



THANKS, BUT NO THANKS: EVOLVING LIBRARY PERSPECTIVES ON ORPHAN WORKS LEGISLATION IN THE EUROPEAN UNION AND THE UNITED STATES

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Over the past decade, policymakers on both sides of the Atlantic have devoted significant attention to finding ways to permit the use of orphan works: works whose copyright owners are difficult to identify or locate. Library associations in both Europe and the United States initially supported these efforts strongly. In Europe, these efforts culminated in the adoption of an Orphan Works Directive in 2012. In the United States, by contrast, legislation stalled in 2008. Although the U.S. Copyright Office continues to push for orphan works legislation, U.S. library associations no longer seek such relief. This is due to changes in the copyright legal landscape, particularly the evolving case law concerning fair use and injunctions. This paper explores the different trajectories of orphan works legislation in the EU and the United States, with special emphasis on how U.S. libraries changed their position in response to legal developments on the ground.

I. INTRODUCTION

The development of digital technology provides libraries with the technical ability to digitize works in their collections and make them publicly available over the Internet. Copyright law, however, can obstruct this digitization and distribution of works still under copyright unless an appropriate exception applies. Libraries in both the United States and the European Union started to seek permission from copyright owners, but quickly learned that the current copyright owners for many works, particularly older works or works in special collections, could be difficult to identify or locate. This left libraries on the horns of a dilemma of what to do with these “orphan works.” On the one hand, if they digitized the works and made them publicly available, they could face copyright infringement liability if the copyright owner reappeared. This risk was magnified by the large number of works the libraries hoped to digitize. On the other hand, if they did not digitize the works, they would not fulfill their mission of making the works accessible to the public. This dilemma prompted libraries to seek possible solutions to the orphan works problem.

Interest in the orphan works problem was heightened by the Google Library Project, announced in 2004, and the resulting lawsuits filed in 2005. The library books Google was digitizing were not orphans because Google never searched for their owners.

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Rather, Google relied on fair use, 17 U.S.C. § 107, to permit its copying of the full text of books into its search database and its display of “snippets” of text in response to queries. Nonetheless, the massive scale of the Google project demonstrated the potential of mass digitization to make the special collections of libraries and archives widely available to the public. Libraries and other communities interested in using orphan works, such as documentary filmmakers, urged policymakers on both sides of the Atlantic to tackle the orphan works problem. In the European Union, this effort resulted in the adoption of the Orphan Works Directive in 2012. In the United States, orphan works legislation passed the Senate (but not the House of Representatives) in 2008 with strong library support. However, when the U.S. Copyright Office initiated a new inquiry into orphan works in 2012, the libraries no longer sought legislative relief. As discussed below in greater detail, the U.S. libraries changed their position in response to positive changes in the U.S. copyright law landscape, particularly the evolving case law concerning fair use and injunctive relief.

II. THE EUROPEAN UNION ORPHAN WORKS DIRECTIVE

The European Commission raised the issue of orphan works in its 2008 Green Paper on Copyright in the Knowledge Economy. The Commission held a public hearing on orphan works in 2009 “to gather further evidence on orphan works and how their digitization and dissemination can best be managed in full respect of copyright rules.” The Commission issued a proposed Directive in 2011, and the Directive was adopted by the European Parliament and the European Council on October 25, 2012.² The member states of the EU were required to implement the Directive into national law by October 29, 2014, but many member states missed this deadline.

The key features of the Directive are as follows:

- The Directive applies only to uses by libraries, educational establishments, museums, archives, film heritage institutions and public service broadcasting organizations (“eligible organizations”).
- The Directive applies to the following works first published in the EU: audiovisual works, phonograms, books, journals, newspapers, magazines, or other writings contained in the collection of a library, educational establishment, museum, archives, or film or audio heritage institutions. It also applies to audiovisual works or phonograms produced by public broadcasters and contained in their archives.
- The Directive applies to unpublished works that had been made publicly accessible with the authorization of the rightsholder.

² European Parliament and Council, Orphan Works, 2012 O.J. (L 299) 5-12, *available at* http://ec.europa.eu/internal_market/copyright/orphan_works_en.htm.

