Orphans in Turmoil: How a Legislative Solution Can Help Put the Orphan Works Dilemma to Rest

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I. Introduction

The orphan works issue has continued to grow in the U.S. despite strong efforts to find a workable solution. Stakeholders on both sides of the issue have proposed and opposed solutions and compromises that could have alleviated the problem, and we are still no closer to an agreement. This paper posits that the solutions offered in the proposed legislation of 2006 and 2008 provide a strong working foundation for a legislative answer to the issue. To make that answer workable, a new legislative effort would have to take into account the questions raised by stakeholders to the previous legislative attempts and provide workable answers. This paper also proposes those answers can be found in the working models used by other jurisdictions attempting to solve the orphan works dilemma.

The first part of this paper will provide a background on the issue of orphan works, including how the massive size of the issue, and is the parties affected by it. The second part will look at the legal background of the issue from both the United States and international law perspectives. This portion of the paper will include an abbreviated review of the law culminating with the proposed legislative solution of 2008. The third part will explore some of the more appropriate solutions found in foreign law models. The last part of the paper will examine previously proposed solutions and offer a unifying answer to the orphan works issue.

II. The nature of orphan works

Orphan works are works still under copyright protection for which would-be users or exploiters are unable to locate the right holder but whose use or exploitation does not fall under a
copyright exception or limitation. Almost any work for which the right holder cannot be identified can be considered to be orphaned, and the age of the work itself is irrelevant in the consideration of orphanage. Advances in technology, particularly in the area of graphic arts and photography, have made it possible for works to become orphaned in a very short time because they can be easily digitized and disseminated without attribution. The orphan work issue is not new; even with a system of registration and renewal for copyrighted works, there is potential that right holder contact information will become outdated during the period of copyright protection. With increasingly expanded lengths of copyright protection, however, the issue of the right holder becoming unlocatable has also increased.

The increased length of protection is not the only factor leading to the creation of orphan works. Lack of formalities, such as registration and renewal, the expansion of copyright protection to greater types of work, and the divisible nature of intellectual property rights also contribute to the proliferation of orphan works. Given the divisible nature of the bundle of rights concept in copyright law, the scope of original transfer of rights can create situations where certain types of exploitations themselves, in particular those created by new technologies, might be orphaned if the original right holder had retained the rights to those exploitations before transferring other more traditional rights to a locatable publisher.

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1 See Register of Copyright Notice of Inquiry defining orphan works as “copyrighted works whose owners are difficult or even impossible to locate.” Notice of Inquiry, 70 Fed. Reg. 3739, 3739 (Jan. 26, 2005).


3 The Sonny Bono Copyright Term Extension Act of 1998 increased the terms of protection from life of the author plus 50 years to life plus 70 for works created as of 1978 and 75 years from publication to 95 years from publication for works published before 1978. This protection was also extended to works published before 1964 whose original copyright term had been renewed. See 17 U.S.C. §§ 301-304.
In order to create a working solution to the orphan works issue it is also important to acknowledge that reduction in formalities and extended protection are not the only causes creating orphans. Right holders in the formality based system found in the United States before the Copyright Act of 1976 might also have proven unlocatable, because even with registration and renewal requirements, the U.S. system did not require the updating of right holder information. The recording of right holder information beyond the original renewal application was never a requirement for retention of copyright, so it is possible for works protected under the formalities system to become orphaned due to lack of accessibility to the right holders.

III. Who is affected?

The range of potentially affected users extends from commercial entities trying to reissue out-of-print works or to create derivative works from orphans, to cultural and educational institutions like libraries, archives, and museums conducting digital preservation, to individuals who are simply attempting to use materials found on the Web.

IV. How big is the issue?

In 2005, the European Union launched a series of initiatives, labeled “i2010” initiatives, as a framework for addressing the main challenges and developments in the information society and media sectors up to 2010. A year later, in August of 2006, the European Commission issued a recommendation to member countries to improve accessibility and preservation of

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4 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - “i2010 – A European Information Society for growth and employment”, 2005/717/ SEC, 2005/0229/ COM.
works through digitization in support of the i2010 digital libraries initiative.\textsuperscript{5} The degree of effort required to collect materials for the digital libraries initiative that resulted from these recommendations brought to light the pervasiveness served to highlight the level of the orphan works issue. The European Commission’s report at that time on the assessment of orphan works in the Union concluded that there are at least 3 million books and 129 thousand films that can be considered orphaned.\textsuperscript{6} In the United Kingdom alone, 17 million photographs - that is 90\% of the total collections of photographs in museums in the U.K. - have untraceable right holders, and “in the collections of the Danish National Library there are around 160,000 works from the period 1880-1930 with uncertain copyright status.”\textsuperscript{7} In the U.S., few studies have been made that compare to the scope of the E.U. report, but the U.S. Register of Copyrights had stated that the orphan works issue is “pervasive.”\textsuperscript{8} A study conducted by Carnegie Mellon University libraries during the planning for digitization of their collections highlighted the scope of the issues faced

