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The Situation of Orphan Works under Different Jurisdictions

BZHAR ABDULLAH AHMED*

ABSTRACT

The article analyses the situation of orphan works solutions under several different international jurisdictions, examining each jurisdiction in turn. Various solutions for addressing the problem of orphan works are provided by the jurisdiction of each country, the most comprehensive scheme being offered by the law of the United Kingdom. The UK provides three types of solution: an exceptions-based model, compulsory licensing and extended collective licensing. The author demonstrates that as this problem largely has emerged with the proliferation of technology, some countries have not considered orphan works an issue serious enough to take steps to address. Some countries are still examining the situation and working on finding a suitable solution to the problem. Considering various factors affecting a country's options, any chosen solution to the problem of orphan works would need to reduce the risk of a county being found liable for the use of these works.

Key words: orphan works, solution, copyrighted works, diligent search

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INTRODUCTION

The orphan works problem is regarded as one of the current major challenges to copyright law. This problem has become more apparent due to technological advancements.¹ Consequently, countries are working on addressing this problem. Solving the problem of orphan works can be a difficult task for each country, as solutions should strike a balance between the contradictory interests of users and the exclusive rights of authors. However, leaving orphan works unsolved deprives the public of access to such works. Therefore, countries may feel tense when solving the problem of orphan works; and users of orphan works will remain tense if the problem is not solved. Consequently, countries should reconcile the orphan works issue with a fair solution.

We consider three types of jurisdictions. First, we consider jurisdictions which have already provided a solution to the problem of orphan works, such as the United Kingdom and Canada. Second, we consider jurisdictions which have an explicit policy on the problem of orphan works but have not yet provided specific solutions for the orphan works issue, like the United States of America, which is still seeking a mechanism to enact a specific law for orphan works. Third, we consider jurisdictions which do not have an explicit policy on the issue of orphan works, such as Iraq. These latter jurisdictions have yet to recognize the problem of orphan works that exist in their country.

This research analyses orphan works under three jurisdictions: in the first section, orphan works are analyzed under European Union law; the second section explains orphan works under UK law; and finally, the situation of orphan works under USA law is discussed.

1. ORPHAN WORKS UNDER EU LAW

The problem of orphan works in the European Union dates to 2005, when the European Commission (“EC”) began its initiative to establish by 2010 an online digital library, called Europeana. This digital library is considered a platform through which all European national libraries can disseminate digital works from their collections. Europeana aims to enable the public to access a wide range of digitized works freely, such as books, articles, newspapers, videos, music and photographs. It archives all significant cultural materials and preserves and makes available these works to as wide a portion of the public as possible. In lieu of visiting

1. Bzhar Abdullah Ahmed & Kameran Hussein Al-Salihi, *Proliferation of the Problem of Orphan Works across the World*, 22 J. WORLD INTELL. PROP., 419, 419 (2019).

libraries to obtain the physical copies of works, people all over the world can enjoy or study European cultural heritage simply by visiting the website.²

Moreover, in 2006, the European Commission issued a recommendation that encouraged EU Member States to adopt a licensing mechanism to ease the use of orphan works while promoting the availability of lists of known orphan works. In 2006, the High Level Expert Group on Digital Libraries was established, which brought together all stakeholders concerned with online accessibility and the digitization of works including orphan works. The Group adopted a 'Final Report on Digital Preservation, Orphan Works and Out-of-Print Works' and the representatives of libraries and archives and rightsholders signed a 'Memorandum of Understanding on Diligent Search Guidelines for Orphan Works'.³ Then, in 2008, the European Commission recognized the cross-border issues relating to orphan works.⁴ In its 2008 Green Paper on 'Copyright in the Knowledge Economy', the European Commission emphasized that a significant demand exists to disseminate works or sound recordings of an educational, historical, or cultural value at a reasonably low cost to a wide audience online.⁵

In its Green Paper, the European Commission asked concerned parties and the public whether it should enact EU-wide legislation on orphan works and how to deal with the cross-border aspects posed by such works. This consultation's findings were not surprising, as users of copyright works (e.g., libraries, archives and museums) asked for compulsory public interest exceptions to copyright restrictions. More specifically, universities, libraries, archives, and some commercial users, including Google and some Member States, urged the European Commission to issue an EU-wide legislative solution that would tackle the problem of mass-scale digitization and permit wider utilization of orphan works. However, copyright holders asked for the EC to maintain the status quo. They proposed that access to copyrighted works should only be increased through licensing arrangements based on the current copyright law. With respect to orphan works, copyright holders emphasized the need to make sure that potential

2. Allard Ringnalda, *Orphan Works, Mass Rights Clearance, and Online Libraries: The Flaws of the Draft of Orphan Works Directive and Extended Collective Licensing as a Solution*, 8 MEDIEN AND RECHT INTERNATIONAL 1, 1-5 (2011).

3. Giuseppe Golangelo & Irene Lincesso, *Law Versus Technology: Looking for a Solution to the Orphan Works' Problem*, 20 INT'L J. L. & INFO. TECH. 178, 192-193 (2012).

4. Eleonora Rosati, *The Orphan Works Provisions of the ERR: Are They Compatible with the UK and EU laws?* EUR. INTELL. PROP. REV. 1, 7 (forthcoming 2013).

5. Eleonora Rosati, *The Orphan Works Directive, or Throwing a Stone and Hiding the Land*, 8 J. INTELL. PROP. L. & PRAC. 303, 303 (2013).

users perform a diligent search for copyright owners prior to using a work and, to do so using existing databases, like ARROW.⁶ In its Green Paper, the European Commission acknowledged that it was necessary to take further action relating to the problem of orphan works. In the following year, the Commission declared that it would conduct an impact assessment on how to deal with the issue of orphan works.⁷

To push forward national legislation on the problem of orphan works and ease their utilization, in 2011, the European Commission presented a proposal for a ‘Directive of the European Parliament and of the Council’, which required a uniform diligent search and mutual recognition of the search result and orphan status across the Member States. Several amendments were made to the proposal and finally, on October 25, 2012, the EU passed Directive 2012/28/EU of the European Parliament and of the Council on certain permitted uses of orphan works. At that time, Member States of the European Union had to bring their laws and regulations into compliance with the Directive by October 29, 2014.⁸

This Directive’s principal aim is to establish a legally certain framework to facilitate dissemination and digitization of orphan works to help various organizations of cultural heritage maintain a large-scale, digitized collection or archive. Hence, these public service organizations help preserve and promote European cultural heritage. Such public service organizations are considered key players for creating European Digital Libraries, such as Europeana.⁹

Even though the Directive seeks to facilitate the digitization and make available to the public a cultural institution’s orphan works, some EU scholars and international library organizations have questioned whether it can accomplish that purpose. Library institutions are concerned about and have criticized the burdensome and expensive per-work search burden the Directive places on cultural institutions. Library organizations claim that although the Directive might afford some help for digitizing small-scale and niche collections, it does not provide libraries with the incentive to

6. Katharina de la Durantaye, *Finding a Home for Orphans: Google Book Search and Orphan Works Law in the United States and Europe*, 21 *FORDHAM INTELL. PROP., MEDIA & ENT. L. J.* 229, 255-256 (2011).

7. Golangelo and Lincesso, *supra* note 4 at 193 (in an EU communication entitled “Copyright in the Knowledge Economy”).

8. Bingbin Lu, *The Orphan Works Copyright Issue: Suggestions for Internationale Response*, 60 *J. COPY. SOC’Y U.S.A.* 255, 271 (2013).

9. Marie Christine Janssens & Ran Tryggvadottir, *Facilitating Access to Orphan and Out of Commerce Works to Make Europe’s Cultural Resources Available to the Broad Public* (The Conference on Copyright and the Digital Agenda for Europe: Current Regulations and Challenges for the Future, Athens 6 June 2014).

digitize more diverse, large-scale collections, due to potential liability and economic uncertainty. Their particular concern is with making cultural institutions pay fair compensation to a reappearing copyright holder for all previous uses of a work formerly identified as orphaned, even if a reasonably diligent search had been conducted. Nevertheless, in practical terms, the amount of compensation cultural institutions must pay to reappearing rightsholders might be quite limited, because the Directive permits Member States to set the time and conditions for when payment shall be made.¹⁰

Scope of Application of the EU Directive

The application of the EU Directive is limited to textual, audiovisual, and cinematographic works that qualify for the exceptions, whereas the Directive applies to graphic works only if they are incorporated in a qualifying work.¹¹

The scope of the EU Directive application is limited in terms of users, types of works, and types of use. Firstly, according to Article first/1, the EU Directive only permits publicly accessible libraries, museums, educational establishments, archives, film or audio heritage institutions and public service broadcasting organizations to use orphan works.¹² In addition,, these organizations are not allowed to use orphan works in order to accomplish aims other than their public interest missions, ‘notably preservation, restoration and the provision of cultural and educational access to works contained in their collections’.¹³ Moreover, these institutions can generate revenue from using such works only to cover their costs of digitizing and making orphan works accessible.¹⁴ Hence, no individual may benefit from the Directive, but only certain organizations.¹⁵ Secondly, in terms of types of works, the EU Directive only applies to those published in the form of books, journals, newspapers, magazines, or other writings and also applies to cinematographic or audiovisual works and phonograms. It also applies to unpublished works and phonographs provided they have been made publicly accessible with the permission of copyright holders by the organizations and establishments. Moreover, the

10. David R. Hansen et al., *Solving Orphan Works for the United States*, 37 COLUM. COLUM. J. LAW & ARTS 38-39 (2013).

11. Connor J. Hansen, *Permission Impossible: An Exception-Based Legislative Solution for Digitising Copyright Protected Works*, 17 CHI-KENT J. INTELL. PROP. 74, 86 (2018).