- A work is considered an orphan if the rightsholder cannot be identified or located after a diligent search. The orphan work status will be recognized throughout the European Union.
- The eligible organizations "shall ensure that a diligent search is carried out in good faith for each work or other subject-matter by consulting the appropriate sources for the category of works or other subject-matter in question." The appropriate sources shall be determined by each member state, "in consultation with rightsholders and users," and shall include the sources listed in an annex.
- Eligible organizations must maintain records of their diligent searches, which they must provide to competent national authorities. The information provided to the national authorities will then be consolidated into a single EU-wide database.
- A rightsholder at any time can put an end to orphan status -- presumably by coming forward and claiming the work.
- The eligible organizations can "make the work available," i.e., distribute it, including in digital form; and make reproductions necessary for digitization, making available, indexing, cataloguing, preservation, or restoration. The eligible organizations can make these uses only to achieve their "public interest missions, in particular the preservation of, the restoration of, and the provision of cultural and educational access to works and phonograms in their collection."
- Member states shall provide a fair compensation to rightsholders that put an end to the orphan work status, e.g., by emerging and claiming their work. receive remuneration for the use of their works.
- The annex lists sources of information for different categories or works. For example, the sources for published books are:
 - (a) Legal deposit, library catalogues and authority files maintained by libraries and other institutions;
 - (b) the publishers' and authors' associations in the respective country;
 - (c) existing databases and registries, WATCH (Writers, Artists and their Copyright Holders) the ISBN (International Standard Book Number) and databases listing books in print;
 - (d) the databases of the relevant collecting societies, in particular reproduction rights organizations;
 - (e) sources that integrate multiple databases and registries, including VIAF (Virtual International Authority Files) and ARROW (Accessible Registries of Rights Information and Orphan Works).

At the 2009 public hearing, the European Bureau of Library, Information, and Documentation Associations (EBLIDA) expressed support for a mandatory exception allowing libraries, educational establishments, museums, and archives to use a work

“whose author cannot be identified or located after reasonable investigation....”³ After the Commission issued its draft Directive in 2011, which was very similar to the final Directive, EBLIDA joined the Association of European Research Libraries (LIBER) and the European Network for Copyright in Support of Education and Science (ENCES), in a statement that “welcome[d] the commitment of the European Commission to find a solution for Orphan Works.”⁴ These organizations stated that the proposal “is an important starting point to facilitate mass digitisation and ensure that European citizens have online access to the 20th century’s academic, scientific and cultural output.” However, the organizations expressed concern that “the proposal’s exclusion of all varieties of unpublished works...has the potential to heavily distort memory institutions’ representation of 20th century culture and scientific output online.” The final Directive made a narrow accommodation to this concern by including unpublished works that had been made publicly accessible with the consent of the rightholder, *e.g.*, if an author had donated his unpublished papers to an archive open to the public, but subsequently could not be located.

After the adoption of the Directive, Electronic Information for Libraries (EIFL)⁵ identified several specific shortcomings, including:

- a “one size fits all” diligent search requirement with no reference to the level of search being proportionate or appropriate to the circumstances of the work (Article 3.1);
- onerous reporting requirements to substantiate that the search was diligent to include the search record and results, the uses made of the work and any change in the status of the work (Article 3.5);
- for unpublished works, the requirement that the rightholder must have given explicit consent for the work to be publicly accessible in the institution in order to be within the Directive’s scope (Article 1.3);
- the exclusion of stand-alone photographs and images from the scope of the Directive.⁶

³ EBLIDA, *Statement on Orphan Works* (Oct. 26, 2009), available at <http://www.eblida.org/activities/position-papers/eblida-statement-on-orphan-works-presented-at-the-ec-hearing.html>.

⁴ EBLIDA, *EBLIDA, LIBER and ENCES Statement on the European Commission Proposal for a Draft Directive on Orphan Works*, available at <http://www.eblida.org/activities/position-papers/eblida-liber-and-ences-statement-eu-proposal-directive-on-orphan-works.html> (last visited Jan. 27, 2016).

⁵ EIFL collaborates with libraries in developing and transition countries around the world, including in Europe.

