

DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
National Telecommunications and Information Administration
Docket No. 130927852-3852-01

**Comments of Pamela Samuelson in Response to
the Department of Commerce Internet Policy Task Force’s Green Paper,
Copyright Policy, Creativity, and Innovation in the Digital Economy
on Incentives for Copyright Registration & Recordation**

The Internet Policy Task Force asked for public comments on various copyright policy issues in Appendix A to its Green Paper on “Copyright Policy, Creativity, and Innovation in the Digital Economy,” among them, whether the government should “[p]rovid[e] enhanced incentives for using public registration and recordation systems administered by the Copyright Office” (p. 103). This written Comment explains why such enhanced incentives are needed and offers some concrete suggestions for how the goal of increasing registration and recordation might be accomplished. It also provides a summary of presentations about copyright registration and recordation made at a conference hosted by the Berkeley Center for Law and Technology on “Reform(aliz)ing Copyright” in April 2013.

I. Existing Incentives to Register and Record Are Insufficient

Under the Copyright Act of 1976 (“1976 Act”), registration of copyright claims and recordation of transfers of copyright are voluntary acts. There are, however, some incentives to register and record. The availability of awards of statutory damages and attorney fees for successful plaintiffs depend on registration under 17 U.S.C. sec. 412, and U.S. authors cannot sue for infringement unless they have registered their claims of copyright with the U.S. Copyright Office under 17 U.S.C. sec. 411. The 1976 Act creates incentives for recordation through priority rules when conflicting transfers exist. Over time, it has become apparent that these incentives are not as effective as Congress may have hoped. Only a small percentage of eligible works of authorship are registered with the Copyright Office, and very few transfers are recorded.¹

¹ The U.S. Copyright Office registered approximately 670,000 works of authorship in fiscal year 2011 and recorded 10,298 transfer documents. *See* ANNUAL REPORT OF THE REGISTER OF COPYRIGHTS at 22-23 (2011). The Office has recognized that it is important to “[i]ncreas[e] participation in the national registration and recordation systems” as “an important national objective.” *See* U.S. COPYRIGHT OFFICE, PRIORITIES AND SPECIAL PROJECTS OF THE UNITED STATES COPYRIGHT OFFICE OCTOBER 2011–OCTOBER 2013 (2011), *available at* www.copyright.gov/docs/priorities.pdf. *See also* WILLIAM PATRY, HOW TO FIX COPYRIGHT 103–05 (2011) (noting historically low registration and renewal rates); DEBORAH TUSSEY, COMPLEX COPYRIGHT: MAPPING THE INFORMATION ECOSYSTEM 84 (2012) (“Using copyright registrations as a proxy for copyrighted works produced . . . omits the undoubtedly large number of works that are created, but never registered.”).

The paucity of registrations and recordations is especially unfortunate because of the difficulties prospective users have in discerning who owns what copyright interest in which works and how to contact the proper rights holder in order to obtain a license. Increasing incentives for registration and recordation is a modest measure that the government can take that would improve the market for licensing copyrighted works. Advances in information technologies should have made it easier than ever before to register and record, but this potential has not yet been achieved.

II. Copyright Principles Project Recommended Reinvigoration of Copyright Formalities

In 2007, I convened a group of twenty copyright professionals to discuss whether and in what ways U.S. copyright law was in need of reform. We, the members of the Copyright Principles Project (CPP), met regularly for three years and produced a report recommending consideration of twenty-five possible reforms.² The first two recommendations concerned ways in which copyright registration could be improved:

Recommendation #1: Copyright law should do more to encourage copyright owners to register their works so that better information will be available as to who claims copyright ownership in which works.

...

The vast majority of copyrighted works created each year have little or no commercial value. Billions of works, such as emails and business memos, are created without the incentive of copyright and lack independent commercial value as expressive works. Many other works that people create, such as blog posts, are subject to copyright, although their authors intend to distribute them without restraint or with fewer restraints than the default rules of copyright impose. Many works are created with the intent to exploit their commercial value as expression, but lack that value at inception or perhaps enjoy evanescent commercial value that endures for a much shorter period than the current copyright term.

These types of works are similar in one important respect. They are not producing revenues. For this reason, continued copyright protection serves no real economic interest of the author. Copyright does not, of itself, create commercial demand for protected works. In a deformalized, opt-out copyright system, commercially “dead” works cannot safely be reused as building blocks for potentially valuable new works. The costs of locating the rights holder and obtaining permission will often be prohibitively expensive. In such instances copyright is unbalanced: its potential benefits are absent or depleted, and it therefore imposes only social costs.

To respond to the overly expansive copyright regime now in place, there emerged

² See Pamela Samuelson & Members of the CPP, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1198 (2010).

strong interest within the CPP group for “reformatizing” copyright law. Copyright law should not just re-introduce the formalities from the past. However, a more robust registration system would be desirable. Non-compliance with this registration procedure would not, as in the past, consign a work into the public domain. Instead, it would affect the rights and/or remedies available to the rights holder, so as to reduce certain liability risks for reusing unregistered works. The law presently does this in part by making the availability of statutory damages and attorney fee awards dependent on prompt registration, but this inducement to registration has not sufficed.³

...

Recommendation #2: The Copyright Office should transition away from being the sole registry for copyrighted works and toward certifying the operation of registries operated by third parties, both public and private.

...

The basic idea would be to shift the Copyright Office away from day-to-day operation of the copyright registry and toward a role of setting standards for and superintending a system of separate but networked and interoperable private registries.

The first step would be to authorize the Copyright Office to set standards for acceptable private registries—i.e., both technical standards and also specifications determining what kinds of copyright information a compliant registry *must* and *may* ask for from users and place into its database. The Office would need to be empowered to make sure any private registry meets important public interest requirements regarding transparency and efficient searches through multiple services, so as to minimize burdens on both copyright owners and users on accessing the data and benefits of these services. Once these standards are established, the Copyright Office could accept applications from firms seeking to operate as private registries and would certify that private registries (of many different types) meet and continue to adhere to the registry standards.

The end result, if this task is done properly, would be an environment in which private firms compete to obtain copyright registration information from rights holders. Competition should lead to lower costs and innovations in registry design. And if the registries operate according to compatible technical standards, user searches for copyright information will be able to draw upon the data stored in all of the networked private registries. The result would be a system that is in reality decentralized but that is architected and managed to provide a “search once, search everywhere” experience to users. The model is similar to the domain name registration system, where multiple private parties provide services and access to the database of domain names.⁴

³ *Id.* at 1198-99.

⁴ *Id.* at 1203-04.

In my remarks made at the Department of Commerce Public Meeting on the Green Paper on December 12, 2013, I recommended that a feasibility study be undertaken to explore how this idea might be implemented. I reaffirm that recommendation in this Comment.

III. Ideas for Reform(aliz)ing Copyright Were Presented at Berkeley Conference

In April 2013, the Berkeley Center for Law & Technology co-hosted a two-day conference entitled “Reform(aliz)ing Copyright for the Internet Age.”⁵ Drawing over 130 participants, several from countries outside the United States, the conference provided a comprehensive overview of the past, present, and future of formalities and explored an internationally acceptable framework for the reintroduction of copyright formalities. Academics and other stakeholders were invited to consider, among other things, the useful role that formalities can play in addressing today’s copyright challenges, what kinds of formalities might best serve the interests of authors and of the public, economic considerations posed by formalities, the need for appropriate technological infrastructures to support new formalities regimes, and constraints that the Berne Convention may pose for the design and implementation of new formalities regimes.

Eight papers presented at the symposium will be published in a forthcoming special symposium issue of the *Berkeley Technology Law Journal*; copies of those articles are included in the attached Appendix. These articles provide a sound basis for planning for eventual changes in the law. They touch on a range of topics, including constraints and flexibilities in international treaties, private registries, lessons from other legal regimes, and new roles for formalities in the digital era.

U.S. Register of Copyrights Maria Pallante delivered the symposium’s keynote (which will be published in the symposium issue of the *Berkeley Technology Law Journal*), in which she presented the Office’s current thinking on registration and recordation and offered specific ideas for possible reform, including a requirement that authors file with the Copyright Office in order to receive protection for the final twenty years of a copyright term; to make downstream assignees and licensees register and record in a timely manner as a condition of eligibility for statutory damages; and to incentivize (if not require) copyright owners to keep their basic contact information current.⁶

The first day of the conference included sessions on the history and functions of formalities, economic impacts and considerations, lessons from other property regimes, and lessons from other intellectual property regimes. Day two of the symposium focused on international issues,

⁵ A complete description of the conference, including slides, recordings, and other materials, is available online at <http://www.law.berkeley.edu/formalities.htm>. The conference was cosponsored by the Institute for Information Law at the University of Amsterdam and the Copyright Society of the USA. The conference also received support from the Alfred P. Sloan Foundation, Microsoft Corporation, and Google Inc.

⁶ See Maria Pallante, *The Curious Case of Copyright Formalities*, 28 BERKELEY TECH. L.J. (forthcoming) (attached as Appendix A).

such as constraints and flexibilities in the Berne Convention, the technology of registries, and a concluding session on different models for a revived formalities regime.

Providing background and context, the conference began with a review of why copyright formalities were created and why they fell out of favor, why formalities are sometimes viewed as a “trap” for unwary creators, and the important functions that copyright formalities can fill, such as acting as a filter for copyright protection, identification of ownership, a signaling function for the public, and as evidence of ownership, among other things.⁷

The session on economic impacts and considerations discussed the consequences of the current formalities-less copyright regime and some potentially unintended consequences of a mandatory formalities regime that could exist in the future. One panelist spoke about the vast amount of “dark matter” content that is generated every day online, often created with no regard for copyright’s incentives but yet automatically receiving protection and therefore restricted from further uses. Another panelist expressed concern that a system with reintroduced formalities would have the potential of unintentionally marginalizing the mass of user generated content (UGC) that has proliferated on the Internet, pressuring individuals to commercialize their content.⁸

In rethinking the potential utility of copyright formalities, conference presenters also considered formalities in other legal regimes, such as trademarks and real property regimes, which might provide useful guidance for copyright. Presenters offered lessons from the real property context about timing, context, and costs of compliance, which should be considered when adopting a new copyright formalities regime. In particular, other systems might give clues on how to incentivize more copyright owners to participate in the system and provide a more comprehensive information framework.⁹ Also explored was the de facto system of privately imposed copyright formalities, such as ContentID for registered copyright owners to exploit registered content uploaded by users to YouTube, and the need to understand those systems and ensure that both they and any public system of formalities serves the public interest.¹⁰

⁷ See, e.g., Stef van Gompel, *Copyright Formalities in the Internet Age: Filters of Protection or Facilitators of Licensing*, 28 Berkeley Tech. L.J. (forthcoming) (discussing the specific effects of formalities depending on their type and the nature and legal effect(s) that lawmakers confer upon them) (attached as Appendix B).

⁸ See Niva Elkin-Koren, *Can Formalities Save the Public Domain? Reconsidering Formalities for the 2010s*, 28 BERKELEY TECH. L.J. (forthcoming) (attached as Appendix C). See also Ben Depoorter & Robert Walker, *Copyright False Positives*, 89 NOTRE DAME L. REV. 319 (2013) (arguing that formalities that are too easy to fulfill could result in “false positives” and overlicensing); Jonathan Masur & David Fagundes, *Costly Intellectual Property*, 65 VAND. L. REV. 677, 679 (2012) (cautioning that the timing, type, and cost of imposed formalities should be carefully considered and discussing their possible negative impact on certain works).

⁹ See generally Molly Van Houweling, *Land Recording and Copyright Reform*, 28 BERKELEY TECH. L.J. (forthcoming) (offering the U.S. land recording system as a model for improving the copyright information infrastructure through “a more effective system of incentives”) (attached as Appendix D). See also Edward Lee, *Copyright, Death, and Taxes*, 47 WAKE FOREST L. REV. 1 (2012) (proposing the creation of federal tax incentives for copyright owners to register their works and tailor copyright to their particular needs).

¹⁰ See Michael W. Carroll, *A Realist Approach to Copyright Law’s Formalities*, 28 BERKELEY TECH. L.J.

Conference presenters took note of important practical considerations that would affect the ability of the United States to reinvigorate its copyright formalities regime. A major consideration in reformalizing copyright is the Berne Convention and its prohibition on mandatory formalities that would impair authors’ “enjoyment and exercise of” rights under copyright.¹¹ Speakers explored Berne-compliant strategies for the creation of formalities. One proposal for a Berne-compliant formality would require transferees to provide information in order to qualify for copyright ownership. The Berne Convention only bans formalities that impose conditions on whether copyright exists and is exercised, not on who owns rights once the copyright is transferred; an unrecorded transfer might, for example, result in only a nonexclusive license.¹² There was also discussion of another new-style formality proposal, to which Berne arguably does not speak, which would condition the availability of certain remedies for infringement—for example, injunctive relief and disgorgement—on compliance with a registration formality.¹³

That session was followed by in-depth presentations about the technologies of registries and the tools, standards, and technical guidelines that are needed to build upon existing systems and implement new ones. The conference ended with a series of presentations about possible models to reinvigorate copyright formalities, from modeling after private registry systems already in place, to a tiered formalities system that would offer different levels of copyright protection based on the extent to which copyright owners comply with a given set of information reporting requirements.

One of the most significant takeaways from the symposium was the almost universal recognition by speakers and audience members that some type of copyright formality is desirable, or at least worthy of serious study. There was also a general consensus among speakers that the formalities regimes of the past—the “traps for the unwary”—should not be reintroduced, but that a formalities regime of the future should take full advantage of the technological advancements that can functionally achieve the same (or better) results of past regimes without imposing a significant burden on creators or owners.

Moving forward, an important characteristic of formalities to keep in mind is that they are not by their nature antithetical to copyright’s goals; in fact, formalities may be able to perform a number of important functions to protect ownership interests while creating a healthy level of publicly

(forthcoming) (attached as Appendix E).

¹¹ See Berne Convention for the Protection of Literary and Artistic Works art. 5(2), Sept. 9, 1886, *as revised* July 24, 1971 and *as amended* Sept. 28, 1979, 1161 U.N.T.S. 30 (entered into force in the United States Mar. 1, 1989).

¹² See Jane C. Ginsburg, *With Untired Spirits and Formal Constancy: Berne-Compatibility of Formal Declaratory Measures to Enhance Copyright Title-Searching*, 28 BERKELEY TECH. L.J. (forthcoming) (attached as Appendix F). See also Daniel Gervais & Dashiell Renaud, *The Future of United States Copyright Formalities: Why We Should Prioritize Recordation, and How To Do It*, 28 BERKELEY TECH. L.J. (forthcoming) (attached as Appendix G).

¹³ See Christopher Jon Sprigman, *Berne’s Vanishing Ban on Formalities*, 28 BERKELEY TECH. L.J. (forthcoming) (attached as Appendix H).

available information about copyright ownership. Further research and more international coordination on the reintroduction of copyright formalities are still needed.

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THE CURIOUS CASE OF COPYRIGHT FORMALITIES

*Maria A. Pallante**

I. INTRODUCTION

Thank you very much and good afternoon everyone. I want to thank Professor Samuelson and all the great people at Berkeley law school for inviting me to be here today. This is the second time that I have had the privilege to deliver the David Nelson lecture. I understand that Mr. Nelson was a passionate and visionary attorney, and it is an honor to contribute to his legacy.

As you would imagine, I participate in quite a few copyright discussions as Register, but I have to say that I find the focus of this particular meeting to be both remarkable and curious—and not only because we’re in Berkeley, California talking about the need for more rules. During the course of the 20th century, many policy experts worked tirelessly to eliminate formalities from U.S. copyright law.¹ And yet here we are just a few decades later, discussing not only the relative advantages and disadvantages of formalities, but also to some degree lamenting a by-gone era—rather curious.

In my remarks, I would like to share some of the recent thinking of the Copyright Office regarding formalities, particularly those that are permissible under the Berne Convention, but in doing so I would like to start from the premise that the copyright law is over-stressed and requires some attention. It is difficult to make the case that authors are adequately protected, that the law provides clear guidance to courts, that it is respected by the public, that investors have a clear blueprint or sound ecosystem, or that it is flexible enough to sustain the current and projected realities of a planet consumed by technology. Today, most anyone who spends time on the Internet will interact with the copyright system, but for many if not most, the rule of law will be more unclear than clear.

I have noted before that to address 21st century challenges we need 21st century solutions. Any discussion of reformatizing copyright for the digital age cannot be stuck in time. I therefore agree with those who say that the formalities discussion today must consider the state of contemporary content creation and dissemination, and associated business models and technology platforms. In other words, the question isn’t whether the rules of the 19th and early 20th centuries should be reintroduced, but rather, whether new

* Register of Copyrights and Director, U.S. Copyright Office. Ms. Pallante delivered the David Nelson Memorial Keynote Address on April 18, 2013, at the Revitalizing Formalities Symposium, sponsored by the Berkeley Center for Law & Technology and the Berkeley Technology Law Journal.

¹ The United States made registration optional in 1976, removed the condition of copyright notice in 1989, and removed the requirement to renew registration in 1992.

rules might serve the policy objectives of the digital age. Chasing history won't do us any good—we must remake the law.

One of the reasons I find the subject of formalities in U.S. law to be so curious is that we as a nation seem so ambivalent about them. Did we get it right in 1909 (and earlier) when we made formalities such a central part of our copyright law? Or did we get it right in 1976 and then 1989 and then 1992 when we gradually relaxed and removed them? Are formalities as problematic, if not indefensible, as we all once thought they were? Or are they the future? Or are we a legal community that just can't make up our mind?

In any event, the topic of copyright formalities is a legitimate one today, and it is likely to generate more interest, not less, in the years ahead, with all of the passion, dispassion, dissent, and nostalgia that befits a topic that is at once both democratic and arcane. It reminds me of a rather charming local debate where I live, in the District of Columbia, regarding the historic Georgetown trolley system. These trolleys, which ran from 1897 to the 1960s, were either the greatest or the worst thing ever to grace the Nation's capital, depending on one's perspective. People today remain so divided on the issue that there are civic groups devoted to retaining and repairing the abandoned tracks.² These tracks have not been used in 50 years. Why are people drawn to them? Is it merely the tie to history? Or do the tracks point us somewhere?

The old trolleys are not coming back, as far as I know, but that doesn't mean we have solved the transportation problem in that neighborhood. Thus while some are content to debate the history and politics of the historic trolley system, others pose a different set of questions, perhaps more compelling and certainly more pragmatic for the 21st century. Why does Georgetown lack a subway stop? How do we begin to build one? What should be the points of access? How should it connect to the broader Metro system? And of course the perennial Washington question: who should pay for it?

As in many metropolitan areas, convenience and cost drive many decisions for Washingtonians, including the highly personal decision about whether to live in the city or in the suburbs. Many who initially settle in the city choose to leave for a more idyllic lifestyle—less noise, less crime, cleaner air, leafy streets, and larger homes—even if it means a longer trip to work.

This is an experience that many people have in common, but it isn't necessarily without stress, including the traffic, gas prices, and a workday punctuated on each end by lengthy commutes. More importantly, there are strains on the larger ecosystem. It turns out that the sum of all those people moving to the suburbs, stretching their finances, and overburdening the beltway creates gridlock, pollution, and long-term damage to the environment. And so the problem is no longer about the frustrations of a few, but about future sustainability of the overall system.

Now some people may take it upon themselves to create a degree of balance in the equation, by making certain pragmatic adjustments in their own lives. Thus in communities in Maryland and Virginia, many people start their workdays very early in the morning, often

² Georgetown, DC Trolley Ghosts, forgotten-ny.com, (April 2, 2008), <http://forgotten-ny.com/2008/04/the-trolley-tracks-of-georgetown-dc/> (last visited April 17, 2013).

before sunrise, allowing them to return home at a reasonable hour. Some buy hybrid cars and join car pools to alleviate the cost and the stress of the commute. They interact with their offices through smart phones and tablets, and seek out employers (such as the Copyright Office) who offer telework arrangements.

Do these kinds of voluntary actions help the broader problem? I'm sure they do help some, but they are not enough to solve systemic traffic problems. (If you don't believe me, then you may want to consider that Washington was recently awarded the dubious honor of having the worst traffic in the nation).³ The fact is that some people do not care—or do not have time to care—about the greater public interest. They have come of age in a certain culture and have become set in their ways. They will not change their driving patterns or work hours. They operate on their own terms, and without rules or rewards, nothing will improve.

Thus in Washington, the government offers some very tangible incentives to alleviate the collective stress. The highways have special express lanes for vehicles with multiple passengers, not to mention hefty fines in the event of violations. There is also an extensive mass transit system—the Metro system of rail and bus lines, that is reaching ever more deeply into the suburbs. In fact, Metro's forthcoming Silver Line, perhaps intended as a silver bullet, will eventually stop nearly 30 miles outside the city at Dulles Airport and nearby communities—an expansion that could change the quality of life in the greater Metropolitan area.⁴

Still, even convenience may not be enough to change behavior. And so the federal government offers another very tangible incentive—money. Most federal agencies pay transit subsidies to federal workers who abandon their cars and commute to work using public transportation. They underwrite use of the transit system because doing so is in the public's interest.

What do any of these examples have to do with the role of formalities in copyright law? Consider that formalities are one way to bring order to a system that is otherwise confusing to many people. Formalities are interesting because, if implemented fairly, they have the capacity to alleviate frustrations, incentivize good behavior, and create a more rational administering of the law, all of which is good for authors. It is for these reasons that the Copyright Office is interested in the discussion.

³ See Ashley Halsey III, *Washington rated the worst for traffic congestion – again*, THE WASHINGTON POST, Feb. 5 2013, http://articles.washingtonpost.com/2013-02-05/local/36751062_1_traffic-congestion-tim-lomax-new-index (last visited April 15, 2013).

⁴ See generally Washington Metropolitan Area Transit Authority, *Silver Line Update*, <http://metroservicechange.com/Silver%20Line%20Fact%20Sheet%20English%20Spanish.pdf> (last visited April 10, 2013). Some long term plans also call for a Metro stop in Georgetown. See The Georgetown Metropolitan, *All You Need to Know About the Georgetown Metro Stop*, (January 24, 2011), <http://georgetownmetropolitan.com/2011/01/24/all-you-need-to-know-about-the-georgetown-metro-stop/> (last visited April 17, 2013).

II. REGISTRATION

In the Copyright Office, we are particularly interested in assessing how registration and recordation should evolve. Regarding registration, I recently observed, both in a lecture at Columbia Law School⁵ and in testimony before members of the House Judiciary Committee,⁶ something that is rather obvious: the term of copyright law is long and that length has consequences, and moreover, that a formal registration requirement near the end of term may be beneficial to the larger legal framework.

To be very clear, the Copyright Office supports a term of protection that achieves the underlying Constitutional purpose of copyright.⁷ We also respect our international obligations. A sufficiently long term provides the necessary economic incentive for authors who want to make a living from creating, and who often have the daily, material needs of their families to consider. It also has the capacity to reward latent success; for example, when one's previous works are made more valuable because of the critical or commercial success of a later work.

Of course, the benefits of a lengthy term are meaningless if the current owner of the work cannot be identified or cannot be located. Often times, this is complicated by the fact that the current owner is not the author or even the author's children or grandchildren. As the Copyright Office recognized in one of its key revision studies of the 1950s, it seems questionable whether copyright term should be extended to benefit remote heirs or assignees, "long after the purpose of the protection has been achieved."⁸

In order to offset some of these consequences, we wonder whether Congress could shift the burden of the last twenty years of protection (the Berne-plus years) from the user to the copyright owner, so that at least near the end of the term, the copyright owner would have to file with the Copyright Office as a condition of continued protection. Otherwise, the work would enter the public domain. A registration requirement at the tail end of protection would not be a burden on authors (who will be deceased), and to the extent it is a burden on more remote heirs or corporate successors, it would seem to be a rational one.

It is unclear how many would register with the Office under such a provision, keeping in mind that that renewal in this context might occur 100 years after the creation of the work or later. Looking to the history of renewal registrations, we know that while some copyright owners would assert their interests, most would not. For example, a 1961 Copyright Office Study showed that, of copyrights registered in 1931-32 under the 1909 Act, one-third of musical compositions, 7% of books, and 11% of periodicals had been renewed.⁹

5 Maria A. Pallante, *The Next Great Copyright Act*, 37 Colum. J.L. & Arts (forthcoming Spring 2013), available at http://www.law.columbia.edu/null/download?exclusive=filemgr.download&file_id=612486 (last visited April 15, 2013).

6 *The Register's Call for Updates to U.S. Copyright Law*, Hearing Before the H. Subcomm. on Courts, Intellectual Property and the Internet of the Comm. on the Judiciary, 113th Cong. (March 20, 2013) (statement of Maria A. Pallante, Register of Copyrights and Director, U.S. Copyright Office), available at <http://judiciary.house.gov/hearings/113th/03202013/Pallante%20032013.pdf> (last visited April 15, 2013).

7 See U.S. Const., art I., § 8, cl. 8.

8 U.S. COPYRIGHT OFFICE LAW REVISION, STUDY NO. 30, DURATION OF COPYRIGHT, at 80 (1961), available at <http://www.copyright.gov/history/studies/study30.pdf>.

9 See U.S. COPYRIGHT OFFICE, STUDY NO. 31, RENEWAL OF COPYRIGHT, at 220 (1961), available at <http://www.copyright.gov/history/studies/study31.pdf>.

A 2007 Stanford University study of published books during a broader period found that copyright owners renewed the registrations for an average of 30.8% between 1923 and 1963.¹⁰ Keep in mind, however, that in these cases, renewal was required after only 28 years, when the creator or his immediate family members may well have been alive. At the very least, we can agree that a registration requirement that is set 50 years after the author's death would eliminate any concerns that authors themselves would be unduly harmed.

III. RECORDATION

Turning to the topic of recordation, I would like to share a passage that any one of us might embrace today, but which was actually written in 1958 by the late practitioner and professor Alan Latman¹¹ in another Copyright Office revision study. He wrote:

The key to an effective recording system is its completeness, and ideally all links in a chain of title should be placed on record. In the absence of a basic copyright registry system, identifying the work, the first owner of the copyright, the date from which the term is computed, and other pertinent information, the recording of transfers would often fail to identify the work covered by the transfer, the term of the copyright, and especially the derivation of the transferee's claim to ownership. On the other hand, it may be contended that it is asking too much of an assignee not only to record his own assignment but also to register the initial claim and to record any intervening assignments.¹²

Today, I think the problem with respect to copyright recordation is clear: we have trolley tracks where we sorely need a Silver Line. Thus we have some familiar questions: Why is the recordation function stuck in time? How do we begin to remake it? What should be the points of access? How should it connect to the broader legal system? And again the perennial Washington question: who should pay for it?

The leadership and staff of the Copyright Office are keenly aware that recordation will require improvements to administrative infrastructure as well as the statute. In a public inquiry published last month (which I encourage all of you to read and respond to) we have asked a series of important questions about technology, design and related resources.¹³ For example, we seek information on the nature of the capabilities of the Office's public portals

10 See STANFORD UNIVERSITY LIBRARIES & ACADEMIC INFORMATION RESOURCES, COPYRIGHT RENEWAL DATABASE, '23-'64 *Imprint Copyright Determinator: Final Report*, at 4 (2007) http://collections.stanford.edu/copyrightrenewals/files/FinalNarrative_18Sept07.pdf . (last visited April 17, 2013).

11 Mr. Latman was a founding partner of the law firm Cowan, Liebowitz and Latman and Walter J. Derenberg Professor at New York University Law School.

12 Alan Latman, U.S. COPYRIGHT OFFICE, STUDY NO. 19, THE RECORDATION OF COPYRIGHT ASSIGNMENTS AND LICENSES, at 124-25 (1958), *available at* <http://www.copyright.gov/history/studies/study19.pdf> .

13 Technological Upgrades to Registrations and Recordation Functions, 78 Fed. Reg. 17722 (March 22, 2013), *available at* <http://www.copyright.gov/fedreg/2013/78fr17722.pdf>.

(such as those used for electronic registration); the nature and scope of the information captured during the course of the registration and recordation process (and considering ways we might obtain additional information through metadata harvesting for digital works); metadata standards in particular industries that the Office might adopt; new ways of searching and accessing registration information (such as image or music search technologies); and the technical ways we might integrate Office data with the many databases already available in the private sector (such as those managed by collecting societies).

Policy changes are just as challenging. It goes without saying that we cannot build a robust and accurate database of copyright title unless copyright owners provide the necessary data. We therefore are intrigued by any number of ideas to make this happen. For example, we wonder whether downstream copyright owners (those who are assignees and exclusive licensees) should be required to both register their interests in the work (*even* if the work has been registered by the author or other transferees) and then record their licenses and assignments in a timely manner as a condition of eligibility for statutory damages.¹⁴

For the downstream copyright owner who affirmatively proffers a formal and public record of copyright ownership, the possibility of enhanced remedies seems a fair bargain, a rational *quid pro quo*. However, where the downstream owner does nothing to contribute to the public record, the equation is arguably lopsided. Along the same lines, the law might also incentivize (if not require) copyright owners to keep basic data, such as contact information, up to date. A database of obsolete data serves no one.

IV. CURIOSITY MOVES FORWARD

What next? If we agree that registration and recordation are important aspects of the copyright law, and if we agree, as well, that better administration of these provisions is essential, then we have only one thing left to discuss: money.

The Copyright Office, like many government agencies, is under increasing pressure to become more self-sufficient – that is, to charge fees that more fully cover the cost of providing services.¹⁵ Certainly, the more we can incentivize copyright owners to participate,

14 The Copyright Act of 1976 offers some support for this notion. As originally enacted, section 205(d) required exclusive licensees to record their licenses with the Office as a prerequisite to filing an infringement action (much as section 411 requires a work to be registered as a prerequisite to suit). *See, e.g., Burns v. Rockwood Distributing Co.*, 481 F. Supp. 841, 847 (N.D. Ill. 1979) (“This recordation requirement represents a change from the former law. The previous recordation provision did not make recordation a condition precedent to bringing an infringement action. In fact, because recordation was not mandatory, its scope and effect often was unclear. The words of section 205(d), on the other hand, explicitly mandate recordation of the transfer of rights in a copyright as a prerequisite for filing suit. From the plain language of Section 205(d), it is clear that an allegation of recordation is a jurisdictional prerequisite to the institution of a copyright infringement action. The plaintiff’s failure to allege recordation, thus, also is fatal to her right to bring the present action.”). The provision was removed when the United States joined the Berne Convention in 1989. *See, e.g., N & D.E. Co. v. Gustings*, 1992 U.S. Dist. LEXIS 5062, at *13 (E.D. La. Apr. 9, 1992) (“the 1998 amendment to the Copyright Act repealed 17 U.S.C. § 205(d). The effective date of the amendment was March 1, 1989. Thus, claims based on infringements occurring before March 1, 1989, require recordation of the applicable transfer of copyright, but claims on later infringements do not.”).

15 The Copyright Office budget is approximately \$52 million, about one-third of which is derived from appropriations. *See* Legislative Branch Appropriations Act, 2012, Pub. L. No. 112-74 (2011); *see also Fiscal 2014*

the more potential there is for revenue. But in a legal framework where there are many kinds of beneficiaries, does it follow that copyright owners should fund the entirety of the public record? More to the point, if the creation, maintenance, indexing, design and presentation of copyright data is ultimately for the larger public good, then the government would seem to have an ongoing interest in underwriting some of the long-term costs.¹⁶ In any event, a meaningful discussion of formalities must necessarily address the pragmatic issue of resources.

In closing, I will say again that formalities in copyright law are a rather curious subject, with their rise and fall and born-again popularity. However, to the extent a measure of formalities can make the law in the 21st century more navigable and effective for all involved, including for authors, they will be of continued interest to the Copyright Office.

Thank you. And may you never be in Washington, DC during rush hour.

Budget Request, Before the H. Subcomm. on the Legislative Branch, Comm. on Appropriations, 113th Cong. (Feb. 27, 2013) (statement of Maria A. Pallante, Register of Copyrights and Director, U.S. Copyright Office), available at <http://www.copyright.gov/regstat/2013/regstat02272013.html> (last visited April 19, 2013). The Office is currently undertaking an evaluation of its costs and fees. See Copyright Office Fees, 77 Fed. Reg. 18742 (March 28, 2012), available at <http://www.copyright.gov/fedreg/2012/77fr18742.pdf>.

¹⁶ This lecture occurs during the ongoing mandatory budget cuts affecting federal agencies throughout the government, which has led to the furlough of many federal staff, including at the U.S. Copyright Office and the greater Library of Congress. See generally Josh Hicks, *Days of Sequester: The week-two roundup*, THE WASHINGTON POST, March 15, 2013, <http://www.washingtonpost.com/blogs/federal-eye/wp/2013/03/15/days-of-sequester-the-week-two-roundup/> (last visited April 15, 2013) (describing the impact of the sequester).

Stef van Gompel, *Copyright Formalities in the Internet Age: Filters of Protection or Facilitators of Licensing*, 28 BERKELEY TECH. L.J. (forthcoming 2014).

COPYRIGHT FORMALITIES IN THE INTERNET AGE: FILTERS OF PROTECTION OR FACILITATORS OF LICENSING

Stef van Gompel*

I. INTRODUCTION

In the past decade, proposals for reintroducing formalities in copyright law have been voiced on both sides of the Atlantic. While the calls seem to be strongest in the United States,¹ the suggestion to reinstitute particular types of copyright formalities is also cautiously put forward in European political debates as a way to facilitate licensing and to cure the problem of orphan works. In 2009, for example, the Intellectual Property Office of the United Kingdom discussed how copyright formalities could support authentication and management of copyright protected works.² In 2011, the Greens/European Free Alliance in the European Parliament proposed requiring authors to register their works within five years after production, so as to limit the problem of orphan works in the future.³ In the same year, the *Comité des Sages* (i.e., a committee of experts established by the

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1 See, e.g., LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* 251–52 (Random House 2001), *FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY* 287–90 (Penguin Press 2004), *REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY* 260–65 (Penguin Press 2008); William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 477, 518 (2003) (proposing that requiring registration and renewal for copyright protection would incentivize right owners to take these steps in a system allowing indefinitely renewable copyrights); Cecil C. Kuhne, III, *The Steadily Shrinking Public Domain: Inefficiencies of Existing Copyright Law in the Modern Technology Age*, 50 LOY. L. REV. 549, 562 (2004); François Lévêque & Yann Ménière, *The Economics of Patents and Copyright*, CERNA, <http://www.cerna.ensmp.fr/Documents/FL-YM-eBookIP.pdf> (last visited June 23, 2013); Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485 (2004); James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167, 212–29 (2005); Kevin A. Goldman, *Limited Times: Rethinking the Bounds of Copyright Protection*, 154 U. PA. L. REV. 705 (2006); Pamela Samuelson, *Preliminary Thoughts on Copyright Reform*, 2007 UTAH L. REV. 551, 562–63 (2007); Genevieve P. Rosloff, *“Some Rights Reserved”: Finding the Space Between All Rights Reserved and the Public Domain*, 33 COLUM. J.L. & ARTS 37 (2009); David Fagundes, *Crystals in the Public Domain*, 50 B.C. L. REV. 139, 179–82 (2009); Pamela Samuelson & Members of The CPP, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1198–1202 (2010); WILLIAM PATRY, *HOW TO FIX COPYRIGHT* 203–09 (Oxford University Press 2011).

2 INTELLECTUAL PROPERTY OFFICE, © THE WAY AHEAD: A COPYRIGHT STRATEGY FOR THE DIGITAL AGE ¶ 108 (2009), available at <http://www.ipo.gov.uk/c-strategy-digitalage.pdf> (citing Sprigman, *supra* note 1).

3 THE GREENS/EUROPEAN FREE ALLIANCE IN THE EUROPEAN PARLIAMENT, CREATION AND COPYRIGHT IN THE DIGITAL ERA §§ 27, 29 (2011), available at http://www.greens-efa.eu/fileadmin/dam/Documents/Policy_papers/Creation_and_copyright_in_the_digital_era_EN.pdf.

European Commission to advise on bringing Europe’s cultural heritage online) listed as one of its key recommendations for avoiding a future exacerbation of orphan works that:

Some form of registration should be considered as a precondition for a full exercise of rights. A discussion on adapting the Berne Convention on this point in order to make it fit for the digital age should be taken up in the context of WIPO and promoted by the European Commission.⁴

Because the lack of adequate and reliable information about ownership of rights is a key cause of the orphan works problem,⁵ it seems hardly surprising that these reports seek recourse to copyright formalities as a way to mitigate licensing difficulties in the future. Formalities such as registration requirements, mandatory recordation of transfers of copyright ownership, and—to a lesser extent—notice requirements have the potential of providing would-be users with useful information about the ownership of copyright in a work.⁶ Having said that, it is all the more remarkable that discussions about reintroducing copyright formalities have also been revived in Europe. Unlike in the United States, where federal copyright law has always relied on formalities, in most European countries, copyright formalities have long been abolished.⁷ The common perception in Europe is therefore that formalities are relics of the past. The reason why they have nevertheless gained more prominence in recent debates is that there is growing awareness that formalities may play an important role in the digital era.

Other than for the purpose of facilitating rights clearance, reintroducing copyright formalities can have the objective of enhancing the free flow of information by enlarging the public domain. In my book on *Formalities in Copyright Law*, these two objectives have been identified—together with the general objective of creating legal certainty about copyright claims—as the ones underlying most proposals for reinstating mandatory formalities.⁸ It is also emphasized there that the degree to which copyright formalities can address these objectives would fully depend on the type of formalities that

4 COMITÉ DES SAGES, THE NEW RENAISSANCE, 5 (2011), available at http://ec.europa.eu/information_society/activities/digital_libraries/doc/refgroup/final_report_cds.pdf; see also *id.* at ¶¶ 5.3.3–5.3.5.

5 See BERNT HUGENHOLTZ ET AL., UNIV. OF AMSTERDAM INST. FOR INFO. LAW, THE RECASTING OF COPYRIGHT & RELATED RIGHTS FOR THE KNOWLEDGE ECONOMY § 5.4.1 at 179 (2006) (reporting to the European Commission, DG Internal Market); Stef van Gompel, *Unlocking the potential of pre-existing content: How to address the issue of orphan works in Europe?*, 38 INT’L REV. INTELL. PROP. & COMPETITION L. 669, 672–74 (2007); MIREILLE VAN EECHOUD ET AL., HARMONIZING EUROPEAN COPYRIGHT LAW: THE CHALLENGES OF BETTER LAWMAKING 273 (Info. Law Ser. 19, Kluwer Law International 2009).

6 Cf. Jane C. Ginsburg, *Recent Developments in US Copyright Law: Part I - “Orphan” Works*, 217 REVUE INTERNATIONALE DU DROIT D’AUTEUR at 176–77 n.8 (2008) (indicating, however, that the public records of the US Copyright Office are not necessarily accurate, since the recordation of transfers of copyright ownership is not a mandatory formality under US copyright law).

7 See Stef van Gompel, *Les formalités sont mortes, vive les formalités! Copyright Formalities and the Reasons for their Decline in Nineteenth Century Europe*, in PRIVILEGE AND PROPERTY: ESSAYS ON THE HISTORY OF COPYRIGHT 157, 180 (Ronan Deazley, Martin Kretschmer & Lionel Bently eds., Open Book Publishers 2010) (reporting that copyright formalities were abolished in Germany in 1901, for literary and musical works, and 1907, for artistic works and photographs; in the United Kingdom in 1911; in the Netherlands in 1912; and in France in 1925).

8 STEF VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW: AN ANALYSIS OF THEIR HISTORY, RATIONALES AND POSSIBLE FUTURE 3–8 (Info. Law Ser. 23, Kluwer Law International 2011).

are introduced and the nature and legal effect(s) that the lawmakers confer on them.⁹ Copyright can be subjected to a variety of old-style or new-style formalities, each of which can be given a specific legal effect.

Building further on these deductions, this Article examines how copyright formalities may aid in addressing these objectives. To this end, it will first map the different objectives for reintroducing copyright formalities (Part II) and provide a brief overview of the types of formalities that might be imposed, including the legal consequences that can be attached to them (Part III). Next, it will explore which formalities, in what way, can assist in accomplishing the specific objectives of enhancing the free flow of information by enlarging the public domain (Part IV) and facilitating rights clearance (Part V). Part VI concludes.

At the outset, some general remarks are in order. Overall, any regime of copyright formalities must conform to a few core principles to have a chance of successful implementation. First, it ought to be ensured that copyright formalities, if introduced today, are fit for the digital era.¹⁰ The regime must therefore be sensible, straightforward and easy to apply. Also, it should not impose unreasonable burdens on authors and right owners. Second, economic considerations ought to be part of the decision-making process. It would be economically sound if lawmakers would opt for the most cost-efficient regime of formalities that would fit the objective(s) that they aspire to pursue.¹¹ Third, any regime of copyright formalities must, as far as possible, be standardized and interoperable with other regimes of copyright formalities,¹² both within one and the same country and between different states. This requires cooperation and coordination at the international level. Fourth, lawmakers must work within the boundaries of the law. They must realize that national and international privacy regulations may impose limitations on making personal data of authors and copyright owners accessible to the public, should that be part of the formalities regime. Also, they are bound to observe the rules of international copyright law, including the prohibition on formalities laid down in Article 5(2) of the Berne Convention and incorporated by reference into the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) and World Intellectual Property Organization (WIPO) Copyright Treaty.¹³ If a regime of copyright formalities

⁹ *Id.* at 15.

¹⁰ See Maria A. Pallante, *The Curious Case of Copyright Formalities*, 28 BERKELEY TECH. L.J. ___ (2013) (arguing that “to address 21st century challenges we need 21st century solutions. Any discussion of reformulating copyright for the digital age cannot be stuck in time.”).

¹¹ This requires a cost-benefit analysis of copyright formalities, such as the one conducted in the United States in the mid-1980s. See DONALD W. KING, ET. AL., COST-BENEFIT ANALYSIS OF U.S. COPYRIGHT FORMALITIES (King Research 1986) (reporting to the Register of Copyrights, U.S. Copyright Office). Although this study is of course far outdated, especially since in the digital environment the costs associated with establishing and maintaining a formality-based regime seem to have fallen significantly as compared to the pre-digital era, it still provides some useful insights into the economics of copyright formalities.

¹² See Paul Jessop, Panel Discussion, *Technology of Registries* at the Berkeley Symposium: “Reform(aliz)ing Copyright for the Internet Age” (Apr. 19, 2013), available at <http://www.law.berkeley.edu/15235.htm>.

¹³ Berne Convention for the Protection of Literary and Artistic Works art. 5(2), Sept. 9, 1886, revised by Paris Act on July 24, 1971 (amended Sept. 28, 1979), S. Treaty Doc. No. 99-27, at 4 (1986), 1161 U.N.T.S. 3, 35 [hereinafter Berne Convention]; Agreement on Trade-Related Aspects of Intellectual Property Rights art. 9(1), Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1125, 1197 (1994)

wants to stand a chance, therefore, lawmakers ought to work their way around this prohibition.¹⁴ This is not impossible, but certainly imposes some interesting legal challenges on them.¹⁵

There is too little space in this Article to address all these issues in a thorough, systematic, and comprehensive manner, but occasionally reference will be made to them.¹⁶ Most attention shall be given to the question whether a newly proposed regime of formalities would be compliant with the international prohibition on copyright formalities. This examination shall reveal that, under current international copyright law, reintroducing formalities for the purpose of enlarging the public domain would meet many difficulties, but formalities could be meaningfully introduced for the purpose of facilitating rights clearance. This could improve the licensing of copyright significantly.

II. MAPPING THE OBJECTIVES

As observed in the Introduction, there are basically three objectives that inspire the proposals for reinstating formalities in copyright law. These are: (i) to create legal certainty about copyright claims, (ii) to facilitate rights clearance, and (iii) to enhance the free flow of information by enlarging the public domain. In my book, these objectives are positioned alongside each other without any distinction being made between them. Yet, on closer inspection, there is a certain dynamic between the objectives in the sense that the outcomes that they attempt to realize might overlap, at least in part.

A. HIERARCHY OF OBJECTIVES

A top-level objective behind any proposal for reintroducing copyright formalities (and, more broadly, behind many other plans for copyright reform) is the need to create legal certainty about copyright claims. As Maria Pallante, the United States Register of Copyrights, said in her Keynote Address at the *Reform(aliz)ing Copyright for the Internet Age* Symposium: “Today, most anyone who spends time on the Internet will interact with the copyright system, but for many if not most, the rule of law will be more unclear than clear.”¹⁷ Indeed, in the current legal system where copyright automatically arises upon the creation of an original work of authorship, it is not necessarily clear whether copyright extends to a particular creation. And even if it may be reasonably assumed that a creation enjoys copyright protection, then it may well be difficult to establish who is the author or current copyright owner and—if it concerns an older work—whether it is still protected or has

[hereinafter TRIPS Agreement]; WIPO Copyright Treaty art. 1(4), Dec. 20, 1996, 36 I.L.M. 65 (1997) [hereinafter WIPO Copyright Treaty].

14 Unless, as suggested by the *Comité des Sages* (*supra* text), the Berne Convention will be changed on this point. Doing so, however, would be very difficult, since revision of the Berne Convention requires unanimity (*see* art. 27(3) Berne Convention). Also, modification of the TRIPS Agreement and WIPO Copyright Treaty would be required, because, as observed, the Berne prohibition on formalities is incorporated by reference into these international legal instruments.

15 *See* VAN GOMPEL, *supra* note 8, at 159–214 (exploring the scope and limits of the international prohibition on copyright formalities and concluding that it does not prohibit all formalities).

16 The pragmatic, economic, technical and legal constraints deserve closer attention in future research, since the success of any ‘reformatization’ of copyright law seems to depend on how well these issues are addressed.

17 *See* Pallante, *The Curious Case of Copyright Formalities*, *supra* note 10, at ____.

entered the public domain due to an expiration of the copyright term.¹⁸ This threatens a smooth operation of the copyright system for copyright owners and users alike and will do no good for the social acceptance and legitimacy of copyright law, which is already declining.¹⁹

Establishing legal certainty about works that attract copyright (and those that do not) and about authorship, ownership, and term of copyright protection is essentially also what the second objective (of facilitating the clearance of rights) and third objective (of enhancing the free flow of information by enlarging the public domain) together aspire to attain. For this reason, the latter two objectives can be perceived as specific objectives that aid in achieving the general, top-level objective of creating legal certainty about copyright claims.

B. LEGAL CERTAINTY THROUGH FACILITATION OF RIGHTS CLEARANCE AND ENLARGEMENT OF THE PUBLIC DOMAIN

The objective of facilitating rights clearance aims to encourage more adequate information about copyright ownership being made available to the public. In the current digitally networked environment, the number of occasions where the clearance of rights causes difficulties has grown exponentially. The rise in difficulties caused by the clearance of rights is due to several factors: the increased volume of works created by amateur creators;²⁰ the ubiquity of the Internet, which allows access to works from around the world and may therefore require rights clearance in potentially unknown foreign territories; and the expansion of the traditional copyright domain, which has aggravated licensing by granting copyright to more works, more varying types of right holders, and for longer terms.²¹ Additionally, the increased demand for reusing copyright protected content in the digital environment has further exacerbated the rights clearance problem. For example, there is large demand for reusing copyright protected content in mass-digitization, small-scale reuse, and other transformative uses, such as mixing and mashing.²²

The general idea is that more adequate and reliable information about the authors and current right owners of works would become publicly available, should particular copyright formalities be

18 The difficulties of identifying copyright owners is illustrated by the renewed urgency of the orphan works problem. See, e.g., U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>. In practice, problems involving the calculation of copyright terms arise because the rules regarding duration of copyright are complex and may vary between different jurisdictions. See U.S. COPYRIGHT OFFICE, CIRCULAR 15A: DURATION OF COPYRIGHT (2011), available at <http://www.copyright.gov/circs/circ15a.pdf> (reviewing changes in copyright law affecting duration of copyright protection); see also Christina Angelopoulos, *The Myth of European Term Harmonisation: 27 Public Domains for the 27 Member States*, 43 INT'L REV. INTELL. PROP. & COMPETITION L. 567, 569 (2012).

19 Pallante, *The Curious Case of Copyright Formalities*, *supra* note 10, at ___. Pallante summarized the different problems with current copyright law as follows:

It is difficult to make the case that authors are adequately protected, that the law provides clear guidance to courts, that it is respected by the public, that investors have a clear blueprint or sound ecosystem, or that it is flexible enough to sustain the current and projected realities of a planet consumed by technology.

Id.

20 See Samuelson (2007), *supra* note 1, at 563; see also Gibson, *supra* note 1, at 213–14.

21 See HUGENHOLTZ ET AL., *supra* note 5, at 164–66.

22 *Id.* at 163–64.

reintroduced. If the law would require authors and right owners to supply adequate identifying information (e.g., in a public record or on the copies of their works) and to keep this information up-to-date, then users and third parties would be able, by inquiry, to find the relevant copyright owners to arrange permission, if needed. Furthermore, it would be easier to calculate the term of protection of works if reliable information about the author were available (given that, in most countries, this term is typically calculated from the date of death of the author).²³

Enhancing the free flow of information by enlarging the public domain is an objective of an entirely different kind. The main goal is to ensure that works that do not merit copyright protection—at least not for the full term of protection—fall into the public domain and are easily recognizable as being unprotected, so as to allow anyone to freely use or build upon them. The threshold for protection is currently so low that copyright attaches to the vast majority of creations, regardless of whether authors want to avail themselves of protection.²⁴ This includes what Fred von Lohmann called the “dark matter of copyright:” the millions of digital photos, videos, tweets, and comments that are daily uploaded and put online by ordinary people.²⁵ Moreover, the current terms of protection are so long that they automatically lock up works in the copyright regime, even though it is doubtful whether they need protection that many years after the author’s death. The scores of out-of-print works that have fallen out of the commercial chain and that remain hidden in the vaults of publishers, waiting till the day arrives that they attract a new market, can illustrate this.²⁶

Formalities may aid in preventing the automatic lock up of works in the copyright regime. By requiring authors and right owners to fulfill formalities as a condition for receiving or maintaining protection for their works, the law can ensure that works for which the formalities have not been completed on time will enter the public domain. This is called the ‘filtering function’ of copyright formalities, which enables the law to separate works for which the beneficiaries desire protection from works for which they do not, or for which they unintentionally fail to complete the required formalities.²⁷ Formalities of this kind help to enlarge the public domain either initially, at the start of protection, or at a later stage during the period of copyright protection. If supported by an accurate

23 See VAN GOMPEL, *supra* note 8, at 45–49 (explaining that formalities can fulfill an important information and evidentiary function, by establishing a link between authors or copyright owners and works, thus providing *prima facie* evidence of their intellectual property right, and by offering a valuable source of information that may help the public to ascertain the subject matter, scope and term of protection and the identity of the authors and copyright owners).