12. Council Directive 2012/28, art. 1(1), 2012 O.J. (L 299) 5, 8 (EU).

13. Council Directive 2012/28, art. 6(2), 2012 O.J. (L 299) 5, 10 (EU).

14. *Id.*

15. Janssens & Tryggvadottir, *supra* note 10, at 9.

Directive also applies to ‘works and other protected subject-matter which are embedded or incorporated in, or constitute an integral part of, the works or phonograms referred to in paragraphs 2 and 3’.¹⁶ Although the Directive does not explicitly mention whether these works are illustrative or exhaustive, it is believed that the enumeration of works covered by the Directive is exhaustive.¹⁷ Thirdly, under the EU Directive, only non-commercial uses of orphan works are allowed.¹⁸ Although the Directive does not explicitly exclude commercial uses of orphan works from its scope, it could be construed from the wording of Article 1/1 that only non-commercial uses of orphan works are allowed, because this Article only states that publicly accessible libraries, museums, educational establishments, archives, film or audio heritage institutions and public service broadcasting organizations are permitted to make certain uses of orphan works.

It is worth mentioning that using the term ‘other writings’ is very broad and, therefore, may lead to different interpretations in the Member States. In addition, the Orphan Works Directive has been criticized for its narrow ambit and its inability to give help to the full range of institutions that engage with orphan works. In addition to publicly accessible libraries and cultural organizations that can benefit from the Directive, there are other kinds of non-profit organizations that might have orphan works, the demonstration of which would benefit the public, but they are not covered by the Directive exceptions. Thus, many non-profit organizations remain outside the scope of the Directive.¹⁹

Finally, although the Directive only provides exceptions as a solution to the problem of orphan works, it does not preclude Member States providing other mechanisms for solving the orphan works issue, such as extended collective licensing agreements, legal presumptions of representation, transfers or collective management or similar arrangements, or a combination of such, including the case of mass digitizations, in addition to the exceptions provided by the Directive.²⁰

16. Council Directive 2012/28, arts. 1(2-4), 2012 O.J. (L 299) 5, 8-9 (EU).

17. Janssens & Tryggvadottir, *supra* note 10, at 10.

18. Jake Goldenfein & Dan Hunter, *Blockchains, Orphan Works, and the Public Domain*, 41 COLUM. J. L. & ARTS 1, 16 (2016)

19. Hansen et al., *supra* note 11, at 38.

20. Council Directive 2012/28, recital 24, 2012 O.J. (L 299) 5, 8 (EU).

Common Conditions

There are several common conditions that must be met for the EU Directive to be applicable. Firstly, the work used by a user must still be under copyright protection, because if it is not protected by copyright law, it can be freely used without the need to obtain the permission of the copyright holder.²¹ Secondly, a diligent search in good faith must be carried out for each work or phonogram by the user prior to using the work to establish the status of the work. A diligent search is carried out by consulting appropriate sources (some examples of appropriate sources are provided in the Annex of the Directive for each category of works) for the category of the work or other subject matter in question. The appropriacy of the sources consulted in the diligent search is not determined by the Directive but is left to the Member States to determine in consultation with users and copyright holders. However, the appropriate sources that are determined by each Member State must include the relevant sources listed in the Annex of the Directive. Moreover, the place in which to conduct a diligent search is the Member State of the first publication or, in the absence of a first publication, the first broadcast, except for cinematographic or audiovisual works; in this case, the place of the diligent search is the Member State of the headquarters or habitual residence of the producer.²²

A minimum harmonization approach to the diligent search requirement is adopted by the Directive. Its particular focus is more on the underlying strategy of the search, rather than the sources that shall be searched. Moreover, as mentioned above, the Directive provides some examples of appropriate sources in the Annex for referring to when conducting a diligent search. The sources in the Annex can be divided into two categories. Firstly, there are registries and catalogues. The kinds of catalogues and registries named in the Annex are those that are the most likely to be comprehensive in practice: for example, legal deposits and those used to give crucial commercial information, such as the ISBN (International Standard Serial Number) for books, journals and equivalents. Secondly, there are sources that identify the copyright holder.²³ However, the diligent search requirement for each work may impede the digitization and online dissemination of whole library collections, because obtaining a

21. Janssens & Tryggvadottir, *supra* note 10, at 11.

22. Council Directive 2012/28, art. 3, 2012 O.J. (L 299) 5, 9 (EU).

23. Marcella Favale et al., *The Impossible Quest-Problems with Diligent for Orphan Works*, 48 INT'L REV. INTELL. PROP. & COMPETITION L. 286, 289 (2017))

license for each work in the collection of a library takes a lot of time, effort, and money.²⁴

In addition, EU cultural organizations are required to document the search they have carried out and the consequences, which are recorded in a central, publicly accessible online database²⁵ that will be created and managed by the European Commission's Office for Harmonisation in the Internal Market (such databases have been established but some are still being created, as explained in chapter two).²⁶ Cultural organizations are also required to keep a hard copy of the search in order for them to be able to demonstrate that their search was diligent.²⁷

Thirdly, the Directive is only applicable to works that are first published or, in the absence of a first publication, broadcast in a Member State. This means that the Directive does not apply to works that are first published or broadcast elsewhere in the World. Fourthly, the work shall previously have been accessible with the consent of the copyright holder. Finally, the Directive only applies to works that are contained in the collections or archives of the beneficiary institutions.²⁸

It should be borne in mind that fair compensation should be paid to the resurfacing copyright holder of a work formerly identified as orphaned by the user, regardless of the nature of the use, such as whether it is commercial or non-commercial, and irrespective of whether a prior diligent search has been conducted. The Directive also prevents any future use of an orphan or derivative work without the permission of the resurfaced copyright holder.²⁹

Notion of Orphan Works Under the Orphan Works Directive

At the time of preparing and adopting the Orphan Works Directive, different concepts and definitions of orphan works were used, such as the use of its being 'difficult' or 'impossible' to identify or locate the owner. Therefore, due to different views on the wording of a definition of orphan works, the European legislator decided not to play with the words but

24. Ringnalda, *supra* note 2, at 6.

25. Council Directive 2012/28, art. 3(5-6), 2012 O.J. (L 299) 5, 9 (EU).

26. See Council Directive 2012/28, art. 3(6) & recitals 16 & 24, 2012 O.J. (L 299) 5, 6 & 8-9 (EU) (implying a database would be established over time and thus may yet to be fully established).

27. Council Directive 2012/28, recital 24, 2012 O.J. (L 299) 5, 8 (EU).

28. Janssens & Tryggvadottir, *supra* note 10, at 11-12.

29. Hansen et al., *supra* note 11, at 37; Council Directive 2012/28, recital 18, 2012 O.J. (L 299) 5, 7 (EU).

rather to emphasize the preconditions to be met.³⁰ Article 2 of the Orphan Works Directive states:³¹

A work or a phonogram shall be considered an orphan work if none of the rightsholders in that work or phonogram is identified or, even if one or more of them is identified, none is located despite a diligent search for the rightsholders having been carried out and recorded in accordance with Article 3.

It could be construed from the above Article that several conditions should be met to consider a work an orphan. Firstly, a work or phonogram shall still be under copyright protection. Secondly, none of the copyright holders in that work or phonogram is known, or if one or more of them is known, none of these identified copyright holders could be traced. Thirdly, a diligent search shall have been carried out by the user without being successful in identifying or locating the copyright holder(s). Finally, the effort expended upon a diligent search shall be recorded in a central, publicly accessible online database, in accordance with Article 3 of the Directive.