⁶ EIFL, *The European Orphan Works Directive, An EIFL Guide* (June 2013), available at http://www.eifl.net/system/files/resources/201408/eifl-ip_the_european_orphan_works_directive_guide_1.pdf.

EIFL observed that at the beginning of the Directive process, “European library groups welcomed the desire to seek solutions to the orphan works problem, and put forward practical proposals that would enable the unlocking of culturally valuable collections for the benefit of all.” However, because the shortcomings identified above, “the library community believes that the Directive will be useful only for small scale, niche projects, and regrets that the aim to facilitate large-scale digitization of Europe’s cultural and educational heritage (Recital 1) has not been achieved.”

EIFL’s concerns with the Directive as adopted appear well-founded. As of the writing of this paper almost three and a half years after the adoption of the Directive and a year and a half after its implementation deadline, fewer than 1,500 works have been registered in the Orphan Works database.⁷

III. ORPHAN WORKS LEGISLATION IN THE UNITED STATES

In 2006, the U.S. Copyright Office issued a report on orphan works in which it supported the adoption of legislation that would address the orphan works problem. Under the Copyright Office’s approach, if a user performed a reasonably diligent, but ultimately unsuccessful, search for a copyright owner prior to the use, the user would only be liable for reasonable compensation to the copyright owner if she reemerged (i.e., the user would not be liable for statutory damages, which can be significant under the U.S. Copyright Act). If the use was made without any purpose of commercial advantage, and the use ceased as soon as the copyright owner reemerged, then no reasonable compensation would be owed. Additionally, there would be limitations on the injunctive relief available against the user.

After the issuance of the Orphan Works report, orphan works legislation was introduced in both the 109th and 110th Congresses. Notwithstanding fierce opposition from visual artists and other rightsholders groups, the Senate passed the Shawn Bentley Orphan Works Act in 2008. However, the bill did not pass the House, and it died with the close of the 110th Congress.

In 2012, the Copyright Office renewed its push for orphan works legislation with the issuance of a notice of inquiry. This was followed in 2015 with a report on Orphan Works and Mass Digitization. In the report, the Copyright Office supported enactment of legislation similar to the Shawn Bentley Orphan Works Act, with additional requirements placed on users.

U.S. library associations, represented by the Library Copyright Alliance (LCA), have been actively involved in this process, including providing comments to the Copyright Office during the course of the Office’s study that led to the Office’s 2006 Orphan Works Report; participating in the negotiations concerning the orphan works

⁷ EU Observatory, Orphan Works Database, <https://oami.europa.eu/orphanworks/#viewOW/2052/work> (last visited Jan. 27, 2016).

legislation introduced in the 109th and the 110th Congresses; and responding to the Copyright Office's 2012 notice of inquiry. The library associations strongly supported the enactment of orphan works legislation during the first round of consideration between 2005 and 2008. However, during the second round of consideration, starting in 2012, the libraries position shifted. Significant changes in the copyright landscape convinced the associations that libraries no longer need legislative reform in order to make appropriate uses of orphan works.

A. The Changes in the Copyright Landscape

In its March 25, 2005, response to the Copyright Office's initial notice of inquiry concerning orphan works, LCA provided a long list of examples of the uses libraries sought to make of orphan works. It explained that while these uses "would significantly benefit the public without harming the copyright owner," copyright law nonetheless inhibited these uses.⁸ Even though LCA believed that many of these uses would qualify as fair use, "the uncertainty inherent in Section 107, when combined with the possibility of significant statutory damages notwithstanding the absence of actual damages," convinced many institutions not to make these uses. By 2012, this reluctance has diminished markedly for the following reasons.