\textsuperscript{5} Commission Recommendation of 24 August 2006 on the digitisation and online accessibility of cultural material and digital preservation, 2006/585/ EC.
\textsuperscript{7} Id.
\textsuperscript{8} See Statement of Marybeth Peters, Register of Copyright, before the Subcommittee on Courts, the Internet and Intellectual Property, Committee on the Judiciary, United States House of Representatives, 110th Congress, 2nd Session, March 13, 2008 available at http://www.copyright.gov/docs/regstat031308.html: “In fact, the most striking aspect of orphan works is that the frustrations are pervasive in a way that many copyright problems are not. When a copyright owner cannot be identified or is unlocatable, potential users abandon important, productive projects, many of which would be beneficial to our national heritage. Scholars cannot use the important letters, images and manuscripts they search out in archives or private homes, other than in the limited manner permitted by fair use or the first sale doctrine. Publishers cannot recirculate works or publish obscure materials that have been all but lost to the world. Museums are stymied in their creation of exhibitions, books, websites and other educational programs, particularly when the project would include the use of multiple works. Archives cannot make rare footage available to wider audiences. Documentary filmmakers must exclude certain manuscripts, images, sound recordings and other important source material from their films.” And Statement of Marybeth Peters, Register of Copyright, on The Importance of Orphan Works Legislation, on the United States Copyright Office Webpage, September 15, 2008, available at http://www.copyright.gov/orphan/: “The problem is pervasive. Our study recounts the challenges that publishers, film makers, museums, libraries, universities, and private citizens, among others, have had in managing risk and liability when a copyright owner cannot be identified or located. In testimony before the Senate, a filmmaker spoke of the historically significant images that are removed from documentaries and never reach the public because ownership cannot be determined. In testimony before the House, the U.S. Holocaust Museum spoke of the millions of pages of archival documents, photographs, oral histories, and reels of film that it and other museums cannot publish or digitize.”
by this single institution in the U.S. In order to determine the copyright status of its collection, Carnegie Mellon used a statistically valid, random sample of the works therein. Publishers or right holders of almost a quarter (22%) of the books selected for the study could not be located. Even in the cases where the publishers or right holders could be identified and located, over a third (36%) did not respond to multiple letters of inquiry, and most (79%) of the books about which they did not respond were out of print.

Cornell University Library also completed a study of its own collection and, in comments to the Copyright Office, reported that of 343 copyright protected monographs that were out of print and that were candidates for inclusion in a digitization project more than half (198 titles) were orphan works. Cornell also reported in forty-seven cases permission for digitization was denied because the person contacted was unsure if they were authorized to allow use of the work. All told, Cornell University Library calculated in excess of $50,000 of staff remuneration for time spent trying to reconcile copyright issues, yet only 98 out of 343 titles were found to be eligible for digitization.

V. U.S. Copyright Law prior to Berne

a. Copyright Act of 1790

Congress first enacted a federal copyright regime under the grant of authority given by Article I, Section 8, Clause 8 of the U.S. Constitution, which states that “Congress shall have the Power… [t]o promote the Progress of Science and useful Arts, by securing for limited Times to

10 Id.
11 Id.
13 Id.
14 Id.
Authors and Inventors the exclusive right to their respective Writings and Discoveries.”\(^{15}\) This first Constitutional enactment resulted in the creation of the Copyright Act of 1790.\(^{16}\) The Act of 1790 granted authors a fourteen year monopoly over their works for the purpose of “foster[ing] the growth of learning and culture for the public welfare.”\(^{17}\) Congress drafted the Act of 1790 with careful attention towards the limitations of copyright protection.\(^{18}\) Formalities in the way of registration, deposit, notice, and renewal clearly demarcated the boundaries of the monopoly given to the authors by creating a set of rules that must be strictly followed to prevent loss of protection.\(^{19}\)

U.S. Copyright law continued to develop with amendments to the 1790 Act in 1831,\(^{20}\) 1834,\(^{21}\) and 1870,\(^{22}\) but these developments did not change the scheme of formalities laid out by the original act. The 1831 amendment, however, did extend the duration of copyright protection to a term of twenty-eight years, but even with this longer term the public still enjoyed a fairly early release of protected materials into the public domain.

b. Copyright Act of 1909

The first major revision of copyright law in the U.S. resulted from the Copyright Act of 1909 which was enacted by Congress as a reaction to technological developments.\(^{23}\) The first key change in the new Act of 1909 resulted in the linking of federal copyright protection to the

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\(^{15}\) U.S. Const. art. I, § 8, cl.8.

\(^{16}\) Act of May 31, 1790, 1 Stat. 124.

\(^{17}\) See id., ch. 15, pmbl., §§ 1-2.

\(^{18}\) See generally William Patry, Patry On Copyright, Chap. 1, § III.A.

\(^{19}\) See Act of May 31, 1790 § 1, 3, 1 Stat. at 124, 125.


\(^{22}\) Act of July 8, 1870, ch. 230, § 85, 16 Stat. 198, 212 (1870).