24 See Sir Hugh Laddie, *Copyright: Over-Strength, Over-Regulated, Over-Rated?*, in INNOVATION, INCENTIVE AND REWARD: INTELLECTUAL PROPERTY LAW AND POLICY 1, 9 (5 Hume Papers on Public Policy, no. 3, Edinburgh University Press 1997).

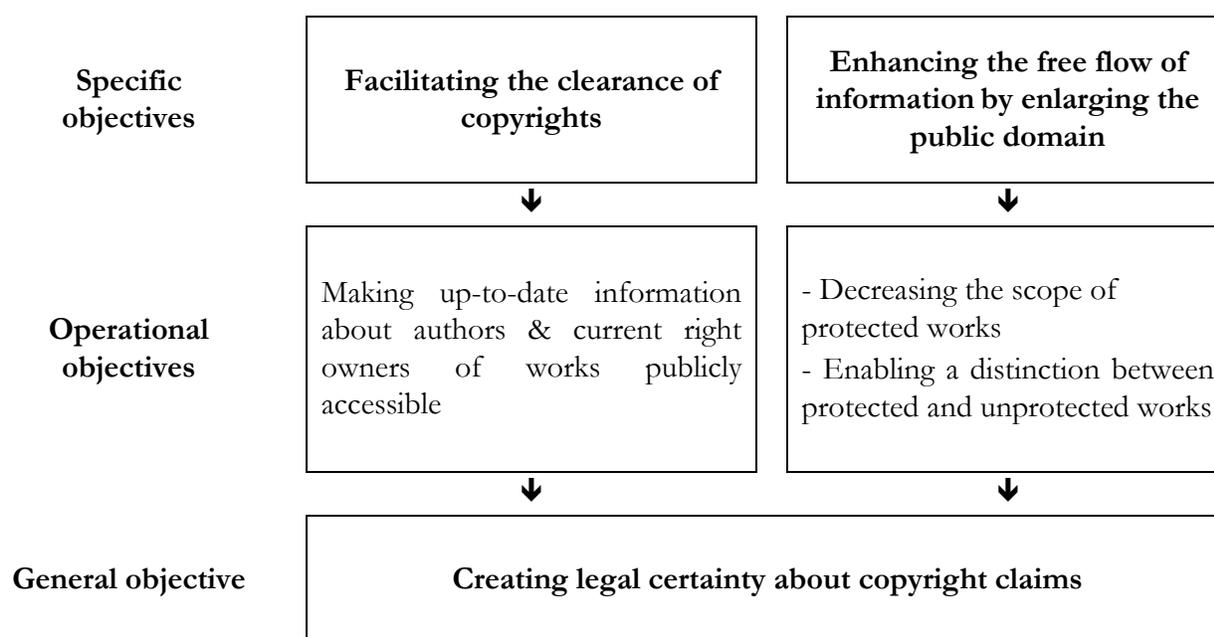
25 Fred von Lohmann, Panel Discussion, *Digital Ephemera and (Re)Formalizing* © at the Berkeley Symposium: “Reform(aliz)ing Copyright for the Internet Age” (Apr. 18, 2013), available at <http://www.law.berkeley.edu/15235.htm>.

26 In Europe, a stakeholder dialogue involving publishers, authors, libraries and collective rights management societies and supported by the European Commission resulted in the adoption of a Memorandum of Understanding stipulating not legally binding principles aimed at facilitating the digitization and making available online of out-of-commerce books and learned journals in the archives of libraries and cultural institutions. See Memorandum of Understanding on Key Principles on the Digitisation and Making Available of Out-of-Commerce Works (2011), available at http://ec.europa.eu/internal_market/copyright/docs/copyright-infso/20110920-mou_en.pdf.

27 Sprigman, *supra* note 1, at 502; see also VAN GOMPEL, *supra* note 8, at 31–35; PATRY, *supra* note 1, at 203.

signaling mechanism that allows third parties to distinguish protected from unprotected works, they would automatically also serve the purpose of establishing legal certainty.²⁸

Accordingly, there is a hierarchy between the three objectives for reintroducing copyright formalities. That is, independently of each other, the objectives of facilitating rights clearance and enhancing the free flow of information by enlarging the public domain operate towards achieving the general objective of creating legal certainty about copyright claims. Schematically, this looks as follows:



What follows from this scheme is that, for the purpose of implementing copyright formalities, lawmakers essentially have three policy options at their disposal. Since the specific objectives of facilitating rights clearance and enhancing the free flow of information by enlarging the public domain can be combined and are not mutually exclusive, they can adopt formalities for the purpose of achieving either of these objectives separately or both at the same time. In Parts IV and V, it will be examined which formalities fit the objectives of enlarging the public domain and facilitating rights clearance. The option of pursuing both objectives at the same time will not be further considered. Nonetheless, it can generally be said that formalities that aim to enlarge the public domain can also significantly serve the objective of facilitating rights clearance, but not the other way around.²⁹

28 See VAN GOMPEL, *supra* note 8, at 43–45.

29 There is an interesting body of literature that proposes a two-tiered copyright law, effectively creating two distinct copyright regimes: one giving full protection subject to compliance with formalities, and the other granting limited protection without formalities. See, e.g., Sprigman, *supra* note 1, at 554–68; Rosloff, *supra* note 1; Samuelson & Members of the CPP, *supra* note 1, at 1200–01; Martin Skladany, *Unchaining Richelieu's Monster: A Tiered Revenue-Based Copyright Regime*, 16 STAN. TECH. L. REV. 131 (2012), available at: <http://stlr.stanford.edu/pdf/richelieusmonster.pdf>; Marco

III. THE DIFFERENT FLAVORS OF COPYRIGHT FORMALITIES

Copyright formalities exist in a wide variety of kinds. Since different types of formalities have different characteristics and different legal implications,³⁰ the degree to which they might achieve the desired objectives and comply with the international prohibition on copyright formalities may vary accordingly. Therefore, this Part introduces the different flavors of copyright formalities by distinguishing between the types in which they appear (Part III.A), their voluntary or mandatory nature (Part III.B), and the legal effects that lawmakers can confer on them (Part III.C).

A. TYPES OF FORMALITIES

A first distinction is that between different types of formalities. In general, formalities can be classified as old-style or new-style. Old-style formalities are formal requirements that are traditionally known in copyright law, such as registration, renewal, recordation, deposit and the requirement to mark all copies of works with a copyright notice. Except for renewal, the U.S. Copyright Act still contains all these formalities,³¹ although over the last forty years their legal effects have been relaxed considerably.³² New-style formalities are modern variants of the traditional old-style formalities and include a possibly wide variety of—existing or yet to be invented—digital tools that establish a link between works, their creators, and/or the current copyright owners.

Traditionally, registration, renewal, recordation, and deposit involve a state authority, such as the U.S. Copyright Office, in the process of their completion. This makes them more labor and cost-intensive than a notice requirement, which involves no state body intervention but can easily be

Ricolfi, *Consume and Share: Making Copyright Fit for the Digital Agenda*, in *THE DIGITAL PUBLIC DOMAIN: FOUNDATIONS FOR AN OPEN CULTURE* 49, 54–57 (Melanie Dulong de Rosnay & Juan Carlos De Martin eds., Open Book Publishers 2012). By allowing more or less unrestricted use of works for which copyright formalities have not been fulfilled, these proposals may come close to enhancing the public domain. Cf. Séverine Dusollier, *(Re)introducing Formalities in Copyright as a Strategy for the Public Domain*, in *OPEN CONTENT LICENSING: FROM THEORY TO PRACTICE* 75, 78 (Lucie Guibault & Christina Angelopoulos eds., Amsterdam University Press 2011) (distinguishing between a ‘structural’ and a ‘functional’ public domain). The question remains, however, to what extent these proposals are compatible with the international copyright treaties. Compare Sprigman, *supra* note 1, at 556 (arguing that his proposed system of voluntary formalities and default licenses would comply with the “better reading of the Berne [Convention]”), with Skladany, *supra*, at 140 (arguing that the implementation of a tiered, revenue-based copyright regime would require the United States to withdraw from the Berne Convention), and Ricolfi, *supra*, at 57 (stating that the two-tiered copyright system that he proposes would require “chang[ing] hundreds of laws and a few international conventions (including Berne and TRIPs).”). In general, answering this question is complex because it not only depends on whether the international minimum protection is granted to works for which the formalities have not been completed (cf. Rosloff, *supra* note 1, at 59–60)(questioning whether “new-style formalities” would be “Berne-compatible”), but also on whether the obligation to extend national treatment to non-domestic works without subjecting them to formalities is duly satisfied (cf. VAN GOMPEL, *supra* note 8, at 166–68)(explaining that the Berne “prohibition on formalities does not merely apply to the minimum treaty standards, but also to the protection to be granted under the rule of national treatment.”).

³⁰ VAN GOMPEL, *supra* note 8, at 17–31.

³¹ See 17 U.S.C. § 205 (2006) (recordation of transfers and other documents); 17 U.S.C. §§ 401–12 (2006) (copyright notice, deposit, and registration).

³² See generally, Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 *COLUM. J.L. & ARTS* 311 (2010) (describing the history of copyright formalities in U.S. copyright law, including their relaxation after the adoption of the 1976 Copyright Act).

satisfied by authors and right owners themselves.³³ For the purpose of conveying reliable and current rights management information, however, registers provide major benefits over copyright notices, at least if regularly updated (e.g., by requiring copyright to be periodically renewed and transfers of ownership to be duly recorded). Copyright notices, by contrast, are fixed and record facts (e.g., about ownership of rights) at a precise point in time. This means that, once a copy of a work is marked with a copyright notice and publicly distributed, the information automatically travels with it, even if it may have subsequently changed due to a transfer of ownership of rights and therefore has become outdated. Accordingly, copyright notices cannot really be relied upon for establishing facts about copyright ownership, especially if they concern older works.³⁴

New-style formalities include requirements on metadata-tagging of digital works, the storage of rights management information in digital depositories, and virtually all digital tools that, in one way or another, create a link between right owners and their works.³⁵ Outwardly, these formalities may resemble old-style notice and registration requirements, but in a modern, digital fashion. There are a few key differences, however. The industry and private sector play a more important role in creating digital tools and repositories than the government.³⁶ Moreover, while metadata tagged to a digital object may seem as vulnerable of becoming obsolete as the old-style copyright notice, in a digital environment, it is technically feasible to create a fixed link between the digital object and an online database, ensuring that the metadata tagged to the digital object is immediately updated once the copyright owner alters a relevant fact in the database.³⁷ Finally, it must be emphasized that, presently, new-style formalities are purely private initiatives and not yet imposed by any law.³⁸ As we shall see in Part V.A, however, they can be part of future legislative initiatives aimed at reformalizing copyright law for the purpose of facilitating licensing.

33 See KING, ET. AL., *supra* note 11, at 35-36.

34 Art. 46 U.S. Copyright Act (1909) and 17 U.S.C. § 32 (1976) explicitly held that an assignee of a copyright may substitute his name in place of the original copyright owner's name that appeared in the copyright notice if the copyright was assigned and recorded in the U.S. Copyright Office. Yet, this obviously did not address copies that had already been distributed to the public containing the old, outdated information.

35 In this respect, Creative Commons licenses can perhaps also be perceived as being new-style formalities. See Dusollier, *supra* note 29, at 97.

36 The U.S. Copyright Office's online filing system is also a new-style formality, but is still intertwined with the old-style registration requirement. See *eCO Online System*, U.S. COPYRIGHT OFFICE (Feb. 12, 2013), <http://www.copyright.gov/eco/>.

37 In practice, this probably means that the metadata is not really tagged to the digital object, but rather that the metadata represents a (hidden) link which redirects the user to the database.

38 In 2010, however, the German Federal Supreme Court held that copyright owners, who make a work available on the Internet without technically disabling it from being indexed and stored by search engines, give exculpatory consent to search engines to display it as a thumbnail image. See Bundesgerichtshof (BGH), Apr. 29, 2010, I ZR 69/08, 1 J. INTELL. PROP. INFO. TECH. & E-COMMERCE L. 190 (2010). Scholars have criticized this for being "a formality in disguise". See Lucie Guibault, *Why Cherry Picking Never Leads to Harmonisation: The Case of the Limitations on Copyright under Directive 2001/29/EC*, 1 J. INTELL. PROP. INFO. TECH. & E-COMMERCE L. 55 ¶ 12, at 57 (2010). Guibault also contends that the BGH decision "is contrary to Article 5(2) of the Berne Convention". *Id.* The latter is questionable, however. Failure to block works from being indexed does not mean that the authors can no longer enjoy or exercise their rights, but only limits them in a specific instance. Cf. VAN GOMPEL, *supra* note 8, at 190-92 (arguing that "situation-specific formalities" that limit the exercise of a specific right in particular circumstances appear to be compatible with the Berne prohibition on formalities, provided that they do not affect the enjoyment or the exercise of copyright altogether).

B. VOLUNTARY VERSUS MANDATORY FORMALITIES

Another distinction must be made between voluntary and mandatory formalities. The former are requirements to which authors or right owners voluntarily submit themselves. The statute can attach advantages to complying with such formalities, such as a legal presumption that copyright subsists in the work or that the person whose name is registered owns the copyright.³⁹ Nevertheless, non-fulfillment of voluntary formalities does not result in a defeat of protection. This is different with mandatory formalities. Such formalities are imposed on authors or copyright owners by law and function as necessary prerequisites for securing or maintaining copyright protection or enforcing copyright before the courts.⁴⁰ Non-observance of these formalities leads to a loss of protection or renders it impossible to start a legal court proceeding against possible infringers.⁴¹

In practice, authors and right owners repeatedly submit themselves to voluntary formalities. Authors and publishers typically include a copyright notice and statement in the editorial pages of a book even though (except for securing international protection under the Universal Copyright Convention) this is not a legal requirement.⁴² Moreover, several countries have voluntary registration systems that allow national or foreign authors and copyright owners to record claims to copyright in a work, although the right is not dependent on the act of registration.⁴³

The main advantage of voluntary formalities over mandatory formalities is that they will not cause any conflict with the international prohibition on copyright formalities in Article 5(2) of the Berne Convention. Voluntary formalities do not impinge on the enjoyment or the exercise of the rights of authors in their works.⁴⁴ A major downside is, however, that compliance with voluntary formalities relies purely on good will and proactivity on the part of copyright owners.⁴⁵ Therefore, voluntary formalities may produce limited effects only, unless lawmakers manage to find the right kinds of legal incentives for copyright owners to voluntarily comply with them.⁴⁶

39 In Canada, for example, the law confers several evidentiary benefits on voluntary registration. *See* Copyright Act, R.S.C. 1985, c. C-42, art. 53 (Can.).

40 VAN GOMPEL, *supra* note 8, at 12.

41 For this reason, mandatory formalities are sometimes labeled as “confiscatory formalities.” *See* Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 313. Other scholars find this an erroneous statement, because mandatory formalities have nothing to do with “government seizure of private property,” but with legal demarcation of rights. *See* PATRY, *supra* note 1, at 206.

42 *See* PAUL GOLDSTEIN & P. BERNT HUGENHOLTZ, *INTERNATIONAL COPYRIGHT: PRINCIPLES, LAW, AND PRACTICE* 225 (Oxford University Press 3d ed. 2013).

43 *See, e.g.*, STANDING COMMITTEE ON COPYRIGHT AND RELATED RIGHTS, WIPO, SURVEY OF NATIONAL LEGISLATION ON VOLUNTARY REGISTRATION SYSTEMS FOR COPYRIGHT AND RELATED RIGHTS, SCCR/13/2 (2005), available at http://www.wipo.int/edocs/mdocs/copyright/en/sccr_13/sccr_13_2.pdf; *see also* WIPO, SECOND SURVEY ON VOLUNTARY REGISTRATION AND DEPOSIT SYSTEMS (2010), available at, http://www.wipo.int/copyright/en/registration/registration_and_deposit_system_03_10.html.

44 *See* SILKE VON LEWINSKI, *INTERNATIONAL COPYRIGHT LAW AND POLICY* § 5.61 at 120 (Oxford University Press 2008).

45 *See* Sprigman, *supra* note 1, at 518.

46 *See* 1 SAM RICKETSON & JANE C. GINSBURG, *INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS: THE BERNE CONVENTION AND BEYOND* §§ 6.107–6.108, at 328–29 (Oxford University Press 2d ed. 2006).

C. LEGAL EFFECTS OF FORMALITIES

A last important distinction concerns the legal effects that lawmakers can attach to formalities. This essentially determines whether the formalities will be compliant with the Berne prohibition on formalities. Generally speaking, copyright formalities can have a constitutive, maintenance, or declaratory effect.⁴⁷ Constitutive formalities are those establishing ownership titles, thus operating as a *sine qua non* for protection. No protection is established unless the formalities are completed in accordance with statutory conditions and cut off dates.⁴⁸ Maintenance formalities are necessary prerequisites for the continuation of protection. If these formalities are not fulfilled on time, the protection will lapse.⁴⁹ Declaratory formalities, by contrast, have nothing to do with the coming into being or continuation of protection, but rather help to establish that existing rights are legal and protected by law. Legal consequences can be attached to non-observance of these formalities. The law can reward right owners who complete declaratory formalities with certain procedural or evidentiary advantages,⁵⁰ but it can also sanction non-compliance by not permitting right owners to enforce their copyright before the courts unless the formalities have been fulfilled.⁵¹

Pursuant to Art. 5(2) of the Berne Convention, formalities are prohibited as far as they affect the enjoyment or the exercise of copyright. This means, first of all, that the Convention prohibits all formalities that are prerequisites for protection or that entail the loss of protection during the existence of copyright.⁵² This basically rules out the possibility of subjecting copyright to constitutive and maintenance formalities, at least with respect to works of non-domestic origin (see Part IV.A).⁵³ Moreover, it bans formalities that are conditions to sue for infringement.⁵⁴ This explains why the United States government, when implementing the Berne Convention, abolished registration as a requirement to instituting legal action for copyright infringement for works of foreign origin.⁵⁵

47 VAN GOMPEL, *supra* note 8, at 27–31 (also differentiating situation-specific formalities, which for reasons of space will not be considered in this Article).

48 An example of a constitutive formality is publication with copyright notice, which was the sole condition for securing copyright in the United States until 1978, when the Copyright Act of 1976 took effect. *See* Art. 9, 18–20 U.S. Copyright Act (1909); *see also* 17 U.S.C. §§ 10, 19–21 (1947).

49 The prime example of a maintenance formality is renewal registration, which was part of U.S. copyright law until the 1976 Act abolished it. *See* U.S. Copyright Act of 1909, § 23; 17 U.S.C. § 24 (1947).

50 *See, e.g.*, 17 U.S.C. § 412 (2006) (limiting the recovery of statutory damages and attorney’s fees to instances of infringement occurring after registration) and 17 USC §§ 205(c) and 410(c) (2006) (conferring particular evidentiary weight on certificates of registration and recordation).

51 In the United States, registration, was and for works of domestic origin still is, a prerequisite for initiating a copyright infringement action. *See* sec. 12 U.S. Copyright Act (1909), 17 U.S.C. § 13 (1947) and 17 U.S.C. § 411 (2006).

52 *See* VAN GOMPEL, *supra* note 8, at 194–200 (discussing formalities relating to the enjoyment of rights).

53 *See* CLAUDE MASOUYÉ, GUIDE TO THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS (PARIS ACT, 1971) § 5.6, at 33 (WIPO Publication No. 615(E) 1978) (stating that the Berne prohibition on formalities applies to international situations only).

54 *See* VAN GOMPEL, *supra* note 8, at 201–02.

55 Registration as a precondition to sue was believed to conflict with the Berne Convention, as it subjected the ‘exercise’ of copyright to compliance with formalities. *See, e.g.*, *Final Report of the Ad Hoc Working Group on US Adherence to the Berne Convention*, 10 COLUM.-VLA J.L. & ARTS 513, 565–74 (1986); Jane C. Ginsburg & John M. Kernochan, *One Hundred and Two Years Later: The U.S. Joins the Berne Convention*, 13 COLUM.-VLA J.L. & ARTS 1, 12-13 (1988).

The Berne Convention permits formalities as long as the enjoyment and exercise of copyright is not at stake.⁵⁶ Declaratory formalities comply with international copyright law if they only carry evidentiary weight (e.g., to offer rebuttable evidence about the validity of copyright claims⁵⁷ or to provide constructive notice of a transfer of rights)⁵⁸ or if they grant procedural advantages (e.g., the possibility to recover statutory damages and attorney’s fees⁵⁹ or to preclude innocent intent defenses in mitigation of damages)⁶⁰ to copyright owners who complete them on time.

IV. ENLARGING THE PUBLIC DOMAIN

Now that the various capacities in which copyright formalities appear have been presented, it is time to link them to the objectives that need to be addressed. For the purpose of enhancing the free flow of information by enlarging the public domain, constitutive or maintenance formalities are obviously the ones that first spring to mind despite their incompatibility with the Berne Convention. This will be further explained in Part IV.A. Next, we will discuss two proposals that aim to advance the moment at which works would enter the public domain. These proposals would require right owners to register their interests fifty years after the author’s death (Part IV.B) and incentivize voluntary abandonment of copyright (Part IV.C). As will be seen, both proposals raise problems of their own and consequently are not really fit to achieve the objective of enhancing the free flow of information by enlarging the public domain in a meaningful way.

A. MAKING COPYRIGHT CONDITIONAL ON MANDATORY FORMALITIES

The previous section clearly demonstrates that subjecting copyright to constitutive formalities would conflict with the Berne Convention as it would make the enjoyment of rights conditional on their compliance. Although countries can opt to only subject domestic works to constitutive formalities—which is permitted by the Berne Convention, but for obvious reasons is not generally favored by national legislators⁶¹—this would not truly improve the situation. Domestic authors can

56 MIHÁLY FICSOR, GUIDE TO THE COPYRIGHT AND RELATED RIGHTS TREATIES ADMINISTERED BY WIPO AND GLOSSARY OF COPYRIGHT AND RELATED RIGHTS TERMS 41 (WIPO Publication No. 891(E) 2003).

57 17 U.S.C. § 410(c) (2006). If courts would dismiss cases over missing registration certificates, however, it would be a de facto formality. *See* FICSOR, *supra* note 56, at 41.

58 17 U.S.C. § 205(c) (2006). Other countries require an instrument in writing to be able to prove a transfer of copyright against the author. *See, e.g.*, Art. 3(1) Belgian Copyright Act, Art. L 131-2 French Intellectual Property Code, and Art. 12 Luxembourg Copyright Act.

59 17 U.S.C. § 412 (2006). This provision was considered to satisfy the Berne standards because it only affects remedies and not the loss of copyright. *See* H.R. REP. NO. 100-609, at 40-41 (1988) (explaining the Copyright Act induces registration by making the award of statutory damages and attorney fees contingent upon registration before the infringement occurs); *see also* S. REP. NO. 100-352, at 14-15 (1988).

60 17 U.S.C. §§ 401(d) and 402(d) (2006). *But see* Ginsburg & Kernochan, *supra* note 55, at 12 (querying whether these formalities would still be compliant with the Berne Convention “[w]ere the actual damages awarded to notice-omitting copyright proprietors significantly reduced”).

61 Although contracting states to the Berne Convention, the TRIPS Agreement and the WIPO Copyright Treaty are free to impose formalities on works of which they are the country of origin, there is a clear and understandable antipathy to the idea of granting a better protection to foreign authors than to national authors. *See, e.g.*, JÖRG REINBOTHE & SILKE VON LEWINSKI, THE WIPO TREATIES 1996 60 (Butterworths 2002); 1 RICKETSON & GINSBURG, *supra* note 46, §§ 6.91-6.92, at 311-12.

relatively simply circumvent national formalities by publishing their works in another country that imposes no formalities.⁶² Manipulating a work’s country of origin is easy, especially in the online environment.⁶³ More importantly, as contracting states must protect foreign works independent of formalities, works entering the public domain due to a failure to fulfill constitutive formalities in their own country of origin would still be protected in all other contracting states (provided, of course, that they satisfy the national originality standard). From an international perspective, the country of origin would thus be “an unprotected island in a sea of copyright protection” with regard to works for which the national formalities have not been completed.⁶⁴ National constitutive formalities consequently have little effect, especially on the Internet, which is international by default.⁶⁵

But even putting all legal objections aside, making the existence of copyright conditional on constitutive formalities would also be undesirable from a social-economic perspective, at least if failure to fulfill them could not be “cured” within a certain grace period.⁶⁶ Overall, it seems that formalities are easier to bear for copyright industries than for individual authors and certainly less likely to be omitted by professionals than by amateurs.⁶⁷ In a digital world, where everyone creates, disseminates, and shares content, and where there is an enormous demand for immediate access to news and information, it would be unfair and socially unacceptable for amateur creators to lose protection due to a failure to complete formalities before posting things online. For example, it seems unfair for someone to capture sensational news on a photo, post it online to share it with friends, and then see her photo being (commercially) exploited by various kinds of news services.⁶⁸ Moreover, scholarly evidence suggests that, if the coming into being of copyright would depend on an overly costly formality requirement, this could have negative effects on content production.⁶⁹

62 Cf. 1 STEPHEN P. LADAS, *THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY* 275, n.38 (Macmillan 1938) (explaining that if some countries had not abolished formalities, authors “might [be] compel[led] . . . to publish their works in another country of the Union and then claim the protection of the Convention in their own country”).

63 Graeme W. Austin, *Symposium: Metamorphosis of Artists’ Rights in the Digital Age: Keynote Address*, 28 COLUM. J.L. & ARTS 397, 416–17(2005).

64 VAN GOMPEL, *supra* note 8, at 213.

65 In general, unless a content provider limits access to the Internet based on geographic location (geoblocking), works that are made available to the public online will be accessible all over the world.

66 In the United States, between January 1, 1978 (when the 1976 Copyright Act took effect) and March 1, 1989 (when the Berne Convention Implementation Act became effective), copyright—while attaching upon fixation of a creative work in tangible form—could still be lost by publication without notice. An omission of notice could always be cured, however, by registration within a five-year grace period. See 17 U.S.C. § 405(a)(2) (1976).

67 See Austin, *supra* note 63, at 416; see also Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 342; see also Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 454–55 (2009).

68 See Niva Elkin-Koren, Panel Discussion, *Rethinking Formalities in a Digital Ecosystem* at the Berkeley Symposium: “Reform(aliz)ing Copyright for the Internet Age” (Apr. 18, 2013), available at <http://www.law.berkeley.edu/15235.htm> (illustrating this point by referring to the case where an amateur photo of the bombing during the Boston Marathon on April 15, 2013, taken by Dan Lampariello, was reproduced by various newspapers and shown on many television channels).

69 See David Fagundes & Jonathan S. Masur, *Costly Intellectual Property*, 65 VAND. L. REV. 677, 681, 705–25 (2012) (arguing that “the creation of many highly socially valuable works” would be precluded if copyright vesting would cost as

Therefore, it seems sensible to continue protecting copyright from the moment of creation as in current copyright law.⁷⁰ However, this does not mean that it is irrational to consider imposing formalities at a later point in time, thus requiring right owners to take affirmative steps to prevent their works from passing into the public domain. In the United States, a few scholars have suggested automatically protecting copyright upon creation of the work, but only for a limited term of protection of twenty to fifty years from first publication. To extend this protection, right owners would have the possibility of renewing this term a number of times, upon the requirement of registering the work.⁷¹ One such proposal made it into a bill, the Public Domain Enhancement Act, but not into law.⁷² A major obstacle is obviously that, unless the formalities apply only to purely domestic situations,⁷³ these proposals would not pass the test of the Berne Convention. In particular, they would violate the minimum obligations concerning the term of protection and the prohibition on formalities.⁷⁴ Even so, the proposals are attractive as they allow a differentiation of the length of copyright according to the perceived value of works.⁷⁵ This has major benefits over the current system, which protects all works that satisfy the minimum threshold of originality until 70 years after the author's death, whether these works merit such protection or not.⁷⁶

much as acquiring a valid patent, i.e. approximately \$22,000). It would be interesting to see how the outcomes would differ, if the same analysis were done using a less costly “screen,” but this has been deliberately omitted. *Id.* at 708–09 n.104.

70 See generally Brad A. Greenberg, *More than Just a Formality: Instant Authorship and Copyright's Opt-Out Future in the Digital Age*, 59 UCLA L. REV. 1028 (2012).

71 See, e.g., Landes & Posner, *supra* note 1, at 473, (proposing a system of “indefinitely renew[able]” copyright, but recognizing that such system can also have an “upper bound” by laying down an initial term of twenty years plus a maximum of six renewal terms of ten years each); Kuhne, *supra* note 1, at 562 (suggesting to grant initial copyright term of thirty years plus a maximum of seven renewal terms of ten years each); and LESSIG (2004), *supra* note 1, at 248–56 (advocating a regime in which the author is required to register his work fifty years after first publication and to renew it every ten years thereafter in order to gain the full term of copyright).

72 Public Domain Enhancement Act (PDEA), H.R. 2601, 108th Cong. § 3 (2003); see also PDEA, H.R. 2408, 109th Cong. § 3 (2005).

73 For this reason, the Public Domain Enhancement Act, *supra* note 72, would apply to works first published within the United States only. See H.R. 2601 (Sec. 3); H.R. 2408 (Sec. 3).

74 WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 215 n.15 (The Belknap Press of Harvard University Press 2003) (admitting that their proposal “would require the United States to withdraw from the Berne Convention”).

75 See, e.g., Landes & Posner, *supra* note 1, at 503–07 (articulating that, since the commercial life cycle of works such as books, musical, and graphic arts may vary greatly, renewal registration can lead to more differentiated terms of protection for different kinds of works); Sprigman, *supra* note 1, at 521–23 (examining the effect of renewal registration on the real term of copyright).

76 See Roderick Chalmers Hoyneck van Papendrecht et al., Dutch Group of AIPPI (International Association for the Protection of Intellectual Property), *Q235: Term of Copyright Protection* 5–7 (2013), available at http://www.aippi.nl/nl/documents/Q235_ReportofDutchGroup_final.pdf (arguing that introducing a differentiated term seems more rational than discussing what the optimal term of copyright is, thereby proposing a regime that automatically grants copyright protection upon creation, subject to registration within twenty years after publication and the possibility to renew protection every ten years thereafter, until seventy years after the author's death).

B. MANDATORY REGISTRATION AFTER LIFE-PLUS-FIFTY YEARS

So are there no other available options under international copyright law that would enable lawmakers to introduce a system of formalities for the purpose of advancing the date at which works for which copyright protection is no longer desired enter the public domain? Maybe there are. In March 2013, the United States Register of Copyrights, Maria Pallante, presented her plans for “The Next Great Copyright Act” during the Twenty-Sixth Horace S. Manges Lecture delivered at Columbia University,⁷⁷ and later that month, during testimony before members of the House Judiciary Committee.⁷⁸ Among the suggestions she submitted was the proposal to require copyright owners (heirs or successors in title) to register their interests with the Copyright Office fifty years after the author’s death, so as “to assert their continued interest in exploiting the work” in the last twenty years of copyright.⁷⁹ Works would enter the public domain if not registered on time. The Register argues that this plan would aid in “alleviating some of the pressure and gridlock brought about by the long copyright term” and “injecting some balance into the equation.”⁸⁰

While this proposal deserves support from the viewpoint of a timelier casting into the public domain of works whose right owners refrain from asserting their copyright interests, from an international law perspective, it is not at all certain that it is permissible.⁸¹ Admittedly, national lawmakers are not obliged to grant a copyright term exceeding the minimum term of life-plus-fifty years laid down in Article 7(1) of the Berne Convention.⁸² However, if they confer longer terms of protection on national works, they are also obliged to grant such terms to foreign works enjoying protection under the Berne Convention.⁸³ This is the rule of national treatment,⁸⁴ which also applies to the term of protection.⁸⁵ If a foreign country provides a shorter term of protection for its own works, however, another country may apply material reciprocity and grant those foreign works only the same term of protection they would have received in their home country.⁸⁶

The prohibition on formalities not only applies to the Berne minimum requirements, but it also prevents contracting states from subjecting the rights that must be granted pursuant to the rule of national treatment to formalities.⁸⁷ This means that, if the copyright owners of a Dutch work seek

77 Maria A. Pallante, *The Next Great Copyright Act*, 37 COLUM. J.L. & ARTS 315 (2013).

78 Maria A. Pallante, Statement before the Subcommittee on Courts, Intellectual Property and the Internet, Committee on the Judiciary, United States House of Representatives 113th Cong., 1st Sess., *The Register’s Call for Updates to U.S. Copyright Law* (2013), available at <http://judiciary.house.gov/hearings/113th/03202013/Pallante%20032013.pdf>.

79 Pallante, *The Next Great Copyright Act*, *supra* note 77, at 337.

80 Pallante, *The Register’s Call for Updates to U.S. Copyright Law*, *supra* note 78, at 2; Pallante, *The Next Great Copyright Act*, *supra* note 77, at 337.

81 See VAN GOMPEL, *supra* note 8, at 175–76. *But see* Pallante, *The Next Great Copyright Act*, *supra* note 77, at 337 n.108 (arguing that the proposed model of registration after life-plus-fifty years does not seem to “present insurmountable problems under international law”).

82 See 1 RICKETSON & GINSBURG, *supra* note 46, § 9.54, at 569 (pointing at art. 7(6) of the Berne Convention, which provides that contracting states may grant a term of protection in excess of the minimum term of protection).

83 Due to the incorporation by reference of the Berne minimum requirements, the same applies to works protected under the TRIPS Agreement and WIPO Copyright Treaty.

84 See Berne Convention art. 5(1).

85 GOLDSTEIN & HUGENHOLTZ, *supra* note 42, at 293.

86 Berne Convention art. 7(8) (rule of comparison of terms).

87 See VAN GOMPEL, *supra* note 8, at 166–68.

protection in the United States, they need to be offered the maximum term of protection of life-plus-seventy years without having to comply with formalities, since life-plus-seventy years is also the term of protection in the Netherlands (and all other countries in Europe).⁸⁸ By contrast, if the copyright owners of a Canadian work seek protection in the United States, they only need to be granted protection for life-plus-fifty years, which equals the term of protection in Canada.⁸⁹ If the U.S. Copyright Act voluntarily extends protection to Canadian works for life-plus-seventy years, it can subject the added term of twenty years to formalities.⁹⁰ Accordingly, the proposal to require registration at life-plus-fifty years as a condition to prolong protection until life-plus-seventy years can only be imposed on domestic works and foreign works that are subject to material reciprocity (through a comparison of terms) and are voluntarily granted additional protection.⁹¹

C. ENCOURAGING THE VOLUNTARY ABANDONMENT OF COPYRIGHT

Another model would be to endow authors or copyright owners with the right incentives to abandon their copyrights voluntarily before the copyright term expires. One such proposal is put forward by Edward Lee, who advises using tax law as a tool to fix problems and inefficiencies in current copyright law, including the lack of registration.⁹² He suggests that Congress could offer a special tax break to copyright owners who “abandon their copyrights or donate their works to the public domain” voluntarily.⁹³ The earlier in the copyright term they would do so, the higher the tax break would be.⁹⁴ A prerequisite for obtaining this tax advantage would be that copyright owners must register their works within a short window—of, for example, five years—after their creation.⁹⁵

At first sight, this proposal looks pretty attractive, because it does not in any way conflict with the Berne Convention.⁹⁶ However, on further consideration, it seems to address only a fairly small part of the problem, as the bulk of “dark matter” that attracts copyright but is not created for generating revenue will probably never be registered by their copyright owners for the purpose of getting a tax break. Hence, the model provides no incentives for the copyright owners of these works to voluntarily abandon their rights. Also, for individual authors and small firms that earn relatively little from exploiting their copyrights, it is uncertain whether the proposal would provide

88 Wet van 23 september 1912, houdende nieuwe regeling van het auteursrecht [Copyright Act], art. 37 (Netherlands). In Europe, the term is harmonized at life-plus-seventy years by art. 1 of Directive 2006/116/EC of the European Parliament and of the Council of 12 December 2006 on the term of protection of copyright and certain related rights, 2006 O.J. (L 372) 12, 13–14.

89 Copyright Act, R.S.C. 1985, c. C-42, art. 6 (Can.).

90 See David Vaver, *The National Treatment Requirements of the Berne and Universal Copyright Conventions: Part 1*, 17 INT’L REV. INTELL. PROP. & COMPETITION L. 577, 596 (1986) (explaining that the application of the rule of national treatment does not extend to additional protection that contracting states voluntarily grant to foreign works).

91 Cf. VAN GOMPEL, *supra* note 8, at 176.

92 Edward Lee, *Copyright, Death, and Taxes*, 47 WAKE FOREST L. REV. 1 (2012).

93 *Id.* at 26.

94 *Id.* at 27–28.

95 *Id.* at 23–24.

96 *Id.* at 3–4, 24, 28–29 (correctly asserting that solving copyright problems by tax measures does not violate international copyright treaties).

enough incentive.⁹⁷ Only for successful works could tax breaks make a huge difference, as Lee’s example of *The Blair Witch Project* shows.⁹⁸ However, for copyright owners of such works, abandoning their rights also comes with a cost. The question is whether, in the long run, the benefits of a tax break would outweigh the costs of a lesser income due to an absence of protection. Perhaps this is the case for short-term success stories with little prospect of future windfalls, but certainly not for works that seem to have everlasting popularity, such as various Disney productions.

Another concern is that the proposed model may perhaps be effectively applied in the United States, where copyright owners can voluntarily end their rights,⁹⁹ but not in other countries where abandonment of personal property, including copyrights, is not possible.¹⁰⁰ From an international perspective, therefore, the model has its limits.

V. FACILITATING THE CLEARANCE OF RIGHTS

Pursuing the objective of facilitating rights clearance does not necessarily require imposing a mandatory system of formalities. What must be accomplished is the creation of an adequate and reliable set of copyright management information that is publicly accessible. There are different ways in which the law can facilitate this. First, it can create rules for encouraging the metadata-tagging of digital content (Part V.A); second, it can prompt registries and private entities to make more rights management information publicly available (Part V.B); and third, it can require—or incentivize—assignees or exclusive licensees to record their claim to ownership (Part V.C). Together or alone, these measures can contribute to improving copyright licensing in the Internet age.

A. ENHANCED METADATA-TAGGING OF DIGITAL CONTENT

One way of advancing the availability of adequate rights management information is to foster the use of and improve tools for metadata-tagging of digital content. Equipping digital recording devices such as digital photo and video cameras with pre-programmed software enabling users to mechanically insert personalized digital tags or watermarks to captured photos and videos is fairly

⁹⁷ Cf. Samuelson & Wheatland, *supra* note 67, at 454 (explaining that, for individual authors and small firms, “[t]he prospect of enhanced damages if their copyright is infringed . . . is too remote to induce prompt registrations” for the purpose of recovering statutory damages and attorney’s fees under 17 U.S.C. § 412 (2006)).

⁹⁸ Lee, *supra* note 92, at 29–31. The example shows that Lee’s model also comes at a price, as tax breaks directly affect state revenues (which is especially discouraging in times of economic crisis), but he debunks this argument by showing that the proposal may also inspire follow-on creations and derivative works that can generate significant income. *Id.* at 36–40.

⁹⁹ See *Nat’l Comics Publ’ns v. Fawcett Publ’ns*, 191 F.2d 594, 597–98 (2d Cir. 1951). See also Robert A. Kreiss, *Abandoning Copyrights to Try to Cut Off Termination Rights*, 58 MO. L. REV. 85 (1993); Matthew W. Turetzky, *Applying Copyright Abandonment in the Digital Age*, 2010 DUKE L. & TECH. REV. 19 (2010).

¹⁰⁰ See, e.g., Emily Hudson & Robert Burrell, *Abandonment, Copyright and Orphaned Works: What Does it Mean to Take the Proprietary Nature of Intellectual Property Rights Seriously?*, 35 MELB. U. L. REV. 971 (2011); WIPO Committee on Development and Intellectual Property, *Scenarios and Possible Options Concerning Recommendations 1c, 1f and 2a of the Scoping Study on Copyright and Related Rights and the Public Domain*, WIPO doc. CDIP/9/INF/2 Rev. Annex, 1–3 (2012), available at http://www.wipo.int/edocs/mdocs/mdocs/en/cdip_9/cdip_9_inf_2_rev.pdf.

easy.¹⁰¹ If such tags or watermarks, by default, would include reliable information linking the work to its creator (as well as information about the date of creation, etc.), then this would significantly ease rights clearance,¹⁰² provided that the information is machine-readable, freely accessible to users, and not encrypted.¹⁰³ Also, it is conceivable that word processors, PDF-makers, web-building tools, and other software aimed at creating digital content would allow personalized digital watermarks and tags to be attached to works.¹⁰⁴ Finally, online platforms where content is uploaded could offer users the possibility, before uploading a work, to submit relevant copyright information.

Despite the many opportunities for metadata-tagging and watermarking of digital content, it has not yet generated a universal toolkit for copyright clearance.¹⁰⁵ This is mostly caused by the lack of standardization and the principally voluntary character of metadata-tagging. For authors and copyright owners, it is a completely voluntary choice whether to attach metadata to digital objects, and if so, what information to include. There is no uniform standard for metadata.¹⁰⁶

First of all, this raises challenges for industries and policymakers worldwide to cooperate in developing standardized and interoperable metadata. But there is also a need for further legislative support to increase uniformity and encourage right owners to add metadata. Presently, the laws of many countries protect copyright management information against removal or tampering.¹⁰⁷ This includes not only information identifying the work, the author, and copyright owner, but also information about terms and conditions of use and numbers or codes representing such information.¹⁰⁸

101 See Gary L. Friedman, *The Trustworthy Digital Camera: Restoring Credibility to the Photographic Image*, 39 IEEE TRANSACTIONS ON CONSUMER ELECTRONICS 905–06 (1993) (already describing how digital watermarks can link images to the digital camera with which they were taken so as to prove image authenticity).

102 See HUGENHOLTZ ET AL., *supra* note 5, at 179.

103 Cf. Michael W. Carroll, *Creative Commons as Conversational Copyright*, in INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE (VOLUME 1: COPYRIGHT AND RELATED RIGHTS) 445, 456–59 (Peter K. Yu ed., Praeger 2007) (discussing the potential of metadata in a machine-readable and machine-interpretable form for making rights management information better traceable, indexable and useable on the Internet).

104 Cf. the list of software applications with inbuilt Creative Commons licensing. *Applications Using CC*, CREATIVE COMMONS, http://wiki.creativecommons.org/Applications_Using_CC (last modified May 8, 2013) (offering a practical example).

105 Cf. BARBARA DIERICKX & DIMITRIOS TSOLIS, OVERVIEW OF COLLECTIVE LICENSING MODELS AND OF DRM SYSTEMS AND TECHNOLOGIES USED FOR IPR PROTECTION AND MANAGEMENT 121 (2009) (concluding that “an off-the-shelf solution for DRM does not exist” and that developing a “balanced, successful DRM system” that combines “technological, business and legal concerns in a functional, open and acceptable framework . . . is inevitably one of the greatest challenges for content communities.”).

106 Cf. Beth Goldsmith & Frances Knudson, *Repository Librarian and the Next Crusade: The Search for a Common Standard for Digital Repository Metadata*, 12 D-LIB MAGAZINE (Sept. 2006), available at <http://www.dlib.org/dlib/september06/goldsmith/09goldsmith.html>. This is a random example of an attempt at standardization within a specific context. Illustrative for the lack of uniformity in metadata standards is that different stakeholders use metadata for entirely different purposes.

107 See, e.g., VAN EECHOUDE ET AL., *supra* note 5, at 133–36 (giving an overview of the protection of rights management information in European Union Member States); 17 U.S.C. § 1202 (2006).

108 See, e.g., 17 U.S.C. § 1202; Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society, 2001 O.J. (L 167) 10, 18, art. 7.

As a rule, the law protects metadata regardless of the combination of information it includes. To enhance uniformity and improve licensing, a first possible measure would be to subject the protection of copyright management information to the requirement to provide, as a minimum, a set of basic information about the work, the author, and copyright owner.¹⁰⁹ Second, to stimulate the use of metadata, it would also be feasible to specify that copyright management information obtains protection only if it has been deposited in a publicly accessible database.¹¹⁰ A provision of such kind may give the necessary stimulus for copyright owners to supply copyright management information, thus enhancing efficiency in the licensing of works. Moreover, if a technical link can be established between the database and the tagged metadata, as has been suggested in Part III.A, then it may also aid in keeping the supplied information reliable and up-to-date.

However, there is one caveat. Pursuant to Article 3 of the WIPO Copyright Treaty, the Berne prohibition on formalities must be applied *mutatis mutandis* to “the protection provided for” in the WIPO Copyright Treaty. This raises the question of whether the mandatory deposit of copyright management information would not violate international law, given that the protection of rights management information is covered by Article 12 of the WIPO Copyright Treaty.

On the surface, the reference to “the protection provided for” in the WIPO Copyright Treaty seems to suggest that the Berne prohibition on formalities would also apply to the protection of rights management information under Article 12 of the WIPO Copyright Treaty.¹¹¹ However, the Agreed Statement on Article 3 of the WIPO Copyright Treaty clearly shows that, in the context of the Treaty, the prohibition on formalities only concerns the rights that are to be granted under the rule of national treatment and “the rights specially granted by the Berne Convention and the WIPO Copyright Treaty” with respect to “works . . . protected under the Berne Convention and the WIPO Copyright Treaty.”¹¹² This implies that the prohibition on formalities only relates to the protection of copyright and not to the ancillary forms of protection under the WIPO Copyright Treaty, such as the protection of technical protection measures against circumvention (Article 11) or the protection of rights management information against removal or tampering (Article 12).¹¹³ These provisions simply do not create a new right of authors in their works, but rather constitute enforcement rules.¹¹⁴

109 See 2 RICKETSON & GINSBURG, *supra* note 46, § 15.39, at 991 (asserting that contracting states to the WIPO Copyright Treaty are free “to condition the protection of *rights management information* on compliance with the national law definition of what that information is to include”).

110 See HUGENHOLTZ ET AL., *supra* note 5, at 179–80; Van Gompel, *Unlocking the potential of pre-existing content: How to address the issue of orphan works in Europe?*, *supra* note 5, at 682–83; VAN EECHOUDE ET AL., *supra* note 5, at 274–76.

111 See REINBOTHE & VON LEWINSKI, *supra* note 61, at 61 (arguing in that direction).

112 See VAN GOMPEL, *supra* note 8, at 173–74.

113 See, e.g., Dan L. Burk & Julie E. Cohen, *Fair Use Infrastructure for Rights Management Systems*, 15 HARV. J.L. & TECH. 41, 72–73 (2001); HUGENHOLTZ ET AL., *supra* note 5, at 179–80; Dusollier, *supra* note 29, at 94–95. *But see* Robert C. Denicola, *Fair’s Fair: An Argument for Mandatory Disclosure of Technological Protection Measures*, 11 MICH. TELECOMM. TECH. L. REV. 1, 20 (2004) (arguing that subjecting the protection of technical protection measures to formalities might well be prohibited under the WIPO Copyright Treaty).

114 See REINBOTHE & VON LEWINSKI, *supra* note 61, at 142, 152–53.

Hence, this ancillary protection can be subject to formalities, provided that it does not in any way affect the protection of copyright in the accompanying works.¹¹⁵

B. MAKING OPTIMAL USE OF EXISTING REGISTRIES AND DATABASES

In general, when considering reintroducing formalities for the purpose of facilitating licensing, it must not be forgotten that, in practice, there already exists a large body of registries, databases, and private entities that hold a gigantic amount of copyright management information.¹¹⁶

The problem is, however, that the relevant information is held by many different actors in the field and is therefore immensely dispersed. First, there is a wide variety of registers and databases of rights management information at the national level.¹¹⁷ Second, there is an increasing number of private copyright registration and documentation systems, especially in the online environment.¹¹⁸ Third, more and more metadata is collected and created by libraries and archives in the course of clearing rights for mass-digitization.¹¹⁹ Fourth, lots of information about rights is arguably held by private entities like Google, Amazon, and Microsoft, or by licensing bodies with which they cooperate.¹²⁰ Fifth, rights management information is clearly also available from right owners (e.g., publishers, record companies, broadcasting organizations) directly, or from collective rights management societies that traditionally hold large catalogues of rights management information relating to their repertoire. Since all these actors hold specific information necessary for their own specific purpose, a first challenge is to combine and integrate the rights management information that is available from such wide variety of sources into a meaningful structure.

Intriguingly, in the United Kingdom, attempts have been undertaken to create a Copyright Hub that precisely aims at building “a portal with intelligent connections to a wide range of websites, digital copyright exchanges and databases in the UK and around the world, with the focus on making copyright licensing easier and cheaper for and in the digital age.”¹²¹ Following a recommendation by Ian Hargreaves to set up a Digital Copyright Exchange,¹²² the UK government appointed Richard Hooper to lead a feasibility study on developing such an exchange.¹²³ He

115 See 2 RICKETSON & GINSBURG, *supra* note 46, § 15.39, at 991 (stating that contracting parties to the WIPO Copyright Treaty may not go as far as requiring copyright owners to provide rights management information as a condition to enjoy copyright protection).

116 Michael W. Carroll, Panel Discussion, *Formalism and Formalities: The Public/Private Distinction and Formal/Functional Analysis* at the Berkeley Symposium: “Reform(aliz)ing Copyright for the Internet Age” (Apr. 18, 2013), available at <http://www.law.berkeley.edu/15235.htm>.

117 See the two WIPO surveys, *supra* note 43.

118 See MARCO RICOLFI ET AL., SURVEY OF PRIVATE COPYRIGHT DOCUMENTATION SYSTEMS AND PRACTICES (2011) (reporting to the WIPO Secretariat).

119 See COMITE DES SAGES, *supra* note 4, at 13 ¶ 4.1.6.

120 See, e.g., Patrick Sullivan, Panel Discussion, *RightsFlow by Google* at the Berkeley Symposium: “Reform(aliz)ing Copyright for the Internet Age” (Apr. 19, 2013), available at <http://www.law.berkeley.edu/15235.htm>.

121 COPYRIGHT HUB, <http://www.copyrighthub.co.uk> (last visited June 11, 2013).

122 IAN HARGREAVES, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH 3–4, 8, 28–35 ¶¶ 4.14–4.39 (2011), available at <http://www.ipo.gov.uk/ipreview-finalreport.pdf>.

123 The report of the Digital Copyright Exchange Feasibility Study was published in two parts: RICHARD HOOPER, RIGHTS AND WRONGS: IS COPYRIGHT LICENSING FIT FOR PURPOSE FOR THE DIGITAL AGE? (2012), available at <http://www.ipo.gov.uk/dce-report-phase1.pdf> and RICHARD HOOPER & ROS LYNCH, COPYRIGHT WORKS:

advocated the creation of a UK-based, not-for-profit, industry-led Copyright Hub in which partners of different creative sectors, including museums and archives, work together to create a licensing framework for high volume, low monetary value transactions, in particular.¹²⁴ This Copyright Hub is now in a start-up phase after receiving funding from the UK Government.¹²⁵ This shows how governments can help to promote the creation of a one-stop marketplace for copyright licensing.