1. Fair use is less uncertain.

Since 2005, U.S. courts have issued a series of expansive fair use decisions that have clarified its scope. In *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir. 2006), *Perfect 10 v. Amazon.com*, 508 F.3d 1146 (9th Cir. 2007), *A.V. v. iParadigm*, 562 F.3d 630, 639 (4th Cir. 2009); *Swatch Group Management Services v. Bloomberg L.P.*, 756 F. 3d 73 (2d Cir. 2014); *White v. West Publishing Corp.*, 1:12-cv-01340-JSR (S.D.N.Y. July 3, 2014); *Fox News v. TVEyes*, No. 13 Civ. 5315 (AKH) (S.D.N.Y. Sept. 9, 2014); and *Authors Guild v. Google Inc.*, 804 F.3d 202 (2d Cir. 2015), the courts found that the repurposing or recontextualizing of entire works by commercial entities was "transformative" within the meaning of fair use jurisprudence and therefore a fair use. Courts further recognized that a nonprofit educational purpose weighed the first fair use factor in favor of a fair use finding in *Cambridge Univ. Press v. Becker*, 769 F.3d 1232 (11th Cir. 2014), *Authors Guild, Inc. v. HathiTrust*, No. 11 CV 6351, 2012 WL 4808939 (S.D.N.Y. Oct. 10, 2012), *aff'd*, 755 F. 3d 87 (2d Cir. 2014); *Ass'n for Info. Media and Equip. v. Regents of the Univ. of California*, No. CV 10-9378 CBM (MANx), 2011 WL 7447148 (C.D.Cal. Oct. 3, 2011), and *Ass'n for Info. Media and Equip. v. Regents of the Univ. of California*, No. CV 10-9378 CBM (MANx) (C.D.Cal. Nov. 20, 2012). Relying on *Perfect 10*, *iParadigm*, and *Bill Graham Archives*, the general counsel of the U.S. Patent and Trademark Office (USPTO) opined that the copying of technical articles by the USPTO and patent applicants during the course of the patent examination

⁸ Although Section 108, discussed in the previous chapter, would permit a library to digitize the works in its collections (including orphan works) for preservation purposes, Section 108 would not allow the library to make the digital copies available outside of its premises. Section 108 also does not permit the making of derivative works.

process constituted fair use.⁹ Importantly, *Amazon.com*, *iParadigm*, *HathiTrust*, *Google*, and *White* all involved mass digitization.

All these uses were determined to constitute fair use even though the copyright owners were locatable. Libraries and archives understand that similar uses of orphan works are all the more likely to fall within the fair use right because such uses would have no adverse effect on the potential market for the work.¹⁰

Additionally, the *Code of Best Practices in Fair Use for Academic and Research Libraries*, developed by the Association of Research Libraries,¹¹ explicitly concludes that the orphan status of a work in a special collection enhances the likelihood that its use by a library is fair. The development of the *Code* was prompted by Professor Michael Madison's insight (following a review of numerous fair use decisions) that the courts were

implicitly or explicitly, asking about habit, custom, and social context of the use, using what Madison termed a 'pattern-oriented' approach to fair use reasoning. If the use was normal in a community, and you could understand how it was different from the original market use, then judges typically decided for fair use.¹²

Based on this insight, the Association of Research Libraries undertook an effort to "document[] the considered views of the library community about best practices in fair use, drawn from the actual practices and experience of the library community itself."¹³ The resulting *Code of Best Practices* identified "situations that represent the library community's current consensus about acceptable practices for the fair use of copyrighted materials and describes a carefully derived consensus within the library community about how those rights should apply in certain recurrent situations." *Id.*

One of the *Code*'s principles directly addresses the digitizing and the making available of materials in a library's special collections and archives. The *Code* states that the fair use case for such uses "will be even stronger where items to be digitized consist

⁹ Bernard Knight, USPTO General Counsel, *USPTO Position on Fair Use NPL Copies of Made in Patent Examination* (January 19, 2012) http://www.uspto.gov/about/offices/ogc/USPTOPositiononFairUse_of_CopiesofNPLMadeinPatentExamination.pdf.

¹⁰ The second fair use factor, the nature of the copyrighted work, also weighs in favor of fair use when the work is an orphan. See Jennifer Urban, *How Fair Use Can Solve the Orphan Works Problem*, 27 Berkeley Technology Law Journal 1379 (2012), http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2089526.

¹¹ The Code has been endorsed by the American Library Association, the Association of College and Research Libraries, the Arts Libraries Society of North America, the College Art Association, the Visual Resources Association, and the Music Library Association.