Despite many works perhaps being considered orphans in a general linguistic sense, only those works that are covered by the scope of the Directive and that are in compliance with the conditions set in Article 2 of the Directive can be given the status of orphan works in a legal European copyright sense.³² Moreover, Article 2(2) of the Orphan Works Directive deals with the case of multiple copyright holders and states that in such a case that more than one of the rightsholders of a work or a phonogram are identified and located, but not all of them, the organization is entitled to use that work or phonogram in accordance with the Directive, provided it obtains the permission of the copyright holders that have been identified and located.³³ In order to facilitate cross-border utilization of orphan works, Member States are mutually required to recognize the status of a work to be an orphan on the grounds of the search conducted by a cultural organization in one EU Member State.³⁴

30. Janssens & Tryggvadottir, *supra* note 10, at 12-13.

31. Council Directive 2012/28, art. 2(1), 2012 O.J. (L 299) 5, 9 (EU).

32. Janssens & Tryggvadottir, *supra* note 10, at 12-13.

33. Council Directive 2012/28, art. 2(2), 2012 O.J. (L 299) 5, 9 (EU).

34. Comments in Response to the Copyright Office's Orphan Works and Mass Digitization Notice of Inquiry, published on October 22, 2012, from David Hansen, U. Cal. Berkeley Sch. L., to Karyn Temple Claggett, Assoc. Reg. Copys., United States Copy. Off. 2323232123 (Feb 4, 2013).

Termination of Orphan Works Under the Orphan Works Directive

Article 5 of the Directive confers on the rightsholders the right to put an end to the status of an orphan work at any time in so far as his/her rights are concerned.³⁵ Therefore, even after considering a work or a phonogram to be orphaned, the copyright holder can put an end to the status of the orphan work at the time he/she is aware of the situation. In addition, Recital 18 of the EU Directive obliges the users of orphan works to give fair compensation to a reappearing copyright holder and it has been left to the Member States to set a mechanism for determining the amount of compensation.³⁶

2. ORPHAN WORKS UNDER UK LAW

The attempt to solve the problem of orphan works in the United Kingdom was launched with the report of the Gowers Review in 2006, which claimed that creators recognize that providing a solution would be good for everyone.³⁷ A solution would be good for all those who work on archiving and cataloguing, for all creators who rely on previous works to create a new work, for all those whose work is restored and who might benefit from collecting remuneration from a new source, and for consumers.³⁸ The problem of orphan works reappeared in 2009 in the Digital Economy Bill of 2010. The Bill contained a provision regarding orphan works (later withdrawn) in clause 116A, which stipulated that “the Secretary of State may by regulations provide for authorizing a licensing body or other person to do, or to grant licenses to do, acts in relation to an Orphan Work which would otherwise require the consent of the copyright owner”.³⁹ In 2011, the Hargreaves Review of Intellectual Property and Growth argued that the issue of orphan works indicated the starkest failure of a copyright framework to be adopted, because access to these works was barred due to the difficulty or impossibility of tracing the copyright holder: “The copyright system is locking away millions of works in the category.”⁴⁰ The Review recommended that the copyright law of the United Kingdom be amended in ways designed to increase certainty for

35. Council Directive 2012/28, art. 5, 2012 O.J. (L 299) 5, 9 (EU).

36. Council Directive 2012/28, recital 18, 2012 O.J. (L 299) 5, 6 (EU).

37. Andrew Gowers, *Gowers Review of Intellectual Property*, HM Treasury, Dec. 2006, at 71.

38. *Id.*

39. Marcella Favale et al., *Copyright, and the Regulation of Orphan Works: A Comparative Review of Seven Jurisdictions and a Rights Clearance Simulation*, Intell. Prop. Office, July 2013, at 11.6.

40. Ian Hargreaves, *Digital Opportunity: A Review of Intellectual Property and Growth*, May 2011, at 38.

users to use orphan works. The government should release a vast number of works to be used by the public by providing a solution in law to the problem.⁴¹ Hargreaves also recommended that ⁴²

The Government should legislate to enable licensing of orphan works. This should establish extended collective licensing for mass licensing of orphan works, and a clearance procedure for use of individual works. In both cases, a work should only be treated as an orphan if it cannot be found by search of the databases involved in the proposed Digital Copyright Exchange.

After the Gowers Review and the Hargreaves Review of Intellectual Property and Growth, the United Kingdom introduced its first law to solve the problem of orphan works in 2014.⁴³ The United Kingdom provided an orphan works solution for the first time in section 77(3) of the Enterprise and Regulatory Reform Act 2013, which gives power to the Secretary of State to provide by regulations for the granting of licenses in respect of orphan works.⁴⁴ Consequently, three new sets of regulations were issued: the Copyright and Rights in Performances (Licensing of Orphan Works) Regulations 2014 (LOW Regulations); the Copyright and Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014 (hereinafter CPUO Regulations);⁴⁵ and, in 2014, an Extended Collective Licensing scheme, in order to allow cultural institutions to digitize orphan works in their collections.⁴⁶ In the same year as an Extended Collective Licensing regime was introduced into UK law, the government issued the Copyright (Regulation of Relevant Licensing Body) Regulations 2014, which enhanced obligations on Collective Management Organizations (hereinafter CMOs) to be more transparent and to put in place minimum operational standards to protect the interests of their members.⁴⁷

Section 77(3) of the Enterprise Regulatory Reform Act 2013 amended the Copyright, Designs and Patents Act (CDPA) 1988 by the insertion of Section 116A. The Secretary of State was given the power to adopt regulations that allow users to use orphan works, and provided a license,

41. *Id.* at 4.

42. *Id.* at 38.

43. Samantha Callaghan, *Has the Introduction of Orphan Works Licensing Schemes Solved the Problem That Orphan Works Present to Digitisations Projects?* 38 J. ARCHIVES & REC. ASS'N 244, 245 (2017).

44. Eleonora Rosati, *supra* note 5 at 7.1.

45. Samantha Callaghan, *supra* note 43, at 245.

46. David R. Hansen et al., *supra* note 11 at 39.

47. Benjamin White, *Background Paper on Extended Collective Licensing: The UK Experience of Extended Collected Collective Licensing: Greased Lightning or the Road to Nowhere?* INT'L FED'N LIBR. ASS'N & INST., Aug. 2018 at 17.

obtained by the potential user. for making use of such a work. In addition to Section 116A, Section 116B was also inserted into the Copyright, Designs and Patents Act 1988 by section 77(3) of the Enterprise Regulatory Reform Act 2013, introducing Extended Collective Licensing.⁴⁸

Thus, as outlined above, a three-pronged approach has been used to solve the problem of orphan works in the U.K. The first prong was introduced to implement the EU Orphan Works Directive and was established by the CPUO Regulations 2014. The second prong comprises a system of individual licensing for making use of orphan works and the government issued the LOW Regulations 2014 to implement this system. The third prong involves a system of Extended Collective Licensing and, for this purpose, the Copyright (Regulation of Relevant Licensing Body) Regulations 2014 was issued by the government.⁴⁹

However, it should not be forgotten that in the UK even before the enactment of the orphan works law, there was a form of orphan works legislation under Section 190 of the CDPA 1988, under which the Copyright Tribunal was granted the power to give consent on behalf of performers in certain circumstances. Section 190(1) of the CDPA 1988 states that the Copyright Tribunal might grant a licence to someone who wishes to use a recording of a performance in the case that the copyright holder cannot be identified or ascertained by reasonable inquiry.⁵⁰

Certain Permitted Uses of Orphan Works Under UK law

The UK was required to solve the problem of orphan works by the European Union Orphan Works Directive of 2012. Therefore, the UK implemented the Directive in the Copyright and Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations of 2014.

Section 1 of the CPUO Regulations 2014 permits a relevant body to make use of an orphan work by making that work accessible to the public, or by reproducing the orphan work for the purpose of digitizing, indexing, making available, cataloguing, restoration or preservation.⁵¹ Section 2(1) of the Regulations defines a relevant body as a publicly accessible library, educational establishment or museum, archive, film or audio heritage institution, or a public broadcasting organization. Section 2(2) of the

48. Eleonora Rosati, *supra* note 5 at 3.

49. Kyrsten Elena Baker, *It's A Hard Knock Life: A Critic of the Legislative Response to the Orphan Works Problem in the UK*, 5 UCL J. L.&L. & JURIS. 1, 5 (2016).

50. U.K. Copyright, Design & Patents Act 1988, c. 48 § 190, sch. 1 (EU).

51. Copyright & Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014, ISI 2014/2861, art. 1 (U.K.).

Regulations also defines a relevant work as a work in the form of a book, newspaper, magazine, journal or other piece of writing that exists in the collections of the relevant body; a sound recording, or cinematographic or audiovisual work that exists in the collections of the relevant body; and⁵²

a cinematographic or audiovisual work or a sound recording which was commissioned for exclusive exploitation by, or produced by, one or more public service broadcasting organizations on or before 31 December 2002 and is contained in the archives of that organization or one or more of those organizations.

