licensing system allows users access to orphaned works while maintaining compliance with the requirements of the Berne Convention. A compulsory licensing system requires no formalities for the establishment of full copyright protection upon fixation of a work. The only impact of a determination of orphan status would be that the Copyright Office would have the authority to grant a non-exclusive license to use the work and collect a fee for the use, which may be turned over to the copyright owner when he reasserts his ownership.

V. CONCLUSION

Each system of access provision has advantages and disadvantages. A modification of the fair use doctrine has the advantage of flexibility, as it would be on a case-by-case basis without the need for recourse to Congress, which is more susceptible to lobbying from the copyright industries. On the other hand, a judicial solution has the noted disadvantage of initial uncertainty and is subject to later change with little to no warning. Absent direction from the Supreme Court, adoption of a judicial reframing of the fair use defense would not be nationwide, resulting in disparate copyright law in different jurisdictions. Users want certainty; they want to be assured that their use of a copyrighted work will not subject them to later legal consequences. Because it fails to provide this assurance, the fair use defense cannot function as an adequate solution to the problems posed by orphaned works.

Similarly, the PDEA cannot function as a comprehensive solution. A solution to the problems posed by orphaned works must be able to address works that become orphaned at any point in the copyright term; the PDEA only adequately addresses works which are orphaned around the fifty-year mark. This leaves a term which is too long to be able to provide access to works that are orphaned quickly and deteriorate rapidly. The PDEA provides a potential limit on the most excessive tendencies of the CTEA; however, it cannot function as the sole mechanism by which access to orphaned works is assured.

Constructive abandonment proposals seek to create a system that reintroduces some “old-style” copyright formalities. Although a constructive abandonment proposal would assure that the copyright owner either actively maintains copyright registration or loses protection, the requirements would likely be seen as too onerous for copyright owners. The United States has consistently rid itself of barriers to copyright protection over the past half-century; it is unlikely that these barriers will be reintroduced when they are shifted to another point in the copyright term.

A compulsory licensing system similar to that in place in Canada and Japan remains the most efficient and effective means to provide access to orphaned
works. This system has three distinct advantages. First, it is flexible, as it addresses each work and use as it appears. If a work is orphaned one year after creation, a compulsory licensing system would be able to allow use of that work. Second, it requires no major change to the overall system of copyright protection. Because each work and use is handled on a case-by-case basis, the system can take into account all of the complexities and idiosyncrasies of every particular case, while avoiding a wholesale change in the copyright system that would be unpalatable to Congress and lobbyists for the copyright industries. Finally, a compulsory licensing system would move works to an easily reversible orphan status; because there is no major shift in the duration or scope of copyright protection that accompanies a compulsory licensing, the copyright owner can reassert full protection and be assured of retaining the remainder of his rights under current law.

As the current trend toward lengthy copyright terms shows no sign of change, it is imperative that we provide for access to orphan works. Works that the copyright owner has abandoned may not be commercially viable, but they contain vital pieces of our cultural history which should be preserved. A system that provides access to orphaned works will allow libraries and archives to preserve them for future generations, scholars to use them in research, artists and writers to incorporate them into their own new creations, and the public to have access to our full cultural history.

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