¹² Patricia Aufderheide and Peter Jaszi, *Reclaiming Fair Use* 71 (2011).

¹³ Association of Research Libraries, et al., *Code of Best Practices in Fair Use for Academic and Research Libraries* 3 (2012).

largely of works, such as personal photographs, correspondence, or ephemera, whose owners are not exploiting the material commercially and likely could not be located to seek permission for new uses.” *Id.* at 20. That is, the fair use case is stronger for orphan works. Significantly, the *Code* does not require a library to search for the copyright owner of such non-commercial material prior to digitizing it. Rather, the *Code* trusts librarians to exercise their professional judgment and expertise to determine whether the copyright owners of such materials are likely to be unlocateable, *i.e.*, to presume responsibly that certain types of works are orphans.

2. Injunctions are less likely.

Historically, courts routinely issued injunctions when they found copyright infringement, presuming that the injury caused was irreparable. In 2006, however, the Supreme Court in *eBay v. MercExchange*, 547 U.S. 388 (2006), ruled that courts should not automatically issue injunctions in cases of patent infringement, but instead should consider the four factors traditionally employed to determine whether to enjoin conduct, including whether the injury was irreparable and whether money damages were inadequate to compensate for that injury. Lower courts in cases such as *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010), have held that the Supreme Court’s reasoning in *eBay* applies to the Copyright Act as well. The *en banc* Ninth Circuit’s ruling in *Garcia v. Google*, 786 F.3d 733 (9th Cir. 2015), underscored the importance of considering all four of the factors traditionally employed to determine whether to enjoin conduct.

The abolishment of the automatic injunction rule diminishes the probability that a court will enjoin a library’s use of an orphan work in the unlikely event that the court finds the use to infringe; the copyright owner bears the burden of proving that the library’s use causes her irreparable injury.

3. Mass digitization is more common.

The leading search engines, operated by two of the world’s most profitable companies, routinely cache billions of web pages without the copyright owners’ permission.¹⁴ This industry practice has faced absolutely no legal challenge in the United States since the *Amazon.com* decision in 2007, cited above. A court would favorably evaluate a non-profit library’s fair use defense in the context of this industry practice.

Moreover, in part because of the legal developments described above, libraries across the country have begun engaging in the mass digitization of special collections and archives.¹⁵ The more they engage in these activities, the more confident libraries become

¹⁴ <http://www.worldwidewebsite.com/>.

¹⁵ The New York Public Library’s digitization of its special collection of materials relating to the New York World’s Fair of 1939 and 1940 (the “Fair”) is a representative example. At the conclusion of the Fair, the corporation in charge of the Fair dissolved and donated a large amount of material to NYPL. The corporation donated over 2,500 boxes of records and documents, as well 12,000 promotional photographs. These records

with their fair use analysis concerning the mass digitization of presumptively orphan works.

The controversy concerning the HathiTrust Orphan Works Project (OWP) has not shaken this confidence. In 2011, the University of Michigan (UM) announced an orphan works project, under which it would make orphaned books digitally available to authorized users of HathiTrust member libraries that had those books in their collections.¹⁶ Several HathiTrust member libraries joined UM in this pilot project. The UM Library developed a procedure to identify books in copyright that were not on the market and for which a rights holder could not be identified or located. The procedure included the listing of possible orphan works on a website to provide copyright owners with the opportunity to claim the works. After UM posted a list of 150 possibly orphaned books, the Authors Guild re-posted the list to its blog, whose readers helped the Guild locate the authors of several of the books (but few copyright owners). Shortly thereafter, the Authors Guild initiated a copyright infringement action against UM, the HathiTrust, and some of the other libraries that participated in the orphan works pilot. In response, HathiTrust suspended the orphan works project.¹⁷

document an important event in history and are heavily used by researchers and the public. When deciding whether to digitize this collection and make it available online, NYPL conducted a thorough, good-faith search for rights holders. This search was time-consuming and, ultimately, fruitless.