A relevant work also includes a work or performance that is ““embedded or incorporated in, or constitutes an integral part of relevant work””.⁵³ Furthermore, under both the EU Directive and the UK Regulations, a relevant work also includes examples of the above-mentioned works that have never been published or broadcast, but which have been made publicly accessible with the consent of the copyright holders, provided that it is reasonable that the copyright holders would not stand against the use of the work.⁵⁴ This has produced uncertainty for users due to the difficulty of assuming that rightsholders would not oppose making use of such works.

It could be construed that the scope of application of the UK Regulations is the same as that of the EU Directive in terms of users, types of works and types of users, as mentioned above. Moreover, the Regulations also allow the use of orphan works only if such use is in the public interest mission.⁵⁵

The use of the phrase “other writings” in both the EU Directive and the UK Regulations includes a diverse range of published materials, including computer programs, electronic databases, design drawings, photographs and prints. The argument can also be stretched so that it could also cover works that encompass both textual and graphic materials. Nevertheless, it is argued that the term ‘other writings’ has to be restricted only to printed works.⁵⁶

52. Copyright & Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014, ISI 2014/2861, art. 2 (U.K.).

53. *Id.*

54. *Id.*; Council Directive 2012/28, recital 12, 2012 O.J. (L 229) 5, 8 (EU).

55. Krysten Elena Baker, *supra* note 50 at 4.

56. Uma Suthersanen & Maria Mercedes Frabboni, *The Orphan Works Directive*, in Irini Stamatoudi and Paul Torremans (eds.), *EU Copyright Law: A Commentary* (Edward Elgar Publishing 2014) 659.

Meaning of orphan works under CPUO Regulations

Section 3 of the CPUO Regulations defines an orphan work as a work that has only one rightsholders and the rightsholders has not been identified or located, or a work that has more than one rightsholders and none of the rightsholders is known or has been located, despite conducting and recording a diligent search to identify or locate the rightsholders or rightsholders. It further states that a work is orphaned if one or more of the rightsholders have been identified or traced and one or more of the rightsholders have not been identified or traced, despite performing and recording a diligent search to identify or locate the rightsholders or rightsholders.⁵⁷

Although the wording of the U.K. definition is to some extent different from that of the EU Directive, in terms of content, they are similar.

Diligent Search Requirement

Section 5 of the CPUO Regulations requires users to carry out a diligent search in good faith, respecting the work by searching appropriately in the category of works in question. Users must also conduct the diligent search before making use of the work.⁵⁸ A potential user should first search the orphan works register to verify whether the intended work has already received orphan work status. If the work has not yet received orphan work status, the potential user is required to carry out a diligent search to prove that the copyright holder cannot be identified or, if identified, cannot be located.⁵⁹

Moreover, the user is entitled to rely on a previously conducted diligent search without having to carry out a new one, if it was submitted with a previous, successful, license application up to seven years previously and it was conducted in accordance with the EU Directive, with the details published on the database of the European Union Intellectual Property Office. However, in the case of relying on a previously conducted diligent search, the user shall bear in mind that this search is only valid for seven years from the date of issuing the first license or for seven years from the date of placing the search on the European Union Intellectual Property

57. Copyright and Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014I, SI 2014/2861, art. 3 (U.K.).

58. Copyright and Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014I, SI 2014/2861, art. 5 (U.K.).

59. Dev S. Gangjee, *What If We Reimagine Copyright? Copyright Formalities: A Return to Registration*, 250 Rebecca Giblin & Kimberlee Whether all eds., (Anu Press 2017) ((2016).

Office database.⁶⁰ For example, if a user relies on a previously performed diligent search in the case of a licence that was issued six years previously, the user would be granted the license for only one year.

Although there is no requirement established by statutory law on what constitutes a diligent search, the UK Intellectual Property Office has prepared detailed guidelines on this complex issue. The guidelines contain a list of specific sources to be consulted by the user for each kind of work in the form of a checklist. The checklist is an extensive one and includes almost all organizations that have any link to rights ownership. However, the sources are provided as an illustrative list, which therefore leaves the choice open for users to search sources other than those on the checklist.⁶¹

Termination of orphan works under CPUO Regulations

Section 7 of the CPUO Regulations entitles rightsholders to put an end to the orphan work status of a relevant work if the rightsholder can provide evidence proving his/her ownership of the rights. A user of an orphan work is required to provide the owner with fair compensation, together with guidance on how the compensation has been calculated, within a reasonable time. However, if the user and the owner cannot reach an agreement regarding determining fair compensation, either of them is entitled to apply to the Copyright Tribunal to determine an amount.⁶²

It is worth taking the U.K.'s Brexit decision into account, as the U.K. government made the decision to leave the European Union on 31 January 2020. Two questions arise: what would the implications of this decision be for U.K. copyright law? Would the U.K. itself remain bound by EU law? The answers to these questions depend on the U.K.'s future relationship with the EU.

Copyright and Rights in Performances (Licensing of Orphan Works) Regulations 2014

For the U.K., a single system for solving orphan works was not sufficient. Therefore, in addition to the implementation of the EU Directive, the UK issued the LOW Regulations, which are known as a

60. U.K. Intellectual Property Office, *Orphan Works Licensing Scheme: Overview for Applicants* (Oct. 29, 2014), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/518251/Orphan_Works_Licensing_Scheme_Overview_for_Applicants.pdf

61. Marcella Favale et al., *supra* note 24, at 290.

62. Copyright and Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014, SI 2014/2861, art. 7(4) (U.K.).

system of individual licensing because every individual has the right to apply to make use of orphan works under the system.⁶³

The scope of application of the LOW Regulations is much broader than that of the EU Directive because it allows the use of any type of artistic and text-based work for any purpose, whether commercial or non-commercial. Nevertheless, although the scope of the EU Directive only covers books, journals, newspapers, magazines and other writings, as well as phonograms and audiovisual works, the EU Directive excludes freestanding artistic works, for example, drawings, maps, photographs and plans, unless they are embedded or incorporated in or constitute an integral part of other publications covered by the Directive.⁶⁴ The U.K. Intellectual Property Office has defined commercial use as follows:⁶⁵

Commercial use covers any uses (including by individuals as well as organizations) that make money from the work – such as selling copies of the work or directly charging for access to it whether any charges are intended to make a profit or just to cover costs. As well as activities that generate revenue, such as merchandising or selling copies of a publication, commercial use would also cover any other uses that are commercial in nature, such as any use in commercial advertising, marketing or promotion activities.

The U.K. licensing scheme allows the granting of licenses for all types of copyrighted works and performances where the copyright holder cannot be identified or located. The Intellectual Property Office (hereinafter IPO) is conferred with the right to grant licenses and licenses granted by the IPO are non-exclusive. The licenses are also limited to the U.K. and are granted for up to seven years.⁶⁶ It is important to mention that sub-licences are prohibited by the LOW Regulations.⁶⁷ This means that the person authorized to use an orphan work is not allowed to grant the license to someone else.

Users are expected to have fulfilled the diligent search requirement prior to making an application. Nevertheless, it is possible to check what the cost of the license would be for the payment of the fees or to change the ambit of the application to reduce the cost of the license. Each application

63. Krysten Elena Baker, *supra* note 50, at 8.

64. Victoria Stobo et al., *I should like you to see them some time: An empirical study of copyright clearance costs in the digitisation of Edwin Morgan's scrapbooks*, (2018) 74 J. DOC. 641, 654-670 (2018).

65. U.K. Intellectual Property Office, *supra* note 60.

66. *Id.* at 3.

67. Copyright and Rights in Performances (Certain Permitted Uses of Orphan Works) Regulations 2014, SI 2014/2861, art. 6(2) (U.K.).

to cover up to 30 works per application.⁶⁸ Licence fees are different for commercial and non-commercial purposes. If the use is for a commercial purpose, the license fee is calculated by taking market rates into consideration and is higher compared with the license fee for non-commercial uses. For non-commercial uses, the license fee is predetermined at 10 pence per work. Contrary to the EU Directive, the UK licensing scheme requires users to pay administration (application) fees in addition to the license fees. It is argued that the administration fees can constitute an obstacle for small organizations digitizing a number of orphan work items because users are charged for each item.⁶⁹ Application fees have to be paid prior to submitting applications and such fees are not refunded even if the application is turned down.⁷⁰ Section 10(2) of the LOW Regulations requires the authorizing body (IPO) to take license fees from users and keep them in a designated account on behalf of the missing copyright holder for not less than eight years from the date of granting the license. If the missing copyright holder comes forward within this time, he/she will be entitled to receive the fees.⁷¹ However, after the lapse of this time, the IPO has the right to use the fees to cover the set-up and running cost of an orphan works scheme, and the remainder is used to fund cultural, social, and educational activities.⁷²