A further problem is that relevant information is often not publicly accessible. Evidently, the information held by private entities such as publishers is not freely available.¹²⁶ Likewise, collective rights management organizations are regularly accused of being “black boxes” that do not publicly share rights management information.¹²⁷ Even EU-funded projects like ARROW, which aims to “to integrate information on rights, right holders and rights status (thus facilitating their search and retrieval), with a focus on orphan works, therefore building a European wide orphan works registry,”¹²⁸ will not result into a publicly accessible database. Although it “is neutral as to who uses its services,” ARROW’s business model reveals that it aims to serve public or private institutions that engage in digitizing books, in particular.¹²⁹ A second challenge is thus to ensure that relevant information held by different players is made publicly accessible in an adequate way.

In Europe, some recent initiatives attempt to make existing information on the management of rights more widely and freely available. First, in the recently adopted Orphan Works Directive, a provision is made for the creation of a single publicly accessible online database, where relevant information on the use of orphan works by cultural institutions must be recorded.¹³⁰ This includes the results of unsuccessful diligent searches for copyright owners of works and any change of the orphan work status of works.¹³¹ Earlier, the *Comité des Sages* recommended conferring a much more far-reaching duty on cultural institutions to make all metadata they create in relation to digitized objects widely and freely available for re-use.¹³² Second, the proposal for a Directive on collective rights management and multi-territorial licensing for online music services includes some rules on

STREAMLINING COPYRIGHT LICENSING FOR THE DIGITAL AGE (2012), available at <http://www.ipo.gov.uk/dce-report-phase2.pdf>.

124 See HOOPER & LYNCH, *supra* note 123, at 3–4 ¶¶ 7–8.

125 Press Release, Government gives £150,000 funding to kick-start copyright hub (Mar. 25, 2013), available at <https://www.gov.uk/government/news/government-gives-150-000-funding-to-kick-start-copyright-hub>.

126 There simply is no public record of the rights held by publishers, record companies, broadcasting organizations, etc. Contracts or agreements by which they have acquired the rights are normally only available to them and the transferors of the rights.

127 *Cf.* Commission Recommendation of 18 May 2005 on collective cross-border management of copyright and related rights for legitimate online music services 2005/737/EC, art. 6, 2005 O.J. (L 276) 54, 56 (urging collective rights management organizations to “inform right-holders and commercial users of the repertoire they represent,” so as to enhance transparency).

128 ARROW’s mission statement, in ARROW, BUSINESS MODEL 3 (2011), available at http://www.arrow-net.eu/sites/default/files/ARROW_Business_Model.pdf.

129 *Id.* at 3, 7–11.

130 Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, art. 3(6), 2012 O.J. (L 299) 5, 9.

131 *Id.* art. 3(5), at 9.

132 See COMITE DES SAGES, *supra* note 4, at 5, 14 ¶¶ 4.5.1, 15.

transparency and exchange of data. It would require collective rights management organizations, upon request, to make available to users information about the repertoire and rights they manage and for which territories.¹³³ Collective rights management organizations providing multi-territorial licenses for online rights in musical works would be expected to do so by default, without an explicit request to that effect.¹³⁴ When processing data, the latter organizations would also be required to use unique identifiers to identify right owners and musical works, based as far as possible on voluntary industry standards and practices.¹³⁵

It is evident, however, that these initiatives do not primarily aim at improving the availability of rights management information for the purpose of facilitating licensing, but rather at effecting a legislative model for orphan works and enhancing the transparency of collective rights management organizations. Moreover, they offer only piecemeal approaches that cannot improve licensing in a significant way. If the aim is to make more rights management information available to the public, then lawmakers should address the topic in a more systematic and coherent manner.

C. MANDATORY RECORDATION OF TRANSFERS OF RIGHTS

Since the lack of reliable information about ownership of rights arising from the transferability and divisibility of copyright is one of the main causes of current licensing difficulties,¹³⁶ lawmakers could consider making timely recordation of transfers of ownership a compulsory act.¹³⁷ Under current U.S. copyright law, recordation of transfers and other documents is a purely voluntary act that merely provides constructive notice of the recorded facts and priority in case of conflicting assignments.¹³⁸ As no other legal consequences are attached to it, the law does not really provide an incentive for assignees or licensees to record transfers of copyright.¹³⁹ By contrast, many other countries have no recordation system, but the law sometimes lays down other requirements, such as mandating that transfers of copyright must be in writing or drawn up in certificates.¹⁴⁰ Without up-to-date public records of contracts or documents effectuating a transfer of rights, third parties must find other ways to trace the chain of title to be able to ascertain copyright ownership.

133 *Proposal for a Directive of the European Parliament and of the Council on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market*, art. 18(1)(b), at 32, COM (2012) 372 final (July 11, 2012).

134 *Id.* art. 23(1), at 35.

135 *Id.* art. 22(2)(c), at 34.

136 *See, e.g.*, HUGENHOLTZ ET AL., *supra* note 5, at 164; Van Gompel, *Unlocking the potential of pre-existing content: How to address the issue of orphan works in Europe?*, *supra* note 5, at 675–76; VAN EECHOUDE ET AL., *supra* note 5, at 268–69.

137 *See* Jane C. Ginsburg, “*With untired spirits and formal constancy*”: *Berne-Compatibility of Formal Declaratory Measures to Enhance Title-Searching*, 28 BERKELEY TECH. L.J. ___ (2013) (putting forward a detailed proposal for a mandatory recordation of transfers, thereby addressing (and debunking) some practical concerns that such an obligation might engender).

138 17 U.S.C. § 205 (2006).

139 *See* Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 341–42.

140 *E.g.*, Wet van 23 september 1912, houdende nieuwe regeling van het auteursrecht [Copyright Act], art. 2(2) (Netherlands) (requiring that the assignment of rights be effected by written deed); Código do Direito de Autor e dos Direitos Conexos, Decreto-Lei n.º 63/85 [Copyright and Related Rights Act], art. 41(2), 43(2) and 44 (Portugal) (requiring an instrument in writing for licensing of copyright, a written document bearing signatures for partial assignment of copyright, and a public deed (*escritura pública*) for complete assignment of copyright).

For the purpose of improving title searching and enhancing clarity about ownership of rights, the law could make recordation mandatory by giving legal effect to transfers of copyright only if they are recorded in a public register or database. That would make recordation a prerequisite for effectuating a transfer of rights. If not recorded, the right is not legally transferred and therefore remains with the transferor.¹⁴¹ Alternatively, the law could also provide that transferred rights will revert to the grantor if they are not recorded within a certain period.¹⁴² Such provisions would be permissible under the Berne Convention, because they merely address “who may assert copyright ownership” without affecting the existence or enforcement of copyright.¹⁴³

Other than requiring recordation as a condition for the validity of a transfer of rights, the law could also incentivize recordation, for example, by rewarding subsequent copyright owners who record transfers with procedural advantages, such as the possibility to recover statutory damages and attorney’s fees.¹⁴⁴ Because national procedural requirements are excluded from Article 5(2) of the Berne Convention,¹⁴⁵ such a rule would be Berne-compliant. Another possibility, which runs more risk of falling afoul of the Berne Convention, is to make recordation a condition to sue for copyright infringement.¹⁴⁶ U.S. copyright law included a provision of this kind between 1978 and 1989.¹⁴⁷ Being a prerequisite for initiating a copyright infringement suit for persons claiming to be the right owner by virtue of a transfer of rights, it was believed to violate Article 5(2) of the Berne Convention and therefore abolished.¹⁴⁸ Requiring recordation as a condition to file suit appears to be permissible only if does not effectively preclude enforcing the copyright before the courts (e.g., by still allowing the author or transferor to start an infringement proceeding).¹⁴⁹

If the law would provide sufficient incentives for transferees to record transfers of ownership of copyright, then this could ease title searching and licensing to a significant degree. However, if the law were to make recordation a true prerequisite for the validity of transfers of rights, then this would have the advantage that, by consulting the relevant register or database, third parties could

141 *Cf.* VAN GOMPEL, *supra* note 8, at 204–05, 213, 289.

142 Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 345–46.

143 *Id.* at 317, 345. *See also* VAN GOMPEL, *supra* note 8, at 203–05.

144 *See* Daniel Gervais & Dashiell Renaud, *The Future of United States Copyright Formalities: Why We Should Prioritize Recordation, and How to Do It*, 28 BERKELEY TECH. L.J. __ (2013).

145 *Cf.* WILHELM NORDEMANN ET AL., INTERNATIONAL COPYRIGHT AND NEIGHBORING RIGHTS LAW: COMMENTARY WITH SPECIAL EMPHASIS ON THE EUROPEAN COMMUNITY 78 (VCH 1990) (explaining that the Berne Convention does not impact the “procedural status of a plaintiff in a civil litigation” under the German Code of Civil Procedure); 1 RICKETSON & GINSBURG, *supra* note 46, § 6.105, at 326; and VAN GOMPEL, *supra* note 8, at 202.

146 *See* Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 315 (explaining that the Berne Convention does not only bar “State-imposed preconditions on the coming-into-being of the author’s rights”, but also “any provision in member-State law that . . . made the bringing of proceedings to enforce these rights subject to a formality”).

147 17 U.S.C. § 205(d) (1976) as abolished by the Berne Convention Implementation Act, Pub. L. No. 100-568, 102 Stat. 2857, sec. 5 (1988).

148 *See* S. REP. NO. 352, *supra* note 59, at 25-26 (1988): “a transferee claiming under an unrecorded document is effectively precluded from enforcing his or her claim, and thus from enjoying and exercising his or her rights, within the meaning of Article 5(2) of Berne.”

149 *See* Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 345 (arguing that 17 U.S.C. § 501(b) (2006) might provide an escape, as it also allows “beneficial” right owners, such as authors who “retain a continuing royalty interest,” to start an action for copyright infringement).

easily ascertain who owns the copyright in a work. That would be the person who is last recorded as the transferee of the right. If nothing is recorded, then it would be assumed that copyright resided with the author or other person who, by operation of the law, was the initial owner of the right.¹⁵⁰ In any event, it would be sufficiently clear from the recorded facts to which work the transfer pertains, who are the subsequent owners in the chain of title, and what the scope of the transfer is.¹⁵¹ To this end, the law should indicate precisely what information must be recorded.¹⁵²

Mandatory recordation thus provides significant advantages while keeping up with the Berne Convention. This makes it an interesting policy option, which policymakers by now also seem to realize. In the United States, the Register of Copyrights has indicated that the Copyright Office is investigating how “to improve the public record of copyright ownership.”¹⁵³ It could perhaps find inspiration in proposals for making recordation of transfers of rights mandatory to urge Congress to enact legislation along these lines. If Governments of other countries would do the same, then this could give an enormous boost to enhancing the production and public accessibility of rights management information.¹⁵⁴ This is urgently needed to facilitate licensing today.

VI. CONCLUSION

Copyright formalities come in many different varieties, each with their own distinctive flavors and characteristics. To start a meaningful discussion on reintroducing formalities for the purpose of adapting copyright law to the digital era, therefore, it must first be properly established which types of formalities fit what objectives. In this Article, two specific objectives for reinstating formalities have been discussed. These are the objectives of facilitating rights clearance and enhancing the free flow of information by enlarging the public domain. Together they aid to establishing more legal certainty about copyright claims. This Article has explored which formalities best contribute to achieving these objectives and whether such formalities would comply with the prohibition on formalities enshrined in Article 5(2) of the Berne Convention (and incorporated by reference into the TRIPS Agreement and the WIPO Copyright Treaty). It has been observed that many regimes of formalities are incompatible with the Berne Convention, but certainly not all.

Reintroducing formalities for the purpose of enhancing the free flow of information by enlarging the public domain would undoubtedly encounter the most problems. Because the Berne Convention prohibits subjecting the enjoyment of copyright to formalities, it would be unfeasible to impose constitutive or maintenance formalities, except on a purely national level. Even if a country

150 VAN GOMPEL, *supra* note 8, at 204–05.

151 See Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities*, *supra* note 32, at 346 (suggesting that, to address the latter point, “Congress might further provide that any ambiguities in the scope of the recorded grant will be interpreted against the grantee”).

152 See Gervais & Renaud, *supra* note 144, at ___ (first modality). See also Samuelson & Members of the CPP, *supra* note 1, at 1201 (suggesting that copyright owners must keep the records up-to-date by also supplying the registry with information about the death of the author).

153 Pallante, *The Next Great Copyright Act*, *supra* note 77, at 329. See also Pallante, *The Curious Case of Copyright Formalities*, *supra* note 10, at ___.

154 This would be especially so if, perhaps in the longer run, the national registers or databases could be integrated into a meaningful structure, as suggested in Part V.B above.

would subject the protection of domestic works to mandatory formalities, failure to fulfill them would only cause these works to enter the public domain in their home country, not in other parts of the world. From an international point of view, this would not really improve the free flow of information. Moreover, because the Berne prohibition on formalities also applies to rights that contracting states must grant pursuant to the rule of national treatment, requiring formalities to be completed after the Berne minimum term of protection of life-plus-fifty years has expired, so as to enjoy an additional term of protection of twenty years, would also conflict with this Convention. Such a regime could only be imposed on domestic works and foreign works that are subject to material reciprocity by virtue of the rule of comparison of terms. A model that would be compatible with Berne is to incentivize voluntary abandonment of copyright for timely registered works. For most copyright owners, however, this model does not seem to provide the right incentives to donate their works to the public domain voluntarily. Also, because voluntary abandonment of copyright is not possible in all countries, the model is not universally applicable. At most, therefore, it can offer only partial relief.

By contrast, it appears that current international copyright law presents several opportunities for reintroducing formalities with the aim to facilitate rights clearance. First, given that the Berne prohibition on formalities is copyright-specific, it arguably permits conditioning the protection of copyright management information on the requirement to register or deposit such information in a publicly accessible database. On this basis, countries can create rules encouraging the metadata-tagging of digital content. Second, since the prohibition on formalities does not extend to purely voluntary formalities, lawmakers can reinforce voluntary registration by cooperating with industry to build a rights management infrastructure, which combines and integrates existing registries and databases and makes relevant information publicly accessible for licensing purposes. Once such an infrastructure is operational and functioning well, this can motivate right owners to voluntarily submit additional rights management information. Third, the Berne Convention seems to permit formalities that establish the manner of effectuating a transfer of copyright or prove the existence or scope of the relevant transaction. Accordingly, lawmakers could introduce rules mandating or incentivizing recordation of transfers of ownership of rights. This would ease title searching and enhance clarity about who owns the copyrights in a work. International law thus provides ample opportunity for reintroducing formalities for the purpose of improving licensing.

In conclusion, in pairing the objectives behind a reintroduction of copyright formalities with possibilities for their implementation, this Article contends that, at present, formalities could only be meaningfully introduced for the purpose of facilitating rights clearance. Unless the Berne prohibition on formalities is changed, which is fairly unrealistic given that this requires unanimous consent of all contracting states, introducing formalities with the aim to enlarge the public domain will either fail to satisfy the Berne requirements or produce only limited effects. A more realistic approach is for national lawmakers to make optimal use of the policy space in the Berne Convention and the other international copyright treaties by introducing formalities that are permissible and that may contribute to improving licensing. This would certainly benefit the copyright system.

CAN FORMALITIES SAVE THE PUBLIC DOMAIN? RECONSIDERING FORMALITIES FOR THE 2010S

Niva Elkin-Koren

I. INTRODUCTION

There is a wide consensus that copyright law has become a barrier for exploiting the full potential of the online environment in promoting creativity and creators.¹ Copyright, which was designed for an analog world, is making a slow and painful transition into the digital era. While many agree that some adjustments in copyright law are necessary, the question of the kind of adjustments is more controversial.

The recent calls to reintroduce formalities may provide a good example.² Advocates of formalities believe that reintroducing formalities would help avoid some of the barriers created by copyright law, and enable us to take full advantage of the opportunities for creation and use offered by digital technology.³ Some of the arguments supporting formalities as a vehicle for promoting the public domain overlook the profound transformation of our cultural environment as it has shifted to the digital era. This Article revisits these arguments to show that formalities may shape the digital ecosystem in ways that may not necessarily serve the public domain.

Formalities as a precondition of protection prevailed in the U.S. copyright system for two centuries, until it was abolished after the United States joined the Bern Convention.⁴ Some have

1 See Pamela Samuelson, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175 (2010); WILLIAM PATRY, HOW TO FIX COPYRIGHT (2012); *The Register's Call for Updates to U.S. Copyright Law Before the Subcomm. on Courts, Intellectual Prop. and the Internet of the H. Comm. on the Judiciary*, 113th Cong., (2013) (statement of Maria A. Pallante, Register of Copyrights of the United States, United States Copyright Office).

2 The term "formalities" refers to the procedural mechanisms, which are required for acquiring a valid copyright, such as registration, notice, deposit, or renewal procedures. See Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485, 487 (2004).

3 See LAWRENCE LESSIG, FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY 287–91 (2004); Sprigman, *supra* note 2, at 487; James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167 (2005); Pamela Samuelson, *Preliminary Thoughts on Copyright Reform*, 3 UTAH L. REV. 551 (2007); STEF VAN GOMPEL, *Formalities in the Digital Era: An Obstacle or Opportunity?*, in GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE 395–423 (Lionel Bently et al. eds., 2010).

4 Formalities existed under U.S. copyright law from the first copyright statute of 1790 until 1989, when the United States joined the Bern Convention. See Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988). The United States is an interesting example of shifting from a formalities regime, where copyright was conditional upon satisfying certain procedures, to a regime where copyright applies automatically upon "fixation in a tangible medium of expression." 17 U.S.C. § 102 (2010). This change took place when the United States joined the Bern Convention in 1989, under which the copyright law was amended and formalities requirements were cancelled. Note that formalities were also common in Europe through the nineteenth century, when the Berne Convention for the Protection of Literary and Artistic Works was revised in 1908 to prohibit signatory nations from requiring formalities as

suggested that the removal of formalities in the United States, in the early 1990s, expanded copyright to cover works that were not intended to be protected by copyright law, and consequently seriously shrank the public domain.⁵ It is therefore assumed that reintroducing formalities will restore some of the benefits generated by the old regime, and address some of the problems caused by their removal.⁶

In essence, formalities advocates argue that current copyright law protects too many works, and shifting back to an opt-in regime would help restore the balance in copyright law between incentives and access.⁷ Restoring formalities would arguably expand the public domain by increasing the number of works in which copyright is not affirmatively claimed. It has been further suggested that works of authorship are underused.⁸ This is due to uncertainty on whether they are protected by copyright or not, which creates a chilling effect. A notice requirement would signal to potential users which works are protected by copyright. A notice would also generate the information necessary for licensing, thereby facilitating the clearance of rights and reducing the problem of orphan works.⁹

At first sight, it looks like reintroducing formalities could fix many deficiencies of the current copyright regime and restore the public domain. Formalities presumably offer a rather simple, somewhat technical, answer to the set of complex legal issues that eventually led to the enclosure of the public domain.¹⁰ But formalities, which served copyright in the past centuries, may generate different outcomes in a digital era. Over the two decades since formalities were abolished in the United States, the creative landscape has been shaken by the digital revolution.¹¹ Digital technology

a precondition for protecting foreign works from other Bern signatory nations. See STEF VAN GOMPEL, *Copyright Formalities and the Reasons for Their Decline in Nineteenth Century Europe*, in PRIVILEGE AND PROPERTY: ESSAYS ON THE HISTORY OF COPYRIGHT 157, 159 (Ronan Deazley et al. eds., 2010).

5 See David Fagundes & Jonathan S. Masur, *Costly Intellectual Property*, 65 VAND. L. REV. 677, 705 (2012) (“The costlessness with which copyrights arise has led to an unchecked increase in copyrighted works of authorship, accompanied by a critical scholarship arguing that this increase is socially harmful and that it should be cabined by the imposition of various screening devices.”).

6 See, e.g., Sprigman, *supra* note 2 at 490; Lessig, *supra* note 2; van Gompel, *supra* note 4.

7 See *infra* notes 13-21 and accompanying text.

8 A classic example is the problem of orphan works. The cost required for determining whether a work is still protected under copyright, to trace the rightholder or even to identify a work as an orphan work, might be too high, leading potential exploiters of the work, such as archives and libraries, to avoid the use altogether. The recent UK Hargreaves Review observed: “The problem of orphan works – works to which access is effectively barred because the copyright holder cannot be traced – represents the starkest failure of the copyright framework to adapt. The copyright system is locking away millions of works in this category.” See Ian Hargreaves, *Digital Opportunity: A Review of Intellectual Property and Growth* 38 (2011) Available at <http://www.ipo.gov.uk/ipreview>. See also generally Giuseppe Colangelo and Irene Lincesso, *Law Versus Technology: Looking for a Solution to the Orphan Works Problem*, 20 International Journal of Law and Information Technology 178 (2012).

9 See Sprigman, *supra* note 2, at 502; JAMES BOYLE, *THE PUBLIC DOMAIN: ENCLOSING THE COMMONS OF THE MIND* 184 (2008); Van Gompel, *supra* note 4, at 401–03.

10 See, e.g., Pallante, *supra* note 1.

11 One of the first calls for reintroducing formalities was made by Christopher Sprigman, who argued in 2004 that copyright law should move back to a conditional regime, “but in a way that accounts for developments in technology.” Sprigman, *supra* note 2, at 488. Sprigman argues that while the elimination of mandatory formalities might have been justified given the circumstances at the time, those circumstances had changed. The growth of the Internet, and more broadly, of digital technologies, has opened up new possibilities for public access to and use of creative works that did not exist when Congress was removing formalities from copyright law. Before the digital age, the cost of copying and

clearly offers more efficiency in registration, notice and renewal, improving accessibility, and lowering administrative costs. Yet digital technology has also transformed the way we create, share, and enjoy cultural works, bringing users to the forefront of creative processes and facilitating new types of collaborative production. The rise of online intermediaries and the growing role of online platforms are also shaping the way we generate, share, and use copyrighted materials. These transformations are not only changing the economics of the cultural environment, they are also affecting political rights, social structures, access to knowledge, and freedom. In this emerging environment the public domain becomes ever more necessary. Nevertheless, examining formalities in light of these changes may call into question the wisdom of reintroducing formalities for the purpose of promoting the public domain. Restoring formalities in the current digital ecosystem may carry some unintended consequences. Paying more attention to the potential effect of formalities on user-generated content (“UGC”), collaborative production, and the role of mega-platforms in implementing a formalities regime might help us imagine the possibilities and risks in the emerging digital ecosystem and design the legal tools that are necessary to align the law with the digital era.

The purpose of this Article is to revisit some of the arguments supporting formalities as a vehicle for promoting the public domain. Part II critically analyzes the justifications for reintroducing formalities. Part III describes the fundamental shifts in generating and sharing digital content that may call for some caution in restoring formalities. Part IV reexamines the rationale of formalities in light of these changes. Part V concludes with a brief discussion of some policy implications, focusing on the legal challenges in promoting a voluntary strategy of formalities for the digital ecosystem.

II. REINTRODUCING FORMALITIES TO RESTORE THE PUBLIC DOMAIN

The policy debate regarding the reintroduction of formalities often sound like a ready-made solution that is in search of a problem. Many advocates of copyright formalities believe that copyright is out of balance, and call to restore this balance by reintroducing formalities. The formalities discourse often treats formalities as a unified package, when, in fact, it includes several legal arrangements that aim at achieving a wide range of (sometimes conflicting) goals. The treatment of formalities as a single category blurs the policy analysis. Therefore, it is necessary to first clarify the different goals and functions of formalities before deciding whether formalities should be reintroduced and in which format. Formalities advocates focus on three functions of formalities that are likely to enhance the public domain and improve access to creative materials: first, filtering out works which are not worthy of protection by shifting to an opt-in regime; second, signaling the works to which copyright protection applies, thereby enhancing legal certainty; and third, generating data to facilitate licensing and rights clearance.¹² The following Sections briefly introduce the main arguments made by formalities advocates, and outline some of their weaknesses.

distribution had more effect on the ability of most people to access, use, and transform creative works than did the copyright laws. But now digital distribution is cheap and digital copyright is essentially free. Therefore, Sprigman concludes that copyright law has become the principal barrier to new creative practices. *Id.* at 489–90.

¹² These intended functions for formalities are described in the House Report for the 1976 Act: “(1) It has the effect of placing in the public domain a substantial body of published material that no one is interested in copyrighting; (2) It

A. FILTERING BY FORMALITIES: EXPANDING THE PUBLIC DOMAIN

One purpose of reintroducing formalities is to design efficient incentives for acquiring copyright protection.¹³ Copyright currently applies automatically to any original work of authorship, from the moment of creation.¹⁴ Since it is rather difficult to opt out of copyright,¹⁵ copyright may sometimes apply even when authors do not seek protection.¹⁶ Consequently, copyright law ends up covering too many works, some of which were not intended to be protected by law, or by their authors, and arguably are not worthy of protection.¹⁷

Formalities are proposed as a prerequisite for copyright protection, thus shifting copyright from an opt-out regime to an opt-in regime. Presumably, requiring authors to take possibly costly, affirmative steps would ensure more efficient protection. Authors would make an initial assessment of whether the work is sufficiently valuable to warrant protection. Rational authors will make efficient choices; they will only register works when the expected benefits (e.g., revenues, reputation, and potential advantage in legal proceedings) exceed the cost of applying for registration.¹⁸ Consequently, sufficiently valuable works will be registered and acquire copyright protection, while works with low commercial potential will not justify investing the extra registration fees and subsequently will remain in the public domain. Thus, by reintroducing formalities, the law will filter out works that are not worthy of protection, and consequently will expand the public domain.

The filtering effect of formalities may become even stronger when protection lasts for a shorter period of time and renewal is required before that initial period is extended to its full duration.¹⁹ Thus, owners may opt out of copyright by default simply by failing to renew copyright when works are no longer commercially valuable.²⁰

Overall, it is assumed that formalities will result in an efficient outcome, leading to fewer protected works (only when expected benefits exceed the cost of registration), covering the “right” works (only those commercially valuable),²¹ and protecting works for a shorter period of time (opting out by failing to renew).

informs the public as to whether a particular work is copyrighted; (3) It identifies the copyright owner; and (4) It shows the date of publication.” H.R. REP. NO. 94–1476, at 143 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5759.

13 *See, e.g.*, LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* 252 (2001); Samuelson, *supra* note 1 at 1198–99; William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 473 (2003); Springman *supra* note 2 at 502–23.

14 Creation occurs at the moment of fixing an original expression in a tangible media. 17 U.S.C. § 102 (2012).

15 *See About CC0—“No Rights Reserved”*, CREATIVE COMMONS, <http://creativecommons.org/about/cc0> (further explaining some of the difficulties involved in dedicating a copyrighted work to the public domain).

16 *See* Richard A. Epstein, *The Dubious Constitutionality of the Copyright Term Extension Act*, 36 LOY. L.A. L. REV. 123, 124 (2002).

17 *See* Sprigman, *supra* note 2, at 489–90.

18 *Id.*

19 Landes & Posner, *supra* note 13, at 489; Lessig, *supra* note 3.

20 *See* Landes & Posner, *Id.*; to Lessig, *supra* note 13, at 251–52.

21 *See* Sprigman, *supra* note 2, at 490–91 (“The majority of creative works have little or no commercial value, and the value of many initially successful works is quickly exhausted. For work that are not producing revenues, continued copyright protection serves no economic interest of the author.”); *see also* Samuelson, *supra* note 1, at 1199 (observing that protecting commercially “dead” works imposes only social costs).

The main flaw in the attempt to use formalities to weed out works that should be in the public domain is the commercial bias. *Filtering by formalities* measures the gap between the cost of registration and the expected commercial value in the eyes of the beholder. This standard assumes that the owner's assessment of the commercial value of the work is a proper criterion for granting copyright protection. This standard might be systematically biased, however, toward the content industry, giving commercial players extra incentives to register and win copyright protection, while at the same time putting other players in the digital ecosystem at a serious disadvantage.²²

B. SIGNALING: RAISING LEGAL CERTAINTY

Another function of formalities, which could serve the public domain, is signaling.²³ A notice may inform the public which works are covered by copyright, thereby helping potential users to easily distinguish between protected works and the public domain.²⁴ A high level of uncertainty regarding which works are protected by copyright creates inefficiencies. Potential users, who cannot easily tell a copyrighted work from an unprotected work, are forced to undertake costly inquiries or pay a license fee even when a license is unnecessary. Uncertainty regarding copyright coverage also carries a chilling effect on legitimate use, as risk averse users will sometimes avoid legitimate uses altogether.²⁵ The notice requirement could enhance legal certainty, thereby promoting a more efficient use of works in the public domain.

A notice requirement is far from being a magic solution to the problem of uncertainty. The reliance on formalities to increase certainty assumes that one can neatly define the boundaries of a copyrighted subject matter. Mandatory notice may serve as a “no trespassing sign,” alerting potential users that a license is necessary unless the intended use is considered fair use. An important advantage of a mandatory notice is to free users from the need to undertake precautions every time a work lacks a notice. But a notice requirement does not offer sufficient certainty. For one, if notices are only voluntary they do not enhance certainty, as users will always remain in doubt. Even if notices are made mandatory, however, some inquiries would still be necessary to determine whether a work is protected. For instance, the current notice requirement under U.S. copyright law includes the publication date and identifies the owner.²⁶ Yet the duration of copyright is life plus seventy years, thus requiring more information on the author of the work for the purpose of determining whether a work is still under copyright (e.g., author's date of birth and possibly the date of death).

Moreover, notices and deposits cannot fully address legal uncertainty, as it stems from the nature of copyright law and its fundamental principles. Legal uncertainty regarding the scope of protection arises from the fact that copyrighted works are often composed of both protected expression and

²² See *infra* notes 66--89 and accompanying text.

²³ See, e.g., Samuelson, *supra* note 1, at 1185--86; Gibson, *supra* note 3, at 221--26.

²⁴ The notice requirement under the pre-1976 U.S. Copyright Act required authors to put a copyright notice on their work within a certain time period following the publication of the works in order to gain protection.

²⁵ A classic example is the problem of orphan works. For instance, the mass digitization of printed books for the Google Books project involved two major costs: scanning the books and copyright clearance. It was difficult to determine the number of orphan works and the cost of obtaining the individual licenses for large-scale digitization projects of that sort. See Jonathan Band, *The Long and Winding Road to the Google Books Settlement*, 9 J. MARSHALL REV. INTELL. PROP. L. 227 (2009).

²⁶ 17 USC § 401(2010).

unprotected ideas. Consequently, determining what is covered by copyright and what is in the public domain involves legal analysis, which takes place in court ex-post.

C. GENERATING INFORMATION TO FACILITATE LICENSING

A third function of formalities is to generate information that could foster wide exploitation of copyrighted materials by facilitating licensing.²⁷ While the reuse of creative content becomes much easier, more accessible, and more common, the need to acquire a license creates serious barriers on the reuse of copyrighted materials.²⁸ Potential users must determine whether a work is under copyright, identify the different rightholders, and locate the owners to negotiate a license.²⁹ Identifying and locating the owners might become prohibitively expensive when there is no indication of the author of the work and when there is no registry to record changes in copyright ownership. In such cases, the transaction costs of licensing could prevent a use that might otherwise be beneficial.

Advocates of formalities argue that registration and notice could make it much easier for potential users to identify the rightholder and acquire a proper license for a particular use. Identifying the copyright owner may lower transaction costs and help potential users to contact the rightholder and negotiate a license. Recoding the assignments of rights may further help track the owner of works (i.e., tracking the chain of title). Where duration of copyright is based on the life span of the author, it is also necessary for the notice to provide some information on the date of birth and death. Overall, it is assumed that formalities will facilitate transactions, thus encouraging the reuse of copyrighted materials and promoting copyright goals.

Yet the obstacle to the use of copyrighted materials is not just lack of information regarding the copyright owners. Acquiring a license also involves the cost of locating the owners, contacting them, negotiating a license and paying a license fee. This may become especially burdensome for mass digitization projects of libraries and archives, as well as for more ordinary practices, such as preparing reading materials for students or clearing rights in copyrighted materials for a documentary film. The 2012 U.K. Hooper Report identified barriers to licensing primarily in noncommercial sectors, listing the following as the main obstacles: identifying the parties, negotiating a license, and paying a license fee in the absence of a business model.³⁰ These obstacles to using copyrighted materials also affect individual users, especially when the costs are higher than the anticipated benefits from the use of copyrighted work. Moreover, even when considerable information about the author and ownership is available, there could be other barriers to efficient licensing, such as reaching an agreement on the terms and conditions of the license. These obstacles

27 See, e.g., Landes & Posner, *supra* note 13, at 477–80; Lessig, *supra* note 3, at 252; Sprigman, *supra* note 2, at 500–502.

28 See STEF VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW: AN ANALYSIS OF THEIR HISTORY, RATIONALES, AND POSSIBLE FUTURE 5–7 (2011).

29 See, e.g., U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 23–28 (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>.

30 RICHARD HOOPER & ROS LYNCH, COPYRIGHT WORKS: STREAMLINING COPYRIGHT LICENSING FOR THE DIGITAL AGE (July 2012) <http://www.ipso.gov.uk/dce-report-phase2.pdf> (identifying the need for simpler copyright licensing in the digital environment).

do not stem from the absence of formalities, but rather from the fact that copyright law, which is a property rule, requires a license in advance.³¹

III. THE DIGITAL ECOSYSTEM

At first sight, digital networks make it easier to implement formalities, as tagging content, monitoring, and tracking become more efficient. But the shift to digital does not simply lower transaction costs. It also brings about more fundamental changes, transforming the way we create, disseminate, and consume cultural works. Indeed, formalities advocates believe that these changes make the case for formalities even stronger. Formalities, they argue, would adjust copyright to the digital challenges, keeping more works in the public domain and making it easier to set copyrighted works apart from works in the public domain.³² Yet as the means of generating new works and the tools for self-mass communication become available at low cost to every user connected to the Internet, the intended function of formalities, and its unintended consequences, must be reconsidered.

The following Sections briefly discuss the emerging digital ecosystem, focusing on the transformation of creative practices and distribution structures. Part IV analyzes the implications of these processes for the reintroduction of formalities.

A. CREATIVE PRACTICES: THE RISE OF UGC AND COLLABORATIVE PRODUCTION

One important aspect of the digital environment, which distinguishes it from the markets of cultural works where formalities were implemented in the past, is the rise of UGC. A dramatic reduction in the cost of producing and mass distributing cultural works, and the popular availability of tools which make this possible, have turned many individuals into both authors and users of creative content.³³ Using a simple camera phone and sharing pictures on Picasa³⁴, Flickr³⁵ or Instagram,³⁶ users often generate high quality content and make it publicly available worldwide. Users blog, tweet, edit, and comment, generating news reports, reviews, and analysis that are widely read.³⁷ These new capabilities of self-mass communication evolve alongside the major media channels.³⁸ Overall, the industrial production of content, which dominated the twentieth century, has now been displaced by a mixture of both commercially produced content and creative content,

31 See *Authors Guild, Inc. v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011). A possible strategy for addressing this problem is to offer works with a "license inside", such as Creative Commons licenses. See Niva Elkin-Koren, *Exploring Creative Commons: a Skeptical View of a Worthy Pursuit*, in *THE FUTURE OF THE PUBLIC DOMAIN* 325 (P. Bernt Hugenholtz & Lucie Guibault, eds., 2006).

32 See van Gompel, *supra* note 28, at 3-8.

33 Debora Halbert, *Mass Culture and the Culture of the Masses: A Manifesto for User-Generated Rights*, 11 VAND. J. ENT. & TECH. L. 921 (2009).

34 See PICASA, <http://picasa.google.com> (last visited July 6, 2013).

35 See FLICKR, <http://www.flickr.com> (last visited July 6, 2013).

36 See INSTAGRAM, <http://www.instagram.com> (last visited July 6, 2013).

37 See, e.g., Florence Le Borgne-Bachschmidt et al., IDATE, TNO & IVIR, *USER-CREATED-CONTENT: SUPPORTING A PARTICIPATIVE INFORMATION SOCIETY* 50–53 (2008).

38 See MANUEL CASTELLS, *COMMUNICATION POWER* (2009).

which is generated, and made available, by individual users and groups.³⁹ Commercial players and user-authors may be affected differently by a formalities regime.⁴⁰

UGC may take many shapes and forms. It is sometimes generated by amateurs, though it might also be produced by professionals outside the scope of their employment agreement.⁴¹ Content is often generated for a variety of reasons: self-expression and creative satisfaction, affiliation and connection with others, building an online reputation, or strengthening self-esteem.⁴² Nevertheless, amateurs may also have financial expectations. For instance, software developers may contribute to free software and photographers may post their pictures on Flickr, hoping they will be able to cash in on their online reputation.⁴³ The different motivations may affect the response of user-authors to the formalities regime.

The digital environment is also transforming the creative process, blurring the distinction between authors and users, consumers and producers, exploiters and creators. Works in digital format can be easily mixed and matched, cut and pasted, or edited and remixed. The ease of changing and adapting enables users to appropriate cultural icons to express a new meaning⁴⁴ and to aggregate existing works into a new content. This shift is strengthening the need to secure sufficient access to preexisting materials so as to facilitate these new creative practices. Under current copyright law, some of these transformative uses might be considered fair use, while others might be considered derivative works worthy of protection. These dynamic creative practices, and the instant use of pre-existing materials, warrant a more instant approach to signaling.

Similarly, the rise of collaborative production may require adjustments in any system of formalities. Digital content is often the outcome of the micro-efforts⁴⁵ of many contributors, which merge into a single outcome that is often greater than the sum of its parts. Wikipedia is a classic example.⁴⁶

39 CLAY SHIRKY, *HERE COMES EVERYBODY: THE POWER OF ORGANIZING WITHOUT ORGANIZATION* (2008).

40 *See infra* notes 66-80 and accompanying text.

41 Niva Elkin-Koren, *User-Generated Platforms*, in *WORKING WITHIN THE BOUNDARIES OF INTELLECTUAL PROPERTY: INNOVATION POLICY FOR THE KNOWLEDGE SOCIETY* 111, 116–17 (Rochelle C. Dreyfuss et al. eds., 2010); Steven Hetcher, *User-Generated Confusion: The Legal and Business Implications of Web 2.0*, 10 *VAND. J. ENT. & TECH. L.* 863, 871 (2008).

42 Users may choose to share their content online for a variety of reasons; they may choose to post a book review on Amazon in order to share their opinion or connect with peers, comment on a blog, or dispute an op-ed on NYT.com to simply express themselves or promote a political agenda.

43 *See e.g.*, Josh Lerner & Jean Tirole, *Some Simple Economics of Open Source*, 50 *J. INDUS. ECON.* 197 (2002).

44 For example, adapting movie scenes and fictional characters, parodying brands, or modifying the words or style of popular songs.

45 *See* Justin Hughes, *Size Matters (or Should) in Copyright Law*, 74 *FORDHAM L. REV.* 575 (2005) (arguing that digital networks facilitated the re-use and dissemination of small fragments of expression).

46 Different kinds of collaborations have emerged in this context, each of which may require a different regulatory approach. Collaborations may be ongoing and last over long periods of time, but they can sometimes be ad hoc, where it is easier for users to opt in and out. Collaborative initiatives may involve different types of investments of time and resources and may establish different bonds among the contributors. Some communities are very intimate and close together, and some are massive large-scale collaborations; some initiatives are focused on an immediate goal and some involve long-term interests and greater interdependency among the participants. From a legal perspective, attention should be given to the special characteristics of each collaborative community.

Legal policy should take account of collaborative practices of generating content and mitigating the individual interests of original contributors, and the mutual interest of the community of authors engaging in social production as a whole. For instance, rules regarding notices may apply to the outcome of a collaborative work as a whole, or may be attached to each separate micro-effort that meets the originality threshold.⁴⁷

B. DISSEMINATION STRUCTURES: THE RISE OF MEGA-PLATFORMS

Much has been written about online dissemination in digital networks.⁴⁸ In essence, network communication and web publishing replaced the "one to many" distribution mode, which characterized the publishing world of the twentieth century, with a "many to many" mode of distribution, where every user is capable of mass self communication.⁴⁹ Yet the direct communication among users is facilitated by a variety of online platforms, such as online service providers (e.g., AT&T, Verizon), search engines (e.g., Google, Yahoo!), social media platforms (e.g., Facebook, Twitter), or hosting facilities (Apple, Amazon, YouTube). Online platforms have shown a high level of growth, consolidation and market concentration.⁵⁰ These mega-platforms⁵¹ are changing the way in which content becomes available, with some important implications for competition and consumer welfare, as well as access to knowledge and civil liberties.

One aspect of distribution by mega-platforms is the shift from copies to services. Music, movies and books, are increasingly being made available to users online through streaming rather than

47 See Niva Elkin-Koren, *Tailoring Copyright to Social Production*, 12 THEORETICAL INQUIRIES L. 309 (2011).

48 See, e.g., Jessica Litman, *Sharing and Stealing*, 26 COMM. & ENT. L.J. 1 (2004); LAWRENCE LESSIG, *REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY* (2008).

49 "One-to-many" refers to mass medium (e.g., radio, television, newspapers) where the speaker (e.g., broadcaster, editor) communicates a unified message to the general audience. The audience is simply a passive receiver of the communicated message. "Many-to-many" refers to Internet communication, new media, and social media, that are based on two-way communication within a mass audience, thereby facilitating unmediated direct communication among users. See generally Manuel Castells, *Communication, Power and Counter-power in the Network Society*, 1 INT'L J. COMM. 238, 246 (2007). As described by Professor Castells:

The diffusion of Internet, mobile communication, digital media, and a variety of tools of social software have prompted the development of horizontal networks of interactive communication that connect local and global in chosen time. The communication system of the industrial society was centered around the mass media, characterized by the mass distribution of a one-way message from one to many. The communication foundation of the network society is the global web of horizontal communication networks that include the multimodal exchange of interactive messages from many to many both synchronous and asynchronous.

Id.; see also Castells, *supra* note 38.

50 Since much of the cost of producing a platform (design and technological innovation) is unrelated to the number of users of the service, the average cost of providing service to each additional user may fall as the number of users increases. But economies of scale reduce the level of competition. Cost of entry is rapidly rising as the Internet continues to grow and as competition becomes more sophisticated. A strong network effect gives advantages to large-scale intermediaries such as Google's search engine, and to global social networks such as Facebook and Twitter, which attract the most traffic by users on a global scale.

51 The term "mega-platforms" is used to describe online intermediaries, which mediate online traffic and access to online content. Mega-platforms include intermediaries such as social media, search engines, and online content providers, as the distinction between their different functions is increasingly blurred. For instance, mega-platforms such as Amazon, Google, and Apple have become publishers, producers, distributors, and marketers of digital content.

distribution in printed copies, records, or CDs. Netflix,⁵² Spotify,⁵³ and Google books⁵⁴ are just a few examples. This shift is weakening the users' control over the content they access.⁵⁵ As content becomes available as a service, and not as copies of copyrighted works, there is no need to separately signal copyright protection on each copy of the work. In fact, it becomes easier to facilitate signaling at the level of the infrastructure.⁵⁶

Another aspect of dissemination by mega-platforms is the convergence of control over access, content, and users.⁵⁷ Mega-platforms are not simply offering new distribution channels, they are also playing a growing role in publishing. They have become publishers, producers, distributors, and marketers of music, movies, eBooks and apps, thus blurring the distinction between online retailers and publishers.⁵⁸

Furthermore, mega-platforms exercise extensive control over prospective users of content.⁵⁹ By establishing direct contact with each user through the access service (e.g., search, display, Internet access, or a playing device) mega-platforms may monitor the use of content by individual users on an ongoing basis. Platforms can collect data on users reading habits or taste in music, and may also enable access or disable access, either by removing or blocking the content or by terminating the user account altogether.⁶⁰

The shift to digital dissemination would make mega-platforms a focal point for implementing any system of formalities.⁶¹ Any technical application of formalities would depend on implementation by facilitating platforms and should take into account the way in which platforms reshape the relationship between copyright owners and the users of content. The implementation of

52 See NETFLIX, <http://www.netflix.com> (last visited July 6, 2013).

53 See SPOTIFY, <https://www.spotify.com/int/> (last visited July 6, 2013).

54 See GOOGLE BOOKS, <http://books.google.com/> (last visited July 6, 2013).

55 A striking example of the lack of consumer control over their eBooks is the Orwellian saga, *1984*, in which Amazon.com remotely removed purchased copies of George Orwell's book from Kindle due to copyright concerns. Brad Stone, *Amazon Erases Two Classics from Kindle. (One is '1984.')*, N.Y. TIMES, July 18, 2009, at B1.

56 See, e.g., FLICKR: Creative Commons, <http://www.flickr.com/creativecommons> (last visited July 24, 2013) (offering self-licensing services and facilitating creative commons licenses); *Content ID*, YOUTUBE, <http://www.youtube.com/t/contentid> (last visited July 24, 2013); see also *infra* notes 62, 94 and accompanying text.

57 See Niva Elkin-Koren, *The New Convergence: Securing the Freedom to Read in the eBooks Era*, __ N.Y.L. SCH. L. REV. __ (forthcoming 2013).

58 For example, Amazon's Kindle Direct Publishing (KDP) offers authors a whole range of self-publishing options through the Amazon Kindle Store. See *Kindle Direct Publishing*, AMAZON, <https://kdp.amazon.com/self-publishing/signin> (last visited Feb.12, 2013). Authors can earn seventy percent of the royalties from the sale of such books. See also *iTunes Partner Programs—Book Publishers*, APPLE, <http://www.apple.com/itunes/content-providers/book-faq.html> (last visited July 24, 2013).

59 Control over the playing devices (e.g., MP3 players, eBook readers, tablets, and PCs) enable control over the format in which content becomes available (i.e., whether it could be read in privacy, whether surveillance can be switched off, whether its format is interoperable with other playing devices, and what license restrictions will apply).

60 See Elkin-Koren, *supra* note 57.

61 The partnership between dissemination platforms and copyright owners is also reflected in the Copyright Alert System (CAS), which is based on a voluntary agreement between ISPs and rightholders, to act against users suspected of infringing copyright. See Nate Anderson *Major ISPs Agree to "Six Strikes" Copyright Enforcement Plan*, Ars Technica.(July 7, 2011)

[http://arstechnica.com/tech-policy/2011/07/major-isps-agree-to-six-strikes-copyright-enforcement-plan/.](http://arstechnica.com/tech-policy/2011/07/major-isps-agree-to-six-strikes-copyright-enforcement-plan/)

formalities through mega-platforms may also call for some caution. It may raise new concerns, which did not previously exist. Once formalities are integrated into the system, monitoring, collection, and enforcement could become easily available.⁶²

The dual role of platforms, in providing voluntary notice (e.g., YouTube Content ID) and enforcing compliance with it (removing or blocking content), may require legal scrutiny.⁶³ Monitoring the use of content to enable licensing by rightholders, raises a serious concern regarding the privacy of content users and their freedom to access content without surveillance. Similarly, the merging interest of content owners and mega-platforms may also require some checks and balances to prevent misuse and guarantee freedom in accessing content.

Overall, the rise of UGC, the new creative practices and access by mega-platforms all merit a re-examination of the formalities analysis. All in all, reintroducing formalities into this new creative environment may lead to unintended consequences for the public domain. This is the subject of Part IV.

IV. RETHINKING FORMALITIES IN THE DIGITAL ECOSYSTEM

A central drive behind the pro-formalities campaign is the wish to reinstate a robust public domain.⁶⁴ Arguments supporting formalities as a vehicle for promoting the public domain rest on several assumptions. One assumption is that efficient protection should only apply to works of commercial value. Only those works, it is assumed, can benefit from copyright protection.⁶⁵ Another assumption is that an efficient standard of protection would be based on measuring the gap between the cost of registration and the owners' assessment of the commercial value of the work. These assumptions make screening by formalities systematically biased towards the content industry, giving industrial players extra incentives to acquire copyright protection. This commercial bias suggests that if mandatory formalities are re-introduced, it may strengthen existing commercial players and marginalize individual creators and collaborative initiatives. There are several reasons for this bias towards commercial players. The following Sections discuss the implications of reintroducing formalities for the digital ecosystem and the public domain.

A. BIASES TOWARDS COMMERCIAL CONTENT

The screening potential of formalities is based on the assumption that rational authors will make efficient choices and will acquire copyright protection if, and only if, the expected benefits exceed the cost of registration.⁶⁶ Often, rightholders may find it difficult to assess the value of their work ahead of time. For example, publishers and record companies often claim that the unpredictable

62 YouTube Content ID is a classic example. YouTube has entered into a partnership with copyright owners where YouTube Content ID system enables rightholders to monetize their content on Google. *See Content ID*, YOUTUBE, <http://www.youtube.com/t/contentid> (last visited July 24, 2013).

63 *See infra* notes 93-106 and accompanying text.

64 *See supra* notes 12-22 and accompanying text.

65 Springman, *supra* note 2, p. 491 (proposing a system of formalities that is capable of “filtering commercially valueless works out of copyright and focusing the system on those works for which it could potentially do some good.”); *see also* Gibson, *supra* note 3, at 216; Samuelson, *supra* note 1, at 1199. For a formal analysis of commercial expectations, *see* Fagundes & Masur, *supra* note 5.

66 *See supra* notes 17-20 and accompanying text.

nature of commercial success makes the content industry a high-risk investment and requires greater surplus to compensate for the risk.⁶⁷ Estimating the potential value of a work may be especially difficult for individual authors. This is due to the major differences in how user-authors and industrial producers reach a decision on whether to engage in the creative process. Industry generates content for profit, based on a business plan that is prepared prior to production. Consequently, it is better positioned to assess the commercial potential of content. User-authors often operate outside a market scheme, and the creative output is often a byproduct of activities done for fun, for social or political purposes, or for the sake of experience, experimentation, or self-expression. In such cases user-authors are unlikely to have any structured procedure for evaluating the commercial potential of a work. Bloggers, self-publishing online critics and users who upload pictures to Instagram, tweet, or post in social media, all create streams of potentially protected works. Such a stream cannot be reasonably evaluated in advance for potential commercial value.⁶⁸ Consequently, user-authors are likely to respond differently to a formalities requirement.

Indeed, much of the creative activity that is carried out by users occurs without any expectation of remuneration.⁶⁹ Consequently, user-authors are less likely to be concerned with losing their copyright for failing to register their works.⁷⁰ Users often generate content in a social context rather than in a market framework. The creative activity itself might not aim at producing a work for sale or establishing a business, but rather at expressing oneself, creating for one's own pleasure, or engaging in a conversation.⁷¹ At the same time, UGC is not necessarily non-profit. User-authors may seek to profit from the content they have created, either upfront or later on, if it becomes popular. Commercial media often cite UGC or otherwise integrate it into their stream, taking advantage of its authentic, casual and instant nature.⁷² In these cases, authors may resent the unjust benefits extracted from their works even though their initial motivation was unconnected to profit.