After balancing the educational benefit of digitizing and making portions of the collection available online with the risk that a rights holder might subsequently surface, NYPL determined to move forward with the project, guided by fair use considerations. The potential maximum copyright liability for this project was estimated to be in excess \$1.8 billion dollars. Despite this potential liability, NYPL not only digitized and posted the collection, it used the material in a free app that was later named one of Apple's "Top Education Apps" of 2011. Furthermore, an educational curriculum has been built around this material. So far, no rights holder has contacted NYPL to ask that it limit the uses of works from the Fair collection. If a rights holder wished to contact NYPL about its uses, NYPL has made its contact information available online and in the iPad application.

¹⁶ Critics of the OWP often mischaracterized the nature of the project by suggesting it would have made entire works downloadable by anyone on the open web. In reality, access to the text of orphan works under the OWP would have been limited to viewing or printing one page at a time on a web browser window while logged in and authenticated as a university library user—and even then the OWP would only allow as many simultaneous users as there were hard copies in the library's collection.

¹⁷ The district court ultimately found that the infringement claim regarding the OWP was moot because the OWP had been suspended. Notwithstanding the suspension of the OWP, LCA continues to believe that it was a fair use. *See* Resource Packet on Orphan Works: Legal and Policy Issues for Research Libraries, http://www.arl.org/bm~doc/resource_orphanworks_13sept11.pdf. The Second Circuit ultimately found that HathiTrust's mass digitization of library books for the purpose of

This high profile litigation concerning possibly orphaned books has not deterred libraries from engaging in the mass digitization of archives and special collections. The subject matter of these mass digitization projects is completely different from the published books at issue in the *HathiTrust* case. Much, if not all, of these historical records, photographs, and ephemera have never been distributed commercially. The *HathiTrust* litigation, thus, has helped delineate for libraries which orphan works projects will subject them to greater risk of infringement litigation.

B. The Copyright Office's 2015 Report on Orphan Works and Mass Digitization

In response to the Copyright Office's 2012 Notice of Inquiry Concerning Orphan Works and Mass Digitization, LCA stated that it no longer believed that libraries needed orphan works legislation, citing the changes in the copyright landscape described above. Other groups also expressed skepticism about the need for legislation. In March 2014, the Copyright Office held a highly contentious public meeting on orphan works and mass digitization.¹⁸

Notwithstanding the lack of consensus in the comments and the roundtables, the Copyright Office in its 2015 report on Orphan Works and Mass Digitization recommended that Congress adopt orphan works legislation modeled on the Shawn Bentley Orphan Works Act passed by the Senate in 2008. If a user performs a reasonably diligent but unsuccessful search for the owner prior to commencing the use, then the remedies available against the user would be limited in the event the owner subsequently emerges and objects to the use. Unfortunately, this approach is of little use to libraries, as the Office itself concedes.

1. The Problems With The Copyright Office's Legislative Proposal

The controversy concerning the HathiTrust Orphan Works Project demonstrates the ultimate futility, for large-scale projects, of the "reasonably diligent search" approach embodied by the Copyright Office's legislative proposal. Using the crowd-sourcing power of the Internet and the publicity of the litigation, the Authors Guild was able to generate more information more quickly than a small team of individuals consulting existing databases and search engines. This shows that a copyright owner will always be able to identify a trail that would have led the user to his doorstep, and the user's only

providing a search index, and its providing full text access of those books to the print disabled, was a fair use.

¹⁸ For a more detailed discussion of the different points of view expressed at the public meeting, see <http://policynotes.arl.org/post/79876737815/recap-of-the-copyright-offices-roundtables-on-orphan>

defense would be that she did not have the resources to explore every fork that she would have encountered along the way.¹⁹

Moreover, libraries now have far more experience than in 2008 with searching for the copyright owners of material in archives and special collections. These searches are more time consuming, expensive, and inconclusive than they believed in 2008. Thus, a reasonably diligent search approach is not viable for the mass digitization of special collections.