Furthermore, after the submission of an application by a potential user, the IPO shall check whether the applicant has conducted the diligent search requirement or if there is any derogatory treatment or any other reason to refuse the granting of a licence. After the IPO has made its decision regarding the granting of a license, both the reappearing rights holder and the orphan licensee have the right to appeal to the Copyright Tribunal if the IPO is felt to have acted improperly or failed to act in compliance with its obligations under the Regulations, or if the orphan licensee is not satisfied with the refusal decision or any other obligation imposed on him/her by the IPO.⁷³ However, if the IPO accepts an application, the user is granted a licence to use the orphan work for an initial period of seven years, provided the user attributes the work to the rightsholders if possible. If after the lapse of this time the copyright holder

68. U.K. Intellectual Property Office, *supra* note 60, at 860.

69. Samantha Callaghan, *supra* note 43-44, at 6.

70. U.K. Intellectual Property Office, *supra* note 60.

71. Copyright and Rights in Performances (Licensing of Orphan Works) Regulations 2014, SI 2014/2861, art. 10 (U.K.).

72. Copyright and Rights in Performances (Licensing of Orphan Works) Regulations 2014, SI 2014/2861, art. 13 (U.K.).

73. Copyright and Rights in Performances (Licensing of Orphan Works) Regulations 2014, SI 2014/2861, art. 14 (U.K.).

has not reappeared, the user is entitled to apply for another seven years. If the user intends to use the work permanently, he/she must apply every seven years until the expiration of the duration of copyright protection. Moreover, if a user is granted a licence to use an orphan work for a non-commercial purpose but later decides to use it for a commercial purpose, he/she must apply for a different license for commercial use and vice versa.⁷⁴

It is worth mentioning that section 116A (5)(c) of the CDPA prevents the granting of a licence to a person authorized to grant licenses.⁷⁵ Preventing such licenses is important and necessary because in such cases there would be two conflicting interests in the hands of one person and it would be almost impossible for that person to strike a balance between them, particularly when one of the interests is his/her own.

The scope of orphan works under the LOW Regulations 2014 is much broader than that of the EU Directive 2012, because the LOW Regulations allow every type of use, whether commercial or non-commercial, and entitles anyone to obtain a licence to use an orphan work except the person who is legally permitted to grant licenses to other persons to use orphan works.

Extended Collective Licensing Under U.K. Law

In addition to the CPUO and LOW Regulations that are specific to solving the problem of orphan works, the U.K. issued the Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014 (hereinafter ECL Regulations). Section 116B of the CDPA enables the Secretary of State to issue regulations to permit a licensing body to give licenses respecting works in which the copyright is not possessed by the body or person on whose behalf the body acts. Although the ECL Regulations may cover and apply to orphan works, they were not intended for the mass of licensing orphan works.⁷⁶ Moreover, it is worth mentioning that the ECL system has only recently been introduced into U.K. law, whereas it was implemented in the Nordic countries in the 1960s. Therefore, it needs time to become a widely used licensing system and to shift from being an abnormal form of exploitation to a normal form.⁷⁷ It took three years for the first collecting society to apply to the U.K.

74. Victoria Stobo et al., *supra* note 64, at 655.

75. U.K. Copyright, Design and Patents Act 1988, c. 48 § 116A, sch. 5 (EU).

76. Eleonora Rosati, *supra* note 5, at 3.

77. Krysten Elena Baker, *supra* note 50, at 23.

government to extend its mandate to function in an extended mode to grant licenses that encompassed the works of non-members.⁷⁸

Like the LOW Regulations, beneficiaries that have the right to apply for extended collective licenses are not limited. However, in contrast with the CPUO and LOW Regulations, the ECL Regulations do not require applicants to carry out a good faith diligent search prior to using intended works, and that is because the ECL Regulations are not specifically intended to address the problem of orphan works.⁷⁹

Furthermore, because unpublished material is not explicitly excluded from the scope of the ECL Regulations, there is an argument that the ECL Regulations cover both published and unpublished materials. If unpublished material were intended to be excluded, the Regulations would have explicitly mentioned that, similar to the ECL systems in France and Germany, which explicitly exclude unpublished works from their scope.⁸⁰ Thus, it is argued that the provisions of the ECL are not confined to content that has been previously published or communicated to the public.⁸¹ However, the inclusion of unpublished works may raise a moral rights issue, because it is solely the right of the author to first publish his/her work.⁸²

The U.K. Extended Collective Licensing Regulations place burdensome obligations upon collecting societies that intend to apply to obtain a licence from the government to act as a licensing body. Collecting societies are required to provide the government with an enormously wide range of 20 different sets of information when applying to the Secretary of State to function in an extended mode. Having said that, the license will be granted for only five years. Moreover, in the case of reapplying, another 24 different sets of information shall be further provided by the collecting society. There is no doubt that requiring such an extremely wide range of information was the reason for it taking three years for a collecting society to even apply for Extended Collective Licensing.⁸³

The following sub-sections analyze relevant sections of the 2014 ECL Regulations.

78. Benjamin White, *supra* note 47, at 15.

79. Krysten Elena Baker, *supra* note 49, at 23.

80. Jean Dryden, *Extended Collective Licensing and Archives*, 14 J. ARCHIVAL ORG. 83, 87 (2018).

81. Johan Axhamn & Lucie Guibault, *Cross-Border Extended Collective Licensing: A Solution to Online Dissemination of Europe's Cultural Heritage?* Amsterdam L. Sch. Rsch Paper No. 2012-22, Inst. for Info. L. Rsch Paper No. 2012-19, 58 (2011) (Neth.)

82. Eleonora Rosati, *supra* note 5, at 13.

83. Benjamin White, *supra* note 47, at 17.

Significant Representation

A collecting society's representation shall be significant to be entitled to a license. In practical terms, significant representation means that the Collective Management Organisation (Hereinafter CMO) shall already be holding the rights of the significant copyright owners whose works are subject to the scheme. A CMO could normally be said to represent a copyright owner if it has a direct, express mandate from him/her. Such mandates can occur if rightsholders assign, grant, or transfer their rights to the CMO, or by some other contractual arrangement.⁸⁴

Section 4(4)(b) of the 2014 ECL Regulations states that the Secretary of State is entitled to give permission to a CMO only if satisfied that the representation of the CMO in the kind of relevant works which are to be the subject of the proposed Extended Collective Licensing scheme is significant. Section 2 of the ECL Regulations defines 'representation' as follows:⁸⁵

The extent to which the relevant licensing body currently—
acts on behalf of right holders in respect of relevant works of the type which will be the subject of the proposed Extended Collective Licensing Scheme; and

holds right holders' rights in relevant works of the type which will be the subject of the proposed Extended Collective Licensing Scheme.

Despite the above definition of representation, no guidance is given as to what is meant by 'significant'. If a 'significant number' means most relevant copyright holders, this can easily be attained without involving the copyright holders of orphan works. This assumes that copyright holders in orphan works constitute the minority in any given category of work or utilisation. In such cases, the copyright holders of orphan works would fall into the class of non-member copyright holders who have not exercised the right of opting out, on behalf of whom CMOs are permitted to grant Extended Collective Licences. However, even if a 'significant number' means a significant number of copyright holders, CMOs could still indicate that they are sufficiently representative without including orphan copyright holders.⁸⁶

It is worth mentioning that according to section 18(3) of the Extended Collective Licensing Regulations, it is the responsibility of the licensing

84. Intellectual Property Office, *Extended Collective Licensing: Guidance for relevant Licensing Bodies Applying to Run ECL Schemes*, 2 (2016)

85. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 2, (U.K.); SI 2014/2588, art 4(4)(b).

86. Kyrsten Elena Baker, *supra* note 49, at 10.

body to distribute the licensing fees to those non-member copyright holders who have been identified or located.⁸⁷ Moreover, the obligation of conducting a diligent search contained in the Extended Collective Licensing scheme switches from the user to the licensing body. However, the ECL Regulations provide no guidance regarding the standard of search required to ascertain and trace such copyright holders. Thus, there is an estimation that the predicted standard of search would fall below that required by the LOW Regulations. Consequently, users would be able to avoid spending time and money on conducting a diligent search simply by obtaining authorization from a CMO under the Extended Collective Licensing scheme.⁸⁸

Conditions and Procedures for Running as a Relevant Licensing Body

According to the 2014 ECL Regulations, there are several conditions that should be met and procedures that should be followed for a relevant body to commence representation.⁸⁹

First: the relevant body must indicate significant representation in the type of works intended to be in the Extended Collective Licensing scheme as explained above.

Second: non-member rightsholders shall be given protection by providing them with the right of opting out in the code of practice of the relevant licensing body.

Third: the arrangements for publicizing the scheme, to contact non-member copyright holders for the purpose of disbursing the net license fees and any net license fees that remain undisbursed, shall be appropriate for the proposed scheme, having regard to the interests of non-member copyright holders.

Fourth: the relevant licensing body shall have attained the required consent to the proposed Extended Collective Licensing scheme.