67 Publishers often seek to lower the risk by recouping their loss from unsuccessful titles by collecting royalties for bestsellers over a longer period of time.

68 See Elkin-Koren, *supra* note 47 at 318-23. A similar point is made by Brad Greenberg, arguing that formalities do not scale, as “[on]line authors may publish copyright-protected content several times each day, quickly making adherence to formalities impracticable and infeasible.” See Brad A. Greenberg, Comment, *More Than Just a Formality: Instant Authorship and Copyright’s Opt-Out Future in the Digital Age*, 59 UCLA L. REV. 1028, 1048 (2012). Greenberg concludes, however, that instant authorship makes the case for re-introducing formalities even stronger. *Id.*

69 As noted by Pam McKenzie, “[m]ost UGC production, however, must be motivated by other factors, since significant financial gain is an uncertain reward reserved for a very small minority of producers.” Pam McKenzie, et al., *User-Generated Online Content 1: Overview, current state and context*, 17 FIRST MONDAY (June 4, 2012), <http://firstmonday.org/ojs/index.php/fm/article/view/3912/3266>.

70 Therefore, it is also unlikely that user-authors will generate less content or refrain from any creative activity simply because they might not be entitled to copyright. For a different view see Greenberg, *supra* note 68.

71 The creative practices of user-authors are better understood as engaging in a conversation rather than performing a market transaction. Posting a remix or a mash-up are communicative acts rather than acts of consuming content or reselling an added value.

72 Søren Mørk Petersen, *Loser Generated Content: From Participation to Exploitation*, 13 FIRST MONDAY (Mar. 3, 2008), <http://firstmonday.org/article/view/2141/1948>. For example, online aggregators and screen scrapers may create new value by searching, copying and retrieving users’ travel reviews or political opinions and generating indexes, directories, or useful guides. See Sean O’Reilly, Note, *Nominative Fair Use and Internet Aggregators: Copyright and Trademark Challenges Posed by Bots, Web Crawlers and Screen-Scraping Technologies*, 19 LOY. CONSUMER L. REV. 273 (2007).

Users face rising costs for online marketing, building an online reputation, and managing their online presence in different social media platforms: these functions may require large investments in search enhancement, website optimization, and viral promotion.⁷³

What makes UGC different, however, is the fact that, in contrast to industrialized content, it is not produced for the sole purpose of maximizing profits even though it could be distributed in a commercial setting, and may, in fact, generate revenues. Formalities assume that content producers will make rational choices based on their assessment of the commercial potential of their content and will generate an efficient level of copyright protection. Since users' choices regarding content are not governed by the same logic of the market, this standard of protection does not seem to fit.

Consequently, screening by formalities raises an issue of timing. Whereas the commercial value of industrialized content is evaluated upfront, the commercial value of UGC may occur during different stages of its life span, and may be extracted by different players at different times. Users may profit from a variety of sources such as advertising, services, peer promotion, sponsorship, or sales of copies. Commercial exploitation in these instances does not involve an advance choice as to whether the content should be produced commercially, or a copyright sought for that purpose.

Overall, the rise of UGC warrants a more sophisticated approach to the commercial value of copyrighted materials that is attentive to the different preferences of authors and to changes in preferences that may occur over time. A formalities regime which ties copyright protection to the commercial potential of works may result in protecting industrialized content and excluding the vast majority of UGC.

B. A BIAS TOWARDS REPEAT PLAYERS

Screening works worthy of protection based on the gap between commercial value and the cost of registration may lead to further distortions. Screening by formalities is likely to generate greater incentives to acquire copyright protection among repeat players. One reason is that the expected commercial value from acquiring protection in each additional work may increase with the expansion of the portfolio. Another reason relates to the cost of registration: the marginal cost of applying formalities is likely to decrease as the volume grows.

The perceived commercial value of the same work may be different for individual authors and content providers. As argued by Parchomovsky and Wagner in the case of patents, the commercial value of each patent may increase with a portfolio: “the true value of patents lies in their aggregation into a collection of related patents—a patent portfolio.”⁷⁴ The portfolio theory may also apply to copyright where the value of a comprehensive protection is greater than its separate parts.⁷⁵

Screening by formalities may further favor repeat players due to the differences in the actual cost of registration. The marginal cost of formalities is likely to be lower for repeat players, who have already established a mechanism for registration, monitoring the works in which copyright is about

73 Moreover, as individuals become independent units of production, they may suffer increasing financial pressure. User-authors must compete with commercial players for online exposure and users' attention, and must adopt costly promotional techniques formerly used only by commercial entities to develop their “brands,” control their identities, and monetize the informational value they add.

74 See Gideon Parchomovsky & Polk R. Wagner, *Patent Portfolios*, 154 U. PA. L. REV. 1 (2005).

75 For example, where works are traded in bulk, such as books offered to libraries.

to expire, and activating renewals.⁷⁶ Indeed, in the digital environment the cost of formalities may go down. Fees for online registration are about half the fees for paper application.⁷⁷ The registry could be accessed online and be set in a user-friendly manner. Yet even as some costs are going down, they are still more easily managed by industries.⁷⁸ Individual authors are less likely to register their copyright simply because of a lack of awareness of the legal requirements.⁷⁹ UGC creators often lack an organized business structure. Registration fees are likely to be prohibitively high for user-authors who often lack a well defined fee structure or organizational structure for managing proprietary rights and handling right clearance.

All in all, the financial threshold should be set so that it would weed out those works that are not worthy of protection.⁸⁰ In fact, if acquiring protection would simply involve a technical procedure (e.g., clicking on an icon, registering online), then registration would become the default, bringing it closer to automatic protection.

C. MARGINALIZING UGC AND SOCIAL PRODUCTION

A legal policy that is biased towards corporate players makes it more difficult for users to obtain copyright. But copyright may be important for user-authors where large commercial players are exercising it. User-authors may use copyright to achieve non-commercial goals. For instance, over the past decades, copyright was used to push against intellectual property and to promote values such as free software, access to knowledge, open access, and free speech.⁸¹ A classic example is the Free Software Foundation (FSF), which facilitates the exercise of copyright to secure freedom in software by using the General Public License (GPL).⁸²

76 The filtering standard is based on comparing two figures: the cost of registration and the authors' self-assessment of the commercial value of the work. The perceived costs of registration would include the cost of learning the procedures, filling up forms, and keeping track of applications and renewals. Such costs are likely to be lower if they performed routinely, and in large volume, so that costs are spread across many works.

77 U.S. COPYRIGHT OFFICE, <http://www.copyright.gov/docs/fees.html> (last visited July 24, 2013). The registration fee in the US Copyright Office is \$35 (effective August 1, 2009) for electronic filing of a basic claim in an original work of authorship. *Id.*

78 Consider, for example, the adoption of Creative Commons' licenses: even though Creative Commons licenses have gained some popularity, they are still not used by most online authors, despite being available at no cost. For some data on the adoption of creative commons licenses see Creative Commons Licenses Statistics http://wiki.creativecommons.org/Metrics/License_statistics [citation]

79 For the concern that formalities might be too burdensome for individual authors see Jane C. Ginsburg, *The U.S. Experience With Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COULM. J.L. & ARTS 311, 342–3 (2010).

80 The efficiency of registration requirement, in filtering out the works that are not worthy of protection, would greatly depend on the ability of governments to set the registration fee at precisely the right level. Setting the threshold too high would lead to fewer protected works for shorter periods, while setting the threshold too low, might lead to over protection. Defining an efficient fee standard might not be trivial and could require differentiating between different types of works and different types of authors.

81 See generally Lucie Guibault, *Open Content Licensing: From Theory to Practice—An Introduction*, in OPEN CONTENT LICENSING: FROM THEORY TO PRACTICE 7–20 (L. Guibault & C.J. Angelopoulos eds. 2011); Elkin-Koren, *supra* note 31.

82 The GPL is a *copyleft* license, which has a viral effect: it applies automatically to any new copy of the software and any derivative program based on the original one. See GNU General Public License <http://www.gnu.org/licenses/gpl.html> (last visited August 1, 2013).

Moreover, copyright may prove useful for protecting against misuse, unfair exploitation and unjust enrichment by commercial players.⁸³ Much of the content generated by users is commercially exploited by online aggregators, search engines and social media platforms.⁸⁴ For instance, commercial players may use UGC to extract profits, by playing user-generated videos on television shows or using user-generated songs in commercial advertisements. Simply disregarding UGC as non-commercial, while at the same time creating financial barriers for obtaining copyright protection, may legitimize commercial abuse of authors' rights and put user-authors at a disadvantage vis-à-vis commercially produced content.

Overall, filtering by formalities may create a systematic bias favoring industrial producers of commercial content. This could marginalize UGC. A user-author who wishes to use copyrighted materials for non-commercial purposes will be required to obtain a license, while the content generated would be freely available for others to exploit. This outcome is not only likely to be experienced as unjust, but might also make it harder for individual authors and creative communities to sustain non-market creative practices.

Re-introducing formalities as screening may end up incentivizing user-authors to work in corporate settings. Consider, for instance, a photograph of a man walking on the roof directly overlooking one of the blasts at the Boston Marathon terrorist attack.⁸⁵ This picture, taken by a spectator at the Boston Marathon, was first posted on Twitter, spread to Instagram, Facebook, and other social media outlets, and finally displayed by thousands of commercial media outlets around the world. If formalities had been a precondition for protection, that picture would likely not have acquired copyright. By contrast, pictures taken by a freelance photographer working for Associated Press or commissioned by any other newsgathering companies would have been copyrighted, enabling AP to commercially exploit the pictures and collect damages in case of an unlicensed use. Such an outcome seems unjust and would encourage amateur photographers to work with intermediaries for the sole purpose of gaining copyright registration and protection.

A legal regime that is systematically biased towards commercial players puts corporate content producers at an advantage, and thus may end up replicating the current power structures and pushing against the disintermediation trends we have been witnessing in the past decades. The declining role of the media, publishers, studios, and industrial producers of cultural goods, and the rising power of UGC, have raised hopes for democratizing public discourse and making it more

83 See, e.g., *Tasini v. AOL Inc.*, 851 F.Supp. 2d (2012) (dismissing a lawsuit brought by bloggers against Huffington Post, claiming that the value created by their contributions had made the blog popular and seeking a share in the of the selling price, after the blog was acquired by AOL Inc. for \$315 million).

84 Søren Mørk Petersen, *Loser generated content: from participation to exploitation*, 13 FIRST MONDAY (Mar. 3, 2008), <http://firstmonday.org/article/view/2141/1948>. Reviews of books and movies, for instance, are routinely shared by users as a matter of social practice, but when such reviews are posted online, they become economically valuable for platforms such as Amazon.com, which use reviews to improve the services provided to their customers.

85 See Cavan Sieczkowski, *Photo Of Mystery Man On Roof During Boston Bombings Causes Stir On Twitter (PHOTO)*, THE HUFFINGTON POST (April 16, 2013), http://www.huffingtonpost.com/2013/04/16/mystery-man-on-roof-boston-bombings-photo-_n_3091189.html.

participatory.⁸⁶ Digital networks enable the organization of content production in a new way: not by corporate producers, nor by individual authors working alone, but through mass collaboration by individuals.⁸⁷ The dramatic cut in the cost of communicating and coordinating with others enables large groups of individual users to synchronize their actions with those of other users and to coordinate efforts to reach a particular outcome, without any corporate structure.⁸⁸ Non-market production of cultural goods and wide participation is not simply economically efficient but also politically significant. It has the potential of strengthening the authenticity and diversity of political speech. When users can freely express themselves without any commercial filtering, expression is likely to reflect a more authentic voice. Disintermediation can level expressive power.⁸⁹ Re-introducing formalities for screening works that might not be commercially valuable may weaken these forces which facilitated the rise of UGC, and impede the emergence of new innovative creative practices.

D. CAN FORMALITIES SECURE THE PUBLIC DOMAIN?

Screening by formalities presumes to use a neutral standard for defining the boundaries of the public domain. In fact, it applies a standard that is biased towards commercial content. It assumes that the total value of the work, and therefore whether it is worthy of copyright protection, depends entirely on its commercial value. This is not necessarily consistent, however, with copyright principles and their fundamental goals.

Assuming that the purpose of screening by formalities is to serve the public domain, one needs to ask whether commercial value is the right standard to evaluate worthiness of protection. Put differently, does non-commercial value provide a good standard for keeping works in the public domain?

Copyright law seeks to promote progress by securing limited rights to authors in their respective works. Enabling authors to extract commercial value from their works is only one mechanism through which copyright law promotes its goal. The public domain is another mechanism through

86 YOCHAI BENKLER, *THE WEALTH OF NETWORKS: HOW SOCIAL PRODUCTION TRANSFORMS MARKETS AND FREEDOM* 213 (2006) (digital networks have created new opportunities for non-market more participatory production of culture).

; Niva Elkin-Koren, *Cyberlaw and Social Change: A Democratic Approach to Copyright Law in Cyberspace*, 14 *CARDOZO ARTS & ENT. L. J.* 215, 235–67 (1996)

(Arguing that the democratic potential of cyberspace lies in its capability to decentralize the production and dissemination of knowledge);

Halbert, *supra* note 33, at 927-30 (describing the rise of user generated content and the democratization of cultural production); Jessica Litman, *Sharing and Stealing*, 23 *HASTINGS COM. & ENT. L. J.* 1, 5–13 (2004) (Describing the power of distributed dissemination by users).

([parenthetical]).

87 BENKLER, *Id.*, at 59-90.

88 Wikipedia is a classic example, where each editor can work on her original contribution, and concurrently take part in constantly editing and revising the contributions of others. *See* Wikipedia, <http://www.wikipedia.org> (last visited July 24, 2013).

89 *See e.g.* Niva Elkin-Koren, *It's All About Control: Rethinking Copyright in the New Information Landscape*, in *THE COMMODIFICATION OF INFORMATION* 79, 103–5 (Niva Elkin-Koren & Neil W. Netanel eds., 2002); BENKLER, *supra* note 86, at 215.

which copyright seeks to achieve progress, namely, promoting creativity and innovation by facilitating access and dissemination.⁹⁰ The public domain should be fueling innovation by providing the raw materials for further inventions and new creative works. The public domain is a mirror image of copyright. It is a legal regime that seeks to secure some space for non-market exchanges of information, such as learning, innovating, self-expression and self-determination.⁹¹

Consequently, the public domain should be understood as an integral part of copyright policy, and not as a residuary.⁹² For the same reason, the public domain should not consist solely of works that are not commercially valuable. It should consist, instead, of those works, and those aspects of intangibles goods that are necessary for securing further innovation and creativity, and fundamental freedoms. The public domain should consist of those aspects that must be freely available for use, no strings attached.

When only works of non-commercial value end up in the public domain, we cannot guarantee that the public domain will be capable of serving the purposes which it ought to promote.

E. THE PUBLIC DOMAIN AND PRIVATE FACILITIES

As we debate whether or not to re-introduce formalities, formalities are already here. Digital networks facilitate distributed solutions not simply for fixing a notice, but also for declaring more efficiently the terms of use.⁹³ Online intermediaries, such as search engines, social media platforms and access providers, are becoming a focal point for implementing formalities. Formalities could easily be integrated into the design of such platforms, enabling signaling, monitoring, managing and enforcing rights in copyrighted materials.

YouTube Content ID is a classic example. The Content ID system generates digital files for audio or visual content. When a video is uploaded, the system searches for a match on the database of Content ID. Once a match is found, the system automatically applies the policy defined by the rightholder. The Content ID system offers rightholders a choice among the following options: block the content, license the materials or simply use the statistics generated by the system regarding the use of the copyrighted materials.⁹⁴

90 As Jessica Litman, aptly explained as early as 1990, the public domain has to be viewed as a source of creativity “The public domain should be understood not as the realm of material that is undeserving of protection, but as a device that permits the rest of the system to work by leaving the raw material of authorship available for authors to use.” Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965, 968 (1990).

91 The significance of securing such space derives from the special characteristics of copyrightable subject matter. Therefore, when courts hold that copyright law sufficiently balances incentives to authors and freedom of speech, they assume that copyright doctrines (e.g., idea expression, originality, and fair use) sufficiently safeguard the public domain. This reflects a substantive analysis rather than a technical standard: some things (ideas) should remain in the public domain and provide the breathing space for users and future authors. If we shift to a regime in which formalities, presumably a technical/neutral standard, distinguish between protected and non-protected works, simply on the basis of their perceived commercial potential—the public domain in its substantive meaning—may not be served.

92 Indeed, the public domain is not a graveyard of intellectual property laws, but rather its ultimate purpose. See RAY L. PATTERSON & STANLEY W. LINDBERG, *THE NATURE OF COPYRIGHT, A LAW OF USERS’ RIGHTS* (1991). Over the past two decades scholars have emphasized the role of the public domain as a vehicle for promoting the goals of innovation and technological progress. See BOYLE, *supra* note 9.

93 See, for instance, Creative Commons licenses at <http://creativecommons.org>.

94 See Content ID, YouTube, available at <http://www.youtube.com/t/contentid> (last visited Feb. 12, 2013).

YouTube Content system ID has been publicly criticized for failing to verify rights, thus making it vulnerable to misuse.⁹⁵ It has also been criticized for automatically blocking content without exercising any human discretion, where discretion is necessary for determining liability and analyzing fair use.⁹⁶ Much of the criticism against the Content ID system has been focused on the lack of transparency and due process.⁹⁷ Content detected by the system is often blocked before it is even uploaded and made available to the public. In the case of error, a user whose content has been removed often has insufficient recourse. In the past, if a user challenged the blockage, his contesting notice was forwarded to the rightholder for final decision.⁹⁸ Content ID did not include any procedure for counter arguments or legal challenges.⁹⁹ The absence of any rights for due process was especially worrying as the automatic process of detection and execution did not involve any human review. In response to these charges, YouTube revised the process. Now, a user who believes the display is lawful may dispute the removal by filling a counter notice, which will be processed within the DMCA Notice and Takedown standard procedure.¹⁰⁰

From the perspective of the public domain, the rise of private mechanisms for implementing formalities raises several concerns. One issue is the multiple roles of platforms. The convergence of digital signaling, automated detection and enforcement by design may involve intermediaries in a conflict of interests. To put it bluntly, an intermediary that profits from monetizing content based on formalities might not be impartial. This becomes a pressing issue as systems like Content ID strengthen the business partnership between online intermediaries that facilitate voluntary formalities and rightholders.¹⁰¹ The shared interests of content owners and mega-platforms may require some checks and balances to guarantee freedom in accessing content. For instance, monitoring the use of content flagged by content providers may raise concerns regarding the privacy

95 See, e.g., Patrick McKay, YouTube Copyfraud & Abuse of the Content ID System, FAIR USE TUBE (Nov. 23, 2011), <http://fairusetube.org/youtube-copyfraud/>; Andy Baio, Copyright Kings Are Judge, Jury and Executioner on YouTube WIRE (Feb. 29, 2012) <http://www.wired.com/business/2012/02/opinion-baiodmcayoutube/>

96 Michael S. Sawyer, *Note, Filters, Fair Use & Feedback: User-Generated Content Principles and the DMCA*, 24 Berkeley Tech. L.J. 363, 388–90 (2009) (discussing fair use implications of automated filtering); Ira S. Nathenson, *Civil Procedures for a World of Shared and User-Generated Content*, 48 Uni. Louisville L. R. 912, 938-944 (2010) (describing how content ID procedures may compromise fair use).

97 See, e.g., Nathenson, *Id.*, at 945-47; Elizabeth Gotham, *Lessons from Content ID: Searching for a Balance between Editorial Discretion and Free Expression on Application Platforms* (working paper), available at, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2258861.

98 See Baio, *supra* note

99 Users were unable to force the reposting of content that had been removed. In the absence of any legal procedure to deal with bad faith claims, users might not even have a proper claim against the copyright owner. Also, hardly any claim is available against the platform, as it is difficult to establish a legal right to post materials on a particular hosting site, and the platform's Terms of Use will often reserve the right of the platform to deny access or remove content at its full discretion. Patrick McKay, *YouTube Refuses to Honor DMCA Counter-Notices*, FAIR USE TUBE (April 4, 2013) <http://fairusetube.org/articles/27-youtube-refuses-counter-notices>

100 See Gotham, *supra* note__.

101 The partnership between rightholders and intermediaries is reflected in other contexts, too. See, e.g., Matthew Sag, *D is for Digitize Symposium: The Google Book Settlement and the Fair Use Counterfactual*, 55 N.Y.L SCH. L. REV. 19 (2010/2011) (discussing the settlement reached by Google and the publishers in the aftermath of the Google Books class action).

of content users and their freedom to read or view content without surveillance. The lack of transparency regarding these processes fails to facilitate public scrutiny and therefore raises serious doubts as to whether the process sufficiently safeguards access to knowledge.

A second concern related to implementing formalities by design arises from the power to automatically self-enforce formalities that are based on voluntary notice. Online platforms that integrate formalities in their design offer an automatic process of signaling, detecting, licensing and often also executing the licenses. Digital signaling requires automated processing. In fact, this becomes a necessity in any system that is designed to process large volume of data. However, the lack of legal oversight in such automated systems raises new concerns as it may compromise users' rights. While the notice and takedown procedures under the DMCA include some measures for validating ownership, automated procedures, such as Content ID, do not require any validation or authentication of rights. Consequently, there is no guarantee that only rightholders (and not third parties) are capable of denying access to works and that access is blocked for copyrighted materials only.

Similarly, formalities that are integrated into the design may facilitate perfect licensing. Users can efficiently identify the works that are public domain and distinguish between those works and others which are still under protection and therefore require a license. Yet, perfect licensing without substantiating the rights may threaten the public domain and compromise copyright goals. The concern here is that licensing may become "too efficient," forcing users to acquire a license even when it is not longer necessary or for uses exempted under fair use. Patricia Aufderheide and Peter Jaszi termed this "Clearance Culture", where it is expected that each and every use will be cleared.¹⁰² The shift to a licensing culture may shrink the public domain as potentially fair users will nevertheless obtain a license.¹⁰³

A third concern arises from the privatization of governmental functions and the blurring of the public/private divide.¹⁰⁴ On the one hand, online intermediaries are private companies, using their proprietary facilities to offer voluntary formalities. As private facilities that often offer their services for free, search engines, hosting sites and social media platforms arguably enjoy editorial discretion to remove content or block access.¹⁰⁵ On the other hand, the online intermediaries concentrate a lot of power over access to content and over data related to end users. They often also exercise some control over the publication of content itself. This new convergence of power requires some checks and balances. This suggests that legal oversight is necessary where intermediaries are voluntary implementing formalities by design.¹⁰⁶

102 Patricia Aufderheide and Peter Jaszi, *Untold Stories: Creative Consequences of the Rights Clearance Culture for Documentary Filmmakers*, Center for Social Media/Project on Intellectual Property and the Public Interest Report, 35 (Nov. 8, 2004) http://www.centerforsocialmedia.org/rock/backgrounddocs/printable_rightsreport.pdf.

103 See James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882 (2007), arguing that fair users frequently request licenses simply to avoid litigation, which in turn enlarges the scope of the right expected by copyright holders.

104 Michael D. Birnhack and Niva Elkin-Koren, *The Invisible Handshake: The Reemergence of the State in the Digital Environment*, 8 Virginia Journal of Law & Technology 6 (2003).

105 Gothan, *supra* note ___ at 2; James Grimmelman, *Speech Engines*, 94 MINN. L. REV. (2013).

106 See *infra* notes ... and accompanying text.

In sum, by making it easier for industrial players than for individual players to acquire copyright protection, reintroducing formalities may favor commercial production of content. Individuals may nonetheless be required to acquire a license to reuse any commercial materials in their UGC. Overall, reintroducing formalities may result in protecting content generated by the content industry and excluding UGC from protection. Yet, this may not end up releasing "lock-up" of works that formalities advocates sought to release. The copyright of user-authors never posed a significant threat to a vibrant copyright environment, as most users are not interested in enforcing their rights against other users, and at large have developed efficient mechanisms for signaling and licensing their works.¹⁰⁷

Moreover, social production of content and non-market creative practices, are essential for keeping a vibrant public discourse and facilitating a participatory cultural environment.

V. CONCLUSIONS

There are many reasons for the enclosure of the public domain in recent years; the removal of the formalities requirement is only one of them. Moreover, given the nature of the emerging players in the digital ecosystem, there is no guarantee that reviving formalities will properly secure the public domain. Indeed, some formalities may prove to be useful in facilitating access to content and enabling reuse of cultural works. Yet the devil is in the details: the type of formalities and the legal consequences attached to them.

The digital ecosystem poses new challenges to the implementation of formalities, and any initiative regarding formalities must be attentive to these special considerations. The analysis suggests that a rich and diversified body of creators, motivated by a variety of incentives, requires a legal regime tailored to the different needs of different creators. Legal policies for the digital ecosystem, should therefore take account of the fact that UGC is driven by a mixture of motivations and protect the interests of the different players accordingly.¹⁰⁸

Below I sketch three principles that I believe should guide legal policy towards formalities in the digital era. First, legal policy should avoid introducing mandatory formalities as a pre-requisite of protection. The analysis shows that it is not desirable to use formalities for screening and applying formalities as a pre-requisite of copyright protection may end up marginalizing UGC and social production.

There are many other potential functions of formalities that could facilitate the public domain, making it easier for authors and users to transact and helping users to determine more easily whether a work is protected and whether a license must be obtained.

Taking advantage of the low cost of attaching a notice and tracking notices in digital networks, voluntary formalities may generate more certainty regarding copyrighted works and the public

107 The classic examples are Creative Commons licenses and Free Software

108 For instance, a legal regime might be tailored in a way that would encourage creators to create first and consider legal protection and commercialization at later stage.

domain. Digital networks not only facilitate notices but also make it easier to include a trackable license with each copy of the work. There is no need to require registration at a central registry.¹⁰⁹ The use of shared standards for identifying copyrighted materials might be sufficient, as long this standard is implemented by search engines, social media platforms and other intermediaries.

Second, legal policies should be designed to encourage rightholders to take advantage of digital distribution, signaling copyright protection by using notices and licenses attached to copies. Incentives for voluntary signaling could be provided through remedies. For instance, recognizing a good faith defense in the absence of sufficient notice may enable courts to exempt users from liability for damages. This would also enable rightholders to begin using a notice at any point in time, alerting potential users that the work is under copyright from now on. The "good faith" exemption will cease to apply after a notice was fixed.

If notice is self-implemented, without any validation processes, registration and certification by a central registry, there is a risk of overuse. If fixing a notice is easy and involves no cost, notices will likely become the default, thus losing their distinctive meaning and signaling effect that is important for facilitating the public domain. Therefore it is necessary to consider penalties for deceptive use of notice such as fixing a notice on a work no longer in copyright or on copyrighted materials that are owned by third parties.

Finally, online intermediaries may facilitate self-implementation of voluntary notices, making it much easier to implement formalities efficiently and effectively. At the same time, however, implementing formalities by design may require legal oversight of online intermediaries to protect the fundamental rights of users. Intermediaries should be subject to a legal duty to maintain the transparency of the process, secure due process, and handle all content and users equally without prejudice.

109 A deposit requirement (either physically or digitally) may generate additional information regarding the boundaries of the work to which copyright applies, thus further enhancing legal certainty. Yet, deposit requirement might be contrary to the dynamic nature of digital content.

LAND RECORDING AND COPYRIGHT REFORM

Molly Shaffer Van Houweling

I. INTRODUCTION¹

The high information costs associated with the contemporary copyright system are widely acknowledged and lamented. Anxiety regarding the inadequacy of information about copyright is manifest, for example, in policy debates about the status of “orphan works” whose owners cannot be identified and located.² The ultimate concern is that poor information provision will lead to inadvertent infringement of unknown rights or to the abandonment of progress-promoting endeavors involving dissemination and/or improvement of existing works of authorship.³ The search for solutions includes calls for “reformatizing copyright,” the focus of this Symposium.⁴

The call to reformatize reflects the fact that some of the information costs associated with copyright are attributable to relatively recent policy choices, including amendments to the Copyright Act that have eroded copyright’s information infrastructure by eliminating registration and notice formalities as prerequisites for copyright protection. After a series of amendments starting in 1976, federal copyright protection is now triggered simply by fixation of an original work in a tangible medium of expression—for example, by scribbling words on a napkin or typing them into a computer.⁵ In a departure from prior U.S. law that was motivated in part by compliance obligations under the Berne Convention,⁶ registration, notice, deposit, and publication are not required to secure protection (and no renewal registration is required to take advantage of the longest possible

1 Some of the introductory material is derived in part from Molly Shaffer Van Houweling, *Technology and Tracing Costs: Lessons from Real Property*, in INTELLECTUAL PROPERTY AND THE COMMON LAW (Shyam Balganesch ed., forthcoming 2013).

2 See, e.g., U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 15 (2006) (“In the situation where the owner cannot be identified and located....the user faces uncertainty – she cannot determine whether or under what conditions the owner would permit use.... Concerns have been raised that in such situation, a productive and beneficial use of the work is forestalled – not because the copyright owner has asserted his exclusive rights in the work, or because the user and owner cannot agree on the terms of a license – but merely because the user cannot locate the owner.”).

3 See *id.*

4 E.g., Pamela Samuelson, et al., *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1198–1202 (2010); Christopher Sprigman, *Reform(aliz)ing Copyright Law*, 57 STAN. L. REV. 485, 500–01 (2004); see also, James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167, 221–31 (2005); William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 477–48 (2003).

5 See 17 U.S.C. § 102 (2000).

6 Berne Convention for the Protection of Literary and Artistic Works, Sept. 28, 1979, art. 5 W.I.P.O. (“Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention. . . . The enjoyment and the exercise of these rights shall not be subject to any formality . . .”).

copyright term). Those barriers have been removed and copyright protection is now automatic.⁷ This means that when someone comes upon what appears to be an original work of expression fixed in a tangible medium—an old photograph, for example—she may not know how the work is encumbered by copyright.⁸ It could be in the public domain because it was published without notice during a time when copyright could be lost that way; it could be in the public domain because its copyright has expired; or it could be under copyright, held by an unknown copyright holder. Without more information (or an applicable limitation like fair use), the only safe assumption is that all of those activities that implicate the exclusive rights granted by copyright (reproduction, public distribution, preparation of derivative works, etc.) are prohibited. And in part because notice and other formalities are not required, it may be impossible to identify and find a copyright owner from whom to seek the authorization that would lift that prohibition.⁹ Even if the initial author/owner can be identified, ownership may well have changed hands in a transfer that need not have been recorded with the Copyright Office.¹⁰ The erosion of the copyright information infrastructure caused by recent legal changes has been accompanied by technological developments that have further complicated the situation. Elsewhere I have described how legal and technological changes combine to complicate the copyright environment by contributing to the proliferation, wide distribution, and fragmentation of copyright ownership—a phenomenon that I refer to as “copyright atomism.”¹¹

Scholars and policymakers who lament the information costs imposed by copyright in the contemporary legal and technological environment often point admiringly to the law of real property as a model of successful information provision.¹² Physical signs can provide clues that a piece of land is owned by someone (often the person in possession). Land recording systems preserve documents that reveal details about the physical dimensions of the parcel, how its ownership has

7 See Sprigman, *supra* note 4, at 494; see also U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 3 (2006).

8 Cf. Landes, *supra* note 4, at 477 (describing the tracing costs involved in identifying the copyright holders of old works).

9 This paragraph is adapted from Molly Shaffer Van Houweling, *The New Servitudes*, 96 GEO. L.J. 885 (2008).

10 17 U.S.C. § 205 (allowing and encouraging but not requiring recordation of transfers).

11 Molly Shaffer Van Houweling, *Author Autonomy and Atomism in Copyright Law*, 96 VA. L. REV. 549, 553 (2010) (“When the many individual authors empowered by today’s digital technology claim, retain, and manage their own copyrights, they exercise a degree of authorial autonomy befitting the Internet Age. But they simultaneously contribute to a troubling phenomenon I call ‘copyright atomism.’”). This article introduces the concept of copyright atomism and defines it along three dimensions: proliferation (how many works are subject to copyright ownership), distribution (how many different people own copyrights), and fragmentation (how many, what type, and what size of separately-owned rights exist within each copyright bundle). As proliferation, distribution, and fragmentation increase, copyright becomes more atomistic.

12 On the contrast between information costs in tangible and intangible property, see, e.g., JAMES BESSEN & MICHAEL J. MEURER, PATENT FAILURE: HOW JUDGES, BUREAUCRATS, AND LAWYERS PUT INNOVATORS AT RISK 46–72 (2008); WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 16 (2003); David Fagundes, *Crystals in the Public Domain*, 50 B.C.L. REV. 139, 158 (2009); Jeanne C. Fromer, *Claiming Intellectual Property*, 76 U. CHI. L. REV. 719, 725–26 (2009); Clarisa Long, *Information Costs in Patent and Copyright*, 90 VA. L. REV. 465, 481–89 (2004); Henry E. Smith, *Intellectual Property as Property: Delineating Entitlements in Information*, 116 YALE L.J. 1742, 1799–1819 (2007); Sprigman, *supra* note 3, at 500–01; Stewart Sterk, *Property Rules, Liability Rules, and Uncertainty About Property Rights*, 106 MICH. L. REV. 1285, 1296–99 (2008); Peter S. Menell & Michael Meurer, *Notice Failure and Notice Externalities*, 5 J. LEGAL ANALYSIS 1, 2, 15–29 (2013); Lawrence Lessig, *For the Love of Culture: Google, Copyright, and Our Future*, NEW REPUBLIC, Feb. 4, 2010, at 24.

changed over time, and whether express encumbrances (liens, servitudes, etc.) complicate ownership. This information helps to prevent inadvertent trespass by those who wish to avoid invading private land, and it facilitates consensual transactions for those who seek permission to use or buy it. Legal mechanisms in physical property thus address just the sorts of problems— inadvertent infringement and squandered transaction opportunities—that plague copyright in the contemporary legal and technological environment.

The conventional narrative that emerges from comparison is that the information infrastructure was perhaps never as good for copyright as it is for land, but the gap is much wider now that notice and registration formalities have been eliminated as prerequisites for copyright protection. This narrative usefully highlights the weaknesses of a copyright information infrastructure in which provision of information about owners and their rights is optional. It also draws important distinctions between copyright and land. But it obscures key facts about land recording that—when revealed—might help ongoing efforts to improve the copyright information infrastructure within the strictures of the Berne Convention.

I have explored various aspects of the comparison between the information infrastructures supporting intellectual property versus land in other work.¹³ In this Essay, I will focus in particular on what copyright reformers can learn from land recording systems established in U.S. states. I will explain how recording is not generally *required* to establish interests in land—just as registration and recording are not required to establish copyright ownership. Instead, land recording systems prioritize competing interests in ways that powerfully *incentivize* recording and other types of information provision. In that way the system for land is not fundamentally different from the contemporary copyright system in the United States, which incentivizes but does not require registration of initial ownership and recording of transfers. And yet, the land recording system (while imperfect)¹⁴ is widely regarded as more comprehensive and useful than the copyright system.¹⁵ This suggests that the copyright system might be improved without fundamental change, but rather through a more effective system of incentives. Numerous copyright reformers have endorsed this general approach, and several new proposals of this type were offered at this Symposium.¹⁶ Looking to land offers additional concrete ideas for how incentives can be structured to create a system of copyright records that would provide those who want to use and transact over copyrights some of the certainty and clarity that the current system lacks.

14 See, e.g., Benito Arruñada, *Property Titling and Conveyancing*, in RESEARCH HANDBOOK ON THE ECONOMICS OF PROPERTY LAW 237, 242 (Kenneth Ayotte & Henry E. Smith, eds. 2011) (noting, from a comparative perspective, the poor organization of land records in many U.S. counties); Dale A. Whitman, *Digital Recording of Real Estate Conveyances*, 32 J. MARSHALL L. REV. 227, 227 (1999).

15 See, e.g., Stewart Sterk, *Strict Liability and Negligence in Property Theory*, 160 U. PA. L. REV. 2129, 2151 (2012) (“[I]ntellectual property doctrine does not consistently incorporate either of the two strategies that real property doctrine has used to address the costs of determining ownership. Consider first the recording strategy: reducing the cost of ascertaining ownership. Copyright law has moved in precisely the opposite direction.”); Megan L. Bibb, Note, *Applying Old Theories to New Problems: How Adverse Possession Can Help Solve the Orphan Works Crises*, 12 VAND. J. ENT. & TECH. L. 149, 174 (2009).

16 See discussion, *infra* note 30 and accompanying text.

II. LAND RECORDING AND INFORMATION INCENTIVES

Two distinctions that IP scholars have drawn—(1) between the contemporary copyright information infrastructure and real property recording, and (2) between the contemporary copyright system and the system in the mandatory formalities era—might be understood to suggest that copyright used to be like land (from an information infrastructure standpoint) and now it is much less like land. This divergence, one might reasonably conclude, has caused the current crises for innocent investors (or would-be investors) in dissemination and improvement of copyrighted works. But this narrative can be usefully augmented by taking a fresh look at land recording not as a system of mandatory formalism—which it is not—but instead as a system of *incentives* for the provision of information about rights. So understood, the differences between the two information infrastructures do not seem so stark, and the opportunities to improve copyright by looking to the land recording system appear more realistic.

Although every U.S. state has a system of land recording, recording is not strictly required to establish an interest in land. Instead, the public records on which purchasers of real estate rely are a result of *voluntary* recording of interests that are themselves established by private transactions. Rules regarding land recording merely provide incentives to record (and to search those records) by establishing priority between competing claimants who both purport to have acquired land through voluntary transactions.¹⁷

These contemporary land recording rules are all departures from the common law first-in-time rule, under which a transfer of Blackacre from owner O to buyer A trumped O’s later purported transfer to subsequent buyer B.¹⁸ Recording acts all introduce the idea that B’s claim should prevail over A’s under some circumstances.¹⁹ They are typically characterized as one of three general types: under “race” recording statutes (the least common of the three types), B’s interest trumps A’s if B records before A does; under “notice” statutes, B prevails so long as B took without actual or constructive notice of A’s prior claim; and under “race-notice” statutes, B prevails only if he lacked notice *and* recorded his interest before A recorded hers.²⁰

The three types of recording acts differ in the emphasis they place on three overlapping functions: (1) providing notice of prior claims to subsequent would-be purchasers (the “notice

¹⁷ See generally JOSEPH WILLIAM SINGER, PROPERTY 538 (3rd ed. 2010) (“Although in almost all states recording is not required to validate the transfer of the property interest, it is essential both to provide an official record of the state of the title and to protect the buyer against any competing claims that may be created by the grantor in others.”).

¹⁸ See Taylor Mattis, *Recording Acts: Anachronistic Reliance*, 25 REAL PROP. PROB. & TR. J. 17, 23 (1990).

¹⁹ See *id.* at 23 (“Under the common law first-in-time rule, the subsequent taker bore the risk of prior unknown and often unknowable adverse claims. The earlier taker did not have to do anything to protect an interest against later takers; the earlier taker was protected just by being first in time. Through the recording acts a subsequent purchaser gains protection against the otherwise unavoidable risk of a prior conveyance by the grantor.”).

²⁰ See *id.* at 19–20; RICHARD R. POWELL, POWELL ON REAL PROPERTY § 913 (Michael Allan Wolf ed., 2013). California’s race-notice statute, for example, provides:

Every conveyance of real property or an estate for years therein, other than a lease for a term not exceeding one year, is void as against any subsequent purchaser or mortgagee of the same property, or any part thereof, in good faith and for a valuable consideration, whose conveyance is first duly recorded, and as against any judgment affecting the title, unless the conveyance shall have been duly recorded prior to the record of notice of action.

Cal. Civ. Code § 1214.

function”); (2) protecting the reliance interests of subsequent purchasers who take without notice of prior claims (the “reliance function”); and (3) incentivizing recording in order to establish a system of land records that will avoid future surprises, disappointment, and conflicts (the “information infrastructure function”). To summarize another way, “legal rules should both control what information is relevant for determining ownership rights in a way that allocates risks sensibly between present and would-be owners and, to the extent it is cost justified, provide incentives to increase the amount of information available.”²¹ Better information in turn serves the more fundamental policy goal of promoting efficient land transactions by reducing the uncertainty and risk faced by would-be purchasers.²²

Although they differ in their particulars and in the emphasis they place on these goals, all U.S. recording statutes serve the purpose that I find most directly relevant to current debates about copyright formalities reform. They all incentivize voluntary recording in order to create a (relatively) reliable property information infrastructure.

Race statutes are most clearly consistent with the goal of incentivizing recording; under these statutes priority of recording is determinative as between competing parties who both claim to have acquired rights via transfer from a prior owner. These statutes thus reward grantees who most quickly contribute to the information infrastructure without regard to whether they had notice of prior claims or instead invested in reliance on the apparent absence of prior claims. But by so heavily emphasizing recording, these statutes fail to account for the perceived unfairness of giving priority to a grantee who takes with actual knowledge of a prior adverse claim but then wins a race to record. Early judicial interpretations were hostile to this type of opportunistic behavior and often denied priority to such bad faith grantees, injecting elements of notice into what seemed, on their face, to be pure “race” statutes.²³ Most state legislatures ultimately followed this judicial lead, adopting statutes that denied protection to those who took with actual notice of conflicting claims and instead protected only ignorant “bona fide purchasers.”²⁴ Relative to pure race statutes strictly applied, these judicial interpretations and legislative innovations put more emphasis on the importance of providing notice and protecting reliance interests. They provided slightly less incentive for rapid recording, since rapid recording was no longer a mechanism by which a grantee with actual knowledge could establish priority. But notice still provided some incentive to record, because recording established constructive knowledge for subsequent grantees. By recording her interest, a grantee could ensure that she would never be trumped by a subsequent bona fide purchaser without notice. In states that adopted “race-notice” statutes, this incentive was augmented by the

21 Douglas Baird & Thomas Jackson, *Information, Uncertainty, and the Transfer of Property*, 13 J. LEGAL STUD. 299, 301 (1984).

22 See Mattis, *supra* note 18, at 23 (“By modifying the common law first-in-time rule, the recording acts foster the free alienability of land by creating a system in which purchasers can buy land knowing that it will be free of prior adverse claims. This is accomplished by shifting the risk of inconsistent claims from the subsequent purchaser to the one in a position to avoid the risk—the prior taker.”)

23 *Id.* at 25.

24 See *id.* at 20, n.8–9.

requirement that a grantee record in order to ensure that she would also be protected against prior adverse claims of which she had no notice.²⁵

Notably, all three types of recording acts share two characteristics: (1) recording is not required to establish a valid property interest, although it may be required to avoid having an interest divested by future events; and (2) recording is incentivized both for earlier-in-time grantees and for later grantees—both of whom want to win the race to record (under race and race-notice statutes) and to provide constructive notice to subsequent would-be purchasers (under notice and race-notice statutes). Thus, land recording in the United States can be best understood as establishing incentives for multiple participants in the property system to contribute to an information infrastructure that provides notice, honors reliance interests, and ultimately promotes land transactions and the efficient land use that those transactions foster.

Copyright in the post-formalities era (in which provision of notice, registration of copyrights and renewals, and recordation of transfers are encouraged but not required to establish rights), is thus arguably more like U.S. land recording properly understood as a system of incentives than it was in the era of mandatory formalities. In both cases property interests can arise and be transferred without any interaction with the government agencies established to maintain property records. But owners who do not provide information to those agencies are vulnerable to having their interests trumped by the affirmative claims or defenses of actors who acted without notice of those interests.

III. LAND RECORDING'S LESSONS FOR COPYRIGHT REFORMERS

Critics of copyright's current information infrastructure express concern about the fate of institutions and individuals who would like to make investments in disseminating and/or building upon existing works.²⁶ Some such investors may be able to find and successfully negotiate with copyright owners over transfers or non-exclusive licenses. If they do, and if they record their transfers and get their non-exclusive licenses in writing, they may benefit from an existing provision of the Copyright Act that is clearly inspired by land recording rules: section 205 sets forth priority rules that protect investors who acquire copyrights or licenses that have—unbeknownst to the investors and unrecorded with the copyright office—already been granted exclusively to someone else.²⁷

²⁵ *But see id.* at 99–100. Mattis explains:

By punishing B for not recording before A, the statute seemingly encourages claimants generally to make the public records complete and, as a result, reliable. Certainly, inducement to record is essential to achieving the goal of the recording system, and the threat of having one's claim to Blackacre subordinated to that of another is reason to record. Punishing B, however, rewards A, who did not record. . . . Pure notice statutes achieve the inducement-to-record function more efficiently The race-notice methodology for inducing recording is overkill. . . . The peril of B's losing to C is quite sufficient to induce B to get it right the first time by recording in the chain of title, before A.

Id.

²⁶ *See, e.g.,* REPORT ON ORPHAN WORKS, *supra* note 2; Lydia Pallas Loren, *Abandoning the Orphans: An Open Access Approach to Hostage Works*, 27 BERKELEY TECH. L.J. 1431 (2013).

²⁷ Section 205 of the Copyright Act states:

(d) Priority Between Conflicting Transfers.—As between two conflicting transfers, the one executed first prevails if it is recorded, in the manner required to give constructive notice under subsection (c),

But in copyright, much more so than in land, gaps in the property information infrastructure impact not only prospective owners and licensees who have engaged in voluntary transactions over rights, but also potential disseminators and improvers. These parties have not acquired copyrights or licenses because they cannot identify a copyright owner—even a purported owner!—with whom to negotiate, or they cannot even determine whether a work is protected by copyright at all. Some of these potential investors may be deterred altogether from undertaking socially beneficial activities. Others might go ahead and make their investments in the absence of information about copyright but then be punished despite their lack of knowledge that their activity would infringe.

In the past, copyright law has shown more solicitude for these users (and would-be users) of copyrighted works—both through a system of prerequisites for protection that established a formal information infrastructure, and through doctrines that excused those who made facially infringing uses of copyrighted works under circumstances in which information was insufficient.²⁸ A confluence of developments has eroded both the information infrastructure and most of the forgiving doctrines.²⁹ As a result, the current system punishes and/or deters many potentially valuable investments in dissemination as well as improvement of copyrighted works.

Many contemporary copyright reform proposals would attempt to improve copyright's information infrastructure—to “reformatize” copyright—within the confines of Berne by intensifying the incentives for copyright owners to register initial copyrights and record transfers. Registrar Pallante's keynote address to this Symposium floated several such ideas, suggesting, for example, that the final twenty years of copyright protection might be available only to owners who

within one month after its execution in the United States or within two months after its execution outside the United States, or at any time before recordation in such manner of the later transfer. Otherwise the later transfer prevails if recorded first in such manner, and if taken in good faith, for valuable consideration or on the basis of a binding promise to pay royalties, and without notice of the earlier transfer.

(e) Priority Between Conflicting Transfer of Ownership and Nonexclusive License.— A nonexclusive license, whether recorded or not, prevails over a conflicting transfer of copyright ownership if the license is evidenced by a written instrument signed by the owner of the rights licensed or such owner's duly authorized agent, and if—

- (1) the license was taken before execution of the transfer; or
- (2) the license was taken in good faith before recordation of the transfer and without notice of it.

17 U.S.C. §§ 205(d),(e) (2006).

28 For this history, see generally R. Anthony Reese, *Innocent Infringement in U.S. Copyright Law: A History*, 30 COLUM. J.L. & ARTS 133 (2007).

29 Anthony Reese carefully documents these development and summarizes:

By the end of the twentieth century, the copyright system operated radically differently than it had 100 years earlier. The changes in copyright law over this period significantly increased the risk of infringing a copyrighted work, but they simultaneously had the effect of eliminating many of the mechanisms that had protected innocent infringers from liability. As the copyright system evolved over the law century, all of the doctrines and features that mitigated the potential negative effects of liability for unknowing infringement were removed from the system. The legal changes . . . [r]esulted in copyright's moving away from using constructive notice and knowledge requirements to reduce the risk of innocent infringement, and replaced those mechanisms with adjustments in remedies as the sole recognition of an innocent infringer's lack of culpability.

Reese, *supra* note 28, at 175; see also Sterk, *supra* note 12.

registered with the Copyright Office; and that assignees and exclusive licensees “should be required to both register their interests in the work . . . and then record their licenses and assignments in a timely matter as a condition of eligibility for statutory damages.”³⁰ Copyright reform proposals focused on incentivizing registration and recording are sometimes viewed as second-best solutions, still failing to establish, for copyright, the type of formal information infrastructure that a well-functioning property system requires.³¹ That may be so—indeed, the inadequacies of land recording systems are well documented and lamented too.³² But it is nonetheless helpful, as we assess these proposals, to recognize that what we tend to view as a relatively comprehensive and useful system for keeping track of property rights in land is based not on record-keeping *requirements*, but on a system of incentives.

Another feature of many copyright reform proposals, particularly those focused on the problem of orphan works, is that they offer protection to users based on their reasonable lack of notice (for example, the inability to locate the copyright owner despite a reasonably diligent search) *and* on their provision of information that makes the system work better. In other words, these proposals incentivize contributions to the property information infrastructure by multiple participants in the property system—much as land recording rules incentivize prior and subsequent owners to record or risk losing out to someone with a superior claim.

The Copyright Office’s 2006 Report on Orphan Works, for example, proposes limiting the remedies available to copyright holders in cases in which the defendant performed a “reasonably diligent search” and was still unable to locate the copyright owner.³³ In addition, use of the orphan work would have to be accompanied by attribution to the author and copyright owner “if such attribution is possible and is reasonably appropriate under the circumstances.”³⁴ The Report explains that “the user, in the course of using a work for which he has not received explicit permission, should make it as clear as possible to the public that the work is the product of another author, and that the copyright in the work is owned by another.”³⁵ This proposal encourages provision of copyright ownership information in two ways: it incentivizes copyright owners to register, record transfers, and/or otherwise make themselves locatable or risk being denied remedies; and it extracts additional information from users of orphan works in the form of attribution. Other proposals include more elaborate requirements for information provision by *users* in addition to incentives for owners. Lydia Loren, in a proposal debuted at the 2012 Berkeley Center for Law and Technology

30 Pallante symposium draft at 5, 7; *see also* Samuelson, et al., *supra* note 4, at 1198-1202 (recommending more meaningful incentives for registration than under current law); Sprigman, *supra* note 4, at 554–68 (proposing a system of strongly incentivized “new-style formalities.”)

31 *See, e.g.*, Sprigman, *supra* note 4, at 545–68 (proposing amendments to Berne or, in the alternative, the adoption of Berne-compliant “new style” voluntary but strongly incentivized formalities).

32 *See, e.g.*, Whitman, *supra* note 14, at 227. The mortgage foreclosure crisis has prompted renewed calls to bring antiquated local land recording systems into the digital age. *See, e.g.*, Gerald Korngold, *Legal and Policy Choices in the Aftermath of the Subprime and Mortgage Financing Crisis*, 60 S.C. L. REV. 728, 739–46 (2009); Tanya Marsh, *Foreclosures and the Failure of the American Land Title Recording System*, 111 COLUM. L. REV. SIDEBAR 19 (2011); Christopher L. Peterson, *Foreclosure, Subprime Mortgage Lending, and the Mortgage Electronic Registration System*, 78 U. CIN. L. REV. 1359, 1366 (2010).