\(^{23}\) See generally Patry, supra note 18 at Chap. 1, § III.C.
moment of publication in a work.\textsuperscript{24} The second key change extended the renewal term to twenty-eight years, increasing protection to a potential term of 56 years.\textsuperscript{25} The 1909 Act also doubled the length of copyright protection for published works but that protection still contained the division of and initial and renewal terms; this division allowed for potential early release of protected works into the public domain.\textsuperscript{26}

VI. The International System

a. Paris Convention and the Berne Convention

The international system of intellectual property protection is based on the concept of preventing theft of intellectual property while enhancing international trade.\textsuperscript{27} This general principle was introduced by the first significant international treaty on intellectual property, the Paris Convention for Protection of Industrial Property, in 1883.\textsuperscript{28} The Paris Convention allows individuals in a signatory country to have protection for inventions, trademarks, and industrial designs in all other signatory countries.\textsuperscript{29}

While the Paris Convention laid the foundation for intellectual property protection across international borders, it was not until 1886, with the Berne Convention for the Protection of Literary and Artistic Works,\textsuperscript{30} that issues of transnational copyright protections really began to be addressed. The Berne Convention’s purpose was to protect author’s rights in signatory countries by implementing the concept of national treatment; this guarantees authors from other

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\textsuperscript{24} Act of Mar. 4, 1909, ch. 320, § 9, 35 Stat. 1075, 1077.
\textsuperscript{25} Id. at §§ 24-25, 35 Stat. at 1080-82.
\textsuperscript{26} Id.
\textsuperscript{29} Id.
\textsuperscript{30} Berne Convention for the Protection of Literary and Artistic Works, opened for signature Sept. 8 1886, as last revised July 24, 1971, 828 U.N.T.S. 221.
\end{flushleft}
member nations the same protection as national authors in their home countries.\textsuperscript{31} The level of protection afforded to authors under Berne is the highest internationally recognized standard of protection given to authors.\textsuperscript{32}

Berne signatories must follow three basic principles of the Convention: (1) the principle of national treatment,\textsuperscript{33} addressed \textit{supra}; (2) the principle of automatic protection;\textsuperscript{34} and (3) the principle of independence of protection.\textsuperscript{35} In addition, one of the most important influences that adherence to Berne would have on U.S. law would be the principle that the enjoyment of copyright should “not be subject to any formality”\textsuperscript{36}

VII. Beyond Berne

a. Agreement on Trade-Related Intellectual Property Rights (TRIPS) - 1994

The TRIPS Agreement is made up of seventy-three different articles covering a broad range of subjects with an objective to

“contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.”\textsuperscript{37} 

\textsuperscript{31} \textit{Id.}
\textsuperscript{33} Berne Convention, \textit{supra} note 30, art. 5(1).
\textsuperscript{34} \textit{Id.} art. 5(2).
\textsuperscript{35} \textit{Id.}
\textsuperscript{36} \textit{Id.}
\textsuperscript{37} TRIPS, art. 7.
Among the 73 articles in TRIPS are specific provisions directly addressing copyright and related rights.\textsuperscript{38} TRIPS incorporates the Berne rule which forbids formalities as a precondition to the enjoyment of copyright.\textsuperscript{39}

b. WIPO Copyright Treaty (WCT)

On December 20, 1996, the World Intellectual Property Organization (WIPO) adopted two treaties, the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograph Treaty (WPPT), for the protection of authors, performers, and phonogram producers.\textsuperscript{40}

The WCT is a complement to Berne, adapting it to the digital environment and covering the protection of expression in digital works.\textsuperscript{41} Under the WCT, copyright owners have exclusive control and additional protections over the communication of their works by other means beyond the physical distribution of copies.\textsuperscript{42} The WCT also raises the minimum duration of protection for photographic works from the Berne minimum of twenty-five years to the fifty year minimum of all other works covered by Berne.\textsuperscript{43} The U.S. has implemented the WCT through the Digital Millennium Copyright Act (DMCA).\textsuperscript{44}

c. WIPO Performance and Phonograms Treaty (WPPT)

The WIPO Performance and Phonogram Treaty, which WIPO adopted along with the WCP in 1996, is an update to the Rome Convention of 1961 covering and updating the challenges presented in the exercise of the rights given to performers and producers of

\textsuperscript{38} TRIPS, art. 9-14.
\textsuperscript{39} See TRIPS, art. 9(1).
\textsuperscript{40} See Howard B. Abrams, LAW OF COPYRIGHT § 19:8, at 19-10 (2012).
\textsuperscript{41} Id. at § 19:8, at 19-10 to -12.
\textsuperscript{42} WIPO Copyright Treaty, arts. 1,6,7,8.
\textsuperscript{43} See Abrams, supra note 40 at § 19:8, at 19-12.
\textsuperscript{44} Digital Millennium Copyright Act, Pub. L. 105-304, 112 Stat. 2860 (1998).
phonograms by the Rome Convention. The WPPT addresses issues of copyright protection in a number of ways. It addresses piracy issues in light of recent technological developments; grants copyright protection to the intangible component of performances; and provides for remuneration rights for broadcasting and communication to the public of phonograms published for commercial purposes. Most importantly, the WPPT requires “national treatment” of copyright holders from member States. Contracting parties, however, may opt out of certain provisions of the treaty, thus rendering the “national treatment” provision more like a reciprocity clause.

d. Copyright Act of 1976

The Copyright Act of 1976 changed the historical orientation towards formalities that characterized U.S. law until that point. Prior to 1976 right holders had to comply with requirements for registration, notice, deposit, and renewal terms in order to assert their rights as copyright holders. Without these formalities, copyright did not attach to the work. The rationale behind formalities was to create an incentive that would serve to screen works for which there was no commercial value; consequently this preserves, a strong public domain regime where commercially “dead” works would reside. The 1976 Act also marked a shift from an opt-in system to an opt-out system by aligning U.S. law with the Berne model of automatic protection without formalities and extended copyright terms. The Berne Implementation Act of 1988 further bolstered the concept of protection without formalities by bringing U.S. law in line with

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45 See Abrams, supra note 40 at § 19:8, at 19-10 to -12.
46 WPPT, arts. 18 & 19.
47 Id. at art. 6.
48 Id. at art. 19.
49 Id. at art. 4.
50 See 1 David Bender, COMPUTER LAW: A GUIDE TO CYBERLAW AND DATA PRIVACY LAWS § 3D.07[3][ii] (2013).
Berne through specific amendments to the 1976 Act. Specifically on the issue of protection, the amendments to the 1976 Act include automatic renewal of works published between 1964 and 1977, and retroactive protection for foreign works falling into the public domain because of failure to comply with formalities.