Fifth: the authorization to run as a licensing body is personal and the authorization cannot be transferred to any other person or body.

Moreover, there are several procedures that shall be taken from the time of preparing an application until receiving authorization as follows:

87. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 18(3), (U.K.).

88. Kyrsten Elena Baker, *supra* note 49, at 11.

89. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 4, (U.K.).

First: the relevant body shall make an application in writing, as well as in an electronic format, and submit it to the Secretary of State. The application shall contain: a summary of the application, the applicant's name, evidence indicating that the applicant is a relevant licensing body, an address for service for the applicant in the European Economic Area, the types of relevant work to which the ECL scheme will apply, and the rights of copyright holders relating to relevant works which the relevant licensing body seeks to be permitted to license, etc. (see section 5).⁹⁰

Second: after the relevant body has successfully submitted the application, the Secretary of State shall, within 14 days of its receipt, notify the relevant licensing body of the following: that the application has been received, any extra information that needs to be provided to facilitate consideration of the application, and the date by which the application will be determined.⁹¹

Third: if it is found that the application does not meet all the required conditions, the Secretary of State shall, within 14 days of receipt, notify the relevant licensing body in writing that the application has been rejected.⁹² The reasons for rejection must be stated in the decision.⁹³

Renewal Procedures

There are several procedures that should be considered to renew an existing authorization, as follows.⁹⁴

First: a relevant licensing body shall make an application in writing, as well as in electronic form, not less than three years from the date of the attainment of the existing permission and not less than three months before that permission expires, as required by the Secretary of State.

Second: the renewal application is required to include the following: a summary of the renewal application, confirmation that the information provided at the time of making the first application still applies and details of any changes, and information indicating how the opting out arrangement worked during the previous authorization, etc. (see Section 10(2)).

90. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 5, (U.K.).

91. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 6(1), (U.K.).

92. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 6(2), (U.K.).

93. *Id.*

94. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 9, (U.K.); SI 2014/2588, art. 11, (U.K.).

Third: the relevant licensing body must pay a renewal fee to compensate the Secretary of State for any administrative costs that have been spent in connection with the renewal application.

Even after renewing the authorization, the relevant licensing body is monitored by the Secretary of State as it is required to provide the Secretary of State with the information set out in section 11 every three years from the date of renewal.⁹⁵

Revocation of an Authorisation

Section 14 of the 2014 ECL Regulations obliges the Secretary of State to revoke the authorization that has been granted to a relevant licensing body if it is found that the relevant licensing body has failed ‘in respects which are relevant to the operation of the Extended Collective Licensing Scheme to operate its licensing activities in accordance with the types of relevant work or permitted use specified in the authorization’. The Secretary of State can revoke the permission given if it is found that there are reasonable grounds to believe that the relevant licensing body has failed to comply with ‘any other requirements in these regulations, any condition of its authorization and the specified criteria’.⁹⁶

However, the Secretary of State shall, prior to making the decision to revoke the authorization, publish a notice to notify the relevant licensing body and any other person who will be affected of the intention to revoke the authorization, as well as the reasons for taking such an action. The Secretary of State is also required to permit the relevant licensing body and any other person who is likely to be affected by the decision of revocation to make comments in writing, such comments to be made within 21 days from the date of being notified of the notice or a longer time if specified in the notice. Moreover, after the lapse of the time, the Secretary of State shall, within 42 days, provide the relevant licensing body with either the decision of revocation or the date on which the decision of revocation will be made. Finally, the decision of revocation shall be published by the Secretary of State.⁹⁷

Therefore, we can see that the procedure for establishing the Extended Collective Licensing scheme is complex and requires many steps to operate

95. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 11, (U.K.).

96. The Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014, SI 2014/2588, art. 14, (U.K.).

97. *Id.*

as a licensing body. A very wide range of 20 different sets of information should be provided to the Secretary of State by the relevant licensing body that intends to obtain authorization.

3. ORPHAN WORKS UNDER U.S. LAW

It is first worth mentioning that the issue of orphan works in the United States of America is less important in comparison with Europe, due to the formalities of obtaining protection, including registration, depositing a copy of the work and the renewal requirement after a certain period until 1976. However, the U.S. amended its copyright law in 1976, which resulted in abolishing those formality requirements.⁹⁸

Moreover, although the U.S. does not have a specific law addressing the orphan works problem, there have been ongoing attempts to enact a law to fill the gap that exists in the USA legal system. The problem of orphan works first came to the fore in 2004, when Google started digitizing and making several out-of-print works available online through the Google Book Search Project.⁹⁹ The first attempt to solve the orphan works problem was to prepare a report on the issue of orphan works and, the US Copyright Office released a report on January 23, 2006. In 2008, orphan works legislation was first introduced in the Shaun Bentley Orphan Works Act. However, the Bill was rejected by Congress. In the most recent attempt to date, the US Copyright Office prepared a report on ‘Orphan Works and Mass Digitisation’ in 2015.

2006 US Copyright Office Report

The 2006 report thoroughly and carefully studied the issue of orphan works, including determining the most common barriers to identifying and tracing the copyright holder and factors affecting the orphan works problem. The report found that the US Copyright Act does not contain a provision designated to tackling the problem of orphan works. Nevertheless, some provisions, such as section 108(h), which is discussed later in this section, may tackle the problem for limited categories of users in some circumstances.¹⁰⁰

During the stages of preparing the report, different solutions were suggested by commenters, most of which focused on legislative proposals

98. Lauriat (n. 336) 10.

99. Marcella Favale et al, *supra* note 39, at 11.

100. United States Copyright Office, *Report on Orphan Works: A Report of the Register of Copyrights*, Library of Congress (2006).

involving limitations of remedies. It is noteworthy that almost every commenter who supported a limitation of remedy solution agreed that the core requirement for the determination of a work as orphaned would be that the potential user shall have carried out a search for the copyright owner and that the search had resulted in failure to locate the owner of the work. Moreover, to determine whether the search by a user was reasonable or not, many commenters supported doing so on a case-by-case basis, which would evaluate each case according to its circumstances. However, some other commenters preferred a more formal approach, whereby copyright holders would be required to maintain their contact information in a centralized location and users were only required to search such centralized locations to be deemed to have conducted a reasonable search. More certainty can be seen in the latter approach.¹⁰¹

After collecting comments, the compilers of the report presented the solution preferred by most of the commenters, which was a limitation of remedy. The report stated that if a user has carried out a reasonably diligent search without being successful in locating the copyright holder, the user would be entitled to enjoy the benefit of a limitation of remedy if the copyright owner later reappeared and presented a claim of infringement. The recommendation of the report has two key components: first, the requirement of a reasonably diligent search for the owner of a copyrighted work and attributing the work to the author and copyright holder if possible; and second, the limitation of remedies that could be enjoyed by the user if he/she could prove that a reasonably diligent search had been performed by him/her.¹⁰²

The report of the US Copyright Office on orphan works received wide support from both copyright holders and users. However, illustrators and photographers vehemently stood against it because they expressed their concern about making many photographs and illustrations orphan works while the copyright owner of such works still existed, and their will was to enforce their rights in those works and be paid for their use. The problem with photographs and illustrations is that many of these works are published without any information identifying the copyright holder or the author. The fear of those copyright owners was that their valuable works may easily fall within the ambit of the proposed orphan works provision. Another concern of copyright holders, particularly photographers and illustrators, was the burden of bringing a case against the user before a court to claim copyright infringement and to seek reasonable

101. *Id.*

102. *Id.*

compensation. Many copyright holders believed that it was not acceptable for that burden to be on the copyright holders because of the high cost involved in bringing such cases before the courts.¹⁰³

Regard must be given to the idea that photographers and illustrators were not entirely against the proposed solution to the problem of orphan works. They preferred users to be required to pay an amount of money put into an escrow account, like Canada. Thus, it seems that they were afraid of not being able to afford the cost of bringing a case before the courts for copyright infringement.¹⁰⁴ We believe that the concern of illustrators and photographers could be mitigated by switching the burden of the cost of a lawsuit from the copyright holders to the users. As a result, users would be required to pay both reasonable compensation and the cost of the lawsuit. It would be unfair if such a cost remained with the copyright holders because the cost of a lawsuit could sometimes be higher than the reasonable compensation.