The Copyright Office's current proposal contains a significant procedural feature not present in the bill passed by the Senate in 2008: a requirement that a user file a Notice of Use with the Copyright Office that would describe, *inter alia*, the work, a summary of search conducted, and how the work would be used. The Copyright Office recognizes that "filing a Notice of Use for each use of an orphan work may place a significant burden on users." Report at 62. The Office adds that this is "true principally with respect to users wishing to digitize a large number of orphan works related to a single project (e.g., the digitization of a library's entire special collection)." *Id.* The Office then stresses that it "see[s] the Notice of Use as a mechanism for isolated uses." *Id.*

So if the orphan works legislation as currently formulated by the Office is not appropriate for the digitization of special collections, what is a library to do? The Office directs the library to its proposed mass digitization framework, which would involve an extended collective licensing (ECL) arrangement.

This is problematic both in practice and in principle. In practice, it is problematic because of the ECL's likely limited coverage. The Office advises against covering unpublished works in the ECL framework because "the administrative costs associated with managing such a vast universe of rights would likely outweigh any benefit." *Id.* at 84. These burdens "would be compounded by the virtual impossibility of determining reasonable license fees for the use of works for which there has never been a commercial market." *Id.* at 84-85. Significantly, many of the items in special collections are unpublished, and thus would not be covered by an ECL framework.

Furthermore, many of published works in special collections, such as ephemera (e.g., posters), would not fall within the scope of the pilot program the Office is proposing, which would be limited published literary works, pictorial works embedded in literary works, and photographs. Thus, libraries would have no way to license much of the material they seek to digitize, even if the ECLs the Office proposes are established.

¹⁹ See, e.g., *Authors Guild v. Google Inc.*, 770 F. Supp. 2d 666, 681 ("From Google's point of view, [my grandfather's memoir] is an 'orphaned' book" because the company "is likely to be unsuccessful in trying to locate the publisher, since the book was self-published and my grandfather is now deceased," but "[f]rom my family's point of view, [the memoir] is not orphaned at all. It is very clear who owns the copyright.").

The Copyright Office identifies a problem of principle more serious than this practical problem of the ECL's limited scope. In rejecting ECL as a solution to the orphan works problem, the Office observes that for an orphan work, "by definition there is no owner to be identifiable or locatable, and thus no one to receive a licensing fee, or to opt out of the CMO altogether." *Id.* at 50. For this reason, the Office believes that an ECL for orphan works "would end up ultimately as a system to collect fees, but with no one to distribute them to." *Id.* Many of the works in special collections—even those that are published—are likely to be orphans. Consider civil rights or anti-war pamphlets created 50 years ago by political organizations that no longer exist. In short, the Copyright Office challenges libraries for relying on fair use to digitize their special collections, but offers no viable alternative.

The Copyright Office orphan works proposal is deeply flawed in two other respects. First, the Notice of Use requirement sets a terrible precedent for other exceptions and limitations. Rights holders can be expected to demand legislation that requires anyone relying on an exception or limitation to file a Notice of Use with the Copyright Office.

Second, the Copyright Office proposes that the limitation on injunctive relief not apply if the rights holder was also the author and the use would be prejudicial to his honor or reputation. Injecting these "moral rights" into the calculus of whether injunctive relief should issue could upset the clear rule articulated in *Garcia v. Google* that only copyright harm should be considered in assessing irreparable injury.

2. A Better Approach to Orphan Works?

As discussed above, LCA believes that because of the changed legal environment, libraries no longer need orphan works legislation to engage confidently in the mass digitization of their special collections. However, LCA has made clear that it understands that other communities may not feel as comfortable relying on fair use and may find merit in an approach based on limiting remedies if the user performed a reasonably diligent search for the copyright owner prior to the use.

Accordingly, LCA proposed both in its comments to the Copyright Office and in its testimony before House Judiciary Committee that Congress should consider a simple one sentence amendment to 17 U.S.C. § 504(c)(2) that grants courts the discretion to reduce or remit statutory damages if the user conducted a reasonably diligent search prior to the use. Because courts would simply have the discretion to reduce statutory damages, but would not be required to do so, there would be no need to define precisely what constitutes a reasonably diligent search. That determination would be left to the court.

LCA acknowledged that some users would prefer greater certainty concerning what steps they would need to take to fall within the bill's safe harbor, and that some rights holders would prefer the same procedural certainty to prevent possible abuse. However, the enormous variety of potential works, uses, and users means that greater certainty likely could be achieved only with respect to the types of works, uses, and users

specifically addressed by the statements of Recommended Practices the Copyright Office would develop when implementing its legislative approach.