Congress continued efforts to harmonize U.S. with the international community by passing the Sonny Bono Copyright Term Extension Act of 1998 (CTEA). A 1993 E.U. directive mandated that member countries adopt a life-plus-seventy years protection term. Complying with Article 7 of Berne, the directive, stipulated that a copyright from a country with a lesser protection term would not be recognized in the E.U. once protection had expired in the country of origin. If Congress had not chosen to harmonize U.S. protection terms with those of the E.U., American works would have lost protection at an earlier rate than European works in the E.U. The enactment of the CTEA, however, did not go unchallenged.

VIII. Proposed Orphan Works Act of 2008

In April of 2008 the House and Senate contemplated two similar, but not identical, bills proposing solutions to the orphan works issue. These bills followed an earlier (2006) proposal

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54 Copyright Renewal Act of 1992 § 2.
55 17 U.S.C. § 104A.
57 See Council Directive 93/98, art. 9, 1993 O.J. (L 290) 9 (EC) ("Whereas there are consequently differences between the national laws governing the terms of protection of copyright and related rights . . . the laws of the Member States should be harmonized so as to make terms of protection identical throughout the Community . . .").
58 Id. art. 7(1).
the Copyright Office had endorsed and was based on the Copyright Office Report on Orphan Works which was published January, 2006.\(^{61}\) The 2006 proposal failed. The failure resulted from opposition by users and copyright owners, principally visual artists, due to the proposal’s lack of detail on what exactly constituted a “reasonably diligent search”.\(^{62}\) The 2008 bills, like the 2006 proposal, attempted to minimize the risks of exploitation of orphaned materials. The 2008 bill would accomplish this by limiting remedies against users in the event of infringement actions that might result from surfacing right holders.\(^{63}\) The protection given to users would apply only if the users performed a reasonably diligent search for the right holder and — where possible — attribute the work to the holder.\(^{64}\) The Senate bill passed but the House bill did not, and orphan works legislation stalled again. Perceived drawbacks to the bill included issues on the meaning of “reasonable compensation” and on what constituted a “reasonably diligent” search.\(^{65}\) Both bills left the interpretation of “reasonably diligent search” to judicial determination; which opponents believed would have created chilling effect on potential users.\(^{66}\)

As in 2006, visual artists actively opposed the 2008 legislation on grounds that visual artists would be the most adversely affected by changes to the present Act.\(^{67}\) Visual artists did not oppose orphan works legislation, \textit{per se}, but visual artist felt the language of the proposed legislation lacked clearly defined regulations leading to “case-by-case” definitions.\(^{68}\)

\(^{62}\) See Statement of Marybeth Peters, \textit{supra} note 8 (describing response of copyright community to 2006 bill). For the reactions of copyright owners to the orphan works bill, see \textit{generally} Illustrators’ Partnership Orphan Works Blog, at \url{http://ipaorphanworks.blogspot.com}.
\(^{64}\) \textit{Id}.
\(^{65}\) \textit{Id}. at 113.
\(^{67}\) \textit{Id}.
\(^{68}\) \textit{Id}. 
Photographers led the charge against change in the legislation because of the nature of photography, which photographers believe becomes orphaned almost at the moment of creation. Photographers and other visual artists felt that they would have been the most negatively affected had the 2008 legislation gone through as proposed.

IX. International Models

As previously mentioned, the orphan works issue is not just a phenomenon exclusive to U.S. copyright law. In fact, a recent survey conducted for the British Film Institute revealed that, as late as 2011, a majority of European countries did not have mechanisms allowing for the use of orphan works.69 However, some European countries — notably France, Denmark, Hungary, the Czech Republic, and the Netherlands — have implemented solutions to deal either entirely or partially with the issue.70 The majority of these countries limit the scope of the licenses allowing for use of orphan works.71 Several other European countries — Germany, Greece, Romania, Slovakia, and the United Kingdom — have introduced processes to implement changes in their laws in order to resolve the orphan works issue.72 Canada, Japan, and India have also created legislation to address this issue.73 This paper will continue by briefly examining the most promising solutions from these jurisdictions in order to determine if those solutions, or some adaptation of them, could apply in the context of U.S. copyright law.