33 REPORT ON ORPHAN WORKS, *supra* note 2, at 95–96.

34 *Id.* at 110.

35 *Id.*

Symposium on Orphan Works and Mass Digitization, suggests granting immunity from monetary liability for entities that perform non-negligent searches, provide open access copies of the works they use (which she labels “hostage works,” not “orphans”), and embed those copies with the information the disseminators were able to discover about the work.³⁶ As she explains:

Freedom for hostage works comes in the form of reliable information concerning the copyright status and the copyright owner of the work. . . . Thus, creating incentives to produce and publicize this type of high quality information should be a prime focus of any approach to solving the ‘hostage work’ problem.³⁷

By encouraging both original owners and subsequent investors to provide information that enhances the copyright information infrastructure, these proposals mirror land recording rules that encourage all parties to contribute to the information infrastructure, thereby enriching land records and minimizing controversies that turn on thorny factual questions about possession, actual knowledge, and the like.³⁸ At the same time, these proposals would narrow the circumstances in which a copyright owner would be denied remedies on the basis of her (perhaps innocent) failure to make adequate information available about her work. Avoiding the harshest types of forfeitures of copyrights is likely to make such proposals more attractive to a range of stakeholders and less subject to the type of backlash that mandatory copyright formalities fell victim to in the twentieth century.

Of course differences between the nature of land and intellectual creations complicate the task of drawing lessons for IP from land recording. For example, there may be ways in which the intangible and difficult-to-define subject matter of copyrighted works makes them less amenable to accurate recording. On the other hand, the non-rivalrous nature of copyrighted works makes them amenable to some information infrastructure strategies that are inspired by but arguably superior to those available for land. The proposal that Professor Ginsburg offers in her article for this Symposium is an example.³⁹ She suggests that the failure to record a transfer of copyright should not only subject the transferee to having her interest trumped by a conflicting claim by a later transferee (as under current section 205), but should also invalidate the transfer, which could instead “be treated as effecting a non exclusive license, much as a non exclusive license may be inferred from conduct or oral agreement.”⁴⁰ Note how this proposal in one way incentivizes recording more powerfully than land recording rules: the transfer of exclusive rights is invalid *even against the transferor who was a party to it*, who is deemed to have effected merely a non-exclusive license instead. In land law a grant by O to A is effective as between those parties, whether it has been recorded or not. To

36 Loren, *supra* note 24, at 1458.

37 Loren, *supra* note 24, at 1456.

38 *See generally* Baird & Jackson, *supra* note 21, at 301 (“[L]egal rules should both control what information is relevant for determine ownership rights in a way that allocates risks sensibly between present and would-be owners and, to the extent it is cost justified, provide incentives to increase the amount of information available.”); Carol M. Rose, *Crystals and Mud in Property Law*, 40 STAN. L. REV. 577, 586 (1988) (“‘First in time, first in right’ may work well enough in a community where everyone knows all about everyone else’s transactions, but outside that context, the doctrine does little to put people on notice of who owns what, and the opportunities for conflicting claims are endless.”).

39 Ginsburg Symposium

40 Ginsburg Symposium draft at 30.

oust A in favor of O because of A's failure to record a transfer, a transfer for which O was on clear notice (having executed it), would be perceived as a harsh forfeiture in the land context. What makes Professor Ginsburg's solution in copyright much less harsh is the possibility of non-exclusive concurrent "possession" of the resource by transferor and transferee.

Let me illustrate with what I find to be an especially compelling (and close-to-home) hypothetical: Imagine an academic author who transfers copyright in a scholarly article to a journal publisher who does not record that transfer (or subsequent transfers) or make any other helpful contribution to the copyright information infrastructure. The author later wants the article to be included in an anthology or posted on her university's repository of faculty scholarship. Perhaps she cannot locate the original written instrument in which she assigned her copyright. In any event, she cannot locate the current copyright owner in order to seek permission to reuse her article in these ways. She is, in effect, the parent of an "orphan" work. Under Professor Ginsburg's approach, the author would be able to use her work because the transfer of exclusive rights would be invalidated by the transferee's failure to record. However, because the non-rivalrous nature of the work makes simultaneous non-exclusive use plausible, this result can be made much less harsh—much less a forfeiture—than the analogous invalidation of a purchaser of land's unrecorded interest. Professor Ginsburg's proposal achieves this by allowing the non-recording transferee to retain a non-exclusive license. The publisher or successor in my hypothetical is not denied the right to use the article, only the right to exclude the author from her own use. It is hard to imagine a similar compromise being achieved for land, where competing claimants typically have uses in mind that are incompatible with sharing the rivalrous resource.

IV. CONCLUSION

Solicitude for both original owners and innocent subsequent investors has shaped real property law for centuries.⁴¹ These competing interests are managed in part by the establishment of property information infrastructures that allow prior and later investors to identify each other and understand their rights. While critics of U.S. copyright law's abandonment of mandatory formalities lament that the copyright information infrastructure is less reliable, they are sometimes inattentive to the fact that real property law has also eschewed mandatory formalities that would result in forfeiture of unrecorded interests. Instead, the relatively robust land recording system results from rules that merely incentivize recording in order to avoid having an interest trumped by that of a subsequent investor. The best of these systems condition their protections on innocent subsequent investors recording as well, thus incentivizing all actors to contribute to a formal information system that can avoid the most difficult fact-specific inquiries into actual notice and the like. The best of the current proposals for copyright reform share this feature, and a better understanding of land law helps us to appreciate their strengths.

41 *Cf.* Carol M. Rose, *Crystals and Mud in Property Law*, 40 STAN. L. REV. 577, 590 (1988) (describing how tension between desire for clear rules and solicitude for innocent parties has resulted in shifts over time "back and forth between hard-edged, yes-or-no crystalline rules and discretion-laden, post hoc muddy rules").

A REALIST APPROACH TO COPYRIGHT LAW'S FORMALITIES

Michael W. Carroll*

I. INTRODUCTION

Whither formalities in copyright law? The United States' decision to remove formal requirements for obtaining or maintaining copyright protection in the United States for the works of foreign authors¹ so that the U.S. could become party to the Berne Convention for the Protection of Literary and Artistic Works² was greeted by an authors' rights triumphalism in certain quarters.³ The United States had abandoned prospectively its longstanding policy of administering copyright as an opt-in system for authors and publishers, and it subsequently also agreed to "restore" copyrights to foreign authors who would have received a United States copyright but for their failure to comply with these formal requirements.⁴ The triumphalist narrative views the United States' acceptance of these international obligations as an acceptance of a deontological approach to copyright that requires a strict formalism in judging what counts as a copyright formality and what is permissible under Berne.⁵

This formalistic understanding of the anti-formalities obligation under Berne Article 5(2), as subsequently incorporated into the World Trade Organization Agreement on Trade-Related Aspect of Intellectual Property Rights ("TRIPS"),⁶ aims to shrink the policy space for deploying or

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1 See Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (Oct. 31, 1988) (amending a number of sections in Chapter 4 of Title 17, United States Code, to remove requirements of placing copyright notice on published copies, depositing a copy and registering a claim to copyright prior to commencing suit for infringement).

2 Berne Convention for the Protection of Literary and Artistic Works Paris Act, July 24, 1971, 25 U.S.T. 1341, 828 U.N.T.S. 221 (hereinafter "Berne Convention"). All citations to the Berne Convention are to the "Paris Act", adopted on July 24, 1971 and to which the United States acceded on March 1, 1989, unless noted otherwise.

3 See, e.g., Graham W. Austin, *Metamorphosis of Artists' Rights in the Digital Age*, 28 COLUM. J.L. & ARTS 397 (2005); Shira Perlmutter, *Freeing Copyright from Formalities*, 13 CARDOZO ARTS & ENT. L. J. 565 (1995); Irwin Karp, *A Future Without Formalities*, 13 CARDOZO ARTS & ENT. L. J. 521 (1995); Arthur Levine, *The End of Formalities: No More Second-Class Copyright Owners*, 13 CARDOZO ARTS & ENT. L. J. 553 (1995).

4 See *Golan v. Holder*, 565 U.S. ___, 132 S. Ct. 873 (2012) (analyzing and finding constitutional copyright restoration in 17 U.S.C. § 104A).

5 See *infra* footnote 22 and accompanying text.

6 TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, Article 9(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, THE LEGAL TEXTS: THE RESULTS OF THE

regulating formal requirements imposed on authors in the exercise or enjoyment of their rights under copyright.⁷ However, this formalist view is under pressure as the costs of automatic copyright become more manifest in this era of digital networks and increasing globalization.⁸ A range of scholars and policymakers have begun to explore ways to expand the policy space in which to fashion and deploy copyright formalities.⁹

This Article joins in this general move but argues in the tradition of Legal Realism that this formalist overhang has constrained the policy discussion about reintroducing formalities more than it should. In doing so, this Article assumes familiarity with the debates about Legal Formalism and Legal Realism,¹⁰ and relies upon, the familiar analysis of the public/private distinction¹¹ and the

URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS 320 (1999), 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement]

7 *Id.* at art. 12-13.

8 See *infra* note 9; see also Maria A. Pallante, *The Curious Case of Copyright Formalities*, __ Berkeley Tech. L.J. __ (2013) ("Formalities are interesting because, if implemented fairly, they have the capacity to alleviate frustrations, incentivize good behavior, and create a more rational administering of the law, all of which is good for authors."); GLUSHKO SAMUELSON INTELLECTUAL PROPERTY LAW CLINIC RESPONSE TO NOTICE OF INQUIRY ON THE ISSUE OF "ORPHAN WORKS," Submitted to the United States Copyright Office, Library of Congress, March 24, 2005 at 2-3 ("describing connection between absence of formalities and presence of orphan works problem.) available at <http://www.copyright.gov/orphan/comments/OW0595-Glushko-Samuelson.pdf>. (visited June 28, 2013)

9 See e.g. STEF VAN GOMPEL, *FORMALITIES IN COPYRIGHT LAW* (Kluwer 2011); Séverine Dusollier, *(Re)Introducing Formalities In Copyright : Towards More Open Content?*, in *OPEN CONTENT LICENSING: FROM THEORY TO PRACTICE* 75 (Amsterdam U. Press, Lucie Guibault, ed. 2011); Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COLUM. J.L. & ARTS 311, 317 (2010) (suggesting a policy change and move toward formalities that would help authors keep track of their work); James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167, 212-41 (2005) (proposing policy changes to help authors protect their work in the digital age through new types of public or private formalities); Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485 (2004) (proposing possible new-style formalities that push back toward a utilitarian past without rejecting Berne); LAWRENCE LESSIG, *FREE CULTURE* 292-93 (Penguin Books 2004).

10 To briefly sketch the familiar, as many readers know, "Legal Formalism" and "Legal Realism" are labels used to map a variety of jurisprudential approaches to the interpretation and application of law. See generally Brian Leiter, *Legal Formalism and Legal Realism: What Is The Issue?*, 16 LEGAL THEORY 111, [ATTENTION: Please add pincite if required] (not required, this is a see generally cite because the whole piece discusses realism v. formalism – MC)(2010) (providing an overview of the trends and analysis of some of the disagreement surrounding them), Comment, *Formalist and Instrumentalist Legal Reasoning and Legal Theory*, 73 CALIF. L. REV. 119 (1985) (providing a good history of the two approaches). For present purposes, a few simple observations should suffice to establish a baseline from which one can measure interpretation and understanding of Berne's anti-formalities provision and formalities themselves as tending more toward formalism or realism.

11 Legal discourse that distinguishes between "public" and "private" does so in more than one way, but the most common is the distinction between governmental and non-governmental actors, as reflected in the terms "public law" and "private law," for example. See generally Morton J. Horwitz, *The History of the Public/Private Distinction*, 130 U. PA. L. REV. 1423 (1982). This version of the distinction has been subject to withering critique. See, e.g., Duncan Kennedy, *The Stages of the Decline of the Public/Private Distinction*, 130 U. PA. L. REV. 1349 (1982) ("Following out these lines of similarity and difference, one simply loses one's ability to take the public/private distinction seriously as a description, as an explanation, or as a justification of anything."). Why for example, should a corporation, whose legal "personality" is dependent upon government, be treated as a "private" entity? Numerous critical scholars have equally demonstrated the

formalist/functionalist¹² approaches to interpreting and applying law. When applied to the present context, the public/private distinction largely obscures the numerous systems of formalities that authors in many creative fields comply with and rely upon.¹³ As instruments of public international law, Berne and TRIPS generally are understood to regulate "public" formalities enacted through a Member State's formal lawmaking processes but leave open space for "private" formalities imposed by actors, such as collective management organizations, which rely in part on state power to function.¹⁴ Policy discussion of the role of copyright formalities should not be constrained by focusing only on the role of public requirements and public administration but should also take account of the private actors who impose and rely upon formal requirements that affect the enjoyment and exercise of rights under copyright.¹⁵ Interestingly, recent developments at the World Intellectual Property Organization support this argument and demonstrate a Realist approach to eliding the public/private distinction.¹⁶

ways in which the "private" sphere is properly the subject of public policy. *See, e.g.,* Gerald Turkel, *The Public/Private Distinction: Approaches to the Critique of Legal Ideology*, 22 LAW & SOC'Y REV. 801, 802 (1988); *Id.*

12 *See generally* Felix Cohen, *Transcendental Nonsense and the Functional Approach*. 35 COLUM. L. REV. 809 (1935) (using, for example, the legal question of the geographic location of a corporation for jurisdictional purposes as a question amenable to illustrate the approach). Formalist versus functionalist approaches to legal interpretation lead to interesting results when applied to the question of what triggers Article 5(2) of the Berne Convention and its TRIPS cousin, Article 9.1 (which incorporates almost all of Berne into TRIPS) TRIPS Agreement, *supra* note 6, at art. 9.1. A formalist approach would apply the provision only to public formalities; whereas, a functionalist approach might impose liability on a Member state if within its territory an author would have no practical choice but to participate in a system of private formalities to economically exercise or enjoy her rights. *See* VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW, *supra* note 9, at 206-08. This issue already has arisen with respect to compulsory participation in collective management. *Id.* With respect to the interpretation of "exercise" and "enjoyment," some formalists would treat any formal condition on obtaining, licensing, or enforcing rights as a prohibited formality. *See, e.g., Actes de la Conférence internationale pour la protection des droits d'auteur réunie à Berne du 8 au 19 Septembre 1884* 43 (1884), discussed in SAM RICKETSON & JANE C. GINSBURG, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS: THE BERNE CONVENTION AND BEYOND ¶ 6.102 (2006) ("everything which must be complied with in order to ensure that the rights of the author with regard to his work may come into existence."). Others might rely on a formal distinction between rights and remedies and apply the prohibition only to preconditions on obtaining or licensing rights. *See* eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388 (2006) (distinguishing between rights and remedies in the context of injunctive relief for patent infringement). [Eds., Chris Sprigman made this argument in his presentation. If his contribution does so, please add a reference here. MC] A functionalist could well conclude that even if subjecting an author's ability to obtain, license or enforce rights to a condition was a formality, if it were one that were trivially easy to comply with, it would not rise to the level of a formality that impairs an author's ability to exercise or enjoy rights. *See infra* notes 30-35? and accompanying text.

13 *See infra* Section III (describing and discussing private formalities).

14 *See infra* note ___ and accompanying text (labeling this a formalist interpretation). Throughout the latter nineteenth and the twentieth centuries, referring to formal requirements imposed by such private actors as "copyright formalities" would have been deemed incoherent because they are on the other side of the public/private distinction from the Berne constraint. [ATTENTION: Please provide source support, if different from previous note]

15 *See infra* notes XX – XX (discussing the role of private formalities).

16 The Development Agenda at the World Intellectual Property Organization ("WIPO"), *See infra* note 30. (Cluster A. No. 9) (Development Agenda for WIPO, World Intellectual Prop. Org., <http://www.wipo.int/ip-development/en/agenda/>), has brought a measure of legal realism to the organization's interest in copyright formalities. *See id.*; *see also infra* notes XX – XX (discussing WIPO studies of private copyright documentation services and their interaction with public formalities systems). This is welcome news. Specifically, WIPO surveys and studies of copyright

As others writing in this volume have elaborated, formal requirements, such as publication-with-notice, registration, deposit, and renewal or maintenance serve a variety of functions that align with copyright law's principal economic goal of providing authors, publishers, and their investors with potential profits for culturally appealing works.¹⁷ In particular, formalities require rightsholders to provide potential transacting partners with sufficient information to identify the copyright owner so that conversations about licensing or acquiring rights may begin.¹⁸ By focusing on these functional requirements, the Realist perspective focuses on how those subject to copyright regulation substitute for the functions that formalities in public law once performed before being swept aside by the anti-formalities provision in Berne Article 5(2)/TRIPS Article 9(1).¹⁹ From this perspective, the space once occupied by a formalities system administered by public officials has been privatized rather than abandoned.²⁰

Specifically, this Article argues that public officials have space to improve the functioning of formalities in the copyright system in two ways by: (1) using the available flexibility within the existing international framework to increase the role of publicly administered formalities and (2) recognizing the private formalities systems run by collective management organizations and others as such and working to improve interoperability and transparency in these systems through a mixture of public/private cooperation and public regulation. On both fronts, public officials should attend to the role of technical standards as a regulatory force in both public and private systems of formalities and should work to ensure that standards decision making reflects public values.

Most of the existing and emergent literature focuses on improving the role of publicly-administered formalities,²¹ so this Article will offer only a few recommendations in this regard and focus more on the role and regulation of private formalities and the importance of technical standards in minimizing the costs and maximizing the benefits that digital technologies offer in the design and implementation of copyright formalities.

II. REINVIGORATING PUBLIC FORMALITIES

This section critiques the formalist narrative about public formalities and provides additional support for those who argue that public officials have space to do more to implement public formalities at the national level than they currently are within the constraints of the Berne/TRIPS

formalities recognize that private formalities are appropriately within scope and that the interaction between public formalities and private formalities is a subject worthy of attention. *See infra* notes XX - XX and accompanying text.

¹⁷ *See, e.g.*, VAN GOMPEL, *FORMALITIES IN COPYRIGHT LAW*, *supra* note 9, at 15-51.

¹⁸ *Id.* at 18-19.

¹⁹ *See, e.g., id.* at 206-08.

²⁰ *Id.*; *see also* Pallante, *supra* note 8, at [6] (referring to desirability of making recordation in Copyright Office database interoperable with private recordation databases administered by collecting societies).

²¹ *See supra* note 9.

anti-formalities provisions. The formalist narrative largely overlooks the beneficial functions formalities can and have performed, even if historical implementations have had some shortcomings.²² The formalist narrative also overstates the constraints that a human rights construct of authors' rights would impose on expansion or reintroduction of public formalities.²³ Relatedly, the formalist interpretation of the Berne/TRIPS anti-formalities provisions as being grounded in the human rights construct is at odds with the history at both the national and international levels.²⁴ Recent scholarship makes clear that these provisions are better understood as reflecting a reaction to the complexities of a patchwork of varying national formalities rather than a rejection of formalities as such.²⁵ This scholarship also clarifies that the Berne/TRIPS constraints are not as far-reaching as has been commonly assumed and that, in particular, opportunities exist to reintroduce public formalities that would take advantage of new technologies for streamlining their administration and could help perform a filtering function with respect to works published on the Internet.²⁶ Consequently, it is a propitious time for public officials to think creatively about how public formalities might be expanded, refashioned or reintroduced to better enable copyright law to promote its policy objectives.

One goal for granting authors copyright, or at least economic rights in their works of authorship, is to support a transaction structure in which authors have the opportunity to be rewarded for works that have popular appeal.²⁷ This transaction structure relies on some of the functions that copyright formalities traditionally have played in providing notice about the identity of the author(s), the work(s), and contact and other information relevant to potential parties to a transaction concerning the exclusive rights in the work(s).²⁸ On its own terms, the formalist narrative is thus problematic at its core because some kind of notice and registration function is *required* for authors to receive the full economic benefits that copyright is designed to supply. Moreover, at least in the United States, we are clear that the law grants private economic benefits to authors to achieve a larger, public goal.²⁹ This observation should put one in a more generous interpretive posture concerning the available policy space for implementing public formalities under the international framework.

Two other observations further buttress this point. First, the formalist narrative overreads human rights obligations by confusing legal entitlements with options to obtain or exercise legal

22 See Christopher Sprigman, *Reform(alizing) Copyright*, 57 STAN. L. REV. 485; Pallante, *supra* note 8 (articulating benefits of fairly designed formalities).

23 See *infra* note 30 and accompanying text.

24 See *infra* notes 30-35 and accompanying text.

25 See *infra* note 33.

26 *Id.*

27 See *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985) (“In our haste to disseminate news, it should not be forgotten that the Framers intended copyright itself to be the engine of free expression. By establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas.”); see also Sprigman, *supra* note 18, at 523-24, 528.

28 See, e.g., VAN GOMPEL, *FORMALITIES IN COPYRIGHT LAW*, *supra* note 9, at 47-49 (describing formalities' information supplying function).

29 See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151 (1975).

entitlements.³⁰ Human rights law does not assert a general principle that prevents a government from treating civil and political rights as an option to obtain and exercise rights rather than as a grant *ab initio* in all cases.³¹ For example, the right to vote is considered among the most central political rights that citizens of a democracy possess, and yet governments routinely require potential voters to comply with a formality - registration - before they may exercise or enjoy this right.³²

Second, this understanding is at odds with the history of Berne's anti-formalities obligation and how it should be interpreted in light of this history. Recent work by Stef van Gompel, Daniel Gervais and others³³ demonstrates that the anti-formalities provisions responded to a situation in which copyright formalities were overly cumbersome for authors and publishers operating in an increasingly international market for copyrighted works. Some authors' rights triumphalists strategically downplay or ignore this history.³⁴ However, deploying deontological arguments for utilitarian purposes is generally self-defeating.³⁵ Attempts to treat the anti-formalities provisions of Berne as recognition of authors' human rights rather than as a situationally pragmatic response to administrative difficulties follows this pattern.

Recent scholarship has begun to build from the premise that some level of formalities is required to support a structure for transactions pertaining to exclusive rights in works of authorship, and that the international prohibition on certain public formalities as a precondition of the author's exercise and enjoyment of rights is based on pragmatic objections that can be revisited in light of changed circumstances.³⁶ This scholarly interest in a more vigorous approach to public formalities is

30 See Christopher Sprigman, *Reform(alizing) Copyright*, 57 STAN. L. REV. 485, 543 (2004) ("The degree to which formalities are inconsistent with natural rights-based copyright is easily overstated.")

31 See, e.g., VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW, *supra* note 9, at 267-80 (demonstrating that personality-based rights can be, and are, subject to formalities in Europe).

32 See Michael W. Carroll, *The Problem of Uniformity Cost in Intellectual Property Law*, 55 AM. U. L. REV. 845, 879 (2006) (elaborating on this point in the context of whether legal rights should be treated as entitlements or as real options to acquire entitlements).

33 See Daniel Gervais, *The Google Book Settlement and the TRIPS Agreement*, 2011 STAN. TECH. L. REV. 1, 3-5 (2011); STEF VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW, *supra* note 9); Daniel Gervais, *The 1909 Copyright Act in International Context*, 26 SANTA CLARA COMPUTER & HIGH TECH. L.J. 185 (2010); Daniel Gervais, *Collective Management in Theory and Practice in the Digital Age*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 24-27 (Daniel Gervais, ed., Kluwer, 2d ed. 2010); Mihaly Ficsor, *Collective Management of Copyright and Related Rights from the Viewpoint of International Norms and the Acquis Communautaire*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 24-27 (Daniel Gervais, ed., Kluwer, 2d ed. 2010); Laurence R. Helfer, *Collective Management of Copyrights and Human Rights: An Uneasy Alliance Revisited*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 24-27 (Daniel Gervais, ed., Kluwer, 2d ed. 2010). Stef Van Gompel, *Les Formalités Sont Mortes, Vive Les Formalités! Copyright Formalities and the Reasons for Their Decline in Nineteenth Century Europe in PRIVILEGE AND PROPERTY: ESSAYS ON THE HISTORY OF COPYRIGHT* 157 (R. Deazley, M. Kretschmer & L. Bently, eds., Cambridge: Open Book Publishers, 2010).

34 See, e.g., Orrin G. Hatch, *Better Late Than Never: Implementation of the 1886 Berne Convention*, 22 CORNELL INT'L L.J. 171, 192-95 (1989); Susan Stanton, *Development of the Berne International Copyright Convention and Implications of United States Adherence*, 13 HOUS. J. INT'L L. 149, 169 (1990).

35 See Louis Michael Seidman, *Soldiers, Martyrs, and Criminals: Utilitarian Theory and the Problem of Crime Control*, 94 YALE L.J. 315 (1984).

36 See, e.g., Christopher Sprigman, *Reform(alizing) Copyright*, 57 STAN. L. REV. 485 (2004); Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COLUM. J.L. & ARTS 311, 317 (2010); James

welcome because the current system of public formalities leaves considerable room for improvement.

WIPO's Development Agenda supplies reasons for renewed attention to the beneficial functions that public copyright formalities perform. Specifically, with regard to registration, these include providing a public means for: (1) asserting claims of authorship and ownership; (2) identifying works of authorship; (3) delimiting the public domain by supplying information relevant to the expiration of copyright; (4) mapping creative activity within a territory.³⁷ WIPO surveyed its 186 Member States³⁸ about their adoption of voluntary registries and found that 48 Members reported that such a system was administered within their territory.³⁹ The large majority of these systems are administered within the executive branch of government, usually by the Ministry of Justice or the Ministry of Culture.⁴⁰ But, some small states, Armenia, Mali, Namibia, and Slovenia, delegate administration of their "public" system to Collective Management Organizations ("CMOs").⁴¹ Italy and Japan have hybrid systems.⁴² Both outsource registration of computer programs to private entities, and Italy also delegates registration of audiovisual works to a CMO.⁴³

Further recognizing the coexistence of, and the potential benefits of interoperability among, public and private systems, the WIPO survey asked whether a Member State's public copyright registry is interconnected with any other copyright data system.⁴⁴ In the large majority of cases, the answer is "No."⁴⁵ In only two cases, Algeria and Mali, is the public registry interconnected with a CMO database.⁴⁶ Other examples of interconnection involve intra-governmental connections among ministries.⁴⁷

The survey did not ask about interoperability between the public registries of Member States as such, although it did inquire about which Member States would accord legal significance to foreign registrations.⁴⁸ The survey reveals that the possibility of interoperability among public or private digital registration databases likely is a long way off. Sixteen Member States store registration

Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167, 212-41 (2005); Daniel Gervais, *The Google Book Settlement and the TRIPS Agreement*, 2011 STAN. TECH. L. REV. 1, 3-5 (2011); STEF VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW, *supra* note 9.

37 See WIPO, Program Activities, Copyright Registration and Documentation, *available at* http://www.wipo.int/copyright/en/activities/copyright_registration/

38 See WIPO, Member States, *available at* <http://www.wipo.int/members/en/>.

39 See World Intellectual Property Organization, WIPO Summary Of The Responses To The Questionnaire For Survey On Copyright Registration And Deposit Systems, *available at* http://www.wipo.int/export/sites/www/copyright/en/registration/pdf/registration_summary_responses.pdf

40 See *id.* at 1.

41 See *id.*

42 See *id.*

43 See *id.*

44 See *id.* at 2.

45 *Id.*

46 See *id.*

47 See *id.*

48 See *id.* at 7.

data in hard copy only, including Argentina, Brazil, Italy and South Africa.⁴⁹ Five others are in the process of transitioning to a digital registration system.⁵⁰ Even for systems that store digital records, only a small number enable public access over the Internet.⁵¹ For present purposes, the key points are that even on the ostensibly "public" side of the formalities ledger, private parties have been delegated the responsibility to perform copyright registration.⁵²

The survey also reveals the vast room for improvement in making even voluntary registration systems better perform their function in supporting a transaction structure around copyrighted works.⁵³ Greater standardization and other measures to promote interconnection and interoperability among public and private registration databases would almost certainly improve these systems' overall effectiveness and attractiveness to induce greater participation by copyright owners.⁵⁴ Finally, these voluntary public formalities systems document only a very small fraction of the eligible works of authorship.⁵⁵

Recent scholarship has also illuminated the opportunities that the international framework leaves for reimagining and reinvigorating both mandatory and voluntary public formalities. It is already well established that the international framework poses no barrier to a Member state's imposing mandatory formalities on its own nationals.⁵⁶ As other contributors to this volume argue persuasively, the international framework also would permit imposition of mandatory formalities on all assignees and transferees of the authors' rights.⁵⁷ Relatedly, formalities to maintain rights under copyright beyond the life-plus-50 Berne minimum for copyright term also would be permissible.⁵⁸ Whether mandatory formalities that serve as a precondition to the availability of injunctive relief or enhanced monetary remedies would not run afoul of Berne because they apply only to remedies rather than rights is a more contentious question.

The digital challenges and opportunities that fuel some of the renewed interest in copyright formalities in general also supply the basis for an additional argument concerning mandatory formalities. Digital technologies offer opportunities to make affixing notice to a work or registering

49 *Id.* at 10.

50 *Id.*

51 *Id.* at 11.

52 *Id.* at 2.

53 *Id.* at 5-10.

54 *See id.*

55 *Id.* at 3.

56 *See, e.g.* 17 U.S.C. § 411 (requiring copyright registration prior to commencement of suit for infringement of rights in a "United States work").

57 [Add cites]

58 *See, e.g.*, The Public Domain Enhancement Act, H.R. 2601, 108th Cong., *reintroduced as* H.R. 2408, 109th Cong. (imposing small tax as price to maintain copyright protection beyond Berne minimum); *see also* Statement of Maria A. Pallante, Register of Copyrights of the United States, Subcomm. on Courts, Intellectual Property and the Internet, Comm. on the Judiciary, United States House of Representatives, 113th Cong., 1st Sess., March 20, 2013 ("You may want to consider alleviating some of the pressure and gridlock brought about by the long copyright term — for example, by reverting works to the public domain after a period of life plus fifty years unless heirs or successors register their interests with the Copyright Office.") *available at* <http://judiciary.house.gov/hearings/113th/03202013/Pallante%20032013.pdf>.

an author's claim to copyright in it in a database trivially easy in places with ready computer and Internet access.⁵⁹ Metadata can be preconfigured to be automatically associated with digital files, such as a document created in Microsoft Word, and creating account information in a digital database has become a routine precondition for participating in many aspects of digital life.⁶⁰ These technological advances represent a radical change in circumstances from those that inspired the amendment to add the Berne prohibition in 1908.⁶¹

In other legal contexts, recognition of these changed circumstances has led to changed legal interpretations. For example, under traditional principles, a person's inaction usually would not supply the basis for the law to support a finding of an implied agreement or an implied license in copyright law.⁶² However, at least one court has found that a web publisher's choice to publish copyrighted works on the Web while forgoing the trivially easy formality of using the robots.txt exclusion header in the web site's metadata designed to stop search engines from copying the text for purposes of indexing and caching the web site, formed the basis for finding that this failure to take a simple affirmative step implied that the publisher had licensed search engines to copy, index and cache the contents of the web site.⁶³ The extended collective licensing scheme adopted in Nordic countries has a similar opt-out provision,⁶⁴ which some have suggested runs afoul of Berne Article 5(2).⁶⁵ Professor Gervais ably rebuts this suggestion.⁶⁶

By analogy, a dynamic interpretation of the Berne Convention would lead one to conclude that, at least in countries with ready access to computers and the Internet, a mandatory notice or registration formality that affected the scope of rights or remedies available to an author based on

59 See e.g. *Remove Hidden Data and Personal Information by Inspecting Documents*, MICROSOFT OFFICE, available at http://office.microsoft.com/en-us/word-help/remove-hidden-data-and-personal-information-by-inspecting-documents-HA010354329.aspx#_Toc312143396; *Understanding Metadata*, AMERICAN NATIONAL STANDARDS INSTITUTE, 2004, at 1-2, available at <http://www.niso.org/publications/press/UnderstandingMetadata.pdf> (defining Metadata and its uses).

60 See *id.*

61 See *supra* note 33 (sources discussing, inter alia, administrative burdens of registering in multiple jurisdictions).

62 See RESTATEMENT (SECOND) OF CONTRACTS § 69 (1981) (“Acceptance by silence is exceptional. Ordinarily an offeror does not have power to cause the silence of the offeree to operate as acceptance.”). See e.g., *William F. Klingensmith, Inc. v. Dist. of Columbia*, 370 A.2d 1341, 1343 (D.C. 1977) (finding the defendant’s silence in response to a letter for the balance of a contracting job could not constitute a valid contract).

63 See *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006); cf. *Keane Dealer Servs. v. Harts*, 968 F. Supp. 944, 947 (S.D.N.Y. 1997) (knowledge of, and silence in face of, defendant’s use of software supplied basis for implied license to use)

64 See Thomas Riis & Jens Schovsbo, *Extended Collective Licenses and the Nordic Experience: It's A Hybrid but Is It A Volvo or A Lemon?*, 33 COLUM. J.L. & ARTS 471, 473-77 (2010) (providing an overview of the Nordic extended copyright licensing system).

65 Berne Convention, *supra* note 1, at art. 5.2.

66 See Daniel Gervais, *Collective Management in Theory and Practice in the Digital Age*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 24-27 (Daniel Gervais, ed., Kluwer, 2d ed. 2010); accord VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW, *supra* note 9, at 209-11 (concluding that opt-out models from statutory licenses are not prohibited formalities).

steps that would be trivially easy and commonplace to take in the digital environment should not be read to affect an author's ability to exercise or enjoy her rights under copyright.⁶⁷

Finally, whether formalities are cast as mandatory or voluntary, recent work offers a fresh look at the filtering function that formalities can play. Traditionally, failure to adhere to formalities resulted in forfeiture of copyright.⁶⁸ However, public formalities in the United States already are designed to filter the remedies available to owners of copyright in United States works,⁶⁹ and this approach could be applied creatively to include scope as well.

A more nuanced approach to the filtering function would be especially valuable, as automatic copyright in the digital world has led to a continuous and growing eruption of copyrights.⁷⁰ A useful place to start is the report of the Copyright Principles Project, which suggests ways in which scope and remedies might be tailored based on whether rights holders choose to register their claims to copyright in an updated digital registry.⁷¹ With a system for easy registration in place, a creator's choice not to register would have consequences. Specifically, the report imagines formalities that would tier protection such that the scope of copyright in unregistered works could be limited to a right against exact or near-exact copying that causes commercial harm.⁷² Other uses would likely be deemed fair. Remedies for infringement involving unregistered works would not include statutory damages or attorneys' fees.⁷³ In contrast, registration would likely provide rights of broader scope, including rights to exclude copying of non-literal elements of a work of authorship and to stop some non-commercial uses likely to have market-impairing effects.⁷⁴ The right to terminate a transfer of copyright after some period of years also could be limited to owners of copyright in registered works.⁷⁵ A copyright owner could register at any time, but the benefits of registration would not be retroactive.⁷⁶

The emergent debate on reintroducing or enhancing public formalities is welcome. Advances in digital technologies are both the source of many of the problems associated with a lack of formalities and the potential source of solutions. In the modern context, public formalities could be designed to avoid the overly harsh consequences visited upon a small number of copyright owners under the historical all-or-nothing approach. Instead, notice, registration, and potentially

67 Thanks to my colleague Peter Jaszi for this suggestion.

68 See, e.g., Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COLUM. J.L. & ARTS 311 (2010).

69 See 17 U.S.C. § 412

70 Pamela Samuelson et al., *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1, 11 (2010) ("The move to an automatic protection regime puts current law in tension with the principle that there should be reasonable ways for the public to get information about who owns which rights in which works and whether works are or are not available for use or are in the public domain.") [Disclosure: This author was a member of the Copyright Principles Project.]

71 *Id.* at 6-68.

72 *Id.* at 25.

73 *Id.*

74 *Id.*

75 *Id.*

76 *Id.*

recording, deposit or maintenance could all be accomplished for digital works with very little trouble for the rights owner.

New style formalities could be flexible in numerous ways, including being limited to works in digital form and not applying to authors in territories that currently lack ready and reliable access to the Internet. New style formalities would reclaim the public function of gathering and sharing information about creative works that would enhance productive transactions that benefit creators and audiences alike. Importantly, new style public formalities should be fashioned to interoperate with, and to improve the transparency of, the systems of private formalities discussed in the next section. Interoperability would require agreements on common technical standards and on what information public registries, for example, should provide and what information should properly be treated as too commercially sensitive to be made public. One design would treat the public deposit/registry as the base layer of information that could then be extended for use in private formalities systems, such as by collective management organizations.

III. REGULATING PRIVATE FORMALITIES

The authors' rights narrative about formalities overlooks the fact that the banishment of mandatory public formalities in the Berne Union in the early twentieth century coincided with the emergence of collective management organizations and their privately-administered formal requirements for authors to supply relevant information as a condition of receiving a share of the economic rewards administered by the CMO.⁷⁷ Thus, as the opening line of this Article suggests, it would be better to understand the death-of-formalities story less as a philosophical victory for authors' rights and more as a privatization or outsourcing story about administering a system of copyright formalities.

From this perspective, the theme of reform(aliz)ing copyright means reclaiming an increased role for public policy in establishing, administering or regulating new and existing systems of copyright formalities. This turn also has found considerable support from introduction of the Development Agenda at the World Intellectual Property Organization,⁷⁸ which focuses on the role of copyright formalities in promoting access to "orphan" works and works in copyright's public domain.⁷⁹ Work done in this vein draws attention to the privately administered formalities and their interaction with publicly administered systems.⁸⁰ Recognizing that privately administered systems of

⁷⁷ See Daniel Gervais, *Collective Management in Theory and Practice in the Digital Age*, in *Collective Management of Copyright and Related Rights* 3-10 (Daniel Gervais, ed., Kluwer, 2d ed. 2010) (providing the evolution of and process used by CMOs).

⁷⁸ The WIPO Development Agenda refers to a package of forty-five proposals adopted by the WIPO General Assembly in 2007. See Development Agenda for WIPO, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/ip-development/en/agenda/> (last visited ???).

⁷⁹ See *id.*

⁸⁰ See Copyright Registration and Documentation, WORLD INTELLECTUAL PROP. ORG., [HTTP://WWW.WIPO.INT/COPYRIGHT/EN/ACTIVITIES/COPYRIGHT_REGISTRATION/](http://www.wipo.int/copyright/en/activities/copyright_registration/) (describing studies of public and

formalities occupy much of the field, policymakers should focus their attention on the degree to which these systems are interoperable, transparent, and effective.

Until recently, these systems have been subject to little or no public oversight.⁸¹ This is beginning to change, particularly with respect to the transparency of collective management organizations.⁸² Public officials can and should do more to ensure better integration between public and private formalities systems and to ensure that these systems operate to serve the ultimate public interest that copyright law aims to promote. This subsection maps these private formalities systems and then outlines a public policy strategy for improving their operation within the larger copyright economy.

A. A REVIEW OF PRIVATE FORMALITIES SYSTEMS

Privately-administered formalities systems are heterogeneous but fall roughly into three groups: (1) registries and related systems administered by organizations that either own rights under copyright or related rights or, more often, act as transactional agents for rightsholders; (2) third-party registries or copyright documentation services that do not rely on input from rightsholders to gather and organize information about works of authorship and their rightsholders (e.g., YouTube's Content ID registry); and (3) organizations that compete directly with public formalities systems to provide rightsholders with copyright documentation services, such as notice (e.g., watermarking), registration or deposit.

I. FORMALITIES ADMINISTERED IN SUPPORT OF RIGHTSHOLDER REPRESENTATION

The longstanding and, until recently, most economically significant systems of private formalities are those administered by collective management organizations (CMOs) that have legal authority to grant licenses or collect royalties on behalf of authors or other rightsholders.⁸³ While

private registration and documentation systems as part of work under the Development Agenda Thematic Project on Intellectual Property and the Public Domain.) (visited Jun. 28, 2013).

81 See Proposal for a Directive of the European Parliament and of the Council on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market, Article 18, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0372:FIN:EN:HTML> (proposing greater transparency and oversight of CMOs); see also Anne-Catherine Lorrain, *EU Presidency Proposes Compromise on Draft Directive on collective Management of Copyright*, COMMUNIA (May 22, 2013), <http://www.communia-association.org/2013/05/22/eu-presidency-proposes-compromise-on-draft-directive-on-collective-management-of-copyright/> (analyzing the transparency issues in the directive and offering suggestions); Daniel Gervais, *Collective Management in Theory and Practice in the Digital Age*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 24-27 (Daniel Gervais, ed., Kluwer, 2d ed. 2010).

82 See Tanya M. Woods, *Working Toward Spontaneous Copyright Licensing: A Simple Solution for a Complex Problem*, 11 VAND. J. ENT. & TECH. L. 1141, 1155-57 (2009) (claiming the Santiago agreement that required CMOs to report certain information was a “step in the right direction”).

83 See Gervais, *supra* note 33, at 3-4.

one could argue that the Venetian guilds or the Company of Stationers were the original collective management organizations, these groups as authors' collectives originated in France in the 18th century.⁸⁴

Authors generally have a choice about whether to register with a CMO, although in some countries, membership is mandatory.⁸⁵ The formal step required to become part of the CMO's registry and to receive royalties collected by the CMO is to at least supply information about the author's identity and contact information.⁸⁶ Information about the works being submitted to the CMO's repertory may be supplied by the author or independently gathered by the CMO's employees.⁸⁷ The CMO then matches this data with usage data to compensate rightsholders.⁸⁸

Representing rights in a repertory of works, CMOs usually operate territorially with respect to less than the full set of exclusive rights in a particular work of authorship.⁸⁹ As a result, within a specific territory more than one CMO may have an interest in a particular work of authorship, and this is certainly true across territories.⁹⁰ CMOs then engage in cross-border cooperation through reciprocal representation agreements⁹¹ and by federating in an umbrella organization. The largest of these umbrellas are International Confederation of Societies of Authors and Composers (CISAC), which federates 231 collective management organizations in 121 countries to represent the interests of over 3 million creators and rights holders,⁹² and the International Federation of Reproduction Rights Organisations (IFRRO).⁹³

The transaction structure that these organizations' private formalities systems supports is substantial. In 2010, CISAC member organizations collected €7.545 billion, the bulk of which derived from licensing of public performance rights.⁹⁴ Unlike some of the public formalities systems described above, CISAC members have invested considerable energy in using digital technology to improve the exchange of transaction-related information among member organizations. In a report to WIPO, a CISAC consultant detailed CISAC's adoption of technical standards for identifying authors, rightsholders, works of authorship and related transaction-relevant data to automate

84 *See id.*

85 *See* World Intellectual Property Organization, WIPO Summary Of The Responses To The Questionnaire For Survey On Copyright Registration And Deposit Systems, at 1, available at http://www.wipo.int/copyright/en/registration/registration_and_deposit_system_03_10.html.

86 *See* Gervais, *Collective Management*, *supra* note X, at 8.

87 *Id.*

88 *See id.* ("From an operational standpoint, CMOs are essentially data collecting and processing entities.")

89 *See id.* at 6-8; *see also* Séverine Dusollier and Carole Colin, *Peer-to-Peer File Sharing and Copyright: What Could be the Role of Collective Management*, Symposium, *Collective Management of Copyright: Solution or Sacrifice?*, 34 COLUM. J.L. & ARTS 809, 818-20 (2011) (outlining the limits and different types of CMOs); Enrico Bonadio, *Collective Management of Music Copyright in the Internet Age and the EU Initiatives: from Reciprocal Representation Agreements to Open Platforms*, WORLD LIBRARY AND INFORMATION CONGRESS: 78TH IFLA GENERAL CONFERENCE AND ASSEMBLY, 2-3 (2012) (discussing collective licensing in the international music industry).

90 *See id.* at 6-8.

91 *Id.* at 7.

92 *See* CISAC at www.cisac.org.

93 *See* IFRRO at www.ifrro.org

94 CISAC Annual Report 2011-12 p. 9 (2012).

exchanges of information among member organizations.⁹⁵ The CIS-net is product of a 10-year development cycle to improve standardization and interoperability among the member organizations' respective private formalities systems.⁹⁶

This standards development activity has taken place without any significant coordination with the administrators of public formalities' system or with other parallel standards developments by other private administrators of formalities systems.⁹⁷ For example, a common problem for all formalities systems is how to disambiguate parties that have the same or very similar names. Rather than adopt a single standard that solves this problem across platforms, the developers of CIS-net have chose one solution,⁹⁸ while the ORCID project for disambiguating the identities of research authors has adopted a different one.⁹⁹ Luckily, both CIS-net and ORCID use open protocols that enable interoperability,¹⁰⁰ but at the price of additional processing that possibly could have been avoided. The deeper point here is that the natural default position for administrators of private formalities systems is to fashion their own solutions to common problems rather than absorb the costs of coordinating with administrators in ostensibly unrelated domains.¹⁰¹ Whether this approach is in the public interest with respect to the overall functioning of copyright's transaction structure is a question that deserves attention from public officials.

II. THIRD-PARTY DEPOSITORIES AND REGISTRIES: A YOUTUBE CASE STUDY

Many discussions of copyright formalities share the implicit premise that it is the author or rightsholder who must supply information or take certain actions to comply with the formalities. Some examples of hybrids have emerged that rely on some input from a rightsholder and data generated by the administrator of the private formalities system.

95 See François Xavier Nuttall, Technology Intelligence Senior Consultant, International Confederation of Societies of Authors and Composers (CISAC), *Private Copyright Documentation Systems And Practices: Collective Management Organizations' Databases*, available at http://www.wipo.int/export/sites/www/meetings/en/2011/wipo_cr_doc_ge_11/pdf/collective.pdf (forthcoming ?).

96 See *id.* at 30 (“In 2000 a number of Author’s Societies had created “FastTrack”, a technical alliance aimed at creating a network connecting the key documentation nodes to improve data flow and information exchange. In 2005, FastTrack GDDN (Global Documentation and Distribution Network) was expanded to all CISAC members and was renamed ‘CIS-Net powered by FastTrack.’ CIS-Net is now the backbone of all Musical Works Documentation exchange”).

97 See *id.* (demonstrating that development of CIS-Net done without coordination with administrators of public formalities systems).

98 See Nuttall, *supra* note 98, at 31-32 (discussing CIS-net’s use of Interest Party Information database and Common Search Index to provide unique codes).

99 See What is ORCID?, ORCID, <http://orcid.org/content/initiative> (“ORCID is an open, non-profit, community-based effort to create and maintain a registry of unique researcher identifiers and a transparent method of linking research activities and outputs to these identifiers.”).

100 See Nutall, *supra* note 98, at 8-9; ORCID Open Source Project Now Available!, ORCID, <https://orcid.org/blog/2013/02/21/orcid-open-source> (visited Jun. 28, 2013) (explaining choice to release source code openly to improve interoperability with external services)

101 ?? (Eds. This is my interpretation of the data presented above.)

The most economically significant version of this phenomenon is Google's Content ID system, used by YouTube for both enforcement-related and transaction-related activities.¹⁰² Rightsholders supply reference files (deposit), metadata about those files (registration), and policies on what they want YouTube to do when it finds a match between the reference file and a user-uploaded file (recordation, at least for policies that allow for licensing).¹⁰³

YouTube creates a hash, a unique digital identifier, for each reference file and then runs uploaded videos through an algorithm that looks to match the data pattern encoded in the hash with the data in the uploaded file.¹⁰⁴ According to YouTube's website, Content ID's database has more than 8 million reference files that are matched against the more than 100 years of video that Content ID scans every day.¹⁰⁵ More than one third of YouTube's "monetized views" derive from Content ID matches.¹⁰⁶

Although this article has focused on the role of registries in a formalities system, notice and deposit are also functions that private formalities systems perform. YouTube is a depository both through its Content ID program but also as place for rightsholders to make their content available. Although there are other options for sharing video over the Internet, one could argue that YouTube's huge audience makes it almost necessary for certain authors or rightsholders to deposit a copy of their audiovisual works in order to meaningfully enjoy or exercise their rights under copyright. In addition, the Content ID hash functions as a form of automated notice. While the Content ID hash currently is used internally by YouTube,¹⁰⁷ potentially such automated notice could be used or relied upon by other parties if these data were publicly available.

The Content ID registry functions as part of a private formalities system insofar as YouTube offers rightsholders the opportunity to take the formal step of contacting YouTube, supplying identity and contract data, and entering into a compensation agreement with YouTube.¹⁰⁸ This formal step is a necessary precondition for a rightsholder to participate in revenues generated by certain uses of Content ID.

One would expect that other advertising-dependent platforms that rely on user-generated content, such as Pinterest, would also have an interest in developing similar content registries for similar purposes. One should also expect that these developments will take place without any appreciable coordination with, or oversight by, public officials, including the administrators of public formalities systems. Rightsholders should expect that additional third parties will use the growing capacities of digital technologies to generate databases about works of authorship and those with ownership or transactional interests in these without the participation of rightsholders and that a formal step will be required for rightsholders seeking to participate in revenues associated with

102 See Content ID, YouTube, <http://www.youtube.com/t/contentid> (last visited Jun. 26, 2013).

103 *Id.*

104 *Id.*

105 See Statistics, YouTube, <http://www.youtube.com/yt/press/statistics.html> (last visited ???).

106 *Id.*

107 Content ID, *supra* note 102.

108 *Id.*

transactions that rely on these databases. This technique has been used to generate third party social network databases, and there is no reason to think that the same techniques could not be used to create copyright databases.¹⁰⁹

III. PRIVATE REGISTRIES

Finally, a number of private companies perceive a gap in the market for voluntary registration and deposit services.¹¹⁰ As the WIPO survey of public formalities' systems demonstrates, a number of countries do not offer publicly-administered registration services, and only a small portion of those that do make their records available over the Internet.¹¹¹ Seeking to compete directly with, or complement, public voluntary systems, these primarily digital services fill gaps in the public systems by accepting deposits from any territory, in multiple formats, at prices that allow user-generated works to be registered.¹¹² They also use digital technologies, including hashes, to identify rightsholders and works.¹¹³

WIPO commissioned a survey of these private documentation services to map the current state of this emerging market.¹¹⁴ The survey found that a range of general purpose registries have entered the market.¹¹⁵ Some of these target users of Creative Commons licenses¹¹⁶ who may find registration useful to support the attribution requirement in these.¹¹⁷ Others include domain-specific services such as the Writers Guild of America, West Registry.¹¹⁸

Because the law in many countries gives evidentiary or other legal effect to participation in public formalities systems,¹¹⁹ these private systems remain at a competitive disadvantage with respect to certain classes of rightsholders. Nonetheless, the continued proliferation of these services suggests that there is sufficient perceived latent demand that these systems are likely to persist. While some level of competition, even standards competition, may be desirable at this point in the digital era,

109 See Andrew Ross Sorkin, *A Database of Names and How They Connect*, N.Y. TIMES, Feb. 12, 2013, at B1.

110 See *infra* note 114 (WIPO study describing emergence of such services in response to perceived gap in the market).

111 See *supra* notes 44-52 and accompanying text (describing lack of digital and network capacity for most public formalities systems). [ATTENTION: Please note which note you are citing to with the *supra* here]

112

113 See *infra* note XX (was 98). ??

114 Marco Ricolfi et al., *Survey Of Private Copyright Documentation Systems And Practices* (2011).

115 See *id.* at 18-23 (describing general purpose private registries).

116 [Disclosure: This author is a Member of the Creative Commons Board.]