Furthermore, the certainty that statements of Recommended Practices would provide would be illusory. Even if a user discovers the name and address of someone who may be the copyright owner, that potential owner might not respond to user inquiries because the potential owner might not know whether she in fact owns the rights. Additionally, the Notice of Use requirement would discourage many potential users, assuming that the Office acquires the technological capability to create and maintain such a Notice of Use archive. Thus, developing the statements of Recommended Practices and the Notice of Use archive may take years and consume enormous resources, and in the end might not provide better results than the one sentence solution proposed above.

In sum, while LCA continued to believe that fair use provides libraries with sufficient flexibility to digitize their special collections, it stated that it would support a simple one sentence amendment to 17 U.S.C. § 504(c)(2) that granted courts the discretion to reduce or remit statutory damages if the user conducted a reasonably diligent search prior to the use.

IV. COMPARING THE REGIMES

The EU Orphan Works Directive and the orphan works legislation passed by the U.S. Senate in 2008 adopted the same basic approach—they both limit the remedies available against users who performed a diligent search for the copyright owner. The salient difference is that the Directive has a much narrower scope. It is available only to libraries and other cultural heritage institutions, while the U.S. legislation was available to any user who performed a reasonably diligent search. Further, while the U.S. legislation would have applied to all works, the Directive does not apply to standalone visual works such as photographs or illustrations, and it has very limited applicability to unpublished works. The narrowness of the Directive's approach likely explains why the EU adopted the Directive relatively quickly, while Congress failed to adopt orphan works legislation. In the United States, the main opponents of orphan works legislation were visual artists, whose works were excluded from the Directive's scope (on as standalone basis). Moreover, the visual artists in the United States were opposed to commercial uses of their works, not noncommercial uses by libraries. The Directive applies only to the library and archival uses to which the U.S. visual artists did not object.

Although the EU adopted a directive specifically targeted at the use of orphan works by libraries and other cultural institutions, libraries in the United States are better off than their European counterparts, notwithstanding the absence of orphan works legislation in the United States. This is because the fair use doctrine, as applied by U.S. courts, is significantly broader than the Orphan Works Directive. The relief provided by the Orphan Works Directive is available only if the library has diligently searched for a work's owner, and has documented that search. Further, the Directive as a practical matter applies only to published literary works, audiovisual works, and sound recordings—not to unpublished works or standalone photographs and other visual works. In contrast, the fair use doctrine in the United States is available to a library regardless of

whether it has searched for the copyright owner. Additionally, the fair use doctrine applies to all categories of works. This means that a U.S. library can employ the fair use doctrine to digitize and make available entire special collections of archival material, photographs, and ephemera, while the Directive requires a work-by-work search that, in words of EIFL, “will be useful only for small scale, niche projects.” For this reason, the Directive will not “facilitate large-scale digitization of Europe’s cultural and educational heritage.”

Even with respect to individual published books, films, or sound recordings, the Directive is no more useful than fair use, and perhaps less so. As discussed above, the recent case law makes clear that the act of digitizing such works for preservation or indexing purposes is a fair use. Moreover, fair use would permit the digital distribution of such works that are not being exploited commercially, to the extent that the library can show that the purpose of the distribution is transformative, *e.g.*, that it is for purposes of criticism or comment rather than entertainment. This could be achieved by providing commentary that recontextualizes the work.

The preferability of the U.S. fair use approach is most clearly demonstrated by what is occurring on the ground. In the United States, libraries and archives have relied on fair use to digitize and make available millions of works.²⁰ In contrast, the libraries in the EU have relied on the Orphan Works Directive to make uses of fewer than 1,500 works. Accordingly, in light of the fair use jurisprudence, it makes perfect sense for U.S. libraries to say “thanks, but no thanks,” to the Copyright Office’s recommendation for orphan works legislation.

²⁰ For example, as noted above, the New York Public Library has digitized and made available over the Internet the archives of the 1939 New York World’s Fair. The library has also digitized and made available over 40,000 menus from its special collection of restaurant menus.