   a. Denmark

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70 Id. at 15.
71 Id. at 9.
72 Id.
The Scandinavian countries (Denmark, Finland, Iceland, Norway, and Sweden) have created a system of collective licensing schemes that are accommodated to handle orphan works issues.\textsuperscript{74} Extended Collective Licensing (ECL) systems have existed in the Scandinavian countries since the 1960s\textsuperscript{75} but are typically only applied to selective categories of users.\textsuperscript{76} Denmark, unlike the other Scandinavian countries, has a system that allows ECL for any type of use.\textsuperscript{77} Under the Danish model, users and Collective Management Organizations (CMO) which represent a substantial number of right holders can agree to exploit specific categories of work for specific uses.\textsuperscript{78} These agreements are reviewed by the Ministry of Culture and, once approved, the agreement extends to all right holders in that specific category, even when those right holders are not members of the CMO.\textsuperscript{79} The Danish ECL system also extends to foreign right holders.\textsuperscript{80} In response to the amendments of the Copyright Act of 2008, the Danish scheme has been modified to allow for extended licensing agreements for any use, and therefore covers the exploitation of orphan works despite the fact that they are not explicitly mentioned in the law.\textsuperscript{81} Some specific conditions, however, must be met to allow for the exploitation of orphaned works.\textsuperscript{82} Those conditions include that “mass exploitation of the defined category of the work in the use occurs, that there is no possibility in practice to conclude individual agreements, that the organization concluding the agreement is representative of rights holder(s) and that the agreement is fair.”\textsuperscript{83} This is an opt-out system and right holders are allowed the possibility to

\textsuperscript{74} Audiovisual Orphan Works in Europe at 15.
\textsuperscript{75} Copyright and the Regulation of Orphan Works, at 20, citing the Danish Copyright Act of 1961.
\textsuperscript{76} Id.
\textsuperscript{77} Id.
\textsuperscript{78} Id.
\textsuperscript{79} Id. For further details, the reports cites Gervais, Daniel, Study on Application of an Extended Collective Licensing Regime in Canada: Principles and Issues Related to Implementation. Prepared for the Department of Canadian Heritage Faculty of Law University of Ottawa, June 2003, appendix on Denmark, at 47.
\textsuperscript{80} Copyright and the Regulation of Orphan Works at 20.
\textsuperscript{81} Audiovisual Orphan Works in Europe at 15.
\textsuperscript{82} Id.
\textsuperscript{83} Id.
avoid participation. The CMOs collect the royalties for their members and if they remain unclaimed for a specified period of time, they are donated to public welfare programs.85

b. France

France issued a law on digital exploitation of unavailable books of the 20th century in 2012.86 This law modified the French Intellectual Property Code by introducing the creation of an orphan works database to which any user can add an unavailable work; creating a central collecting society charged with licensing orphan works, setting licensing prices, and collecting and keeping the revenues of unknown or unlocated rights holders for 10 years; allowing free use of orphan works by public libraries after 10 years from the first use (libraries may only allow viewing of the works by their subscribers); and creating an opt-out provision for right holders.87

The Ministry of Culture and Communication approved La Société Française des Intérêts des Auteurs de l’écrit (French Society for the Interests of Print Authors - SOFIA) as the collecting society charged with managing this system in March of 2013.88 SOFIA is charged with researching the right holders of suspected orphaned works and while the requirements of a diligent search are not specified by law, its definition is incorporated into that of orphan works.89

84 Id.
85 Id.
87 Id. The database of unavailable works can be found at http://relire.bnf.fr/.
88 Id. SOFIA’s website can be found at http://www.la-sofia.org/sofia/Adherents/index.jsp?lang=fr
89 Id. The French Intellectual Property Code Art. L. 113-10: “L’œuvre orpheline est une œuvre protégée et divulguée, dont le titulaire des droits ne peut pas être identifié ou retrouvé, malgré des recherches diligentes, avérées et sérieuses.” An orphan work is a protected and disseminated work, of which the right holder cannot be identified or found, despite diligent, recognized and serious searches. Available at http://www.legifrance.gouv.fr/affichCode.do;jsessionid=C7E1C1BB82FB60BA3B49CF6D7C7DBA49.tpdi05v_1?idSectionTA=LEGISCTA000006161635&cidTexte=LEGITEXT000006069414&dateTexte=20130813.
In France there is also a secondary way of licensing the use of audiovisual and musical orphan works. The Institut National de l'Audiovisuel (National Audiovisual Institute – INA) has the capacity to negotiate contracts with French authors’ collecting societies, like SACEM, SACD, SCAM, and ADAGP, and the trade unions of performers and directors.\textsuperscript{90} The agreements that INA negotiates with the collecting societies apply to all holdings, including orphan works, of the works managed by the collecting societies.\textsuperscript{91} The INA also has the power to digitize and make available orphan works either for commercial or non-commercial uses.\textsuperscript{92} If the right holder were to reappear, the collecting society would pay him/her the remuneration paid by the INA.\textsuperscript{93}

In addition, users can request a court order from the Tribunal de Grande Instance, or through the Ministry or Culture, to receive clearance to exploit an orphan work.\textsuperscript{94}

c. Germany

Germany is one of the E.U. countries currently working out a legislative solution to the orphan works issue. In Germany, the Digital Libraries Working Group of the German Literature Conference (Deutsche Literaturkonferenz) heads a project on digital use of orphan works that brings together authors’ representatives, publishers, libraries and collecting societies.\textsuperscript{95} This project is a print based model that has been implemented as an interim solution, but it can be used to extend to other media as well.\textsuperscript{96} Key aspects of the project include “diligent search”

\textsuperscript{90} Audiovisual Orphan Works in Europe at 16.
\textsuperscript{91} Id.
\textsuperscript{92} Id.
\textsuperscript{93} Id.
\textsuperscript{94} Id. at 17.
\textsuperscript{96} Id.
requirements that must be met prior to digitization of the work and payment of fees into an escrow account managed by the collecting society (VG Wort, Verwertungsgesellschaft Wort). The escrow account is set up to indemnify the German Literature Conference in the event of the right holder surfacing, since the collecting society does not have the legal right to license the work.