Two legislative bills were prepared on the issue of the problem of orphan works: the Orphan Works Bill of 2008 in the House and the Shawn Bentley Orphan Works Bill of 2008 in the Senate, which were based extensively on the recommendations of the US Copyright Office.¹⁰⁵ Nevertheless, it is worth mentioning that the Orphan Works Act of 2006 was the first bill introduced and sent to Congress but was withdrawn during the 109th Congress; instead, new bills were introduced to both the House and the Senate.¹⁰⁶ Although the Shawn Bentley Orphan Works Bill 2008 was passed by the Senate, it was defeated in the House of Representatives.¹⁰⁷

The conditions that benefited from the Orphan Works Act of 2008 and Shawn Bentley Orphan Works Act of 2008 were as follows. First, conducting and documenting a reasonably diligent search in good faith for the copyright owner by the user. Second, the prospective user shall have been unable to locate the copyright holder despite conducting the diligent search requirement. Third, the user is required to file a notice of use with the Register of Copyrights. Fourth, the user must attribute the work to the owner if possible.¹⁰⁸ There are two robust reasons for the imposition of an

103. British Screen Advisory Council, *Copyright and Orphan Works: A Paper Prepared for the Gowers Review*, 12 (2006) (U.K.).

104. *Id.*

105. Marella Favale et al., *supra* note 39, at 11.

106. Bingbin Lu, *supra* note 9, at 267.

107. Alessandra Glorioso, *Google Books: An Orphan Works Solution?* 38 HOFSTRA L. REV. 971, 980 (2010.)

108. Orphan Works Act of 2008, H.R. 5889, 110th Cong. § 514 (2008); Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. § 514 (2008).

attribution requirement. First, attributing the work to the owner provides notice to the public that the work of the user is derived from someone else. Such notice can serve to reconnect a parent with its own orphan work. Second, attribution is very important to authors because recognition of someone else's "intellectual labour is a reflection of the notion of giving credit where credit is due".¹⁰⁹ However, despite meeting the above conditions, users may be fully liable for the infringement of copyright if, after the use of orphan works, they fail to negotiate reasonable compensation in good faith with the reappeared copyright holder, or if they fail to pay the agreed reasonable compensation to the reappeared copyright holder within a reasonably timely manner.¹¹⁰ It could be asked, what is a reasonably timely manner? Who is vested with the right to decide whether something is conducted in a reasonably timely manner or not? We believe that it is left to the court to make its decision regarding a reasonably timely manner, and it would be better for the court to take the rule of operating on a case-by-case basis into consideration in such matters.

Moreover, the major difference between the two bills is the diligent search requirement, because the Orphan Works Bill of 2006 did not specify the sources to be used in conducting a diligent effort, whereas the Shawn Bentley Orphan Works Bill of 2008 did. The Orphan Works Bill of 2008 states that in ascertaining whether a search is diligent, the court shall take the following factors into consideration. First, the actions taken in carrying out the search are appropriate and reasonable under the facts that are relevant to that search, including whether the user took actions based on facts uncovered by the search itself. Second, "the infringer employed the applicable best practices maintained by the Register of Copyright." Finally, whether the search was carried out before making use of the work and at "a time that was reasonably proximate to the commencement of the infringement."¹¹¹

However, the Shawn Bentley Orphan Works Act of 2008 specified the sources that should be searched by the potential user for a search to qualify as diligent. Section 514 of the Act stipulates that a user shall conduct the following searches. First, the user is required to search the records of the Copyright Office, which are available to the public via the internet and are relevant to identifying and tracing copyright holders. Second, the user is required to conduct "a search of reasonably available sources of copyright

109. Simon Teng, *The Orphan Works Dilemma and Museums: An Uncomfortable Straitjacket*, 2 J. INTELL. PROP. L. & PRAC. 30, 35 (2007).

110. H.R. 5889; S. 2913.

111. H.R. 5889.

authorship and ownership information, and where appropriate licensor information". Third information, the user shall use technological tools, printed publications and, if it is reasonable, shall obtain the assistance of internal and external experts. Fourth, the user shall search for the copyright owner using appropriate databases, including those available to the public online. Fifth, the search must include actions which are appropriate and reasonable under the facts relevant to the search, including actions based on facts known at the commencement of the search and those revealed during the search, which include a review of the Copyright Office records that are not available to the public online which are reasonably likely to be valuable in identifying and tracing the copyright holder.¹¹²

Despite the differences between the two Acts regarding the diligent search requirement, both have given power to the Register of Copyrights to recommend practices for performing and documenting searches.¹¹³ Moreover, non-laws define 'a reasonably diligent search', it has been left to motivate a flexible case-by-case approach. The reason for this general standard was that orphan works circumstances are varied. Depending on the identification information available for an orphan work, the resources of the user, the standards of the industry and other relevant circumstances, a reasonable search in one case could be deemed unreasonable in others.¹¹⁴

The solution under both bills was a limitation of remedies. The bills did not wholly exempt users from liability. This suggests that the bills always call the user an infringer. Under both bills, a user enjoys a limitation of remedies with respect to monetary and injunctive relief.¹¹⁵

First: Monetary Relief

In accordance with both bills, the infringer of a copyrighted work would only be required to pay reasonable compensation:¹¹⁶

The amount on which a willing buyer and willing seller in the positions of the infringer and the owner of the infringed copyright would have agreed with respect to the infringing use of the work immediately before the infringement began.

Thus, the infringer's profit is not taken into consideration when determining reasonable compensation.¹¹⁷

112. S. 2913.

113. H.R. 5889; S. 2913.

114. Simon Teng, *supra* note 108, at 35.

115. Jane C. Ginsburg, *Recent Developments in US Copyright Law: Part 1-Orphan Works*, COLUM. PUB. L. & LEGAL THEORY WORKING PAPERS, ((2008).

116. H.R. 5889; S. 2913.

117. Jane C. Ginsburg, *supra* note 114.

However, if the infringer is a non-profit or educational institution, the infringer will be exempted from paying reasonable compensation.¹¹⁸ The infringer must prove that it did not have any direct or indirect commercial advantage, the nature of the use is primarily religious, educational, or charitable, and it ceased its use directly after being notified of the infringement by a copyright holder who reappeared.¹¹⁹

Second: Injunctive Relief

In addition to paying reasonable compensation to injunctive relief is available in certain situations¹²⁰ Injunctive relief is not available when the infringer creates derivative work.¹²¹

The copyright holder is not entitled to injunctive relief when the infringed work is transformed by a considerable amount,¹²² the infringer is entitled to claim copyright of the derivative work or compilation he/she created.¹²³

The main advantage of the solution proposed in the USA is that it is a cost-efficient model.¹²⁴ Under this model, users are not required to pay copyright owners in advance, unless the owners resurface and file a lawsuit. However, there are still some costs imposed on users: first, the cost of keeping records for the establishment of a diligent search; second, “the cost of assessing the likeliness of future claims”; and third, the cost of litigation and of reasonable compensation if a copyright owner reappears.¹²⁵

Another limitation is whether this remedy provides sufficient legal certainty to transformative users. This is dependent upon how courts might interpret the diligent search requirement, which is not well circumscribed in the proposals. However, prospective users would still encounter difficulties if they had to convince a court *ex post* of the reasonableness of a search, particularly when the search was carried out a long time before.¹²⁶

118. S. 2913.

119. S. 2913.

120. Katharina de la Durantaye, *supra* note 7, at 250.

121. Katharina de la Durantaye, *supra* note 7, at 250.

122. Laura N. Bradrick, ‘Copyright—Don’t Forget about the Orphans: A Look at A (Better) Legislative Solution to the Orphan Works Problem,’ 34 WESTERN NEW ENG. L. REV. 537, 559 (2012).

123. Katharina de la Durantaye, *supra* note 7, at 250.

124. Stef van Gompel, ‘The Orphan Works Chimera and How to Defeat It: A View from Across the Atlantic,’ 27 BERKELEY TECHN. L. J. 1347, 1366-1367 (2012).

125. Stef van Gompel, *The Orphan Works Chimera and How to Defeat It: A View from Across the Atlantic*, 27 BERKELEY TECHN. L. J. 1347, 1366-1367 (2012).

126. *Id.* at 1367.

2015 US Copyright Office Report

In 2015, the U.S. Copyright Office restarted its attempts to find a better solution to orphan works that would convince both sides of the problem. As a result of the filed proposal of two bills in 2006 and 2008 to enact a specific law to address the problem of orphan works, the U.S. Copyright Office released its 2015 report on the problem of orphan works and mass digitization.