117 See *id.* at 21-22.

118 See *id.* at 23-24; see also generally Catherine Fisk, *The Role of Private Intellectual Property Rights in Markets for Labor and Ideas: Screen Credit and the Writers Guild of America, 1938-2000*, 32 BERKELEY J. EMP. & LAB. L. 215, 267-74 (2011).

119 See World Intellectual Property Organization, *WIPO Summary Of The Responses To The Questionnaire For Survey On Copyright Registration And Deposit Systems*, at 5., available at http://www.wipo.int/export/sites/www/copyright/en/registration/pdf/registration_summary_responses.pdf; Ricolfi et al., *supra* note 114, at 41-43 (noting statutory advantages that voluntary public formalities systems enjoy over private documentation systems).

it is currently the case that this competition has led to a situation in which fragmented, uninteroperable private formalities systems fail to provide many of the public benefits that could be achieved through greater interoperability and transparency.¹²⁰

B. PROPOSED GOVERNMENTAL RESPONSES

This survey of private formalities systems demonstrates that the real effect of the prohibition on certain mandatory public formalities in Berne Article 5(2) is to reallocate to the private sector many of the necessary functions that formalities systems perform in the copyright economy rather than remove them altogether. This shift in perspective supports greater engagement by public officials with systems of private formalities to ensure that the ultimate public policy objectives that copyright law aims to achieve are being served by these private formalities.

This engagement should be wide-ranging. It should include some formal regulation, but it should also include use of the government's convening authority to focus attention on finding common solutions to common problems and participation in voluntary public-private partnerships to increase interoperability between public and private formalities systems.¹²¹ To serve the overall goals of formalities in the copyright economy, public officials should focus their efforts on the high level goal of improving the effectiveness of formalities in encouraging socially beneficial transactions concerning works of authorship, both commercial and non-commercial, while reducing frictions caused by automatic copyrights that last for a very long time, either by filtering some works out of the system altogether or by reducing the social costs associated with copyrights granted to works whose rightsholders have little or no interest in making productive use of such rights.

This high level goal can best be achieved by increasing interoperability among formalities systems and by increasing their transparency. Transparency has two meanings here. One is to make much of the information held by private formalities systems public. The second is to make the internal operating procedures of those who administer private formalities systems more transparent to increase accountability.¹²² These subsidiary goals aim to supply informational liquidity to the

¹²⁰ See Ricolfi, *supra* note 114, at 18. Ricolfi states:

As a matter of fact, it is difficult for users to search more than a single copyright registry at once and the number of searches to exclude that a work has been registered somewhere grows with the number of registries. Moreover, the research performed for this study clearly demonstrated that even just finding the registries themselves could be challenging, particularly if one tried to find all of them and not just the most popular ones. Hence, registry fragmentation generates additional costs for users.

Id.

¹²¹ This approach has more general support in the United States. See, e.g., Public-Private Standards Efforts to Make America Strong, Office of Science and Technology Policy, White House, <http://www.whitehouse.gov/blog/2012/01/31/public-private-standards-efforts-make-america-strong> (“The Administration recognizes the importance of the Federal Government working with the private sector to address common standards-related needs and taking on a convening or active-engagement role when necessary to ensure a rapid, coherent response to national challenges.”).

¹²² See, e.g., Greater supervision on collecting societies as from 1 July 2013, Government of the Netherlands, Jun.

market for transactions related to copyright-protected works. They also should increase administrative efficiency, providing more value to be shared between producers and users of these works.

While promoting interoperability, public officials should seek to encourage innovation in the use of digital technologies to improve the functioning of copyright formalities systems. Using its convening authority, the government could bring together the most forward-thinking administrators to identify standards that best perform the functions a formalities system requires. A great deal of creative thought and energy has gone into creating the CIS-net and the private general purpose registries, for example, and a public convening could be used to evaluate whether these standards generalize for other uses. Where standardization is too difficult to achieve, public officials should strongly consider use of regulatory authority to require or strongly encourage at least that competing standards can be bridged to achieve interoperability.

In a similar vein, public officials should seek to enter into partnership with administrators of private formalities systems to achieve interoperability between public and private formalities systems. On this point, the concept of extensibility is essential. The function of public formalities systems is likely more limited than that of many of the private systems. It would make sense for public systems to provide a base layer of information that could then be readily extended to include additional metadata about works of authorship, authors, rightsholders, and others with a legally cognizable interest in works of authorship.

Regulation, however, cannot be avoided. The practices of collective management organizations require greater public oversight.¹²³ Some of the more problematic issues do not always involve CMOs' functions as administrators of private formalities systems, but even when problems derive primarily from agency disloyalty, these are often aided and abetted by the absence of interoperability and transparency in the administration of the private formalities system.¹²⁴ Public officials already have begun to respond. The European Commission has proposed a draft Directive

3, 2013, <http://www.government.nl/news/2013/03/06/greater-supervision-on-collecting-societies-as-from-1-july-2013.html> (visited Jun. 28, 2013) (describing new Dutch law requiring collecting societies to publicly disclose “the fees, licence conditions, discount schemes, management costs and additional positions of [their] managers.”).

¹²³ See, e.g., Lucie Guibault & Stef van Gompel, *Collective Management in the European Union*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 166-67 (Daniel Gervais, ed., Kluwer, 2d ed. 2010) (“In summary, the collective management of rights at the European level is in a state of chaos. Instead of cooperating through bilateral agreements to optimize the licensing of copyright at the international level, as they previously did, national CMOs in Europe are currently involved in litigation to prevent each other from issuing pan-European licenses of their respective repertoires.”).

¹²⁴ See, e.g., Jonathan Band, *Cautionary Tales About Collective Rights Organizations*, at https://28a88afa-a-0d0a672a-s-sites.googlegroups.com/a/policybandwidth.com/policybandwidth/publications/CRO-10Sep12.pdf?attachauth=ANoY7cpYi91e2LppDCf_FICjzJnIT08tUnLQhmRUz78Rpt3IeO8jCQu5MeOKy1s1MLqtt8Ln7Dr2P9cTm6LNgy0Q0Mcv6ijJaK-4abncf_2XDUx6cs8l0Z0hkYlwkRb_76MfBt21Azhh3adUGCaJjzXuzIJ-wjGkmWxTLCz9-S1A4_-Db49AJ0jVActdFlrnE4mY_pZuE75PslgRDqCYKudIwpz5QNIZGjGpoXR8gkXChEIbZv3LJds4rpmrtomzv00CasGT8YUv&attredirects=0

that would regulate CMOs that administer rights in musical works.¹²⁵ More could be done to make the data held in CMOs private formalities systems more publicly available. In sum, once it is recognized that formalities are alive and well in the copyright system through these systems of private formalities, a range of reasonable public responses as described above follows.

IV. CONCLUSION

Building on the emerging literature concerning a reformalization of copyright law, this Article's main goal is to suggest that the theme of reformalizing copyright should be seen as an effort to reclaim formalities from exclusive private control so that formalities can better serve copyright's public purposes as provide public benefits rather than as a resurrection of copyright rules that had been interred by the Berne Convention (as of 1908) and the TRIPS Agreement. Private formalities have their place, and the suggestion is that in the digital environment, reinvigorated and reimagined public formalities should be designed to interoperate with systems of private formalities. Finally, this Article also offers additional support for those who argue that the constraints imposed by Article 5(2) of the Berne Convention and its incorporation into the TRIPS Agreement via Article 9(1) of that instrument leave room for national governments to be far more creative in the use of formalities, certainly with respect to domestic authors and transferees of all nationalities.

125 Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market, Brussels, 11.7.2012 COM(2012) 372 final 2012/0180 (COD).

Jane C. Ginsburg, *With Untired Spirits and Formal Constancy*”: Berne-Compatibility of Formal Declaratory Measures to Enhance Copyright Title-Searching, 28 BERKELEY TECH. L.J. (forthcoming 2014).

“WITH UNTIRED SPIRITS AND FORMAL CONSTANCY”*: BERNE-COMPATIBILITY OF FORMAL DECLARATORY MEASURES TO ENHANCE COPYRIGHT TITLE-SEARCHING

*Jane C. Ginsburg***

I. INTRODUCTION

Formalities are back in fashion. Their acolytes fall into two camps, reflecting their different objectives. For formalities, which we shall define as conditions on the existence or enforcement of copyright, can divest authors of their rights, or instead enhance authors’ exploitation of their works by alerting their audiences to the authors’ claims. For one camp, formalities’ confiscatory consequences, once perceived as barbaric,¹ are to be celebrated.² The more works from their authors’ rights untimely ripped, cast into the public domain, or amputated in their enforcement, the better. Formalities can supply the cure for all copyright’s ills, from over-inclusive subject matter, to over-strong rights and remedies, to over-long duration. Worried that copyright’s low originality threshold embraces shopping lists and such? A notice requirement will flush out such unworthy scribblings. Scared of strike suits from obscure authors emerging from the woodwork to claim the latest hit song, blockbuster film, or bestselling novel as the fruit of their own inspiration? Locking the courthouse door to the unregistered, or precluding statutory damages, will keep them and their contingency-fee’d counsel back behind the wainscoting where they belong. Distressed that copyright’s term just keeps going and going and going? Imposing a renewal obligation early and often will ensure that only those works whose proprietors truly “care” about them will get the full copyright term. That copyright-divesting or -disabling formalities tend in practice to penalize

* Shakespeare, Julius Caesar, II, 1.

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1 *Comments of John M. Kernochan* (1986), reprinted in *Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention*, 10 COLUM.-VLA J.L. & ARTS 513 app. B at 685, 689 (1986) (“The present sanction of forfeiture, in particular, is barbaric in its impact (i.e., it may wipe out the entire value of years of creative effort); it is disproportionate to any ends served and should be done away with.”)

2 See, e.g., Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485 (2004); James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167, 168 (2005) Lawrence Lessig, *Re-Crafting a Public Domain*, 18 YALE J.L. & HUMAN. 56 (2006); Martin Skladany, *Unchaining Richelieu’s Monster: A Tiered Revenue-Based Copyright Regime*, 16 STAN. TECH. L. REV. 131 (2012); cf. Séverine Dusollier, *(Re)Introducing Formalities in Copyright as a Strategy for the Public Domain*, in OPEN CONTENT LICENSING: FROM THEORY TO PRACTICE 75 (Lucie Guibault & Christina Angelopoulos, eds. 2011) (advocating formalities as a means to opt *out* of—rather than into—copyright protection).

individual creators far more than corporate copyright owners³ does not dissuade the forces of formalities, for authorship has little purchase with these advocates of the formality-fed public domain.

A second camp enlists formalities to populate not the public domain, but the public record.⁴ Notice, registration, and recordation, as declaratory measures, inform the public of the author's claims and, by facilitating rights clearance, help the author disseminate and derive compensation from her work. I prefer to call title-searching information “declaratory measures” rather than “formalities” because only “formalities,” in their Berne Convention sense (as we shall see), entail the loss of copyright or truncation of its scope or the limitation of basic remedies. The aspirations of the second camp tend toward information rather than confiscation, but many may be concerned that only the threat of the latter will impel provision of the former.⁵

The perceived need to give title-searching measures teeth by penalizing authors who fail to declare or to register their claims allows the rhetoric of reformalization to conflate formalities’ two distinct goals. Recognizing that the “good cop” face of formalities tied to title searching may attract more followers than the “bad cop” function of expropriating authors, some reformalizers may offer the kinder, gentler rationale of reducing search costs in support of declaratory obligations whose nonfulfillment will confiscate the copyright.⁶ Not all the laments about high transactions costs,

3 Julia D. Mahoney, *Lawrence Lessig's Dystopian Vision*, 90 VA. L. REV. 2305, 2329–30 (2004) (reviewing LAWRENCE LESSIG, *FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY* (2004)):

What Lessig neglects to mention is that all formalities impose burdens, and that those burdens are experienced most keenly by the inexperienced and uneducated. While it is by no means definite that the costs of more formalities would outweigh the benefits, Lessig should at least acknowledge that corporate copyright holders are likely to have a much easier time negotiating the system than the lone individual creator, and that a turn to more formalities could bestow an advantage on none other than the ‘Big Media’ interests Lessig abhors.

Niva Elkin-Koren, *What Contracts Cannot Do: The Limits of Private Ordering in Facilitating a Creative Commons*, 74 FORDHAM L. REV. 375, 383 n.27 (2005) (noting formalities “could actually discriminate against individual creators who are unable to carry the burden of legal counseling and registration.”); Brad A. Greenberg, *More Than Just a Formality: Instant Authorship and Copyright's Opt-Out Future in the Digital Age*, 59 UCLA L. REV. 1028, 1048–50 (2012) (discussing costs to individual creators of complying with registration formalities).

4 See, e.g., STEF VAN GOMPEL, *FORMALITIES IN COPYRIGHT LAW* (2011); Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COLUM. J.L. & ARTS 311, 316 (2010).

5 See, e.g., VAN GOMPEL, *supra* note 4, ¶ 1.3, at 12 (excluding purely voluntary measures from consideration “because they can produce limited effects only, given that their compliance relies on goodwill and proactivity on the part of authors and copyright owners”); David Fagundes, *Crystals in the Public Domain*, 50 B.C. L. REV. 139, 178–80 (2009) (positing “orphan works issue” as “an information problem that blocks the functioning of well-defined entitlements” and proposing as solution “mak[ing] availability of the full panoply of copyright remedies . . . contingent on compliance with registration, notice, and recordation provisions,” such that “[a]uthors who fail to comply would still enjoy copyrights, but these rights would be enforceable only through a default license so that infringers could use the work so long as they pay a nominal statutory fee”). *But see* Ginsburg, *supra* note 4, at 346 (claiming “[a]n efficient registration system may provide its own best incentive” but noting “we are not likely to enjoy such a centralized system unless it is adequately staffed and supported by government funding.”).

6 See, e.g., Lessig, *supra* note 2, at 70–71:

[I]f permission is required, then we need a way to know from whom that permission must be secured. Yet the abolishment of formalities has removed any easy possibility of knowing. A work is protected

however, withstand analysis. For even were authors easily found and negotiations simplified, the real problem for many enthusiasts of formalities is having to transact at all, when, in their view, the object of the proposed transaction should not, or should no longer, be protected in the first place.⁷

This Article addresses the Berne Convention’s prohibition on the imposition of “formalities” on the “enjoyment and the exercise” of copyright,⁸ and the compatibility with that cornerstone norm of declaratory measures to enhance title-searching. In the Berne context, “enjoyment” means the existence and scope of rights; “exercise” means their enforcement. *Voluntary* provision of title-searching information on a public register of works and transfers of rights is fully consistent with Berne and should be encouraged. But may a member state impose sanctions or disabilities on foreign authors for failure to supply that information? I specify “foreign authors,” because the Berne Convention’s minimum substantive norms (including the no-formalities rule) do not apply to domestic authors in the work’s country of origin.⁹ So, in theory, the United States could go back to punishing its own authors by re-enacting notice and registration requirements whose non observance will deprive the work of protection or render any rights unenforceable. But this theory breaks down under two pressures. One is political, for a member state may not long treat its own creators much worse than foreigners. The other is practical, as digital media facilitate manipulation of a work’s country of origin through remote first publication in a country less benighted than the author’s residence.¹⁰ Most of the prescriptions this Article offers will therefore apply equally to U.S. and to foreign works.

Part II of this Article will address conditions on the existence or enforcement of rights. It concludes that “formalities” prerequisite to the initial attachment or persistence of protection, or that limit the scope of minimum rights or the availability of remedies, violate the norms of Berne

whether or not you can identify who the owner is; it is a felony to use that work in certain ways, even if there is no one to ask for the permission to use it.

See also Gibson, *supra* note 2, at 227–28:

Perhaps most important, registration could help lower troublesome search costs. Consider that a potential licensee of a work must incur the expense of identifying and tracking down the copyright owner before licensing negotiations can even begin. If the copyright owner’s name and address are not readily available, these search costs might prove prohibitive, even when the copyright owner would gladly have issued the license for a reasonable price, or for free. If the law required authors to include their names in a copyright notice and record any subsequent assignments of copyright in a public registry, these costs could be avoided or significantly reduced. (footnote omitted)

⁷ [Cross-reference to Fred von Lohman’s contribution to this Symposium on the “dark matter of the internet”]

⁸ *See* Berne Convention for the Protection of Literary and Artistic Works art. 5(2), Sept. 28, 1979, S. Treaty Doc. No. 99-27 [hereinafter Berne]. Similar prohibitions exist in other multilateral conventions to which the United States is a party, *see, e.g.*, Agreement on Trade-Related Aspects of Intellectual Property art. 9(1), Apr. 15, 1994, 1869 U.N.T.S. 299 [hereinafter TRIPS] (“Members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto.”); WIPO Copyright Treaty art. 1(4), Dec. 20, 1996 (extending protection to computer programs and databases: “Contracting Parties shall comply with Articles 1 to 21 and the Appendix of the Berne Convention.”); WIPO Performances and Phonograms Treaty art. 20, Dec. 20, 1996 (extending protection to sound recordings and certain performances: “The enjoyment and exercise of the rights provided for in this Treaty shall not be subject to any formality.”); *see also* Beijing Treaty on Audiovisual Performances art. 17, June 24, 2012 (extending protection to audiovisual fixations of performances and certain unfixed performances: “The enjoyment and exercise of the rights provided for in this Treaty shall not be subject to any formality.”).

⁹ *See* Berne, *supra* note 8, art. 5(3).

¹⁰ *Id.* art. 5(4) (defining the “country of origin” of a work).

and subsequent multilateral instruments. By contrast, it may be permissible to condition Berne+ subject matter or rights on compliance with declaratory measures. The Berne+ path, however, risks descending into controversies of characterization, as one contender’s “plus” proves another’s “minimum” norm.

Part III of this Article will consider declaratory measures regarding ownership of rights under copyright. The Berne Convention generally does not cover copyright ownership, and one may urge that conditions on *who* may enjoy or exercise rights are a matter distinct from disabilities imposed on existence or enforcement in general. Accordingly, requiring transferees to provide information pertaining to the transfer of rights, and imposing sanctions for noncompliance, should be Berne-compatible. Specifically, I propose making the validity of a transfer of copyright depend on the transferee’s recordation in the Copyright Office of the contract or “a note or memorandum of the transfer”¹¹ containing sufficient information to permit third parties to ascertain who owns what rights in the work.¹² Part III then endeavors to resolve some of the practical problems a mandatory recordation of transfer obligation might engender. These include time limits for recording the transfer, gaps in the title-searching record, and effect on transfers of rights in non-U.S. works when the United States is one of the territories covered by the grant.

II. EXISTENCE AND ENFORCEMENT

A. HISTORY AND INTERPRETATION OF THE BERNE NO-FORMALITIES RULE

From the outset of the mid-19th century movement for international copyright, authors advocated the abolition or restriction of formalities. In the 19th century, to obtain protection at home and abroad, an author would have needed to comply with the formalities of each country in which he sought protection—assuming the country of which the author was not a national extended any protection at all to foreign claimants.¹³ Proper compliance was cumbersome, costly, and often unsuccessful, hence authors’ demand as early as the first international Congress aimed at securing authors’ rights, held in Brussels in 1858, that authors be protected in all countries so long as they satisfied whatever formalities their home countries imposed. The 1886 and 1896 versions of the Berne Convention adopted this approach.¹⁴

In practice, however, it turned out to be difficult to prove to foreign authorities that the author had complied with the country of origin’s formalities.¹⁵ As a result, the 1908 Berlin revision prohibited the imposition of formalities on foreign authors altogether, although member states

11 *Cf.* 17 U.S.C. § 204(a) (validity of a transfer dependent on writing signed by transferor). While the transferee could record the entire contract, concerns for confidentiality of information concerning price and non-copyright aspects of the agreement might warrant recording something less than the entire contract—so long as the document contains information essential to rights-clearance. *See* Copyright Office policy decision on recordation of documents, part 3. “redaction of documents” <http://www.copyright.gov/fedreg/2005/70fr44049.html>; 37 C.F.R. 201.4(c)(2); Copyright Office Compendium II Copyright Office Practices, sec 1610.

12 17 U.S.C. § 205 permits, but does not require recordation of contracts of transfer.

13 Sam Ricketson and Jane C. Ginsburg, *INTERNATIONAL COPYRIGHT AND NEIGHBORING RIGHTS: THE BERNE CONVENTION AND BEYOND* (2006) [hereinafter “Berne Book”], ¶¶ 1.19, 1.40.

14 *Id.* ¶¶ 6.102–103, 6.83–6.85.

15 *Id.* ¶¶ 6.86–6.87.

remained free to require that domestic authors affix notice, register claims, and/or deposit copies with local authorities.¹⁶ And, to ensure that an author’s failure to carry out domestic formalities—with a consequent loss of protection in the country of origin—would not affect the availability of international protection, the Berlin revisers specified that “apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.”¹⁷ The effect of this language was to confer copyright throughout the Berne Union, automatically and upon creation, on every Convention-covered work created by an author who was a national of a Berne Union member state, or first published within a member state. The no-formalities rule thus fundamentally undergirds the Berne Convention system of universal international authors’ rights.

But what are “formalities” in the Berne sense? Article 5(2) declares that “the enjoyment and the exercise of these rights shall not be subject to any formality.”¹⁸ Although earlier texts refer to “conditions and formalities,” it has long been understood that the term “any formality” encompasses both “formal and material conditions” on the existence or enforcement of rights.¹⁹ “These rights” are “the rights which the[] respective laws [of the countries of the Union] do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention.”²⁰ Thus, a foreign author is entitled to national treatment in Berne member states (but without having to comply with any formalities the state may impose on its own authors), as well as to any additional Convention-guaranteed rights, even if these are not afforded to local authors.

The “enjoyment” of local or Berne minimum rights extends to “everything which must be complied with in order to ensure that the rights of the author with regard to his work may come into existence’. These would include such requirements as registration, the deposit or filing of copies, the payment of fees, or the making of declarations.”²¹ In addition to the initial attachment of protection (since 1908 automatic upon creation for authors from other Berne member states), the concept of “enjoyment” of copyright would include the persistence of protection for the minimum Berne term of copyright; obligations to register and renew copyrights thus would fall under the prohibition.²² The scope of rights (including any limitations or exceptions) also comes within the “enjoyment” of Berne and national rights.²³ A member state may neither condition the initial attachment of copyright on compliance with formalities nor subsequently deny coverage of particular rights to

16 *Id.* ¶¶ 3.12, 6.87.

17 Berne, *supra* note 8, art. 5(2) (art. 4(2) in the Berlin revision).

18 *Id.*

19 *See generally* Berne Book ¶¶ 6.102-6.104.

20 Berne, *supra* note 8, art. 5(1).

21 Berne Book ¶ 6.103, quoting the German delegate Meyer at the 1884 Diplomatic Conference, *Actes* 1884.

22 *See e.g.*, VAN GOMPEL, *supra* note 4, at 195.

23 In addition to art 5(1)’s command that “Authors shall enjoy” rights under national law and under Berne minima, Berne arts. 11, 11bis, 11ter, 12 and 14bis all provide that “authors shall enjoy” the specific minimum rights to public performance, adaptation and cinematographic works.

authors who fail to meet declaratory obligations. Thus, for example, a member state may not make the adaptation right²⁴ subject to registering the work or filing a notice of reservation of rights.

Berne precludes not only formalities that condition the existence of copyright, but also those that freight its “exercise.”²⁵ Without the second prohibition, an author might be *vested* with copyright, but unable to *enforce* her rights unless she complies with a variety of prerequisites to suit or to availability of remedies.²⁶ Copyright-specific conditions on access to judicial process or to injunctive relief (including seizure and destruction of infringing articles) or to actual damages therefore contravene Berne norms. By contrast, general litigation obligations, such as payment of filing fees, or general procedural or evidentiary requirements, while they may affect the enforcement of a copyright claim, are not “formalities” in the Berne sense so long as they apply to all actions, whatever the subject matter.²⁷ Beyond these general observations, specific issues concerning the Berne-compatibility of declaratory obligations that condition the enforcement of rights warrant fuller development in the next Section.

B. DECLARATORY OBLIGATIONS GOING TO THE ENFORCEMENT OF RIGHTS

1. *Permissible conditions*

Not every “condition” on the existence or enforcement of protection is a prohibited “formality.” For example, under Berne article 3, a work will not be protected in the Union unless its author’s nationality or its place of first publication meets the condition of being a Berne member state. Article 2(2) allows member states to make fixation in material form a condition of protection. Once a work does qualify for protection under the Convention, however, member states may not impose declaratory or other conditions precedent to the enjoyment or exercise of domestic and conventional rights. With this possible exception: with respect to works still under copyright in their countries of origin, but in the public domain in a newly-acceding member state (or still under copyright in the new member state, but in the public domain in other member states), article 18(1) requires member states to restore the copyrights in these works, but article 18(3) allows member states to determine “the conditions of application of [the restoration] principle.”

A member state may not decline to restore copyrights in qualifying foreign works in the local public domain: article 18(3) makes clear that the restoration principle must be applied. But that

24 Berne, *supra* note 8, art. 12 provides that “Authors of literary or artistic works shall enjoy the exclusive right of authorizing adaptations, arrangements and other alterations of their works.”

25 Berne, *supra* note 8, art. 5(2).

26 Van Gompel, *supra* note 4, ¶ 5.3.2, at 200 (“it seems that the word ‘exercise’ was added so as to elucidate that the prohibition did not only cover constitutive formalities, but also formalities that are prerequisites to sue.”).

27 Arguably, the 17 U.S.C. § 512(c) system of notice and takedown could be considered a “formality” because notice is a prerequisite to relief. Nonetheless, the argument is unpersuasive because the information that § 512(c)(3) requires is not a condition precedent to seeking relief akin to the § 411 pre-suit registration obligation, but corresponds to what one would have to prove in court. The requirements that, in a civil action, the author prove that she is the author, that she created the work, that she published it on a particular date, and that the work is original, are not “formalities,” but are the facts in issue. Berne art. 5(2) does not dispense the author from proving those facts in the proceeding that will determine if she is entitled to relief. It means that the author need not register a document attesting to those facts before she can even initiate a procedure to seek relief (at which she will have to prove the facts). Transposed to § 512(c)(3), the facts in the notice are the facts that must be pleaded to obtain the temporary restraining order-like remedy of a takedown. They are the procedure, they are not a screen barring the author from access to the process.

provision grants member states considerable latitude to determine *how* to restore copyright in formerly public domain foreign works. “Conditions” on the implementation of restoration might well include declaratory obligations. For example, section 104A of the U.S. copyright law reinstates copyright automatically,²⁸ but protects “reliance parties” who had exploited the work in good faith before its restoration, by requiring restored copyright owners to file a “Notice of Intent to Enforce Restored Copyright” in the Copyright Office or by service on the reliance party.²⁹ In other words, before she may enforce her copyright against a reliance party, the author or copyright owner of a formerly public domain work must comply with a detailed declaratory obligation³⁰ in order to put reliance parties on notice of the restored owner’s claims. By virtue of article 18(3), this declaratory obligation, albeit a significant limitation on the enforcement of copyright, seems fully compatible with Berne norms.

2. *Incentives versus Obligations: Rewarding the Effectuation of Declaratory Measures by Offering Litigation or Remedial Enhancements*

If Berne prohibits the imposition of sanctions for noncompliance with declaratory obligations, another approach might be to substitute carrots for sticks. Authors who comply with registration or other requirements might enjoy evidentiary advantages or qualify for additional remedies.

a) Evidentiary advantages

Evidentiary advantages might provide meaningful incentives to authors or rightholders to register their works and record transfers of rights, thus facilitating title searching. For example, according presumptive probative value to the publicly-recorded information if the registration or recordation is made within a certain period³¹ may encourage compliance with these declaratory measures. Making timely registration *prima facie* evidence of a work’s originality, thus placing the burden on the defendant to prove lack of authorship, may further stimulate registrations.³²

28 See 17 U.S.C. § 104A(a)(1)(A) (“Copyright subsists, in accordance with this section, in restored works, and vests automatically on the date of restoration”).

29 *Id.* § 104A(c).

30 The details are set out in *id.* § 104A(e).

31 See, e.g., 17 USC §§ 410(c) (certificate of registration serves as *prima facie* proof of information there recorded, if registration is effected within five years of publication), 412 (statutory damages and attorneys fees available only if work registered before infringement occurred, “unless . . . registration is made within three months after the first publication of the work”). See [1993] COPYRIGHT, 142, 154; ¶¶ 73–76 (permissibility of laws giving registration information the effect of a rebuttable presumption of the correctness of the information). Reinbothe & von Lewinski indicate that measures to “facilitate proof of authorship” are not prohibited formalities. See Jörg Reinbothe & Silke von Lewinski, THE WIPO TREATIES 1996 at 61, ¶¶ 27 (2002).

32 There may be extra-copyright incentives as well, see, e.g., *Nat’l Peregrine, Inc. v. Capitol Fed. Sav. & Loan Ass’n of Denv.* (*In re Peregrine Entm’t, Ltd.*), 116 B.R. 194, 197, 201–02 (C.D. Cal. 1990) (finding that “a security interest in a copyright [must be] perfected by an appropriate filing with the United States Copyright Office,” rather than “a UCC-1 financing statement filed with the relevant secretary of state,” because “any state recordation system pertaining to interests in copyrights would be preempted by the Copyright Act.”). But see Alice Haemmerli, *Insecurity Interests: Where Intellectual Property and Commercial Law Collide*, 96 COLUM. L. REV. 1645, 1680–95 (1996) (criticizing *In re Peregrine* for conflating security interests in copyright-related receivables with such interests in copyrights themselves); see also Patrick R. Barry, Note, *Software Copyrights as Loan Collateral: Evaluating the Reform Proposals*, 46 HASTINGS L.J. 581, 589–90 (1995) (“The second part of [*In re Peregrine*’s] ruling, which holds that security interests in accounts receivable can only be perfected by recordation with the Copyright Office, is more questionable and has been criticized by commentators.”).

b) Remedial advantages

Berne's prohibition on formalities requires that the basic copyright remedies, such as injunctive relief and actual damages, remain available to foreign authors who have not locally registered their works or undertaken other locally-imposed declaratory measures. Although the Berne Convention itself specifies no remedies other than border seizures of infringing copies,³³ Berne anticipates that member states will supply the "means of redress."³⁴ These are determined by local law,³⁵ but, over and above the national treatment rule, they remain subject to the overall no-formalities proviso. It has been suggested that Berne does not in fact require member states to include injunctive relief within their remedial arsenals, and that member states might therefore condition that remedy on compliance with declaratory measures, leaving undeclaring authors with some form of equitable remuneration in lieu of injunctions.³⁶

This contention ignores a great deal, notably copyright history, the text of the Berne Convention, and the explicit requirement of the Agreement on Trade Related Aspects of Intellectual Property (TRIPS) that member states provide injunctive relief from copyright infringement.³⁷ First, Berne's delegation to member states' laws to provide the means of redress occurred against a background of widespread (probably universal) domestic provision of injunctive relief. Indeed orders prohibiting reproduction and distribution, backed up by confiscation of infringing books (and even type fonts), date to the earliest days of copyright and before. For example, the first international copyright treaty, the Convention between the Kingdom of Sardinia and the Austrian Empire, of 22 May 1840, mandated:

over and above the penalties pronounced against infringers by the laws of the two States, the sequester and destruction of the copies of the infringing articles, as well as the molds, the prints, the copper plates, the lithographing stones, and all other objects employed to commit the infringement, shall be ordered.³⁸

The first copyright act, the British Statute of Anne (1710) provided that the "offender or offenders shall forfeit such Book or Books and all and every sheet or sheets being part of such Book or Books to the proprietor or proprietors of the copy thereof who shall forthwith damask and make waste paper of them."³⁹ And before copyright, sixteenth-century Papal printing privileges systematically charged the executing magistrates to confiscate books printed, sold, or imported without the author's or publisher's permission.⁴⁰

33 Berne, *supra* note 8, art. 16.

34 *Id.* art. 5(2).

35 *Id.*

36 Sprigman, *supra* note 2, at 555-60.

37 TRIPS, *supra* note 8, arts. 41(1), 44(1), 46.

38 Conv. Austro-Sarda, art. XVI ("Oltre le pene pronunciate contro ai contraffattori dalle leggi dei due Stati, si ordinerà il sequestro e la distruzione degli esemplari e degli oggetti contrafratti, e così pure delle forme, stampe, dei rami, delle pietre, e degli altri oggetti adoperati per eseguire la contraffazione;"). On the Austro-Sardinian Convention in general, see Laura Moscati, *Il caso Pomba-Tasso e l'applicazione della prima convenzione internazionale sulla proprietà intellettuale*, in *MÉLANGES EN L'HONNEUR D'ANNE LEFEBVRE-TEILLARD* 747, 754-57 (Paris 2009).

39 The Statute of Anne, 1710, 8 Ann., c. 19, § 2.

40 See generally Jane C. Ginsburg, *Proto-Property in Literary and Artistic Works: 16th Century Papal Printing Privileges*, 36 COLUM. J.L. & ARTS 345 (2013).

Second, while Berne does not specify remedies, it does impose detailed conditions on the availability of compulsory licenses. A member state may not substitute an equitable compensation remedy for actual damages or injunctive relief unless, with respect to the reproduction right, the remedy passes the “three-step test”⁴¹ or, with respect to certain communications to the public, meets the criteria of article 11bis(2). Were injunctive relief not the norm, there would be no need to specify when a member state may substitute a monetary remedy. The TRIPS Agreement has generalized the application of the three-step test to limitations on rights not already addressed in the Berne Convention.⁴² The third step (the limitation “does not unreasonably prejudice the legitimate interests of the author”) may permit a member state to limit relief to equitable remuneration,⁴³ but only if the remedy is limited to “certain special cases” that “do[] not conflict with a normal exploitation of the work.”⁴⁴ It would be perverse, to say the least, were noncompliance with formalities to qualify as a “special case” under the three-step test, thus enabling member states to evade the no-formalities rule by making nonfulfillment of formalities the gateway to compulsory licensing. This gambit thus has the “merit” of violating not one but two Berne norms.

Finally, even if Berne did not presume the default remedy of injunctive relief, TRIPS clearly obliges member states to provide for injunctions. In addition to requiring compliance with articles 1–21 of the Berne Convention (thus including the no-formality rule),⁴⁵ TRIPS specifies:

Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.⁴⁶

41 Berne, *supra* note 8, art. 9(2) (setting forth the test: 1) “certain special cases” which 2) “does not conflict with a normal exploitation of the work” and 3) “does not unreasonably prejudice the legitimate interests of the author”).

42 TRIPS, *supra* note 8, art. 13; *accord* Panel Report, *United States—Section 110(5) of the US Copyright Act*, ¶¶ 6.80–81, WT/DS160/R (June 15, 2000) [hereinafter Section 110(5) Panel Report] (“[N]either the express wording nor the context of Article 13 or any other provision of the TRIPS Agreement supports the interpretation that the scope of application of Article 13 is limited to the exclusive rights newly introduced under the TRIPS Agreement” and thus “appl[ying] Article 13 of the TRIPS Agreement to the rights provided under Articles 11(1) and 11 bis(1) of the Berne Convention (1971) as incorporated into the TRIPS Agreement.”)

43 See Section 110(5) Panel Report, *supra* note 42, ¶ 6.229 (finding “prejudice to the legitimate interests of right holders reaches an unreasonable level if an exception or limitation causes or has the potential to cause an unreasonable loss of income to the copyright holder” and citing WIPO Guide to the Berne Convention for proposition that “where there would be serious loss of profit for the copyright owner, the law should provide him with some compensation (a system of compulsory licensing with equitable remuneration).” (quoting WORLD INTELLECTUAL PROP. ORG., GUIDE TO THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS (PARIS ACT, 1971) ¶ 9.8 (1978))).

44 See Section 110(5) Panel Report, *supra* note 42, ¶¶ 6.112, .183, which finds that article 13’s treatment of “certain special cases” “requires that a limitation or exception in national legislation should be clearly defined and should be narrow in its scope and reach” and that:

[A]n exception or limitation to an exclusive right in domestic legislation rises to the level of a conflict with a normal exploitation of the work . . . if uses, that in principle are covered by [the exclusive right owned] but exempted under the exception or limitation, enter into economic competition with the ways that right holders normally extract economic value from that right to the work . . . and thereby deprive them of significant or tangible commercial gains.

See also TRIPS, *supra* note 8, art. 13 (using conjunctive “and” when listing test elements).

45 TRIPS, *supra* note 8, art. 9(1).

46 *Id.* art. 41(1).

The “enforcement procedures as specified in this Part” include “order[ing] a party to desist from an infringement.”⁴⁷ TRIPS provides for two other remedies related to injunctive relief: border control of piratical copies⁴⁸ and destruction of infringing articles.⁴⁹ As a result, if ever there had been any ambiguity as to a member state’s power to condition the availability of injunctive relief on fulfillment of formalities, TRIPS forecloses any such option. Arguably, TRIPS merely requires that member states’ courts *have* authority to impose injunctions, not that they in fact *exercise* that authority. Textual sophistry aside, given the objectives of the TRIPS Agreement to “ensure” effective enforcement of intellectual property rights, to read TRIPS as merely giving member States an option, rather than imposing an obligation, to provide for injunctive relief seems self-defeating.⁵⁰ “[S]hall have authority” allows member states to apply their general criteria for awarding injunctive relief (for example, conditioning the remedy on a showing of inadequacy of monetary relief⁵¹), but those criteria cannot be so restrictive as routinely to result in the denial of injunctions, otherwise member states could eviscerate TRIPS’ mandate to provide for injunctive relief.⁵² By the same token, a member state may not systematically withhold injunctive relief simply because the author or rightholder has not complied with copyright formalities, otherwise it would reintroduce through the back door a restriction barred by TRIPS’ incorporation of Berne norms.

47 *Id.* art. 44(1) (“The judicial authorities shall have the authority to order a party to desist from an infringement . . .”).

48 *Id.*:

. . . , *inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.

49 *Id.* art. 46:

In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements.

50 *See, e.g.*, DANIEL GERVAIS, *THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS* ¶¶ 2.510, .529 (4th ed. 2012) (summarizing article 41(1)’s “shall ensure” mandate as “insist[ing] on the effectiveness of action, including expeditious remedies to prevent infringement,” and explaining that “a systematic refusal . . . to apply [required judicial] powers may constitute nullification or impairment”). *See also id.* ¶ 2.540 (addressing TRIPS article 44(2) permission to limit remedies to monetary relief in the case of remedies against governments; TRIPS’ toleration of sovereign immunity from injunctive relief underscores the general mandate to provide injunctive relief against non-government infringers); TRIPS, *supra* note 8, art. 31 (with respect *solely* to patents, authorizes “adequate remuneration” in certain highly detailed instances of “use by the government or of third parties authorized by the government.”).

51 *See, e.g.*, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006) (discussing criteria for awarding injunctive relief).

52 Thanks to Prof. Susy Frankel for this point.

- c) Other “incentives”: remedies in excess of TRIPS minima, such as statutory damages and attorney’s fees

If Berne and TRIPS preclude conditioning express or implicit conventional minimum remedies on fulfillment of formalities, might member states create incentives for compliance with declaratory measures by subjecting additional remedies to a compliance obligation? In other words, might there be a category of Berne+ remedies for which imposition of formalities would be permissible? When the United States joined the Berne Convention in 1989, it retained the provision in the Copyright Act that limited availability of statutory damages and attorney’s fees to works which had been registered before the infringement occurred.⁵³ This provision was thought to afford meaningful incentives to registration that are “compatible with Berne since it deals with certain specific remedies rather than the ability to obtain redress at all.”⁵⁴ In general, the argument holds that remedies that exceed the protections mandated by international instruments are not subject to the Berne minima no-formalities rule. So long as the member state requires its own authors to comply with any declaratory obligations, then imposing the same obligations on foreign authors remains consistent with the rule of national treatment. Berne neither addresses nor, arguably, assumes availability of statutory damages and attorney’s fees; TRIPS includes these measures among its specified remedies, but it does not require member states to provide them.⁵⁵ It might follow that conditioning the availability (to local and foreign authors alike) of these remedies on some act of public filing is both Berne- and TRIPS-compatible.

Berne- and TRIPS-compatibility, however, should turn on assessment whether the “plus” remedies are in fact extra frills, or instead are necessary to effective enforcement of copyright. TRIPS article 41(1) provides: “Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit *effective* action against any act of infringement of intellectual property rights covered by this Agreement” (emphasis added). One might contend that, given the high costs of litigation and the difficulty (and cost) of proving actual damages, a copyright claimant cannot as a practical matter *effectively* enforce her rights in the United States without the prospect of statutory damages and attorney’s fees. The claim, which may well be plausible, would benefit from empirical demonstration.

In the absence of such a showing, these remedies remain optional under TRIPS. Notably, TRIPS article 45(2) provides that “members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.” Contrasting article 41(1) (“members shall ensure”) with article 45(2) (“may authorize the judicial authorities”), it does not appear that TRIPS mandates the availability of statutory damages (“pre-established damages”). Non-U.S. authors may have a somewhat stronger, but ultimately unsuccessful, claim that attorney’s fees figure among the minimum remedies that TRIPS member states must afford. Article 45(2) also

53 Pub. L. 94-553, Title I, § 101, 90 Stat. 2583 (1976) (amended 1990, 2005, and 2008; current version at 17 U.S.C. § 412 (2006)).

54 *Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention*, 10 COLUM.-VLA J.L. & ARTS 513, 565 (1986).

55 TRIPS, *supra* note 8, arts. 44(1), 45(2); *see infra* text accompanying notes 59–62.

states that “the judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees.” The “have the authority” language echoes that of article 44(1), which I have said, together with article 41(1) *requires* member states to provide for formality-free injunctive relief.⁵⁶ But while article 45(2) may oblige member states to award court costs to a prevailing plaintiff, the award of attorney’s fees remains permissive (“*may* include” (emphasis supplied)).

The non-mandatory character of these remedies, however, does not necessarily mean that a member state that chooses to include them may also condition them on compliance with formalities. Structurally, one may contend that all of the TRIPS provisions pertaining to copyright, whether substantive or remedial, are subject to the overarching no-formalities rule by virtue of TRIPS’ incorporation of Berne’s norms.⁵⁷ As a result, even optional remedies may not be conditioned on compliance with formalities.⁵⁸

At first blush, TRIPS’ text might rebut such a conclusion. Under TRIPS article 9(1), “Members shall comply with Articles 1 through 21 of the Berne Convention.” TRIPS article 2(2) specifies, “Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under . . . the Berne Convention.” If TRIPS creates a *new* obligation or, in the case of statutory damages and attorney’s fees, a new option, how do attendant formalities “derogate” from *existing* duties? Similarly, the requirement to “comply with” the Berne Convention may not mean that the cited articles of the Berne Convention condition TRIPS substantive norms that fall outside the scope of the Berne Convention. Berne article 5(1) establishes that the duty of national treatment does extend to new rights and remedies that TRIPS member states implement in their national laws, because the Berne norm covers “the rights which [Union members’] respective laws do now or *may hereafter grant* to their nationals.”⁵⁹ Thus, a TRIPS member could not, for example, provide formality-free statutory damages to its own authors while requiring foreign authors to have registered their works as a prerequisite to obtaining that remedy. But if the TRIPS member imposes the formal prerequisite on local and foreign rightholders alike, it is not clear that it will have “failed to comply with” articles of a treaty that do not incorporate optional remedies.⁶⁰

Ultimately, however, arguments based on the optional or mandatory character of the remedy under TRIPS miss the mark. As discussed earlier, Berne does not explicitly incorporate *any* remedies, other than border seizures. The “existing [Berne Convention] obligation” from which TRIPS does not derogate, pertains not to any particular remedy, but to a member state’s remedial scheme as a whole. We have posited that member states may not condition the basic remedy of injunctions (nor, for that matter, actual damages) on compliance with formalities because such a limitation would effectively eviscerate the no-formalities rule: a right cannot be “exercised” if it cannot be enforced.

56 See *supra* note 47.

57 TRIPS, *supra* note 8, arts. 2(2), 9(1).

58 Thanks to Prof. Susy Frankel for this point.

59 Berne, *supra* note 8, art. 5(1) (emphasis added).

60 By contrast, protection for the additional copyright subject matter of TRIPS’ article 10 (computer programs and databases) cannot be conditioned on formalities, because article 10(1) explicitly treats software as Berne subject matter, and article 10(2) adopts the “intellectual creations” formula from Berne article 2(5), thus also arguably inserting original databases into Berne, rather than establishing them as outside Berne.

But nothing in the Berne text authorizes distinctions among types of “exercise” that cannot be subjected to compliance with formalities. On the contrary, Article 5(2) equates “enjoyment and exercise” of Berne minima and national treatment rights with “the extent of protection, as well as the means of redress.” Member states’ freedom to determine the “means of redress,” including by devising remedies additional to the basic forms of monetary and injunctive relief, does not entitle them to selective adherence to the no-formalities rule. Suppose, for example, that a member state provided expedited judicial or administrative process for copyright infringement claims, but only if the rightholder had registered the work before the alleged infringement occurred. This procedural advantage, albeit innovative and perhaps unique to that member state, is nonetheless a “means of redress.” The Berne+ remedies argument thus rests on a fundamental fallacy. Article 5(2) does not distinguish between traditional or basic remedies and additional, unusual, or new remedies: all remedies come within “the means of redress.” Under this reading, there is no such thing as a Berne+ remedy, and therefore no basis to impose formalities on the availability of some remedies but not others.

C. OTHER BERNE+ APPROACHES

If there are no Berne+ remedies on which to condition compliance with declaratory measures, are there nonetheless other aspects of copyright to which a Berne+ approach might apply? For example, conditions on Berne+ subject matter, duration, and rights might all fall outside the no-formality rule (assuming, for purposes of the rule of national treatment, that local authors also incurred the same duties⁶¹).

1. *Subject matter*

Article 2 of the Berne Convention sets out the subject matter that member states must protect. Notably absent are sound recordings. And Berne’s coverage of computer programs and databases is arguably ambiguous.⁶² But those gaps have been filled by other treaties that also incorporate the no-formalities proviso.⁶³ There are, however, two categories of article 2 works that are susceptible to Berne-compatible declaratory obligations. Article 2(4) provides, “it shall be a matter for legislation in the countries of the Union to determine the protection to be granted to official texts of a legislative, administrative and legal nature, and to official translations of such texts.”

61 Berne+ subject matter, rights, and remedies that come within the ambit of the TRIPS Agreement remain subject to national treatment and MFN obligations. See Susy Frankel, *Challenging TRIPS-Plus Agreements: The Potential Utility of Non-Violation Disputes*, 12 J. INT’L ECON. L. 1023, 1031–32 (2009).

62 On computer programs, see SILKE VON LEWINSKI, INTERNATIONAL COPYRIGHT LAW AND POLICY ¶ 7.13, at 232 (2008):

The question of whether computer programs are covered as ‘works’ under the Berne Convention and, consequently, benefit from national treatment and minimum rights, is not easy to answer; indeed, for some time after the emergence of computer programs, views were quite divergent and no authentic interpretation could be ascertained.

(footnotes omitted). See also 1 Berne Book, *supra* note 13, ¶¶ 8.92–103, at 491–97 (arguing that computer programs fall within Berne subject matter both on first principles and as a matter of state practice). On databases, see *id.* ¶¶ 8.88–91, at 489–91 (arguing that Berne subject matter includes original compilations of data).

63 See treaties cited *supra* note 8.

Berne thus permits member states to exclude official texts altogether from the subject matter of copyright: the phrase “determine the protection” may also be understood to authorize the coverage of official texts, but subject to various conditions, such as declaratory obligations.

Article 2(7) allows member states:

. . . to determine the extent of the application of their laws to works of applied art and industrial design and models, as well as the conditions under which such works, designs and models shall be protected. Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.

This rather convoluted provision⁶⁴ allows member states to separate works of applied art from other artistic works and to prescribe a distinct (non-copyright) regime in which formalities might feature.⁶⁵ Article 2(7) derogates from the general conventional rule of independence of international protection from the existence of protection in the country of origin, because article 2(7) provides that if the country of origin protects applied art only under a non-copyright regime, then Union countries may similarly restrict the protection of the foreign work of applied art. Thus, if the country of origin covers a work of applied art only by means of a design patent (hence, through a mandatory registration system), other Berne members may also require that the work be registered (and comply with other prerequisites). But, if the country of origin protects applied art under copyright or if the Berne member where protection is sought does not have a special regime for applied art, the Berne member must accord formality-free copyright protection to the work of applied art. As a result, whether Berne members may impose formalities on works of applied art depends on the nature of protection in the country of origin.

2. Duration

We have noted that formalities, such as renewal registrations, that condition the duration of copyright during the Berne minimum term violate article 5(2).⁶⁶ But member states might institute mandatory renewal obligations after the lapse of the Berne minimum term. Thus, a member state with a life+70 term might condition domestic and foreign authors’ enjoyment of the extra twenty years on a renewal filing. Moreover, if the term of protection in the country of origin is shorter than the term in the country of protection (for example, life+50), then the rule of national treatment does not apply, and member states may either deny the last twenty years of protection altogether⁶⁷ or impose renewal obligations on foreign works, so long as they also required the same of local authors.⁶⁸

64 For its history, see, for example, 1 Berne Book, *supra* note 13, ¶¶ 8.59–69, at 453–69.

65 See VAN GOMPEL, *supra* note 4, ¶ 5.1.2.2, at 170.

66 *Supra* text accompanying notes 18–24.

67 See Berne, *supra* note 8, art. 7(8) (“however, unless the legislation of that country otherwise provides, the term shall not exceed the term fixed in the country of origin of the work”).

68 The rule of national treatment remains as a general background obligation. See 1 Berne Book, *supra* note 13, ¶¶ 6.93–.97, at 312–18.

Consider the following concrete example. The Berne minimum term for cinematographic works is fifty years from first making available to the public with the consent of the author.⁶⁹ For pre-1978 works, the U.S. term of protection is 95 years from publication, as it is for works made for hire created as of 1978; audiovisual works frequently are works made for hire.⁷⁰ If a Berne member state's domestic duration for cinematographic works does not exceed the Berne minimum, the United States could, consistently with Berne, withhold protection for the remaining forty-five years altogether, or condition protection on fulfilment of a renewal obligation in the United States, subject to the rule of national treatment. If the copyright's duration in the country of origin exceeds the Berne minimum, but is less than the U.S. duration,⁷¹ the Berne Convention calls for the rule of the shorter term: unless the host state's legislation provides otherwise, the foreign work will be protected for the length of the term in the country of origin, rather than for the longer term in the host country.⁷² As a result, the United States could require a renewal registration for protection to apply between expiration in the country of origin and expiration of the United States' ninety-five-year term, or it could simply deny protection for the remainder of the U.S. term. For that matter, Congress could, consistently with Berne, require initial and renewal registrations of U.S. and foreign audiovisual works fifty years (the Berne minimum) following their first publication or making available to the public.