The German legislative solution is based on implementation of the E.U.’s Directive 2012/28/EU which would modify the definition of orphan work under current German copyright law. The current proposal demands a “costly and diligent” search which would require exploiters to “search in the European Union country where the work was first published, consult information sources in other member states, and forward any document to Germany’s Patent and Trademark Office.”

d. United Kingdom

For some time, the U.K. Parliament has been considering the adoption of a two-tier orphan works system that would allow for commercial and non-commercial use with different processes for digitization and other uses of orphan works. In April 2013 Parliament passed such a two-tier system as part of the Enterprise and Regulatory Reform Act. The two tiers are modeled after the regimes used in the Scandinavian countries and those in Canada, Japan, and

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97 Copyright and Regulation of Orphan Works at 31.
98 Id.
101 Id.
The first tier is reserved for cultural institutions, like libraries and archives, which are permitted to digitize orphans by means of an ECL system. The second tier is for non-exclusive license grants to exploiters made through an as yet undetermined central licensing agency. The whole system is based on recommendations made by Professor Ian Hargreaves in a report to the U.K. government.

The “diligent search” requirement is present in both tiers and subject to review and regulation by a new government body created for this purpose. Licenses for exploitation will not be issued without this “diligent search”, the definition of which will be covered in regulations and guidance published by the Intellectual Property Office.

e. Canada

The Copyright Board of Canada (the Board) is the regulatory body “empowered to establish, either mandatorily or at the request of an interested party, the royalties to be paid for the use of copyright works, when the administration of such copyright is entrusted to a copyright collective society… and has the power to issue licences for the use of works when the copyright owner cannot be located.” Licenses to use orphan works are granted by the Board only after the exploiter has made every “reasonable effort” to find the right holder. The “reasonable efforts” standard required by the Board originated in Section 77(1) of the Copyright Act of Canada, which states that the Board must be satisfied that the applicant has made every effort to

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104 Hansen at 19.
105 Id.
106 Id.
108 Hansen at 19.
110 Copyright Board of Canada. Unlocatable Copyright Owners, What is the Copyright Board of Canada? Available at http://www.cb-cda.gc.ca/unlocatable-introuvables/brochure2-e.html.
111 Id.
locate the right holder.\textsuperscript{112} However, the Act does not specify what constitutes a “reasonable effort”, thereby giving the Board latitude to interpret the issue.\textsuperscript{113} Consequently, the Board has created a set of informal standards to determine if applicants have met the requirement, which includes the adequacy of the search on a case-by-case basis; the nature of the applicant (\textit{i.e.}, is the applicant an individual, a commercial entity, or a not-for-profit organization); the proposed use of the work (is it for a commercial or non-commercial use); whether the search was reasonable in the circumstances; and the nature of the work and information about its owner (\textit{e.g.}, a book may have information on the initial right holder, if he was the author, while a photograph may not carry that information).\textsuperscript{114} The Board’s website also states that a potential exploiter can satisfy the “reasonable search” requirement by checking with copyright collective societies; using Internet searches; contacting publishers, libraries, universities, museums, and other depositories; and by extending the search beyond Canadian borders.\textsuperscript{115}

If the Board feels that the potential exploiter has completed a “reasonable effort” search, it may issue a license for the use of the orphan work.\textsuperscript{116} The Board is not obliged to accept and may reject an application even if a “reasonable effort search has been conducted.\textsuperscript{117} Between 1990 and 2012, the Board issued 260 licenses while rejecting 8.\textsuperscript{118} The approval process takes, on average, between 30 to 45 days.\textsuperscript{119}

f. Japan

\textsuperscript{112} Copyright, and Regulation of Orphan Works at 34, citing The Copyright Act, available at http://laws-lois.justice.gc.ca/eng/acts/C-42/page-71.html#h-79.
\textsuperscript{113} Id.
\textsuperscript{115} Copyright Board of Canada , available at http://www.cb-cda.gc.ca/unlocatable-introuvables/brochure2-e.html.
\textsuperscript{116} Copyright, and the Regulation of Orphan Works at 35.
\textsuperscript{117} Id.
\textsuperscript{118} Id.
\textsuperscript{119} Id.
Japanese law has had orphan works provisions since the enactment of Article 67 of the Copyright Act of 1970 (1970 Act).\textsuperscript{120} In Japan licensing of orphan works is managed under a compulsory licensing system by the Agency for Cultural Affairs (ACA) under Art. 67 of the 1970 Act.\textsuperscript{121} The ACA, a special body of the Japanese Ministry of Education, has the power to grant compulsory licenses of orphan works for all Japanese works, as well as the works of foreign authors, as long as the work is to be exploited in Japan.\textsuperscript{122} Exploitation of orphan works is predicated on the exploiter’s successful application to the ACA, his conducting of an unsuccessful diligent search for the right holder, and the paying of licenses for compensation to the right holders if they are located after exploitation has begun.\textsuperscript{123}

Under the Japanese system, a completed diligent search must include the following steps:

1. Search databases which contain names and addresses of the right holder, including web searches;
2. Make inquiries through collecting societies;
3. Make inquiries by contacting those conducting businesses with similar kinds of copyrighted works which the applicant would like to use;
4. Request information from the general public for information about the right holder. This can take one of two forms: (a) newspaper advertisement or (2)

