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Comments on "Orphan Works" Inquiry (Federal Register, January 26, 2005)

Sent by: Paul Goldstein, Lillick Professor of Law, Stanford University and Jane C. Ginsburg, Morton L. Janklow Professor of Literary and Artistic Property Law, Columbia University School of Law, Goodhart Visiting Chair of Legal Science, University of Cambridge.

Dear Mr. Sigall,

The present Copyright Office inquiry into the dimensions of, and possible solutions to, the "orphan works" question is both important and complex. An author who wishes to build on an earlier work by borrowing protected expression from it may find her efforts stymied if she cannot find the work's author or rights owner to obtain consent – consent the author or rights owner might gladly give if only he knew of the second author's interest. Everyone – old author and new, as well as the public at large – loses when transaction costs stand in the way of arrangements that all parties desire, and one of the signal achievements of U.S. copyright law is to reduce transaction costs and their effects. However, what is desirable as a matter of domestic policy is not always possible as a matter of binding international obligation. The U.S. must take care not to adopt orphan works procedures that in any way mandate compliance with formal mechanisms (such as registries disclosing initial copyright ownership and transfers of title) lest it run afoul of the Berne-TRIPs prohibition on the imposition of formalities as a condition to the existence and exercise of copyright.

As teachers of domestic and international copyright law, we offer some considerations prompted by the sixth question posed in the Notice of Inquiry, but relevant to a broad range of matters implicated by the orphan works issue.

None of the questions raised in the Notice of Inquiry is more important than its questions of fact. The relative costs and benefits of any policy response and any appropriate measures to take cannot be assessed until the relevant facts are detailed and analyzed. Somewhat less obviously, but no less important, fact-finding may bear directly on the design of solutions that will conform to U.S. obligations under Berne and TRIPs. To take one example, to the extent that any proposed solution entails the imposition of a compulsory license or an exception from copyright, the fact – if it is a fact – that the economic impact of the license or exception is narrow and well-defined may be central to a determination that the exception or license passes the "three-step" test of TRIPs Article 13. For example, a compulsory license (or, possibly, exception) limited to the library-archives setting might pass muster under Art. 13 where a more generalized exception/license might not.

It would doubtless assist the present inquiry to learn what would-be authors and users do to find right holders in other countries, particularly the vast majority of countries that lack a copyright registry akin to the records maintained by the U.S. Copyright Office. What other sources of information about rights holders are available? How are they consulted? Are there equivalent sources in the U.S., or can they be devised? What do would-be authors and users do in these countries if they cannot find the right holders? (Do prospective users take care to borrow only a work's ideas and not its expression if they cannot find the owner, or do they simply borrow the whole, and hope they will not be sued? Are rights owners in other countries less inclined to object to such uses than they are in the U.S.? To litigate?) Are there calls elsewhere for institution of an orphan works regime?

Comparative inquiry may also shed light on the possibly changed conditions that underlie the current calls in the U.S. for solutions to the orphan works issue. Among the possible reasons for the current attention to the orphan works issue are that (1) the problem has gotten worse, perhaps because of new digital uses; and/or (2) the solution to the problem may for the first time have become easier (*e.g.*, because of new digital facilities). Comparative – as well as domestic – inquiry may help to answer these questions.

Two policy issues deserve at least brief comment. First, in response to the fourth question raised in the Notice of Inquiry, we believe that any definition of "orphan works" should exclude unpublished works. As the U.S. Supreme Court recognized in *Harper & Row, Publishers, Inc. v. Nation Enters*., 471 U.S. 539 (1985), the right of first publication serves more than economic objectives; this right has historically served the editorial and privacy interests of authors as well. Recognizing the intimate bond between an author's personality and her work, both common law and civil law systems (where the interest is protected as a matter of moral right) have in the case of unpublished works long barred uses that would be privileged in the case of published works voluntarily committed by the author to the hurly-burly of the markets for goods and for ideas. Similarly, the Berne Convention's quotation exception to the

reproduction right applies only to works that have "already been lawfully made available to the public," and other exceptions also require or assume prior publication of the work to be used. See arts. 10, 10bis. Orphan works legislation, presumably designed to reduce the transaction costs of obtaining permission in the copyright marketplace, should not, we believe, entitle a user to make public a work that the author has withheld from the marketplace.

Second, and without commenting on the relative desirability of existing provisions of the Copyright Act adopting a "two-tier" approach, we believe it would answer neither the "Berne problem" nor the general orphan works issue to reinstitute formalities by "two-tiering" any registration or recordation requirement so that it exempts non-U.S. Berne or WTO works from these formalities. Many of the works whose use is sought, but whose owners cannot be found, will be non-U.S. works; indeed, the effort of inquiring into whether a work is in fact a U.S. work and thus subject to orphan procedures will in many cases be as costly and cumbersome as inquiry into the location of the rightholder. Also, even if the work is a U.S. work and subject to orphan work procedures, the territoriality principle will deny the second user protection against exploitation of the work outside the U.S. – an almost inevitable phenomenon as creative works are distributed over the Internet. (We understand that this concern applies to *any* form of orphan work protection and not just that attaching to U.S. works under a two-tier approach; two-tier devices may, however, blind users to the international consequences of domestic action). Finally, restoring formalities on a two-tier basis may prove to be bad policy prospectively, as it gives authors and copyright owners of future works an incentive to manipulate the nationality of their works in order to exempt them from U.S. formalities.