3. *Rights*

At first blush, one might conclude that, given both the breadth of the Berne minimum substantive rights (as supplemented by TRIPS, the WIPO Copyright Treaty (WCT), and the WIPO Performances and Phonograms Treaty (WPPT)) and the principle of national treatment, there are no Berne+ substantive rights whose exercise might be conditioned by an obligation to comply with declaratory measures. As our analysis of "Berne+ remedies" indicates, even if the "extent of protection, as well as the means of redress"⁷³ exceed Berne minima, a member state may neither impose formalities on the availability of the remedy, nor on the scope of the right; "Berne+ right" is as much a misnomer as "Berne+ remedy." But some might conceptualize an expansion of Berne rights into Berne+ territory through the back door of exceptions. National laws might start from the exceptions and limitations that Berne either mandates or permits member states to impose, and then might provide that the otherwise permissible exception or limitation would not apply if the author or rightholder undertook a prescribed declaratory measure. In effect, this approach would allow

69 Berne, *supra* note 8, art. 7(2).

70 *See* 17 U.S.C. §§ 101, 302, 304 (2006).

71 For example, under the EU Term Directive, the duration of protection of audiovisual works is 70 years from the death of the last survivor of the director, the screenwriter, or the composer of the score. Council Directive 93/98/EEC, of 29 October 1993 Harmonizing the Term of Protection of Copyright and Certain Related Rights, art. 2(2), 1990 O.J. (L 290) 9, 11. It is conceivable in a given case that 70 years could elapse from the last survivor's death before 95 years from publication have run out.

72 Berne, *supra* note 8, art. 7(8). The United States does not currently apply the rule of the shorter term. *See* 17 U.S.C. § 104(a)–(c).

73 Berne, *supra* note 8, art 5(2). *See* discussion *supra* text accompanying note 62.

authors to “opt out” of an exception or limitation by declaring their objection to its application.⁷⁴ Berne article 10bis(1) arguably supplies the template, stating:

It shall be a matter for legislation in the countries of the Union to permit the reproduction by the press, the broadcasting or the communication to the public by wire of articles published in newspapers or periodicals on current economic, political or religious topics, and of broadcast works of the same character, *in cases in which the reproduction, broadcasting or such communication thereof is not expressly reserved*. . . . (emphasis added)

In other words, the reservation from the exception in effect *expands* the author’s rights to cover uses which otherwise would permissibly have limited the scope of the reproduction and communication rights.

Is the express reservation opt-out then a Berne-compatible declaratory measure that might apply to other otherwise permissible national law exceptions? The most abrupt answer is “no” because declaratory measures still condition the “extent of protection”: whether formalities come in at the front end (the availability of the right) or at the back end (the applicability of an exception), they still shape the scope of protection. A less curt answer is “probably not.” A predecessor version of the article 10bis(1) reservation was introduced in the original 1886 Berne Act (in then-article 7), and carried over in the 1908 Berlin Revision (then-article 9(2)), whose *travaux* explicitly state that the reservation option was not a formality.⁷⁵ Since the 1908 Berlin Revision also established the no-formalities rule, this assertion should carry some weight. The simplest interpretation characterizes the reservation as “lex specialis,”⁷⁶ a sui generis provision that, although it may derogate from the default no-formalities norm, does not create a basis for generalization into a technique for instituting declaratory measures.

A slightly longer answer would emphasize the context in which article 9(2) of the Berlin Revision arose. Although today the provision (now article 10bis(1)) looks like an opt-out from a limitation on the scope of the rights of reproduction and communication to the public, and therefore arguably like a condition on the scope (enjoyment) of Berne minimum rights, at the time of the provision’s drafting, it operated more like a condition on the protection of Berne+ subject matter. At that time, the subject matter the provision addressed —“any article published in a newspaper or periodical”—was widely believed not to be copyrightable in the first place.⁷⁷ The

⁷⁴ This approach differs from the one advocated by the Copyright Principles Project, which would render an unregistered work more subject to the fair use defense than a work whose copyright had been registered. See Pamela Samuelson & Members of the CPP, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1200 (2010) (“Unregistered works would still be protected by copyright law against exact or near-exact copying that would cause commercial harm, but fair uses might well be broader as to such works.”). This proposal violates Berne article 5(2) because it makes the scope of copyright dependent on registration: failure to comply with the registration formality means that the work will be subject to greater incursions on exclusive rights than registered works would be.

⁷⁵ *Rapport Présenté à la Conférence au Nom de sa Commission* (Louis Renault, Président et Rapporteur), in UNION INTERNATIONALE POUR LA PROTECTION DES ŒUVRES LITTÉRAIRES ET ARTISTIQUES, ACTES DE LA CONFÉRENCE REUNIE A BERLIN DU 14 OCTOBRE AU 14 NOVEMBRE 1908 AVEC LES ACTES DE RATIFICATION, 240 (Bureau de L’Union Internationale Littéraire et Artistique 1910) [hereinafter Records of the 1908 Revision Conference].

⁷⁶ See, e.g., SAM RICKETSON, *THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886–1986*, ¶ 5.85, at 224 (1987); Alexander Peukert, *A Bipolar Copyright System for the Digital Network Environment*, 28 HASTINGS COMM. & ENT. L.J. 1, 66 (2005).

⁷⁷ For an extended discussion, see Records of the 1908 Revision Conference, *supra* note 75, at 249–54.

original Berne act of 1886 excluded “the news of the day” and “mere items of press information” from the Convention’s subject matter (this exclusion persists in article 2(8) of the current text). Further, the 1886 Berne and 1896 Paris Revision texts denied coverage to articles “of political discussion.”⁷⁸ The existence of international copyright protection for anything published in a newspaper was thus both questionable and controversial, as the evolution of the text in 1896 and 1908 reveals. The 1896 revision clarified that newspaper serializations of novels were fully protected;⁷⁹ the need to safeguard serials attests to the taint periodical publication must have had on works that would otherwise seem amply copyrightable. The 1908 *travaux* allude to journalists’ contentions that their writings deserved “greater respect.”⁸⁰ Berlin Act article 9(2) thus was a compromise measure to provide copyright protection to otherwise excluded subject matter, provided the rightholder (generally the publisher) reserved the rights.⁸¹ In context, therefore, the article 10bis(1) is better characterized as a declaratory measure intended to bring Berne+ subject matter within the ambit of protection than as a condition on the scope of protection.

Taking article 10bis(1) out of context, for the sake of argument, how might its express reservation approach be generalized to import declaratory measures into the scope of rights? It is important to bear in mind that this technique cannot impose conditions on Berne minimum rights, else it will fail under the general article 5(2) prohibition. Thus, any exception or limitation from which an author might opt-out by means of an express reservation must be an exception or limitation which is *already* Berne-compatible. The possibility to opt-out should not be what makes an otherwise impermissible exception or limitation Berne-compatible. If, for example, a member state either denied the translation right or subjected it to compulsory licensing (an exception or limitation plainly inconsistent with the three-step test) unless the author expressly reserved translation rights, then the author would not enjoy Berne and TRIPS minimum protection without complying with declaratory obligations. That in turn would violate article 5(2).⁸²

By contrast, a member state exception that applied equally to domestic and foreign authors and did pass the three-step test, for example, the retransmission in bars and restaurants of radio

78 Convention for the Creation of an International Union for the Protection of Literary and Artistic Works art. 7, Sept. 9, 1886, 12 Martens (2nd) 173; Additional Act Modifying the International Copyright Convention of 9 September 1886 art. 7, Apr. 5, 1896, 24 Martens (2nd) 758 [hereinafter Berne 1896 Paris Revision].

79 Berne 1896 Paris Revision, *supra* note 78, art. 7.

80 Records of the 1908 Revision Conference, *supra* note 75, at 249 (“Des réclamations se sont élevées de différents côtés dans le sens d’un respect plus grand du droit des journalistes.”)

81 It seems to have been assumed that the reservation would have been made by means of a notice in the newspaper or periodical upon initial publication, *see* Records of the 1908 Revision Conference, *supra* note 75, at 253 (quoting German delegation proposal). It is unlikely that the drafters envisioned further formalization of the reservation through some kind of governmental filing in the country of origin, much less in multiple countries: such a requirement would have too closely resembled the multiple formalities rejected from the outset of the Berne Union.

82 Moreover an exception as broad as the one posited here would fail the “special case” criterion of the three-step test. *See* VAN GOMPEL, *supra* note 4, at 191 (“Berne Union states may not go as far as introducing overly broad exceptions of limitations that would have the effect of subjecting the enjoyment or the exercise of the right as such to situation-specific formalities,” because to do so “would oppose the first of the three steps, according to which an exception or limitation can only be imposed in certain specific cases.”) But one could imagine a succession of more discrete exceptions, each individually a “special case,” but which cumulatively subjected the enjoyment of the right to compliance with formalities. *See* discussion *infra*.

broadcasts of dramatic musical compositions,⁸³ could perhaps be made subject to an express reservation condition.⁸⁴ In that case, the reservation would give the author greater rights than Berne requires. This type of condition, even if permissible, seems unlikely to garner enthusiasm among the advocates of “reformatizing” copyright, because it would give copyright owners more protection, where the goal of the reformatizers is to reduce protection.

That said, one may acknowledge that the Berne-compatibility of a given potential exception may not always be clear. A cynical forecaster might therefore anticipate that the condition’s potential application to exceptions of uncertain Berne-compatibility could make the condition attractive to those who would cut back copyright protection. Inventive advocacy can expand the zone of otherwise Berne-compatible exceptions, soon joined on the slippery slope by exceptions deemed Berne-compatible *because* they can be opted-out of. Ultimately, the exclusive rights default could shift to a system of exceptions from which rightholders must reserve in order to retrieve exclusive rights.

Here’s how the argument would go: first suppose an exception of arguable consistency with Berne norms, for example, digitization of out-of-print hardcopy books for nonprofit educational purposes. Second, give authors or their successors in title the opportunity to oppose the digitization and dissemination of their books. Third, apply the three-step test as follows: step one: the class of works covered by the exception constitutes a “special case” because the class is (arguably) well-defined both as to the works covered (out-of-print books) and as to the use (nonprofit education). Step two: there is no “conflict with a normal exploitation of the work” because an out-of-print book isn’t being exploited, and because the author or rightholder can secure future or derivative exploitations by opting-out; if the author or rightholder doesn’t opt-out, that must mean there is no actual or potential market for the work, or that the author or rights holder doesn’t “care” about exploiting it. Step three: the exception does not unreasonably prejudice the legitimate rights of the author because the opt-out enables the author to avoid all prejudice, unreasonable or otherwise.⁸⁵

Is this application of the three-step test consistent with Berne norms? As a preliminary matter, the proposition that the possibility of opting out lets the exception pass steps two and three of the

83 See Section 110(5) Panel Report, *supra* note 42, ¶ 7.1(a), holding the 17 U.S.C. § 110(5) exemption of retransmissions of nondramatic musical compositions to violate the three-step test, but finding the application of the exemption to dramatic musical compositions to be compatible with the three-step test.

84 For the reasons indicated *supra* note 74, any such reservation should be a one-time declaration; the author should not be obliged to file reservations in each country whose national law allows authors to opt out of Berne-permissible exceptions.

85 Member states can satisfy the third step by providing compensation, or equitable remuneration, for the permitted use, but in our hypothesis there may be no need to compensate the author for uses she was neither making nor licensing.

I do not wish to imply that an exception for non-profit educational digitization of out-of-print books could not pass the three-step test; on the contrary, such an exception, conditioned on the beneficiary’s performance and documentation of a diligent search, may well be permissible under Berne. *Cf.* Directive 2012/28/EU, of the European Parliament and of the Council of 25 October 2012 on Certain Permitted Uses of Orphan Works, arts. 2(1), 6(1), 2012 O.J. (L 299) 5, 9–10 (requiring member states to “provide for an exception to the right of reproduction and the right of making available to the public . . . to ensure that [certain public-interest organizations] are permitted to use orphan works contained in their collections in [certain educational and preservative ways]” and providing that “[a] work or a phonogram shall be considered an orphan work if none of the rightholders in that work or phonogram is identified or . . . located despite a diligent search for the rightholders having been carried out and recorded . . .”). But ruling the exception Berne-compatible *because* it offers an opt-out, is highly problematic, and might well violate Berne if the opt-out substituted for a diligent search.

Berne article 9(2)/TRIPS article 13 test ignores the details of the opt-out's implementation. Unlike article 10bis(1), which creates a supra-national news reporting exception whose opt-out may be implemented uniformly throughout the Berne Union, the three-step test allows member states to tailor national exceptions to their own needs, and not all Union members' needs or policies need be the same.

Thus, member states' exceptions may vary widely, as may the means they provide for opting out. The proliferation of national opt-outable exceptions imposes an increasing burden on foreign authors to ascertain the existence and scope of the local exceptions and to take the steps necessary to avoid their application.⁸⁶ An author's failure to opt out of a plethora of national exceptions

86 Recent Canadian legislation offers a good example of the problems of opt-outable exceptions. Section 30.04 of the "Copyright Modernization Act," S.C. 2012, c. 20, provides:

30.04 (1) Subject to subsections (2) to (5), it is not an infringement of copyright for an educational institution, or a person acting under the authority of one, to do any of the following acts for educational or training purposes in respect of a work or other subject-matter that is available through the Internet:

- (a) reproduce it;
- (b) communicate it to the public by telecommunication, if that public primarily consists of students of the educational institution or other persons acting under its authority;
- (c) perform it in public, if that public primarily consists of students of the educational institution or other persons acting under its authority; or
- (d) do any other act that is necessary for the purpose of the acts referred to in paragraphs (a) to (c).

...

(4) Subsection (1) does not permit a person to do any act described in that subsection in respect of a work or other subject-matter if . . .

- (b) a clearly visible notice — and not merely the copyright symbol — prohibiting that act is posted at the Internet site where the work or other subject-matter is posted or on the work or other subject-matter itself.

Professor Victor Nabhan has questioned the compatibility of this provision with Berne article 5(2), and has also emphasized difficulties of implementation: many Internet sites enumerate permitted uses, but do not list prohibited uses (the prohibition of uses falling outside the authorized list should be implicit); Prof. Nabhan reads the Canadian text to require specific prohibition; the failure of these websites to set out a distinct prohibition of educational uses would therefore mean that the website author has not properly opted-out of the exception. See Victor Nabhan, *L'influence des usages sur le droit des exceptions - Canada : prise en compte par la loi des nouveaux usages et consécration par la jurisprudence d'un droit à l'exception en faveur de l'utilisateur* in L'EFFECTIVITE DES EXCEPTIONS AU DROIT D'AUTEUR ET AUX DROITS VOISINS : LES USAGES, LA LOI, LA REGULATION (Lamy, forthcoming 2014).

The tension with Berne anti-formality norms becomes all the more apparent when one considers the practical impact were other countries to enact similar opt-out exceptions. Suppose, for example, in addition to Canada's requirement that the author of an Internet-available work specifically prohibit reproduction or communication to the public (etc.) "for educational or training purposes", that Berne member state X established out-outable exceptions for public performance in religious services, and Berne member state Y instituted opt-outable exceptions to the reproduction right for the visually impaired, and Berne member state Z provided opt-outable exceptions to all exclusive rights for purposes of promoting mass digitization of out-of-print works. If, as in Canada, a general copyright notice did not suffice to effect the opt-out, it would seem that authors or right holders would be obliged, on a continuing basis, to ascertain what opt-outable exceptions each member state has enacted, and to object specifically to the permitted use. In addition to the content of the objection, the manner of communicating the opt-out also may become unduly complicated. For example, for Internet-available content, must the author continually update her website and the work's metadata to add specific objections as member states add to their panoply? For works in analog formats, will each member state create a registry of objections? Will there be a centralized registry for opt-outs, perhaps administered by

through their related formalities may simply reflect limited resources, rather than a rational evaluation of the impact of the exception on her future exploitation of the work. The more complicated the opting-out, the less persuasive the empirical assumption underlying scope-conditioning formalities, that authors do not make the necessary declarations because they do not “care” about how their works are exploited. Multiple diverse national opt-outs also impose a burden on users to determine whether, where, and to what extent unauthorized copyright-implicating acts may be permissible. Thus, rather than decreasing the title-searching transaction costs, this variant on formalities could in practice make them more onerous.

Moreover, exceptions can vary over time as well as between member states. Even if a one-time declaration at the initial public disclosure of a work may not seem unreasonably burdensome,⁸⁷ either via a copyright registry or perhaps by means of digital metadata,⁸⁸ what of exceptions that member states enact after the work is disseminated? In such cases, the implementation of the opt-out appears especially daunting. Even if the member state provides an effective means for authors to take exception, such a system would demand that authors remain constantly on guard for the loss of rights throughout the world as new exceptions come into force—a degree of vigilance that is even more demanding than registration *ab initio*.⁸⁹ Thus, if the opt-out is what makes the exception Berne-permissible, then perhaps the exception cannot apply to works created before the exception’s enactment. But if prospective-only opt-out requirements alleviate the unfairness that would result from requiring old works to carry new declarations, prospectivity also seems to undermine the local policy concerns that prompted adoption of the exception because a prospective-only exception will not facilitate owner-identification and rights-clearance of older works.

Rights+ formalities are undesirable for three other reasons as well. First, even leaving aside the plausibility of its premises, allowing the possibility of an opt-out to bear on the outcome of the three-step test is particularly problematic in light of the first step. The essence of the opt-out proposal is

WIPO? The more one contemplates the implementation of national opt-outs, the more apparent their incompatibility with Berne norms.

87 It seems the drafters expected that the opt-out from the news reporting exception would take the form of a declaration in the pages of the newspaper upon its publication. *See supra* note 79.

88 Indeed, authors should be encouraged to provide rights-management information, and technologists should help authors achieve that end.

89 For example, if the opt-out were contained in the copy’s metadata, the author cannot retrieve already-dispersed copies to amend their metadata, and (constantly) altering the metadata for new copies would simply cause confusion among users. This difficulty has already been noted with respect to metadata for opting out of copyright protection; transposing the opt-out from protection to exceptions (in effect, requiring the author to opt-in to full copyright protection), would appear to pose the same problem. *Cf.* Association Littéraire et Artistique Internationale (ALAI), *Memorandum on Creative Commons Licenses* (2006), <http://www.alai.org/en/resolutions-and-positions.html>:

While [the author] can cease to offer the work herself with the license, or can offer a more restrictive CC license directly from her website, she will probably not be able to stop the circulation of copies previously accompanied by prior terms of the license. In that case, it would seem that different versions of CC licenses with regard to the same work might simultaneously be in force.

http://wiki.creativecommons.org/Before_Licensing#What_if_I_change_my_mind.3F:

Creative Commons licenses are non-revocable. This means that you cannot stop someone, who has obtained your work under a Creative Commons license, from using the work according to that license. You can stop offering your work under a Creative Commons license at any time you wish; but this will not affect the rights associated with any copies of your work already in circulation under a Creative Commons license.

that, so long as the class is narrowly defined, the opt-out may satisfy (or override) the second two “steps” and the first step’s “special case” limitation itself may be eluded through a series of individually well-defined exceptions. Taken separately, each exception might constitute a “special case.” But in the aggregate the exceptions would significantly erode the formally exclusive right. This incremental approach to the first step would thus eviscerate the test, effectively allowing significant incursions on authors’ rights, so long as they are accomplished piecemeal through the back door of exceptions.

Second, the more complicated the implementation of the opt-out, the more it resembles the multiple formalities banned from the outset of the Berne Convention. As discussed above, integrating the opt-out into the three-step test opens the door to the enactment of a variety of member state-specific exceptions and requirements—not necessarily congruent, coordinated, or even consistent—which risk unduly burdening authors (and users) and seem increasingly like the “trap for the unwary” that rightly brought formalities into disrepute.⁹⁰

Third, large and/or sophisticated copyright owners may understand the need systematically to opt out of exceptions and might have the means to undertake the necessary declarations. Smaller copyright owners and individual authors may not understand the opt-out regime (nor, depending on how it was implemented, be in a position to assume its burdens). The opt-out therefore would perpetuate, and aggravate, the disparate impact that formalities systems already wreak on individual creators.⁹¹ As a general proposition, an exception should pass three-step muster on its own merits; if it does not, then, as this analysis has shown, adding an opt-out feature will not save the exception from Berne-incompatibility.

III. OWNERSHIP

A. DECLARATORY DUTIES PERTAINING TO COPYRIGHT OWNERSHIP ARE NOT BERNE-BANNED “FORMALITIES”

Berne article 5(2) prohibits formalities that limit the “enjoyment or exercise” of copyright. It does not address declaratory measures concerning ownership of rights. Yet those measures may be the most pertinent to title-searching. If I am correct that Berne bars measures that condition *how* a right is exercised, but not *who* exercises it, then member states may achieve many of the positive, rights clearance-facilitating, goals of formalities, without violating international norms.⁹² Moreover, member states may apply not only carrots but also sticks to encourage compliance with ownership-related formal or declaratory obligations, by making the validity of a transfer of rights contingent on fulfilling those obligations.

90 [Cross-reference to Jule Sigall’s contribution to the symposium]

91 Note that a declaratory condition on a *user’s* exercise of an exception, such as an obligation to document a diligent search in order to qualify for an “orphan works” limitation, *see* Directive 2012/28/EU of the European Parliament and of the Council of 25 March 2012 on Certain Permitted Uses of Orphan Works, art. 3(5), 2012 O.J. (L 299) 5, 9, would not be a “formality” in the sense of Berne article 5(2) because the beneficiary of the exception, not the author or right holder, incurs the declaratory obligation.

92 *Accord* Melville B. Nimmer, *Implications of the Prospective Revisions of the Berne Convention and the United States Copyright Law*, 19 STAN. L. REV. 499, 544 (1967).

For example, many (probably most) member states deny effect to transfers of exclusive rights that are not in writing and signed by the author or other transferor. Commentators agree that this author-protective constraint is not a Berne-forbidden “formality.”⁹³ Similarly, national copyright-contract rules that, for example, condition the validity of a transfer of particular rights on the specific mention of future new technology rights,⁹⁴ or on separately stating and providing proportional remuneration for each mode of exploitation,⁹⁵ are formal protections of the author as the weaker party, and are not “formalities” in the Berne sense.⁹⁶

In addition to mandating a signed writing to effectuate the transfer, U.S. copyright law seeks to encourage recordation of transfers through a combination of evidentiary advantages and prospective invalidity in the event of conflicting transfers: the first-filing bona fide purchaser for value prevails over the earlier transferee.⁹⁷ I would more boldly posit going beyond the hypothesis of conflicting transfers to make the validity of the transfer itself contingent on the transferee’s recordation of the contract or “a note or memorandum of the transfer.”⁹⁸ While a duty to record a transfer of exclusive rights performs a more public-regarding function (to facilitate rights clearance) than does the requirement of a signed writing, in neither case does the sanction of invalidity deprive the author of copyright protection (on the contrary, in some instances it may have the effect of returning the rights to her).

B. IF CONDITIONING THE VALIDITY OF THE TRANSFER ON ITS RECORDATION IS BERNE-PERMISSIBLE, IS IT A GOOD IDEA?

Of all the declaratory measures (whether or not they are “formalities” in the Berne sense), the one most likely to facilitate rights-clearance is recordation. The debate over “orphan works” has shown that the most important impediment to finding right owners is the lack of a reliable chain of title.⁹⁹ A work may have been registered, and its registration renewed, but compliance with those formalities does little good if there is no record of subsequent changes in ownership. An invalidity

93 See, e.g., VAN GOMPEL, *supra* note 4, ¶ 5.3.2.2, at 204 (These requirements essentially determine the way in which the author can legally transfer his copyright. Rather than affecting the enjoyment or the exercise of copyright, therefore, they establish the extent to which the author can exploit his rights. As much as the Berne Convention permits contracting states to preclude the assignment of copyright or create certain presumption of assignment, it allows them to establish the condition under which copyright can be assigned, including the requirements of form relating to the validity of a contract.); 1 Berne Book, *supra* note 13, ¶ 6.105, at 326–27.

94 See, e.g., CODE DE LA PROPRIETE INTELLECTUELLE art. L131-6 (Fr.); Gesetz über Urheberrecht und verwandte Schutzrechte (Urheberrechtsgesetz) [Copyright Act], as amended, § 31a (Ger.).

95 See, e.g., CODE DE LA PROPRIETE INTELLECTUELLE arts. L131-3 (each right granted must be the object of explicit mention and delimited as to scope, purpose, place and duration), l 131-4 (requirement of proportional participation in revenues from the grant) (Fr.).

96 See, e.g., VAN GOMPEL, *supra* note 4, ¶ [must find pincite].

97 17 U.S.C. § 205(c) (“recordation as constructive notice”); (d) (“priority between conflicting transfers”). Recordation statutes of this kind are hardly unique to copyright; they figure importantly in transfers of real property and chattels. See generally BENITO ARRUÑADA, INSTITUTIONAL FOUNDATIONS OF IMPERSONAL EXCHANGE: THEORY AND POLICY OF CONTRACTUAL REGISTRIES (2012), reprinted in THOMAS W. MERRILL & HENRY E. SMITH, PROPERTY: PRINCIPLES AND POLICIES 905 (2d ed. 2012).

98 Cf. 17 U.S.C. §§ 204(a) (transfer not valid unless “an instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed ...”), 205(c) (setting minimum requirements for recorded document to provide constructive notice to public).

99 See U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 26-34 (2006) (describing obstacles to title searching).

sanction for noncompliance with an obligation to record transfers of exclusive rights¹⁰⁰ would appear to furnish a strong, Berne-compatible incentive to the creation of reliable title-searching records,¹⁰¹ but how would it work? Devilish details in the implementation of the duty include: costs and deadlines, gaps in the title-searching record, and the application of the requirement to works of non-U.S. origin.

1. *Practical concerns*

a) Cost

At the moment, the cost of recording a document in the Copyright Office is \$105 for one document, and an additional \$30 for each group of 10 documents.¹⁰² This fee may not daunt transferees who are commercial actors, but one should inquire whether there is a class of transferees for whom the fees are a disincentive to recordation. If recordation is a prerequisite to validity of the transfer, it may be necessary to introduce some flexibility into the fee schedule. Current realities in the Copyright Office sound another somber note: not all recordation records are digitized or searchable online.¹⁰³ For the recordation records to perform their desired rights-clearing function, they must be fully accessible. Moreover, the information to be recorded should be standardized and should clearly identify the works at issue and the rights transferred. Fairness, too, may require a well-functioning recordation system before a transferee incurs the risk of invalidity for failure to record.¹⁰⁴

100 Some states make recordation a condition of the validity of transfer of title to automobiles. *See, e.g.*, N.C. GEN. STAT. ANN. § 20-72(b)

In order to assign or transfer title or interest in any motor vehicle registered under the provisions of this Article, the owner shall execute in the presence of a person authorized to administer oaths an assignment and warranty of title on the reverse of the certificate of title in form approved by the Division, including in such assignment the name and address of the transferee; and no title to any motor vehicle shall pass or vest until such assignment is executed and the motor vehicle delivered to the transferee.

101 A more modest sanction, making recordation a prerequisite to suit, would run afoul of Berne article 5(2) because it would be a pre-condition to enforcement. The 1976 Copyright Act's original section 205(d) included a pre-suit recordation obligation, which was eliminated when the United States joined Berne. *See Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention*, 10 COLUM.-VLA J.L. & ARTS 513, 566 (1986) (“[w]ith respect to works of foreign origin, section 205(d) is incompatible with Berne, since it requires recordation as a prerequisite to suit and thereby may affect the exercise of copyright”); S. Rep. No. 100-352, at 26 (1988). Ironically the more draconian sanction, invalidating the transfer, appears more consistent with Berne than a sanction that preserves the transfer but deprives the non-recording transferee of standing to sue.

102 <http://www.copyright.gov/document.html> (calculating fees for recording documents in the copyright office).

103 *See* Copyright Office Circular 12 at 6.

104 Whether recordation should remain centralized in the Copyright Office, or be distributed across a variety of databases is beyond the scope of this Article. Cf. Pamela Samuelson & Members of the CPP, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1203–05 (2010) (recommending “networked and interoperable private registries”).

b) Timing

If the validity of the transfer will turn on its recordation, how much time may elapse until the transferee records?¹⁰⁵ And what is the event that starts the clock running? Execution of the transfer would seem a normal starting point, but “execution” may not mean the same thing as signing an agreement. As the Copyright Office’s inquiry into “Gap Grants” revealed, agreements to transfer rights may be entered into before the work has been created. The Office determined that the grant was not “executed” until the work which was the object of the transfer of rights came into being.¹⁰⁶ By the same token, the recordation obligation should vest at the date of conclusion of a transfer respecting an extant work, or, for grants in anticipation of a work’s creation, at the date of creation.

As for deadlines, section 205(d) allows a grace period of one month for transfers executed in the United States, and two months for transfers executed abroad, before a first-filing subsequent bona fide transferee will be awarded title despite the prior transfer. Similar deadlines might apply to the validity of the transfer in general (not just in the case of conflicting transfers). But it will be important to ensure that judicial interpretation of the recordation prerequisite to validity does not dilute the duty’s prescriptive force. Inconsistent case law under the section 204(a) requirement of a signed writing serves as a warning. Some courts construing that obligation perceive the writing simply as a confirmation of an oral agreement which effectively transferred the rights, and therefore tolerate even years of delay before the agreement is reduced to writing. Others, correctly applying the statutory language, rule that there is no transfer without a writing, and therefore demand closer contemporaneity between the agreement and its expression in writing.¹⁰⁷

2. *Gaps in the record*

a) Initial registration

The invalidity sanction attaches to failure to record transfers of title to exclusive rights. A title search-aiding record of a transfer requires a starting point to evidence the initial title holder from whom the chain of title springs. But an obligation to record initial title looks like a registration requirement, a formality that does run afoul of Berne if the sanction for noncompliance divests or disables the copyright. It may nonetheless be possible to achieve registration without punishing authors. Recall that the sanction for non-recordation burdens not the initial title holder (the author), but the grantee. If the author has voluntarily registered the copyright in the work, then the starting point will be in place. In the absence of an initial registration, the grantee should effect both the

¹⁰⁵ See generally Alan Latman, *The Recordation of Copyright Assignments and Licenses*, Copyright Study No. 19 (1958), reprinted in 1 STUDIES ON COPYRIGHT 761, 766-74 (1963) (addressing grace periods under the 1909 Act and proposals for reform).

¹⁰⁶ At issue was the terminability under § 203 of the 1976 Act of agreements concluded before the effective date of the 1976 Act with respect to works created thereafter. See United States Copyright Office, *Analysis of Gap Grants Under the Termination Provisions of Title 17* (Dec. 7, 2010), <http://www.copyright.gov/reports/gap-grant-analysis.pdf>.

¹⁰⁷ Compare *Barefoot Architect, Inc. v. Bunge*, 632 F.2d 822 (3d Cir. 2011); 3 Melville B. Nimmer & David Nimmer, NIMMER ON COPYRIGHT § 10.03[A][3] at nn. 20–22 (Rev. Ed. 2009) (treating § 204(a) as a mere statute of frauds, not affecting the validity of the transfer), with *Konigsberg Int’l Inc. v. Rice*, 16 F.3d 355, 357 (9th Cir. 1994) (treating § 204(a) as more than a statute of frauds, but a requirement for validity); *Pamfiloff v. Giant Records, Inc.*, 794 F. Supp. 933, 936–37 (N.D. Cal. 1992) (same); 2 PATRY ON COPYRIGHT § 5:106 (“Although [§ 204(a)] is occasionally referred to as a Statute of Frauds provision, this is an incomplete description.”).

registration and the recordation of transfer.¹⁰⁸ The Copyright Act and current Copyright Office practices enable this gap-filling by the transferee: Section 409(5), which details the contents of the registration form, provides: “if the copyright claimant is not the author, [the claimant shall include] a brief statement of how the claimant obtained ownership of the copyright.”¹⁰⁹

So long as the transfer remains unrecorded (and assuming no supervening recorded conflicting transfer) the grantee would not be an “owner” of copyright. But the signed writing could be treated as effecting a nonexclusive license, much as a nonexclusive license may be inferred from conduct or oral agreement.¹¹⁰ Because the license is in writing, however, it would survive a subsequent recorded transfer of exclusive rights, while an unwritten nonexclusive license would be extinguished.¹¹¹ Arguably, since a recordation record that did not disclose the existence of a prior nonexclusive license could mislead the purchaser as to the effective scope of the rights granted, it would be more consistent with the present proposal were the persistence of a nonexclusive license against a subsequent grant of exclusive rights to be conditioned on the license’s recordation. But a purchaser may protect herself by requiring the transferor to warrant the absence of exclusive and nonexclusive licenses.¹¹² And because a nonexclusive licensee lacks standing to sue,¹¹³ the non-recordation of a nonexclusive license does not prejudice users. The nonexclusive licensee would be obliged to join the copyright-retaining licensor to the infringement action, but, at least assuming an initial

108 See Latman, *supra* note 105, at 776-77:

[I]t has been suggested that the present system of registering copyright claims be dropped in favor of a more elaborate approach to the recordation of transfers of copyright. The key to an effective recording system is its completeness, and ideally all links in a chain of title should be placed on record. In the absence of a basic registry system, identifying the work, the first owner of the copyright, the date from which the term is computed, and other pertinent information, the recording of transfers would often fail to identify the work covered by the transfer, the term of copyright, and especially the derivation of the transferee’s claim to ownership. On the other hand, it may be contended that it is asking too much of an assignee not only to record his own assignment but also to register the initial claim and to record any intervening assignments.

109 Registration forms, available on the Copyright Office website, provide further detail, *see, e.g.*, Form TX, instructions for filling out “space 4”:

Transfer: The statute provides that, if the copyright claimant is not the author, the application for registration must contain “a brief statement of how the claimant obtained ownership of the copyright.” If any copyright claimant named in space 4 is not an author named in space 2, give a brief statement explaining how the claimant(s) obtained ownership of the copyright. Examples: “By written contract”; “Transfer of all rights by author”; “Assignment”; “By will.” Do not attach transfer documents or other attachments or riders.

110 *See, e.g.*, *Effects Associates v. Cohen*, 908 F.2d 555, 558–59 (9th Cir. 1990).

111 *See* 17 U.S.C. § 205(e).

112 *See, e.g.*, PERLE & WILLIAMS ON PUBLISHING LAW § 2.06 (Mark A. Fisher et al., eds., 2010 Supp.) (“Writer has not previously . . . encumbered” the rights conveyed).

113 17 U.S.C. § 501(b) (owners of copyright have standing to sue); a non-exclusive licensee is not an “owner” *see, e.g.*, *Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137, 1144 (9th Cir. 2008):

Under copyright law, only copyright owners and exclusive licensees of copyright may enforce a copyright or license. Therefore, third party strangers and nonexclusive licensees cannot bring suit to enforce a copyright, even if an infringer is operating without a license to the detriment of a nonexclusive licensee who has paid full value for his license.

(citations omitted)

registration or prior recordation of transfer, the public will be on notice of who owns the relevant rights.

b) Transfers by operation of law

Even with a recordation prerequisite to the validity of a transfer, other gaps in the chain of title may result from transfers by operation of law. Examples of such transfers include: divorce; inheritance by intestate succession, and perhaps by will;¹¹⁴ corporate mergers, acquisitions, restructuring;¹¹⁵ and involuntary transfers in bankruptcy proceedings.¹¹⁶ The regimes governing these transfers may include their own recordation requirements; perhaps those records could be linked to copyright records. Failing that, it would be desirable to consider the circumstances under which it would be appropriate to impose an additional burden of copyright recordation on the trustee in bankruptcy, testamentary executor, and other transferees by operation of law. In any event, the duty to record would continue to bind one who acquires exclusive rights from the transferee.

Authors' statutory reversion rights pose an instance akin to transfers by operation of law. The present Copyright Act recognizes the important public interest in knowing whether an author has reclaimed her rights under the section 203 termination provision (as well as under the section 304(c) and (d) extended renewal termination rights), because the Act requires authors (or others qualified to terminate) to record in the Copyright Office a copy of the notice of termination "before the effective date of termination, as a condition to its taking effect."¹¹⁷ Thus, recordation is already a condition of the validity of the statutory reversion.

What of contractual reversions, such as provided in out-of-print clauses or as the parties may in any event agree at some time after the execution of the transfer? Or for that matter, what of a time-limited grant of rights? In the last case, the recordation of the initial grant will show its duration, which should put the public on notice that after that time (assuming no subsequent grant), the rights have returned to the author. But with respect to reversions of rights initially granted for the full term of copyright, should a recordation obligation condition the author's retrieval of her rights?¹¹⁸ The public interest in knowing who owns the rights does not wane with the change in the legal basis of

114 17 U.S.C. § 201(d)(1); *see, e.g.*, *Worldwide Church of God v. Philadelphia Church of God, Inc.*, 227 F.3d 1110, 1114 (9th Cir. 2000) (finding bequest of all real and personal property sufficient to transfer copyright); *Forster Music Publishers Inc. v. Jerry Vogel Music Co.*, 62 U.S.P.Q. (BNA) 142 (S.D.N.Y. 1944) (applying state law of intestate succession to copyright under 1909 Act).

115 *See, e.g.*, *U.S. Home Corp. v. R.A. Kot Homes, Inc.*, 563 F. Supp. 2d 971, 975 (D. Minn. 2008) (holding that corporate merger transferred copyright by "operation of law" under § 204(a) "without any 'further act or deed' on the part [of] the surviving company"); *cf.* *Cincom Systems v. Novelis Corp.*, 581 F.3d 431, 432 (6th Cir. 2009) (finding infringement on copyright by surviving corporate entity following merger with licensee of copyright, where license was non-assignable; noting that "[f]ederal common law governs questions with respect to the assignability of a patent or copyright license").

116 *See* 17 U.S.C. § 201(e) (permitting involuntary transfer under bankruptcy laws); *Advance Magazine Publishers, Inc. v. Leach*, 466 F. Supp. 2d 628, 636 (D. Md. 2006) (in federal copyright law, "transfers by operation of law are expressly limited to voluntary transfers, except in bankruptcy proceedings."). *See also* *Kunkel v. Jasin*, 420 F. App'x 198, 200 (3d Cir. 2011) (a debtor in bankruptcy may not register a copyright in his own name; since the author's copyright passed to the bankruptcy estate, only the estate may register the copyright.)

117 17 U.S.C. §§ 203(a)(4)(A); 304(c)(4)(A), (d)(1).

118 Or for a negotiated reversion occurring before the expiration of the duration of the grant covering less than the full term of copyright.

the reversion. On the other hand, the recordation obligation, posited in its initial guise, did not divest authors - if anything, the author retained whatever rights her transferee failed to record. Given the remedial role of reversion, we might be reluctant to make the author's rights depend on recordation. In fact, however, we already impose such an obligation with respect to statutory termination rights, where the author's moral claims to reversion may be even more compelling than for contractual reversions, precisely because statutory reversions are designed to make up for authors' generally weaker bargaining position.¹¹⁹ Nonetheless, lest authors' incipient reversionary interests in current contracts be frustrated by failure to record the reversion of the rights, any mandatory obligation that contractual reversions be recorded should be purely prospective, applicable only to contracts executed after the effective date of a statutory amendment imposing recordation as a condition of the validity of the grant.¹²⁰

3. *Application to Berne works of non-U.S. origin*

Finally, how would a recordation obligation apply to transfers of U.S. rights in works of non-U.S. origin? By virtue of the Berne Convention and other multilateral instruments, a Berne Union author, upon the work's creation or first publication anywhere in the Berne Union, initially owns the copyright in the work in every other Berne Union country.¹²¹ So a French author owns the U.S. rights in her work from the outset, long before she may in fact exploit them (if ever). Under what circumstances should a U.S. recordation obligation apply to the French author's transfer of rights for a territory that includes the United States? If the transferee is a U.S. resident, the U.S. recordation obligation should apply (with respect to the transfer of U.S. rights), just as it would for a transfer of U.S. rights from a U.S. author. If the transferee is not a U.S. resident, and if the transfer covers multiple territories, recordation as a prerequisite to validity might seem more problematic from a practical perspective. That said, anyone acquiring U.S. rights, whether local or foreign, ought already, as part of due diligence, to be consulting the recordation of title in the Copyright Office;

119 See *id.* § 203(a)(5) (“Termination of the grant may be effected notwithstanding any agreement to the contrary”); § 304(c)(5) (same).

120 To the extent that the principal contractual reversion results from “out of print” clauses, the gradual disappearance of these clauses from digital-age publishing contracts, see *The Future of Electronic Publishing: A Panel Discussion*, 25 COLUM. J.L. & ARTS 91, 112 (2002) (statement of Lois F. Wasoff, Vice President & Corporate Counsel, Houghton Mifflin Company, Chair, Copyright Committee, Association of American Publishers) (hypothesizing that “we are going to start to see ‘out of print’ clauses being replaced by ‘minimum revenue’ clauses” in which “if the publisher is generating less than a certain amount of revenue, the author can demand the rights back”); Stephen Manes, *Surfing and Stealing: An Author's Perspective*, 23 COLUM.-VLA J.L. & ARTS 127, 132 (1999):

Authors are beginning to demand and receive radically changed out-of-print clauses that allow the author to demand a reversion of rights in any year that the sales figures or dollar volume from the book fail to reach a particular level, or by simply doing what hardcover publishers are smart enough to do with their paperback sublicenses: limiting the licenses to a fixed period.

Cf. Lionel Bently & Jane C. Ginsburg, “*The Sole Right . . . Shall Return to the Authors*”: *Anglo-American Authors' Reversion Rights from the Statute of Anne to Contemporary U.S. Copyright*, 25 BERKELEY TECH. L.J. 1475, 1554 n.382 (2010) (observing “publishers, rather than authors, appear to have had the most to gain from allowing the author to recapture her copyright” in order to reduce, among other things, “the expenses of . . . business tax on inventory items[] and costs of warehousing and concomitant efforts for ‘tighter inventory control,’” burdens that are less significant in the digital context (citations omitted)), may moot the problem. If the re-vesting of rights follows a rescission of the agreement, the rescission might be treated as a new contract which the parties should record.

121 Berne, *supra* note 8, arts. 3, 5(1).

requiring that the acquirer in turn record does not seem a significant additional burden. In any event, the current Copyright Act contemplates foreign transferees because it allows them an additional month before a subsequent bona fide acquirer's recordation can preempt their transfer.¹²² But there is a difference between recordation to negate the risk of conflicting transfers and recordation as a condition of the validity of the transfer of the U.S. rights¹²³ *ab initio*. The latter approach may place too high a burden on foreign transferees, particularly if their imminent likelihood of exploiting the U.S. rights is at best inchoate, or if the work has not already been the object of a Copyright Office registration. A middle course would be to require a foreign transferee whose grant explicitly covers the United States to effect the recordation.

IV. CONCLUSION

One critic of international copyright norms has complained that the claim “Can't do it because it's a Berne violation” is “an all-too-common refrain to torpedo numerous ideas for improving or modernizing our copyright system.”¹²⁴ The Berne Convention and related treaty obligations may constrain the implementation of good ideas for the copyright system (so far as the ideas apply to Union authors). Happily, however, our treaty obligations also frustrate efforts to implement *bad* ideas that would expropriate (foreign) authors.

“Formalities” in the Berne sense of prohibited conditions on the existence, scope, and exercise of copyright, are bad ideas because they further confiscatory policies, deny the dignity of creation, and confine copyright to its economic dimension.¹²⁵ Declaratory measures, which advance the considerable public benefit of establishing and maintaining chains of title, not only are good ideas “for improving . . . our copyright system,” they also are consistent with our international obligations.¹²⁶ The principal measure this Article proposes, conditioning validity of transfer of copyright on recordation of a note or memorandum of the transfer, is Berne-compatible because, while Berne protects the interests of successors in title, it does not regulate the means by which one *becomes* a successor in title. That is for the member state whose law governs the transfer.

122 17 U.S.C. § 409(5).

123 While a contract transferring multiterritorial rights may as a whole be governed by the law chosen by the parties, or in the absence of a choice of law, by the law of the country with the closest connection to the contract, *see, e.g.*, American Law Institute, American Law Institute: INTELLECTUAL PROPERTY—PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW AND JUDGMENTS IN TRANSNATIONAL DISPUTES § 315(1)(2) (2008), the laws of the countries for which the rights are transferred will apply to determine the validity of the transfers, *id.* § 314; *Corcovado Music Corp. v. Hollis Music, Inc.*, 981 F.2d 679 (2nd Cir. 1993). *See also* PAUL GOLDSTEIN & BERNT HUGENHOLTZ, INTERNATIONAL COPYRIGHT 151 (2d ed. 2010) (arguing that local recording systems and priority rules receive “primacy over conflicting contract terms” on the grounds of “deference to local judgments in the efficient operation of a title priority system” and “absence of universal treaty agreements governing priorities”).

124 Edward Lee, *Copyright, Death, and Taxes*, 47 WAKE FOREST L. REV. 1, 3 (2012) (citing, *inter alia*, Jane C. Ginsburg, *The U.S. Experience with Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COLUM. J.L. & ARTS 311 (2010)).

125 [Cross-reference to Niva Elkin-Koren's contribution to this Symposium]

126 By contrast, the “new-style formalities” proposal advanced by Sprigman not only would penalize authors but also relies upon the tendentious assertion that the Berne Convention does not require injunctive relief. Sprigman, *supra* note 2, at 558–59. As discussed above, *supra* notes 41–52 and accompanying text, this runs counter to both the background norms of copyright and the mandate of Berne and TRIPS.

Reliable title records benefit both the public and authors by reducing search costs and facilitating mutually beneficial transactions. Moreover, by easing the flow of information about copyright ownership, Berne-compatible declaratory obligations could - without penalizing authors - alleviate the ills that purportedly justify calls for the return of confiscatory formalities. Rights of ostensibly little value to their owners—because they relate to works that are only minimally original, or too obscure, or too old—are much less problematic if their owners can readily be found and the rights easily acquired. Were rights-clearance no longer to impose high transactions costs, the remaining impetus for reformalizing copyright would plainly emerge: for copyright reformalizers, “new-style” or otherwise, the fault lies not in copyright’s alleged unmanageability, but in the current contours of copyright itself.

THE FUTURE OF UNITED STATES COPYRIGHT FORMALITIES: WHY WE SHOULD PRIORITIZE RECORDATION, AND HOW TO DO IT

Daniel Gervais* & Dashiell Renaud††

I. INTRODUCTION

The U.S. copyright system is derived from the Creativity Clause of the United States Constitution.¹ The rights inuring to creators are state-granted, limited in time, and awarded for the purpose of promoting the “Progress of Science.”² The system thus does not primarily regard authors as having natural rights that they (unconditionally) earn as a consequence of creating something, nor moral rights that they would inherently be entitled to were their works considered an extension of the authors’ personhood and identity.

To balance the grant of exclusive rights to authors with the state’s interest in promoting the progress of science, America’s initial copyright statutes included a set of state-imposed formalities with which rights holders were required to comply in order to obtain and maintain copyright protection. The formalities served several functions. By excluding from copyright works of foreign authors, the system served the interests of publishers—who felt their industry relied upon being able to reproduce foreign works without being required to pay for that privilege—and the general intellectual and entertainment interests of the early republic in having potentially faster (because it was local) and less expensive access to foreign books.³ Requiring registration generated publicly available information that users could consult in order to obtain metadata.⁴ By requiring that copyrighted works display a notice indicating the identity and residence of the author, and the date of publication, the system allowed consumers to ascertain whether copyright protection had been

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1 U.S. CONST. art. I, § 8, cl. 8.

2 *Id.* (granting Congress the power “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”); see also Jeanne C. Fromer, *The Intellectual Property Clause’s External Limitations*, 61 DUKE L.J. 1329, 1373–78 (2012); Sanford Levinson, *Judicial Engagement in Enforcing Limits on Government Power*, 19 GEO. MASON L. REV. 973, 981 (2012). As used in the Creativity Clause, the term “useful arts” refers to the useful articles produced by inventors, the exclusive rights to which are protected by patent law. The constitutional foundation for the American copyright system is thus solely promotion of the progress of science. Interpretation of this latter principle is a controversy central to the topic of this paper.

3 See WILLIAM BRIGGS, *THE LAW OF INTERNATIONAL COPYRIGHT* 637 (1906).

4 1790 Copyright Act, ch. 15, § 3, 1 Stat. 124, 125.

“claimed.”⁵ Requiring that said notice be published in a newspaper further provided public notification of the copyright claim.⁶ Requiring that instruments of transfer be recorded enabled license-seekers to ascertain the identity of the present owner of a work.⁷ Requiring that authors deposit copies of their works with a clerk’s office enabled the cultivation of a national repository.⁸ These formalities also served to limit the number of works receiving copyright protection, such that many works immediately entered the public domain upon publication.⁹ Finally, the renewal formality, requiring that creators record and publish a second time should they desire a second term of protection, likewise served a filtering function.¹⁰

Though beneficial in many respects, these formalities were also criticized. American creators complained that it was impossible to compete against royalty-free English works in the market for publication, thus limiting their own potential development and retarding the development of American literary and scholarly publishing industries.¹¹ A number of formalities were difficult to comply with, and many works were thus accidentally un-registered or registered incorrectly.¹² Moreover, the expense of complying with these formalities was not negligible.¹³ The bills that authors and publishers (most of whom favored protection of foreign works) were able to get introduced in Congress almost every year from 1837 until 1890 confirm this.¹⁴ Still, protection for the works of foreign authors remained unavailable until 1891.¹⁵ Passed by Congress that year, the Chace Act provided that a work was protected if (a) it had been printed from type set within the

5 The requirement that published copies of a work feature information about the identity of the author, date of publication, and the author’s state of residence became added to the scheme of formalities in 1802. Act of Apr. 29, 1802, ch. 36, 2 Stat. 171.

6 1790 Copyright Act § 3.

7 Act of June 30, 1834, ch. 157, 4 Stat. 728.

8 1790 Copyright Act Act § 4.

9 See Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485, 503 (2004) (proposing that at least 80% to 90% of works published during the decade under the 1790 Copyright Act immediately entered the public domain for lack of registration).