\textsuperscript{121} Agency for Cultural Affairs http://www.bunka.go.jp/english/index.html.
\textsuperscript{122} Copyright, and the Regulation of Orphan Works at 42.
\textsuperscript{123} Id. at 43.
advertising on the Copyright Research and Information Centre (CRIC) website.\textsuperscript{124}

Once a diligent search has been completed, ACA can grant the exploiter authority to use the material.\textsuperscript{125} If the application is granted, copies of the exploited work must be marked as made under a compulsory license grant and must state the date of issue of that grant.\textsuperscript{126} In 2009, amendments to Japanese copyright law made possible the creation of a national electronic archive, administered by the National Diet Library, providing for digitization of “orphan works subject to the relevant laws.”\textsuperscript{127} These recent amendments also provide for the ability to exploit a work while the application for a compulsory license is underway.\textsuperscript{128} Under Art. 67bis, which embodies the 2009 amendments, the applicant may pay the deposit money up front, before the result of the application is known, and begin exploitation of the work immediately.\textsuperscript{129} If the work is exploited during the application time, the ACA will retain the deposit money but will refund it if the application is ultimately denied and the work was not exploited.\textsuperscript{130}

X. Proposed Models

Since the failure of the Proposed Orphan Works Act of 2008\textsuperscript{131} legal scholars, stakeholders, and other interested parties have continued to search for a working solution to the issue.

\textsuperscript{125}Id.
\textsuperscript{126}Id.
\textsuperscript{127}Id. citing National Diet Library, Purpose of Establishment and Functions at http://www.ndl.go.jp/en/aboutus/outline_1.html.
\textsuperscript{128}Id. at 42.
\textsuperscript{129}Id.
\textsuperscript{130}Id.
\textsuperscript{131}Orphan Works Act of 2008, supra, note 60.
These proposed solutions have included using models from water law, the application of the adverse possession doctrine, secondary liability rules, the application of the fair use doctrine, and the use of ECLs, among many examples. Each of these models offers solutions with their own merits.

The water law model is based on the idea of water as a form of property that, like IP, does not fit easily into the normal paradigms of real property. This analogy extends to cover the idea that present copyright law deals with the rights of the copyright holder in the same way that unlimited exploitation rights are covered under the riparian doctrine. However, the model proposes that application of prior appropriation concepts, as used where water is a scarce resource, would better accommodate the reality of copyright. Under this model, the right holder would maintain the monopoly so long as he was making beneficial use of the work. Once the creator abandons the work, it becomes available for other exploiters to use. The creator may reassert his right in the work and be compensated using a policy based scheme to recoup some of the revenue value of the work.

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137 Sage, Revenue Streams, supra note 132 at 306.
138 Id. at 309.
139 Id. at 312.
140 Id. at 313-14.
141 Id.
142 Id. at 314.
Other proposed solutions only address limited areas within the orphan works issue. Among these limited solutions is a proposal to use limited liability rules to revitalize and monetize the use of old songs. Under this proposal, file sharing services could inform the right holder, on notification of infringing works in the services, of potential monetization opportunities by way of advertisements, allowing the right holder to profit on subsequent views of the material. Using this model, the sharing services become low cost intermediaries between those who own copies of the phonorecord, those who want to hear that music, and the owners of rights on that music. 

The adverse position model is also a limited model in that the proposal is based only on narrowing the uses of orphan works and limiting the pool of potential users to nonprofit libraries and archives. This model works on a modification of the adverse position doctrine to serve as the basis for finding a solution to the orphan work issue by implementing a requirement that is satisfied by a good faith effort to find the original right holders. Under this system, databases already created by libraries and archives would be expanded to cover media not presently collected.

In the author’s opinion a complete solution to the orphan work issue in the U.S. should not be limited in its scope; it should apply to all manner of potential exploiters equally or at, at least, put all potential exploiters on an equal footing. To be successful, the solution should avoid the pitfalls of the 2006 and 2008 proposals by addressing the issues deemed important to all stake

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143 See generally Heald, How Copyright Makes Books and Music Disappear, supra note 134
144 Heald’s article, supra note 134, specifically describes how videos shared through YouTube can be used to monetize old musical performances, but the idea can be analogized to almost any file sharing services that follow the YouTube model.
145 Heald, How Copyright Makes Books and Music Disappear, supra note 134 at 27.
146 Id. at 28.
147 Bib, Applying Old Theories, supra note 133 at 176.
148 Id. at 178-79.
149 Id. at 179.
holders. As stated before, principal opposition to the previous proposals came from visual artists who felt those proposals left key issues of protection for their works unanswered or undefined.150 More specifically, various stake holders, including visual artists, felt that the previously proposed legislation lacked clear definitions on two key issues, “reasonable compensation” and a “reasonably diligent” search.151 It is possible that the product of the previous legislative efforts in 2006 and 2008 can be revised to clarify those definitions. This, in addition to combining the previous proposals with existing foreign models that have already been implemented could effectively address the issue of orphan works and the opposition expressed by some stake holders.