After the Copyright Office conducted a thorough search, it recommended that the Shawn Bentley Act would be the most viable legislative solution, provided three key substantive modification were made to it: (1) a Notice of Use provision in order to raise the likelihood that copyright owners will connect with prospective users; (2) “allowing judicial consideration of the results of foreign diligent searches, in recognition of the international scope of the orphan works problem”; and (3) an exception to the restriction on injunctions for the utilization of orphan works in derivative works, thereby addressing the integrity concerns of certain copyright owners.¹²⁷

The 2015 report states that a user is qualified to benefit from the limitation of remedy or injunctive relief provided the following conditions are met: (1) if the user is able to prove that he/she conducted a good faith qualifying search to trace and identify the copyright owner before the commencement of the use of the work; (2) the user files a Notice of Use with the Copyright Office; (3) the user must attribute the work to the legal copyright holder if it is possible to do so in the circumstances; (4) the user must “include a to-be-determined ‘orphan works’ symbol with any public distribution, display, or performance of the work”; (5) the user shall assert eligibility for such limitations in the initial pleading in any civil action involving the infringed work; and (6) the user must state with particularity the ground for eligibility for the limitations during initial discovery disclosures.¹²⁸

Furthermore, the US Copyright Office also examined mass digitization. The US Copyright Office recommended Extended Collective Licensing as a comprehensive solution for mass digitization.¹²⁹ It pointed out that the legitimate objectives of mass digitization could not be achieved or reconciled under the existing law, other than in narrow situations. As a result, the Copyright Office recommended the adoption of an ECL pilot

127. United States Copyright Office, *supra* note 99, at 51.

128. *Id.* at 56.

129. Janice Pilch et al., *Background Paper on Extended Collective Licensing: United States*, IFLA, Aug. 7, 2018, at 22.

program, which would provide full-text access to works under conditions the copyright holders agreed upon with the representative users.¹³⁰

The Copyright Office pointed out that the Extended Collective Licensing legislation must: (1) authorize the Register of Copyrights to permit Collective Management Organizations meeting specified criteria to issue licenses on behalf of members and non-members; (2) apply only to literary works, pictorial or graphic works published as illustrations, diagrams, or similar adjuncts to literary works; and photographs, with possible additional limitations based on commercial availability or the date of publication of the works; (3) provide copyright holders with the right to opt out of the system or to limit licenses; (4) only allow non-commercial uses, such as educational or research purposes; (5) establish an eligibility requirement for CMOs; (6) provide for the negotiation of license rates and terms between CMOs and prospective users, subject to a dispute resolution process; (7) require negotiation for implementing and maintaining reasonable digital security measures; (8) require CMOs to collect and distribute royalties to rightsholders within a specified period of time and to carry out diligent searches for non-members; (9) provide for the disposition of unclaimed royalties after a specified period of time; (10) include a provision expressly preserving the ability of users to assert fair use in connection with mass digitization projects; and (11) ‘sunset five years after the legislation’s effective date’.¹³¹

Although ECL has never been used in the U. S., it is construed that the *Google Book* settlements resembled an Extended Collective Licensing system, because it permitted Google to digitize and use books without the prior permission of copyright owners, unless they opted out.¹³²

Moreover, after two years of negotiation and based on the input received from stakeholders on the viability of the pilot program, the U.S. Copyright Office concluded that there was not sufficient understanding and agreement on the key elements of Extended Collective Licensing among stakeholders to warrant the proposed ECL legislation. Thus, any proposed legislation would be premature.¹³³ The U.S. Copyright Office pointed out that it still considered the ECL model to be a viable solution for mass digitization projects and it remained ready to support stakeholders in

130. United States Copyright Office, *supra* note 99, at 72.

131. *Id.* at 8.

132. Janice Pilch et al., *supra* note 112530, at 24.

133. US Copyright Office, *Letter to Senate Judiciary Committee and the House Judiciary Committee on Mass Digitisation Pilot Programme*, Copyright Office Sept. 29, 2017. <https://www.copyright.gov/policy/massdigitization>

evolving consensus-based legislation should Congress desire to follow further discussion in this area.¹³⁴

Use of Orphan works under the U.S. Copyright Act

The U.S. Copyright Act does not contain a specific provision solving the orphan works problem. Consequently, the only way to use orphan works under U.S. Copyright Law. CL would be to rely on the fair use doctrine and other general exceptions provided for the use of copyrighted works. Therefore, this sub-section explains how orphan works could be used under the fair use doctrine and other exceptions.

Use of orphan works under the fair use doctrine

It is vital to understand the fair use concept, particularly in the context of education. Most educators think that any use of any material for educational purposes is fair use, simply because the material is being used for an educational purpose. That is not, however, an exact and accurate meaning of fair use.¹³⁵

The origin of fair use is as a judicial doctrine, but it has been codified under section 107 of the U.S. Copyright Act. The fair use doctrine is formulated somewhat loosely but allows for restricted utilizations of work that is shielded by copyright law without obtaining the authorization of the owner. One issue is that the doctrine of fair use is not defined in copyright law; rather, four factors (see below) are evaluated for implementing fair use.¹³⁶ The doctrine of fair use stems from and aids the fundamental aim of copyright to “promote the Progress of Science” by striking a balance between providing incentives to create original works and the social benefits that flow from disseminating such works.¹³⁷

Fair use is not like other exceptions and limitations in the U.S. Copyright Act, or most foreign copyright regimes because it is not restricted to specific actors or uses. Rather, it is “an equitable rule of reason” developed by the courts and codified in section 107 of the Copyright Act.¹³⁸

134. Janice Pilch et al., *supra* note 125, at 24-25.

135. Bzhar Abdullah Ahmed & Kameran Hussein Al-Salihi, *Analysis of the Proposed Solutions for the Use of Orphan Works across the World*, 23 J. WORLD INTELL. PROP., 365, 350 (2019).; Shaheen E. Lakhani and Meenakshi K. Khurana, *Intellectual Property, Copyright, and Fair Use in Education*, 6 J. ACAD. LEADERSHIP 4 (2018).

136. *Id.*

137. Jennifer M Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 BERKELEY TECH. L. J. 1379, 1389 (2012).

138. *Id.* at 1390.

In using copyrighted works under the fair use doctrine, section 107 of the US Copyright Act stipulates that factors that must be taken into consideration shall include: ¹³⁹

1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

Observed from the wording of section 107, “the factors to be considered are a non-exhaustive list. In other words, these factors are provided simply as examples and, therefore, other factors may also affect the courts in making their decisions in favor of or against fair use.

The courts consider these factors on a case-by-case basis. Fair use may, due to its equitable nature, adapt to changes in both copyrighted works and the utilization of such works across time. Consequently, fair use is particularly well suited to the issues of copyright that may arise from evolving situations, such as the phenomenon of orphan works.¹⁴⁰ These factors are analyzed in detail in chapter three of this research and are not, therefore, repeated here.

The doctrine of fair use sometimes criticized for producing unexpected results because courts consider matters on a case-by-case basis in deciding fair use.¹⁴¹

Use of Orphan Works Under General Exceptions

In addition to the fair use doctrine, there are exceptions under which users may use orphan works. Although these exceptions are not specific to orphan works, they are general exceptions that users may rely upon for the use of copyrighted works whether they are orphan or not.

Section 412 of the US Copyright Act restricts the remedies available to copyright holders if they fail to register their work with the Copyright Office prior to taking infringement action. Restrictions to remedies include prohibiting copyright holders from seeking statutory damages or attorney’s fees. This limitation incentivizes copyright owners to register their works.¹⁴²

139. Copyright Act 1976, 17 U.S.C. §107.

140. Jennifer M. Urban, *supra* note 133, at 1390-1391.

141. Eric J. Schwartz and Matt Williams, *Access to Orphan Works: Copyright Law, Preservation and Politics*, 46(2) CINEMA J. 139, 143 (2007).

142. Copyright Act 1976, 17 U.S.C. § 412.

Furthermore, section 108 of the US Copyright Act exempts libraries, archives, or any of their employees who act within the scope of their employment, from liability if they reproduce no more than one copy or phonorecord of a work, provided the following conditions are met. There shall not be any purpose of direct or indirect commercial benefit in the reproduction or distribution. Secondly, the collections of libraries and archives shall be open to the entire public and not only to researchers affiliated with the library or archive. Finally, a notice of copyright shall be on the reproduced or distributed copy and state that the copy or phonorecord is reproduced under the provisions of this section.¹⁴³

Despite the fair use doctrine and general exceptions for the use of copyright works, we believe it is important that the USA promulgate a specific law addressing the problem of orphan works.

CONCLUSION

The research analyzed the jurisdictions of three different countries regarding solutions to the problem of orphan works. There are three types of jurisdictions: those that have already addressed the orphan works problem, such as the UK and the EU; those that are discussing the problem to find a suitable solution, such as the USA; and those that do not have an explicit policy on the problem of orphan works, such as Iraq. The research demonstrated that the UK has provided the most comprehensive scheme for addressing the problem of orphan works, as it provides three types of solution: an exceptions-based model, compulsory licensing and extended collective licensing. The EU provides a more limited solution to this problem because it only allows specific institutions to take advantage of the provisions available. This paper established that there have been attempts to legalize the use of orphan works in the USA in providing a solution and, as a result, Legislators have prepared two Bills but Congress has not passed and enacted into law either of them. However, although there is no specific provision for solving the issue of orphan works, there are limitations and a fair use doctrine that users of orphan works could utilize as a defense.

143. Copyright Act 1976, 17 U.S.C. § 108.