Canada,152 Germany,153 and Japan154 have enacted orphan works regimes that are based on the idea of grants by government sanctioned agencies for the non-exclusive licenses for the exploitation of orphan works. While the Canadian and German models lack an explicit definition of “reasonably diligent” search, the Japanese model provides a list of steps that must be carried out to effectively complete such a search.155 The steps outlined in the Japanese model can easily be adapted for inclusion in U.S. legislation, thereby avoiding the fear expressed by stake holders that the definition of “diligent search” would be left to judicial interpretation.156

The issue of “reasonable compensation” can also be addressed by looking for options in the existing foreign models. The U.K. model presents a two tier system of licensing into which

150 See Bradick, Note, Copyright – Don’t forget about the Orphans, supra note 66.
151 See Andrews, Note, Contracting Out of the Orphan Works Problem, supra note 63 at 113.
152 See generally, Copyright, and Regulation of Orphan Works, supra note 73 at 34, citing the Copyright Act.
153 See generally, id. at 31-32.
154 See generally, id. at 42-43.
156 See Statement of Marybeth Peters, supra note 8 (describing response of copyright community to 2006 bill).
cultural and educational institutions and commercial users are separated.\textsuperscript{157} This two tier system could be adapted to create a workable licensing fee scheme. A set schedule of fees can be worked out, according to the tier of the exploiter, and those fees can be deposited in an escrow account as done in the German model and disbursed to the right holder should that individual ever surface.\textsuperscript{158} Management of the fees and escrow accounts can be carried out by CMOs representing right holders, as is done in the Scandinavian model.\textsuperscript{159} A two tier system of licensing that sets up fees according to type of use would alleviate the concerns that cultural institutions would be unable to participate because of cost.\textsuperscript{160}

In the U.S. there already exists an entity that could manage an orphan works exploitation program. The Copyright Clearance Center (CCC) is a not-for-profit, global rights broker managing licensing rights to all manner of copyrighted materials.\textsuperscript{161} The CCC deals with right holders, businesses, and academic institutions to facilitate licensing and permissions of copyright-protected materials.\textsuperscript{162} It has a global network, enhanced by its acquisition of RightsDirect in 2010 and Pubget in 2012, which is custom designed to address orphan works issues.\textsuperscript{163} RightsDirect is a Europe based subsidiary of the CCC that focuses on providing copyright compliance solutions for publishers, collecting societies, and right holders not only in the European market but also globally.\textsuperscript{164} Pubget is a solutions provider focusing on simplifying

\textsuperscript{157} Hansen at 19.
\textsuperscript{158} Copyright and Regulation of Orphan Works at 31.
\textsuperscript{159} Audiovisual Orphan Works in Europe at 15.
\textsuperscript{161} See generally Copyright Clearance Center found at http://www.copyright.com/content/cc3/en/toolbar/aboutUs.html.
\textsuperscript{162} Id.
\textsuperscript{163} Id.
\textsuperscript{164} See generally RightsDirect found at http://www.rightsdirect.com/content/rd/en/toolbar/about_us.html.
the process of content discovery, access, and copyright management in the field of science publication.\textsuperscript{165}

A two tier system based on pre-paid fees and managed by the CCC would provide users with the certainty and predictability they would require to safely exploit orphan works and would also provide surfacing right holders with compensation for their work. This system would have to encompass the creation of an orphan works database that would be added to as potential exploiters request licenses to use works. Exploiters would have to meet a list of requirements, adapted from the Japanese example to complete a “diligent search”\textsuperscript{166} and submit their efforts to the CCC. For its part, the CCC could act as the certifying agency validating the efforts of the exploiters to find the right holders and insulating the exploiters, through the CCC’s certification, from potential litigation of surfacing right holders. The CCC would also manage a schedule of fees, either dictated by Congress or based on a reasonable evaluation and comparison to fees collected by the CCC for licensing non-orphan works. The collected fees would be maintained in an escrow account, as in the models that collect fees \textit{ex ante}, and disbursed according to a pre-published schedule of payments to surfacing right owners.\textsuperscript{167} Once the CCC has certified that an exploiter has completed a “reasonable search” and has paid the required “reasonable fees”, the exploiter would receive a limited, non-exclusive license to use the certified orphan work. A surfacing right holder would have to prove his right to the work, \textit{prima facie} evidence of which would be registration with the Copyright Office. In this case, registration would not be a pre-requisite to the enjoyment of copyright but simply evidence of the holding of copyright, much

\textsuperscript{165} See generally Pubget found at \url{http://pubget.com/about}.
\textsuperscript{167} For further discussion of escrow fee collection models see \textit{supra} notes 74-130 and accompanying text.
like the present requirement of registration to qualify for statutory damages in a successful litigation.\textsuperscript{168}

The CCC would also be charged with maintaining a current database of orphan works that could be populated as requests for exploitation and certification of those requests are completed. In addition, as right holders surface to claim their formerly orphan works, the CCC can update the database removing previously identified works. Part of this database already exists as part of the digitization efforts undertaken by the European Commission and by several American university libraries.\textsuperscript{169} Collating of the existing efforts would create the seed of a master database that would encompass a large portion of already identified orphan works.

XI. Conclusion

The effects of the orphan works issue will only grow as time goes on. In the U.S., there have been two unsuccessful attempts at solving the issue because of valid concerns expressed by various stake holders. If we look to the international community, we find functioning solutions appropriate to our own statutory regime. By learning from these examples and adapting from the best, simplest, and most direct elements of those solutions we have the capacity to enact a working legislative answer to this critical issue that would answer the concerns all potential users and lay to rest one of the most vexing issues in Intellectual Property law today.

\textsuperscript{168} 17 U.S.C. § 412.

\textsuperscript{169} For further discussion on the effects of orphan works on digitization see supra notes 4-14 and accompanying text.