10 See *id.* at 519 (noting that 85% of works were never renewed under the original system).

11 See BRIGGS, *supra* note 3 at 637–38 (1906). Other U.S. authors used a backdoor to get protection. Mark Twain, who had been published without consent or payment in Canada, moved to Montreal to establish residency there and protect his copyrights in Canada and other Berne Union members. See *Restoring The Balance: Panel on Contracting and Bargaining*, 28 COLUM. J.L. & ARTS 419, 423 (2005) (comment by Nick Taylor, President, Author’s Guild); see also *Oversight on International Copyrights: Hearing Before the Subcomm. on Patents, Copyrights and Trademarks of the Comm. of the Judiciary*, 98th Cong. 42 (1984) (report of the U.S. Copyright Office).

12 See CATHERINE SEVILLE, *THE INTERNATIONALISATION OF COPYRIGHT LAW: BOOKS, BUCCANEERS AND THE BLACK FLAG IN THE NINETEENTH CENTURY* 248 (2006).

13 See Sprigman *supra* note 9, at 493.

14 See Robert Spoo, *Ezra Pound’s Copyright Statute: Perpetual Rights And The Problem Of Heirs*, 56 UCLA L. REV. 1775, 1785 (2009) (noting that “[i]n response to a petition presented by British authors, Senator Henry Clay introduced a bill in Congress in 1837 that would have recognized British copyrights in the United States. The bill encountered strong opposition from the American book trade and never became law. . . . A series of Anglo-American copyright bills introduced in Congress between 1886 and 1890 met with the same fate. One historian has observed, ‘The publishers of cheap reprint series were against [such legislation], and so too were the increasingly powerful trade unions in the printing industry who feared loss of work if the copyright in imported books were protected under American law.’”) (notes omitted); and SEVILLE, note 12, at 160–61, 170, 217.

15 Chace International Copyright Act of Mar. 3, 1891, ch. 565, 26 Stat. 1106, 1107 [hereinafter Chace Act]; see also RICHARD R. BOWKER, *COPYRIGHT: ITS HISTORY AND ITS LAW* 314, 346–70 (1914); Spoo, *supra* note 14, at 1785–87.

United States and (b) two copies of the American imprint were deposited in the Copyright Office on or before the date of first publication anywhere else.¹⁶ The act was based on the principle of reciprocity.¹⁷ The first requirement (known as the “manufacturing clause”) was only phased out in the 1980s.¹⁸ The second (or “deposit”) requirement is still in place, but it is no longer linked to copyright protection.¹⁹ Indeed, in spite of the various critiques, the American copyright system saw few changes to its formality requirements over the course of nearly two centuries.

The rest of the world—or at least Europe and its many empires—was moving in a different direction. Beginning with the signing of the first Berne Convention in 1886, the seed of an international harmonization of copyright was planted, and, significantly, from the very beginning it limited the impact of mandatory formalities.²⁰ Almost all of the participants in this endeavor, unlike the United States, followed a *droit d’auteur* approach,²¹ a component of which is the recognition of the moral rights of authors in their works.²² They espoused a “natural rights” justification for copyright protection that fundamentally conflicted with the imposition of mandatory formalities.²³ Indeed, rights inuring as natural consequences of the act of creation should not require compliance with state-prescribed formalities. Seen as a simple Lockean proposition, it would be inequitable to require that the laborer register his bushel of apples before being permitted to claim ownership of them. Seen in a more Hegelian hue, the question is slightly different but the answer remains the same: if the work one has created is an extension of person and identity, the government cannot, or should not, condition rights on compliance with administrative formalities.²⁴

16 Chace Act, 26 Stat. at 1107.

17 The Chace Act “shall only apply to a citizen or subject of a foreign state when such foreign state or nation permits to citizens of the United States of America the benefit of copyright on substantially the same basis as its own citizens.” 26 Stat. at 1110.

Presidential proclamations allowed citizens of various countries access to the formalities leading to protection of their works in the United States, subject to the manufacturing clause: 1891 Presidential Proclamation No. 3, 27 Stat. 981–82 (Belgium, France, Great Britain, Switzerland); 1892 Pres. Proc. No. 24, 27 Stat. 1021–22 (Germany); *see also* BRIGGS, *supra* note 3, at 645. Further proclamations issued extended the same privileges to citizens of many other nations; *see also* STEPHEN LADAS, I THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY 837–38 (1938); and Binyamin Kaplan, *Determining Ownership of Foreign Copyright: A Three-Tier Proposal*, 21 CARDOZO L. REV. 2045, 2051 (2000).

18 *See* PAUL GOLDSTEIN, COPYRIGHT’S HIGHWAY: FROM GUTENBERG TO THE CELESTIAL JUKEBOX 152 (2003).

19 *See infra* note 65 and accompanying text.

20 For a very brief history of the Convention and its various revisions, *see* 1886–1986 BERNE CONVENTION CENTENARY 19–23 (1986) [hereinafter CENTENARY].

21 *Droit d’auteur*, literally “right of the author,” is the French term for copyright, and is commonly used to identify copyright systems following the French, “author-centric” model.

22 The major exception was the United Kingdom, which was party to the discussion and signed the Convention. *See id.* at 87, 108 and 130.

23 *See* Jane C. Ginsburg, *A Tale of Two Copyrights: Literary Property in Revolutionary France and America*, 64 TUL. L. REV. 991, 994 (1990) (“If copyright is born with the work, then no further state action should be necessary to confer the right; the sole relevant act is the work’s creation.”).

24 The principle of formality-free protection is also reflected in the 1948 *Universal Declaration on Human Rights*, which mentions the “protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.” UDHR, art. 27(2). Art 27(10) is also interesting in that it provides for a balanced approach to copyright. It states that “[e]veryone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.” The fact that limitations and exceptions are necessary as part of the copyright equation and should not be considered policy afterthoughts, including at the international level, is an idea explored in Daniel Gervais, *Making Copyright Whole: A Principled Approach to Copyright Exceptions and Limitations*,

The perceived burden of complying with formalities and the strict application of the U.S. manufacturing clause may also have been in the minds of the Berne negotiators in Berlin, which resulted in the adoption of the broad ban on formalities.²⁵ The Berne Union members went a step further in their condemnation of “piracy” in the United States by adopting a Protocol to the Berne Convention in 1914.²⁶ Proposed by the United Kingdom, it was designed as retaliation for the manufacturing clause and permitted Berne members to deny protection to U.S. works, even if first published in their territory.²⁷ The *droit d’auteur* approach thus became enshrined in the Berne Convention, now the most important copyright treaty in existence.²⁸

Meanwhile, though the United States initially refused to join Berne, it still desired protection for the works of American authors abroad. To that end, it entered into a series of bilateral copyright treaties.²⁹ It also headed the effort to develop an alternative to the Berne Convention, namely the Universal Copyright Convention (“UCC”).³⁰ Additionally, the United States participated in the

5:1/2 UNIV. OTTAWA L. & TECH. J. 1, 1–41 (2008), available at <http://www.uoltj.ca/articles/vol5.1-2/2008.5.1-2.uoltj.Gervais.1-41.pdf> (accessed April 24, 2013).

25 The Acts of the 1908 Berlin Conference do not mention formalities in the United States (or in any other country by name for that matter) but most of the examples mentioned during the debates point to the United States. For example, the Records state: “it is recalled that there was a time not so long ago when, to guarantee a work protection in a foreign country . . . [I]t was necessary to register and often even to deposit that work in the foreign country within a certain time limit.” CENTENARY, *supra* note 20, at 148. As to the difficulty for “non-sophisticated” authors and publishers in complying with the U.S. formalities, see SEVILLE, *supra* note 12.

26 See CENTENARY, *supra* note 20, at 20.

27 Additional Protocol to the International Copyright Convention on Nov. 13, 1908, signed at Berne, 1914, 1 L.N.T.S. 243 [hereinafter 1908 Protocol]. The Protocol entered into force on April 20, 1915. See PAUL GOLDSTEIN, INTERNATIONAL COPYRIGHT: PRINCIPLES, LAW, AND PRACTICE 22 (2001); and William Belanger, *U.S. Compliance with the Berne Convention*, 3 GEO. MASON INDEPENDENT L. REV. 373, 373 n. 2 (1995). The Protocol allowed Berne members to restrict the protection given to works of authors who are nationals of a non-Union country, which “fails to protect in an adequate manner the works of authors who are nationals of one of the countries of the Union.” 1908 Protocol § 1.

28 As measured by the number of signatories (166 as of April 24, 2013) and giving consideration to the fact that Berne has been incorporated into the Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement].

For an updated list of Berne members, see http://wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=15 (last visited April 24, 2013).

29 *Reciprocal copyright arrangement with Italy entered into force October 28, 1892*, 9 Bevans 104. Presidential Proclamation No. 3, 27 Stat. 981–82 (Belgium, France, Great Britain, Switzerland); 1892 Pres. Proc. No. 24, 27 Stat. 1021–22 (Germany); see E. Gabriel Perle, *Copyright Law And the Copyright Society of the U.S.A., 1950-2000*, 47 J. COPYRIGHT SOC'Y U.S.A. 397, 410 (2000) (“For most of its history, the United States was insular in its regard for international, multilateral protection of the works of U.S. authors in foreign countries and protection of the work of foreign authors in the United States. The U.S., rigidly wedded to the pre-requisite formalities of copyright notice and registration, both anathema to most of the rest of the world, found it difficult or impossible to be part of the international copyright world except through a rather haphazard collection of unilateral copyright treaties. During the period from 1950 to 2000, however, the United States sought valiantly, and in large measure successfully, to join the rest of the world in a copyright context.”). See also TREATIES AND OTHER INTERNATIONAL AGREEMENTS OF THE UNITED STATES OF AMERICA 1776–1949 (Charles I. Bevans, ed., 1974).

30 The United States participated in the Universal Copyright Convention (UCC), a treaty established by the United Nations mandating mutual recognition of copyright protection subject to a notice requirement. The Universal Copyright Convention, July 24, 1971, 25 U.S.T. 1341, 943 U.N.T.S. 178, arts. 2, 3; available at http://portal.unesco.org/en/ev.php-URL_ID=15381&URL_DO=DO_TOPIC&URL_SECTION=201.html (last accessed April 24, 2013). The UCC has been superseded because (a) the TRIPS Agreement incorporates Berne, not the UCC (TRIPS Agreement, art 9.1) and

Buenos Aires Convention, which provided for mutual recognition of member nations' copyrighted works subject to those works bearing copyright notice.³¹ Many U.S. copyright owners found that the UCC and other instruments negotiated by the United States provided insufficient protection for their works, however, as they contained few specific requirements aside from national treatment.³² The fact that a number of American authors would simultaneously publish their works in Berne member countries when first publishing domestically in order to avail themselves of the widest possible protection for their works bears testimony to this perception.³³

After a century of reluctance, the United States finally acceded to Berne in 1989, judging that benefits to U.S. copyright exporters outweighed the negatives.³⁴ Doing so required that the United States abandon some of its formality requirements. A number of scholars have argued that this injection of *droit d'auteur* doctrine into America's utilitarian copyright system was, in retrospect, a bad policy choice because Berne's prohibition of formalities disagrees with the constitutionally derived copyright system, imposes deadweight costs on society, and limits the public domain.³⁵ A number of proposals advocate introducing a new system of formalities that embraces modern technology while honoring the constitutional direction. Evaluation of these proposals requires dissecting the motivations for desiring a return to formalities, discussing the domestic and international constraints on such proposals, and comparing the various proposals' impact on the future of copyright jurisprudence.

To do so, this Article proceeds as follows. Part II discusses the history of copyright formalities in the United States. Part III presents arguments championing the imposition of new formalities and discusses the obstacles they face. Part IV offers an alternative set of recommendations emphasizing recordation of transfer as a pre-condition for some forms of exercise of copyright by a transferee. It also explores the changing role of the Copyright Office under such a system.

II. A BRIEF HISTORY OF COPYRIGHT FORMALITIES

A. UNITED STATES

A discussion of the future of U.S. copyright formalities must begin with an account of their history. This Section will follow the development of U.S. copyright jurisprudence from its beginnings to the present day, tracking the changes to the system of formalities over that period.

(b) the Appendix declaration relating to Article XVII of the UCC provides in part that "The Universal Copyright Convention shall not be applicable to the relationships among countries of the Berne Union."

31 Buenos Aires Copyright Convention Aug. 11, 1910, art. 3, 38 Stat. 1788.

32 See David M. Spector, *Implications of United States adherence to the Berne Convention*, EUR. INTELL. PROP. REV. 1989, 11(5), 162, 163.

33 *Id.* at 168.

34 Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 285 [hereinafter BCIA].

35 See, e.g., William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 479–81 (2003); Sprigman, *supra* note 9 at 524 ("[A]ccess to the work will be denied to those who value it in excess of the competitive price, but less than the supracompetitive price that the monopolist is able to command. Copyright, then, creates deadweight losses in markets for expression.").

1. *Pre-Berne formalities*

The Copyright Act of 1790 imposed several requirements—registration, deposit, newspaper publication, and renewal—and it excluded most foreign works.³⁶ In the supplementary Act of 1802, the formality of notice was added.³⁷ The Copyright Act of 1909 modified the deposit and notice requirements, introduced the recordation of transfer requirement, and redefined the point when copyright protection attaches.³⁸ The act prohibited any action for infringement until copies were deposited and introduced a monetary penalty for failure to deposit.³⁹ The minimum notice requirements were relaxed slightly.⁴⁰ Critically, where a copyright proprietor had endeavored to comply with the formalities provided for in the Act, yet omitted notice on one or more copies of a work by mistake, the copyright was not invalidated nor would the proprietor be prevented from recovering from someone with actual notice.⁴¹ However, the proprietor would be prevented from recovering damages from:

an innocent infringer who has been misled by the omission of the notice; and in a suit for infringement no permanent injunction shall be had unless the copyright proprietor shall reimburse to the innocent infringer his reasonable outlay innocently incurred if the court, in its discretion, shall so direct.⁴²

This was a very important development in the formality scheme, as it reflected an attempt to mitigate the repercussions of the absence of formalities. While the law had previously provided for clear repercussions for the omission of formalities, here it sought to accommodate those who accidentally derogate from compliance (to a small, curable degree) but also showed concern for the content user (i.e., innocent infringer).

The 1909 Act further required that every assignment of copyright be recorded in the Copyright Office within three months of its execution, in default of which the assignment would be void as

36 1790 Copyright Act, ch. 15, §§1–5, 1 Stat. 124, 124–25. Authors were required to register their works with the clerk’s office of the district court where they resided and to publish a record of the registration in one or more American newspapers for a period of four weeks. Within six months of publication, they were required to deposit a copy of the work with the Secretary of State. If they desired a second term of protection, they were required to record and publish a second time within the six-month period leading up to the expiration of the initial term. In 1870, the charge of processing registrations and deposits shifted from the clerk’s offices to the Library of Congress. See Act of July 8, 1870, ch. 230, §§ 85, 109–10, 16 Stat. 198, 212, 215 (1870). While the United States declined to join Berne in 1886, the International Copyright Act of 1891 was enacted to extend copyright protection to some foreign copyright holders. International Copyright Act of 1891, ch. 565, §13, 26 Stat. 1110 (1891); *see also* BRIGGS, *supra*, note 3.

37 Act of Apr. 29, 1802, ch. 36, 2 Stat. 171 (1802). This required that a notice feature on the title page or post-title page of every copy of a protected work including the date of deposit with the clerk’s office, the name of the copyright claimant, and the claimant’s state of residence.

38 Copyright Act of 1909, §12.

39 *Id.* §§12–13

40 For qualifying works, all that was required was (1) the © symbol and (2) the initials, monogram, mark, or symbol of the copyright proprietor (provided that his name appears somewhere on the work). For works generally, the word “Copyright” or “Copr.” was required, accompanied by the name of the proprietor and the year in which the copyright was secured by publication. *Id.* §18

41 *Id.* §20

42 *Id.*

against any subsequent good faith purchaser for value.⁴³ Finally, in a subtle but important shift, the 1909 Act established that copyright protection attached upon publication with notice, with an opportunity for registration following thereafter.⁴⁴ This is different from the system's previous doctrine, whereby copyright rights did not vest until registration.⁴⁵ Failure to register would prevent a copyright holder from bringing suit, and penalties would be incurred for failure to deposit, but the rights would have come into existence upon publication with notice. The focus of the formalities scheme thus shifted from rights to remedies.

The 1976 Act changed the system in a number of ways. It established that copyright protection subsists in all “original works of authorship fixed in any tangible medium of expression,” removing publication with notice as a precondition to protection.⁴⁶ The 1976 Act modified the 1909 Act's consequences for omitting notice,⁴⁷ maintained registration as a precondition to filing suit and eligibility for statutory damages,⁴⁸ maintained recordation of transfer as a precondition to filing suit for transferees,⁴⁹ and retained the penalty of a fee for failure to deposit.⁵⁰ However, the act eliminated the need to register and renew the copyright in any works created on or after its effective date (1 January 1978).⁵¹

2. Formalities after the U.S. Accession

The United States joined the Berne family in 1989, 103 years after the adoption of the initial text of the Convention.⁵² The Berne Convention Implementation Act of 1988 (“BCIA”) brought the United States copyright system into conformity with some of Berne's dictates.⁵³ This included the

43 *Id.* §44. Professor Sprigman noted that this was introduced in a supplemental enactment in 1834 “requiring, for the purpose of maintaining an accurate record of copyright ownership, the *recordation* of ‘all deeds or instruments in writing for the transfer or assignment of copyrights.’ Failure to record a transfer within sixty days meant that the transfer would be judged ‘fraudulent and void against any subsequent purchaser or mortgagee for valuable consideration without notice.’” See Sprigman, *supra* note 9, at 493.

44 Act of Mar. 4, 1909, ch. 320, §9, 35 Stat. 1075 (1909)

45 1790 Copyright Act, ch. 15, §3, 1 Stat. 124, 125.

46 Copyright Act of 1976, Pub. L. No. 94-553, §102(a), 90 Stat. 2541 (1976) [hereinafter 1976 Act].

47 1976 Act, § 405. Notice was still mandatory upon publication, but authors were given five years to cure an omission.

48 1976 Act, §§ 411, 412.

49 1976 Act, § 205(d).

50 1976 Act, § 407.

51 *Id.*

52 Under the BCIA. There is a vast amount of commentary on adherence by the United States, including in this volume. See, e.g., Irwin Karp, *Final Report, Berne Article 18 Study on Retroactive United States Copyright Protection For Berne and Other Works*, 20 COLUM.-VLA J.L. & ARTS 157 (1996); William Patry, *The United States and International Copyright Law: From Berne to Eldred*, 40 HOUS. L. REV. 749 (2003); Susan Stanton, *Development of the Berne International Copyright Convention and Implications of United States Adherence*, 13 HOUS. J. INT'L L. 149 (1990); Natalie C. Suhl, *Moral Rights Protection in the United States under the Berne Convention: A Fictional Work?*, 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1203 (2002); Laura E. Steinfeld, *The Berne Convention and Protection of Works of Architecture: Why the United States Should Create a New Subject Matter Category for Works of Architecture Under Section 102(A) of the Copyright Act of 1976*, 24 IND. L. REV. 459 (1991); Ralph Oman, *The United States and the Berne Union: An Extended Courtship*, 3 J.L. & TECH. 71 (1988); Orrin G. Hatch, *Better Late Than Never: Implementation of the 1886 Berne Convention*, 22 CORNELL INT'L L.J. 171 (1989); Dennis S. Karjala, *United States Adherence to the Berne Convention and Copyright Protection of Information-Based Technologies*, 28 JURIMETRICS J. 147 (1988).

53 Not all of its dictates however, as it initially declined to protect existing subject matter. See Daniel Gervais, *Golan v. Holder: A Look at the Constraints Imposed by the Berne Convention*, 64 VAND. L. REV. EN BANC 147 (2011).

elimination of recordation as a prerequisite to the filing of an infringement action.⁵⁴ The notice requirement was modified to be voluntary.⁵⁵ The act also removed registration as a precondition to the filing of a lawsuit for Berne works whose country of origin was not the United States.⁵⁶ This discriminatory treatment of American authors is made possible by the fact that the Convention's prohibition of formalities only applies when a Berne author seeks protection in a nation of the union outside of her work's country of origin.⁵⁷ Therefore, while the United States must recognize copyright protection in foreign works absent compliance with any formalities, it is free to subject domestic authors to formality requirements.

As U.S. law presently stands, registration remains a pre-condition for bringing an infringement action (unless the work is foreign).⁵⁸ It provides constructive notice that a work is under protection⁵⁹ and makes available the recovery of statutory damages and attorney's fees.⁶⁰ A defense of innocent infringement is unavailable if the work bears notice of copyright protection.⁶¹ Recordation of transfers still provides constructive notice but is no longer a prerequisite to an infringement action.⁶² The deposit requirement has been retained. However, failure to comply is penalized only with a fine, not forfeiture of copyright.⁶³

The United States' adherence to Berne marks an apparent acceptance of the principle that copyright should vest upon creation, whence a rule prohibiting mandatory formalities seems eminently logical. Concessions were thus made to bring the U.S. copyright system into minimal compliance with article 5(2) in order to allow U.S. copyright exporters to benefit from better international protection.⁶⁴ Berne accession happened, after all, at the beginning of the GATT Uruguay Round (1986–1994), which would eventually produce the TRIPS Agreement and move

54 17 U.S.C. § 205(d) (2000), as amended by the BCIA, § 5.

55 Where notice is provided, a defense of innocent infringement is unavailable. BCIA, § 7.

56 *Id.*, § 9.

57 MIHÁLY FICSOR, GUIDE TO THE COPYRIGHT AND RELATED RIGHTS TREATIES ADMINISTERED BY WIPO AND GLOSSARY OF COPYRIGHT AND RELATED TERMS (2003) [hereinafter WIPO GUIDE], at ¶¶ BC-5.14-5.15. Article 5(4) of Berne lays out criteria for determining whether or not a work may be considered foreign. A domestic author can opt to have her work be treated as a foreign work simply by first publishing in a different nation of the union. Commonly referred to as the “back door to Berne,” this procedure makes for an attractive workaround if the hassle of domestic formalities requirements outweighs the inconvenience of publishing abroad. Hence, even though the United States is permitted to subject copyright protection for domestic works to formalities pursuant to Article 5, the consequences of doing so would be so undesirable as to render it a nonviable arrangement.

Authors would publish abroad to avoid the formalities requirements. Doing so would force publishing industries abroad. Domestic authors who do subject themselves to the formalities system would envy the special treatment accorded foreign works. *See* LADAS, *supra* note 17, at 275.

58 17 U.S.C. § 411 (2000).

59 17 U.S.C. § 410(c) (2000).

60 17 U.S.C. § 412 (2000).

61 17 U.S.C. § 401(d) (2000).

62 17 U.S.C. § 205(c) (2000).

63 17 U.S.C. § 407(d) (2000).

64 *See* Paul Edward Geller, *International Copyright: An Introduction* § 5[4] [b] [ii] at INT-200 in 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE (Paul Edward Geller & Melville B. Nimmer eds. 2007)).

most intellectual property rules to the trade world, including adjudication of disputes by the World Trade Organization (WTO).⁶⁵ “Where to now?” is the next question on our list.

This Article argues that a renewed discussion on formalities is both timely and necessary, in part because it is important to revisit the normative aspects of the role of formalities. Pre-Berne registration, even if updated or improved, is not the best outcome, however. But before we come to that, let us see what the Berne rules provide.

B. THE BERNE CONVENTION

1. *The prohibition against mandatory formalities*

The Berne Convention was the brainchild of the *Association Littéraire Internationale*, the predecessor of present-day ALAI.⁶⁶ Its president at the time was famous French playwright and polemist Victor Hugo (author of, *inter alia*, *Les Misérables*). Many Berne signatories took a “*droit d’auteur*” (the term “*auteur*” is used in the sense of the actual creator of a work and not, as is the U.S. work-for-hire context, as the owner of the means of production) approach, recognizing the natural and moral rights of authors in their creative works.⁶⁷ Under such a “natural” or “human rights” regime, requiring compliance with a set of state-prescribed formalities as a precondition to the exercise of rights is difficult to justify.⁶⁸

When Berne was first signed in 1886, it introduced the principle that creators need only comply with the formalities of their country of origin.⁶⁹ In 1908, this rule was abandoned in favor of formality-free protection.⁷⁰ It has survived until now.⁷¹ The relevant part reads as follows:

Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention.⁷²

The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise are independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent

65 See DANIEL GERVAIS, *THE TRIPS AGREEMENT; DRAFTING HISTORY AND ANALYSIS* 11–31 (4th ed. 2012)

66 See WIPO GUIDE, *supra* note 57, at ¶ 9–10 (“The preparatory work necessary for the establishment of a convention to satisfy these requirements was started and brought very close to conclusion by [ALAI]. It was at the request of ALAI that the Swiss Confederation convened three subsequent Diplomatic Conferences in Berne in 1884, 1885 and 1886.”)

67 See GINSBURG, *supra* note 23.

68 See GINSBURG, *supra* note 23; Stef van Gompel, *Formalities in the digital era: an obstacle or opportunity?*, in *GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE*, (L. Bently, U. Suthersanen & P. Torremans eds., 2010).

69 Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 828 U.N.T.S. 221, art. 2(2).

70 *Id.* art. 4(2).

71 Paris Act Relating to the Berne Convention for the Protection of Literary and Artistic Works, July 24, 1971, 1161 U.N.T.S. 18388, art. 5(2) [hereinafter Berne Convention (1971)].

72 *Id.*, art. 5(1).

of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.⁷³

The expression “these rights” in Art. 5(2) refers to the “the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention.”⁷⁴ The Convention thus imposes (a) an obligation to grant national treatment—that is, to treat foreign right holders no less favorably than nationals—and (b) an obligation to provide the “rights specially granted by the Convention.”⁷⁵ The formalities prohibited under Article 5(2) are thus those that are (a) imposed by law and (b) copyright-specific.⁷⁶ Examples of such are registration with a governmental authority and any other state-prescribed, copyright-specific requirement that an author must comply with in order to bring a suit for copyright infringement, such as deposit of a copy of the work.⁷⁷

As used in the Convention, “enjoyment” refers to the existence and scope of the right while “exercise” refers to enforcement.⁷⁸ Article 5(2) does not prevent authors from having to comply with ordinary (non-copyright-specific) formalities such as a court’s rules of procedure or evidence.⁷⁹ In sum, as explained in the latest commentary on the Convention published by the World Intellectual Property Organization (“WIPO”):

Formalities are any conditions or measures—independent from those that relate to the creation of the work (such as the substantive condition that a production must be original in order to qualify as a protected work) or the fixation thereof (where it is a condition under national law)—without the fulfillment of which the work is not protected or loses protection. Registration, deposit of the original or a copy, and the indication of a notice are the most typical examples.⁸⁰

2. Recordation requirements

The elimination of compulsory recordation of transfers was effected as part of the Berne Convention Implementation Act.⁸¹ Does Berne prohibit this formality? Only if it is a barrier to an author’s enjoyment or exercise of her rights. If it is merely a condition for a third party’s assumption

⁷³ *Id.* art. 5(2).

⁷⁴ See WIPO GUIDE, *supra* note 57 at ¶ BC-5.6

⁷⁵ See *id.* ¶¶ BC-5.1 and BC-5.2.

⁷⁶ See SAM RICKETSON & JANE C. GINSBURG, I INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS: THE BERNE CONVENTION AND BEYOND 325–26 (2d ed. 2006)

⁷⁷ Formal requirements existing at the time essentially involved registration, deposit (in national libraries), and, in rare cases, translation in a national language within a predetermined period of time. *See id.*

⁷⁸ See WIPO GUIDE, *supra* note 57, at ¶ BC-5.8.

⁷⁹ After a detailed analysis, Professors Ricketson and Ginsburg conclude that the prohibition contained in Article 5(2) applies, with respect to the existence of copyright, to “everything which must be complied with in order to ensure that the rights of the author with regard to his work may come into existence,” including a registration requirement. They note that the addition of “exercise” to the prohibition was meant to address the other half of the problem: “An author may be vested with copyright, but unable to enforce her rights unless she complies with a variety of prerequisites to suit. *See* RICKETSON & GINSBURG, *supra* note 76, at 325 (quoting in part German delegate Meyer).”

⁸⁰ WIPO GUIDE, *supra* note 57, at ¶ BC-5.7; *see also* WIPO, INTELLECTUAL PROPERTY HANDBOOK: POLICY, LAW AND USE 262 (2d ed. 2004) (“[P]rotection is granted automatically and is not subject to the formality of registration, deposit or the like.”).

⁸¹ *See supra* note 34.

of those rights, that is, a condition to become what the Convention refers to as a successor in title, then it can be analogized to another (Berne-permissible) condition, namely that a transfer be in writing.⁸² As Professor Nimmer noted:

[N]othing in the Convention expressly forbids national legislation from requiring that agreements to transfer copyright or rights thereunder must be in writing. . . . It would seem to be arguable that it is no more a “formality” to require recordation than it is to require writing.⁸³

Normatively, as it may be presumed that the purchasers and licensees of creative works attribute a material value on being able to exploit the works exclusively, requiring that commercial intermediaries comply with formalities may be properly considered a cost of doing business. For users, we suspect that the works for which rights holder identification will matter most—and which may present the greatest obstacle for rights clearance purposes—are those that are most likely to have exchanged hands at some point, likely passing from creator to publisher. By focusing the efforts of rights holders and the Copyright Office on recordation, attention and resources will be concentrated on dealing with works of actual consequence: those active in the marketplace and most likely to generate a lawsuit if unlawfully used.

If it is easy for prospective creators (both license-seekers and fair users) to identify and contact the person or entity whose permission is required in order to make use of a work, this may significantly reduce transaction costs,⁸⁴ and may provide conscientious fair users a well-deserved argument in their defense if they earnestly go about seeking a copyright holder’s permission unavailingly.

Beyond Article 5(2) of the Berne Convention, two other provisions in international instruments are directly relevant. First, Article 15(1) of Berne provides in part that:

In order that the author of a literary or artistic work . . . shall . . . be regarded as such, and consequently be entitled to institute infringement proceedings . . . , it shall be sufficient for his name to appear on the work in the usual manner.⁸⁵

This does *not* mean that a negative inference can necessarily be made when the name does not appear.⁸⁶ In addition, there are some works and some contexts when the author’s name would simply not appear “in the usual manner” as this term is used in the Convention.⁸⁷ However, Article 15 does imply that it is acceptable and perhaps desirable (under the Convention) to consider the author differently than subsequent transferees of her rights.

Then Article 44.1 of the TRIPS Agreement provides that:

82 Under 17 U.S.C. § 204(a); Berne Convention, art. 2(6).

83 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* 101 (Matthew Bender rev. ed. 2012).

84 See Sprigman, *supra* note 9, at 497.

85 Berne Convention, art. 15(1).

86 See WIPO GUIDE, *supra* note 57, at 92 (“[i]f only those creators were recognized as authors whose names appear on a copy of the works—it would be a formality as a condition of copyright protection, the application of which is forbidden under Article 5(2) of the Convention”).

87 See *infra* note 90 and accompanying text.

[J]udicial authorities shall have the authority to order a party to desist from an infringement Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.⁸⁸

While this requires an injunctive remedy to be *available* in all cases (in the sense that the court must have the authority to impose it), it does not disallow the application of equitable considerations in particular cases. Injunctive relief could be limited as a matter of equity in cases where a rights holder has failed to communicate to the public that her work is protected when circumstances do not adequately explain or excuse the omission. We refer to this below as “diligent recordation.”⁸⁹ Whether an author has decided to put her name on a work (in the usual manner) is another relevant element of context.

The Convention offers guidance in Article 15 on the notion of “usual manner.” First, commercial films are exploited not by the authors in a *droit d’auteur* sense (creators, including the screenwriter and director) but by what the Convention refers to as the “maker.”⁹⁰ Under Article 15(2), the maker/producer of a movie benefits from the same rights as an initial author.⁹¹ Then, with respect to (rare) anonymous and pseudonymous works, the publisher (if any) whose name is on the work benefits from the same initial set of rights.⁹²

We now consider the arguments supporting a return to formalities, explaining where we disagree and why. In Part IV, we will explain what we see as a better outcome.

III. SITUATING THE NORMATIVE BASIS FOR COPYRIGHT FORMALITIES

A. CRITIQUES OF THE CURRENT SYSTEM

A number of prominent copyright scholars have identified undesirable consequences attending the prohibition of formalities.⁹³ One of the most common critiques is that it leaves insufficient publicly available information about the ownership and protection status of works, making rights clearance much more difficult, at least for nonprofessional users.⁹⁴ A more substantive critique is that formality-free copyright subjects all works to protection, not simply those that the Creative

88 TRIPS, art. 44(1).

89 See *infra* the text accompanying note 196.

90 Berne Conv., art. 15(1).

91 *Id.*, art. 15(2).

92 *Id.* This would presumably have little impact on major publishers who already register.

93 LAWRENCE LESSIG, REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY 260–65 (2008) [hereinafter LESSIG, REMIX]; LAWRENCE LESSIG, FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY 287–90 (2004) [hereinafter LESSIG, FREE CULTURE]; LAWRENCE LESSIG, THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD 251–52 (2001); see also Landes & Posner, *supra* note 35; Sprigman, *supra* note 9; Cecil C. Kuhne, III, *The Steadily Shrinking Public Domain: Inefficiencies of Existing Copyright Law in the Modern Technology Age*, 50 LOY. L. REV. 549 (2004); James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167 (2005); Pamela Samuelson, *Preliminary Thoughts on Copyright Reform*, 2007 UTAH L. REV. 551 (2007); Pamela Samuelson et al., *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175 (2010).

94 See LESSIG, FREE CULTURE, *supra* note 93, at 249.

Clause seeks to encourage, creating a situation where routine activity may lead to the creation of copyrighted works (e.g., common business email) and to copyright infringement (copying of that email), and where copyright may even be exploited as a tool of censorship (e.g., by enjoining the posting of the email).⁹⁵ The critique often focuses on the interests of users but also mentions authors. Because they must opt out of their exclusive rights rather than opt in, many third-party uses that an author would be happy to authorize are prevented under the current regime.⁹⁶ In some cases, these issues may also constrain freedom of speech and the ability to create.⁹⁷

Essentially, formalities were a filter, and that filter is gone. Compliance had a cost (in time and fees) and an author or other right holder would often comply if such costs were perceived to be lower than expected benefits. The current incentives for compliance, namely the availability of additional remedies, may not be strong enough for “rights holders who do not expect their works to produce significant revenue. For these rights holders, any disadvantage that noncompliance may create in infringement litigation is irrelevant.”⁹⁸

B. PROPOSALS TO MODIFY CURRENT REGISTRATION SYSTEM

A number of scholars have suggested modifications to the existing registration system. The scope of the proposed reforms and their implementation methods vary significantly.

At one end of the spectrum is the proposal by Professor William Landes and Judge Richard Posner to switch to a system of indefinite copyright but with a continuous renewal requirement and a notice requirement.⁹⁹ Under the proposed system, copyright protection would not commence until publication or registration.¹⁰⁰ Thereafter, the copyright holder would be required to reregister the work once every 10 to 25 years, and would be required to notify the registry in the event the copyright was transferred.¹⁰¹ There would be no limit to the number of times a work could be reregistered, thereby allowing for indefinitely renewable copyright.¹⁰²

Landes and Posner’s proposal facially violates Berne by requiring the formality of renewal and possibly violates the Creative Clause’s “Limited Times” requirement by allowing for indefinite renewals.¹⁰³ Be that as it may, the proposal is a good basis for a normative discussion on the role of formalities constitutive of copyright and linked to the term of protection. It might justify

95 See Gibson *supra* note 93, at 214–15.

96 That is, use of copyrighted work of any category is unlawful unless authorized by the copyright holder or by law. See *id.* at 215–16.

97 See Sprigman *supra* note 9, at 524–528. See generally NEIL WEINSTOCK NETANEL, COPYRIGHT’S PARADOX (2010).

98 Sprigman, *id.* at 495.

99 Landes & Posner, *supra* note 35.

100 *Id.* at 478.

101 *Id.* at 477.

102 *Id.*

103 Berne Conv., art. 5; Landes & Posner, *supra* note 35, at 473 (“we are interested in the economics of indefinitely renewing the copyright term and express no view on its legality”).

conditioning the Berne-Plus term of protection (currently the last twenty years of the "life+70" term) on mandatory registration.¹⁰⁴

Just shy of this end of the spectrum is the proposal by Cecil C. Kuhne III, which seems more in line with the Creative Clause, but perhaps less so with the Berne Convention. Kuhne proposes the reintroduction of mandatory registration and renewal requirements, but advocates limiting the term of total copyright protection to 100 years.¹⁰⁵ Though constitutionally sound, this proposal violates Berne's prohibition of formalities and its provision that copyright duration be tied to the life of the author.¹⁰⁶

Next along the spectrum is the major proposal of Professor Sprigman, joined by Professor Gibson. They envision a formalities scheme that would return our copyright jurisprudence to its incentive-based system roots. Though they acknowledge that Berne presents an obstacle to such a reformalization, they believe that it may be overcome mostly by recognizing the existence of copyright rights without formalities, but conditioning remedies (including injunctions) on registration.¹⁰⁷ Because there is no purpose in offering copyright claimants anything more than the opportunity to capture the commercial value of their works, protection should endure only so long as required to fulfill this aim, and it should extend only to works intended for commercial publication.¹⁰⁸

Professor Sprigman first proposes that the prohibition of formalities should be removed from Berne and replaced with a reciprocity principle as existed in the 1886 draft. Alternatively, Sprigman suggests that new-style formalities may be reconciled with a favorable reading of Berne Article 5(2), or permitted as an exception under a favorable application of the Article 9(2) "three-step test."¹⁰⁹ Specifically, he argues that a rights holder's "enjoyment and exercise" of the rights protected under Berne would be preserved even if the rights holder's property interest were converted to a liability interest upon failure to comply with formalities. Under this system, instead of having authority to enjoin infringing activity, the rights holder would be entitled only to a default license amount approximating the amount that the rights holder would have had to pay to comply with formalities.¹¹⁰ The justification for this proposal is that a rights holder who fails to comply with

104 Under 17 U.S.C. §302(a), duration of copyright under U.S. copyright law is life plus 70 years. For anonymous works, pseudonymous works, and works made for hire, the term is 95 years from the year of its first publication, or 120 years from the year of its creation, whichever expires first. 17 U.S.C. §302(c) (2006).

105 Kuhne suggests that "[c]opyright extensions should only apply to commercially viable works," advancing the assumption that the authors' of works that are no longer commercially valuable would elect not to renew, thus allowing their works to enter the public domain. *See* Kuhne, *supra* note 93, at 562.

106 Berne Conv., arts. 5 and 7(1).

107 Sprigman, *supra* note 9, at 561–62; Gibson, *supra* note 93, at 211.

108 Gibson proposes that federal copyright should be entirely divorced from the protection of private, unpublished works. The logic is that because such works are not intended for publication, they do not fit within the design of promoting the progress of science, and should therefore only be protected under privacy law. Gibson, *supra* note 93, at 217.

109 Sprigman, *supra* note 9, at 568.

110 "The royalty payable under the default license would be low. Ideally, the royalty to license a work that a rights holder has failed to register, notice, reregister in the case of a transfer (i.e., record), or renew should be set to approximate the cost of complying with these formalities (i.e., the total cost of informing oneself about the details of compliance and then satisfying them). That way a rights holder who expects his work to produce revenue exceeding the cost of

formalities “places a minimal value on the right, a value no greater than the cost of compliance.”¹¹¹ Professor Sprigman would further require copyright holders to re-file for a second term of protection. Like Kuhne, and Landes and Posner, Professor Sprigman expects that many registered works (those with exhausted or never-realized commercial value) would enter the public domain after their first term, producing a benefit to society by freeing up the works for others’ use.¹¹² He would also require notice and the recordation of transfers.¹¹³ Under a default license system, creators would lose the authority to control their works if they failed to comply with formalities.¹¹⁴

Professor Gibson has generally agreed with Sprigman about the desirability of returning to formalities and the form those formalities should take.¹¹⁵ Significantly, Gibson takes issue with the fact that rights holders must presently opt out of the copyright system if they desire to let others freely exploit their works.¹¹⁶ He suggests that this presents an obstacle to “digital democratization,” and that, given the ease of compliance with formalities in the digital age, there is no justification for not putting the onus of opting in to copyright protection on those seeking protection.¹¹⁷

Whereas Professor Sprigman specifically wants to use formalities to filter out works that are not the aim of our incentive-based model, Professor Lawrence Lessig suggests that “formalities today need not be a burden.”¹¹⁸ He wants to realize the benefits of a registry that would encourage willing creators to dedicate their works to the public domain before the copyright in those works has expired. An easy “opt out” would prevent works from being protected against use despite authors’ willingness to authorize their use.¹¹⁹ Lessig proposes the reintroduction of notice, registration, and renewal, but advocates that registration be managed by private services in the way that domain name registries presently operate, expecting that this would lower the cost and complexity of compliance.¹²⁰ Furthermore, he proposes that the notice requirement be sensibly applied: instead of losing copyright for failure to provide notice, one would simply lose the right to prevent others’ use of the work until demonstrating ownership of the work and notifying the infringer that permission is not granted. Upon notification, the infringer would be obligated not to make any new uses of the

complying with the relevant formality will prefer to comply with the formality, whereas a rights holder who expects his work to produce revenue amounting to less than the cost of compliance will prefer to expose his work to the default license.” *Id.* at 555.

111 *Id.* at 556

112 *Id.* at 555

113 *Id.* at 564.

114 “Penalty defaults are purposefully designed to impose what the parties would not want” *Id.* at 556.

115 Gibson, *supra* note 93, at 211, 223–229.

116 *Id.* at 215–16.

117 *Id.* at 229.

118 LESSIG, FREE CULTURE, *supra* note 93, at 288.

119 This is arguably what Creative Commons allows. Naturally one is free to declare publicly that one will not exercise rights, or simply not to enforce them, to maximize use and access. The point is that many creators do not wish to control uses but want to find a way to get paid for at least commercially relevant uses of their work. *See, e.g.*, <http://musiccreatorsalliance.com> (last accessed April 24, 2013).

120 LESSIG, FREE CULTURE, *supra* note 93, at 289. In his subsequent book, *Remix*, Lessig advocates giving copyright owners fourteen years before being required to register their works to retain rights. Failure to do so would result in others being able to use the work “either freely or with a minimal royalty payment.” LESSIG, REMIX, *supra* note 93, at 264.

work, but would not incur a penalty for existing uses.¹²¹ Though moving registration from the public to the private sector would not necessarily circumvent a conflict with Berne, a relaxed notice requirement might conceivably be reconciled with Berne if it can be characterized as something other than a formality. This possibility is discussed in detail in Part IV.

Professor Pamela Samuelson, writing on behalf of the Copyright Principles Project (“CPP”), presents a proposal to reintroduce formalities intended to comply with the dictates of Berne and TRIPS.¹²² The CPP proposes that copyright registration could be made a more attractive option “by restricting the availability of certain rights and remedies depending on the rights holders’ registration of the work with a registry service.”¹²³ Advances in information technology make complying with a registration requirement substantially easier than it had been before the Internet. A registry system akin to the domain name registration system could be implemented for copyright.¹²⁴ By aiming only to reduce the consequences of infringement for unregistered works, and not conditioning copyright protection on registration, this proposal could be reconciled with Berne, provided that the creators of unregistered works are not deprived of the “enjoyment and exercise” of their rights. Provisions allowing some redress for the infringement of unregistered works under qualifying circumstances may satisfy this standard.¹²⁵

The CPP additionally proposes that:

Owners of rights should also be obliged to inform the registry about updated information, such as assignments of copyright or the death of the author and the identity of the author’s successor in interest, so that the registry has current information. Failure to provide this sort of updated information could result in a loss of registration benefits.¹²⁶

We agree. Another of the CPP’s proposals with which we agree with is that “Congress should limit remedies as to those who reuse in-copyright works whose rights holders cannot be found after a reasonably diligent search.”¹²⁷ We explore both of these points in greater detail in Part IV.

121 LESSIG, *FREE CULTURE*, *Id.* at 290–91.

122 A coauthor of this Article, Daniel Gervais, was a member of that Principles Project. *See also* Daniel Gervais, *Fair Use, Fair Dealing, Fair Principles: Efforts to Conceptualize Exceptions and Limitations to Copyright*, 57:3 J. COPYRIGHT. SOC’Y OF THE USA 499–520 (2010).

123 Pamela Samuelson, *Directions for Reform*, *supra* note 93, at 1199.

124 *See id.*

125 “Unregistered works would still be protected by copyright law against exact or near-exact copying that would cause commercial harm, but fair use might well be broader for such works. Moreover, certain remedies, such as statutory damages and attorney fees, would not be available if unregistered works were infringed.” *Id.* at 1200. Case-by-case flexibility (on the scope of fair use or equitable remedies) would have to reflect the fact that failure to register is not *per se* a reason to deny rights or remedies, though limits on remedies not required by Berne or TRIPS are permissible. Conditioning termination of transfer rights on registration would not be found to violate Berne because it concerns ownership, not rights granted. *See id.*

126 *Id.* at 1200.

127 *Id.* at 1234.

C. DISCUSSION

1. *International Context*

Supporting some of the calls for a return to formalities is the view that the Creative Clause only contemplates protecting works intended for commercial publication and that the only incentive contemplated by the Creative Clause is the opportunity for a creator to capture the commercial value of his work.¹²⁸ As Gibson puts it, the right to enjoin the infringing copying of a work is warranted only under the presumption that the creator will otherwise make the work commercially available, because the public will not be deprived the opportunity to purchase the work for fair value.¹²⁹ This seems firmly at odds with a natural rights approach to copyright protection, which stands for granting creators rights in their creations, whether their design is to share their creation with the world or hide it from everyone.¹³⁰ Though recognition of natural and moral rights is not an inherent feature of our copyright system, it is rooted in Berne’s guiding philosophy.¹³¹

However, recognizing natural and moral rights to some degree is not irreconcilable with our incentive-based system.¹³² Those rights represent the desires and expectations of many creators.¹³³ Realizing those expectations as a reward for creation can merge with an incentive-based system. The real question is how, and to what extent, those rights should be balanced with the rights and interests of users. For example, the power to exclude serves motivations that the opportunity to capture profit cannot. If a creator is inspired by emotion or beliefs, she may have no interest in realizing a profit from her work, yet she may have a grave interest in seeing that the work not be commercially exploited or that it be properly attributed. To suggest that the creation of such works does less to further the “progress of science” than commercially inspired works is to interpret the

128 See Sprigman, *supra* note 9, at 514 (there are no countervailing personal benefits of protection where a work has no commercial value); see also Gibson *supra* note 85, at 217; Kuhne *supra* note 85, at 562. Arguable, the 1976 Act’s protection of unpublished works points towards something broader than protection of commercially valuable works.

129 “Copyright law . . . operates under the assumption that the author wishes to disseminate his or her work to the public for a fee, and that the only thing standing in the way is the threat of unauthorized (i.e., uncompensated) copying.” Gibson, *supra* note 93, at 218.

130 A natural rights approach accords authors rights irrespective of their intent to serve the progress of science. However, it is important to note that even *droit d’auteur* systems have embraced, since France’s 1791 decree onward, a recognition of the public interest in having works enter the public domain. Even Victor Hugo, the president of ALI (see *supra* note 66 and accompanying text), oft recognized as champions of the natural rights philosophy, had expressed the view that works must ultimately be given to the public. During his keynote address to the Congress at which ALI was created, Hugo noted that while a book belongs to its author, ideas expressed in the book belong to humankind. He added that literary property should be “founded” (established) in parallel to the public domain. Victor Hugo, *Discours d’ouverture du Congrès littéraire international de 1878* (1878). Quoted in translation in Daniel Gervais, *The 1909 Copyright Act in International Context*, 26 SANTA CLARA COMPUTER & HIGH TECH L. J. 185, 188–189 (2010).

131 WIPO GUIDE, ¶5.5. On the incorporation of Berne’s negotiating history into TRIPS, see GERVAIS, *supra* note 65, at 288.

132 See Ginsburg, *supra* note 23, at 995. (“[W]hile the law of U.S. letters predominantly reflects and implements utilitarian policies, U.S. law was not impervious to authors’ claims of personal right. Indeed, some of the earliest U.S. state copyright laws set forth author-oriented rationales...”); and Jeanne C. Fromer, *Expressive Incentives in Intellectual Property*, 98:8 VA. L. REV. 1745, 1823 (2012) (“[W]hat most scholars have seen as a conflict between theories of utilitarianism and moral rights in intellectual property can in fact frequently come together in a useful harmony”).

133 *Id.*

Creativity Clause narrowly.¹³⁴ The desirability of harmonizing our copyright system with Berne is an invitation to interpret that clause more broadly. Indeed, we proceed under the view not only that Berne (and TRIPS) compliance is desirable as a matter of international law, but also that we can draw valid normative lessons from Berne as well.

On the issue of comity, it is important to keep in mind that the United States challenged China's copyright laws' compliance with Berne in a proceeding before the WTO and prevailed on its claim relating to the imposition of formalities and the vesting of copyright protection.¹³⁵ Having actively policed Berne compliance, the United States risks international scorn for intentionally turning its back on Berne's dictates.

Of course, one could take a hard *realpolitik* view of the matter, arguing that these international compacts lack teeth and that there would be minimal repercussions for violating them. To evidence this, the United States lost a copyright-related case in 2000 at the WTO on its exception allowing bars, hotels, and restaurants to use nondramatic (i.e., other than opera and similar works) prerecorded music without payment, part of the Fairness in Music Licensing Act.¹³⁶ The United States ignored the ruling, as it did with the ruling on the compatibility of the Cuban trademark regime a year later.¹³⁷ More than ten years on, there is little indication that any of those panel report recommendations will be ever be implemented.¹³⁸ Accordingly, if non-Berne-compliant formalities were reintroduced, the United States would lose before the WTO but could then ignore the findings. This might prompt a call for trade cross-retaliation, as in the EU-Ecuador and recent online gambling cases.¹³⁹ But would a trading partner, even one as large as the EU, be able to show actual trade losses high enough to justify harsh sanctions? Given that most large EU commercial entities can and probably do register, the answer is likely no. To those who might explicitly or *sotto voce* say

134 It has been argued that "progress" in the Creativity Clause, means only "the spread of," which would not place any qualifications on the value, import, or novelty of the "science" being "progressed." See Malla Pollack, *What is Congress Supposed to Promote?: Defining "Progress" in Article I, Section 8, Clause 8 of the United States Constitution, or Introducing the Progress Clause*, 80 NEB. L. REV. 754, 778 (2001). The Supreme Court has indicated that the promotion of science is served by getting works and inventions into the public domain. See Kuhne *supra* note 85, at 561–562. The traditional rationale has been that the incentive-based system serves to encourage those works' creation, so that they may eventually enter the public domain. *Id.* However, the Court has recently given deference to Congress on how to best pursue the Creative Clause's objectives, and Congress has overtly focused on bolstering the incentives for creation to the detriment of the public domain. See *Eldred v. Ashcroft*, 537 U.S. 186, 212 (2003) (extending the copyright term for all works by twenty years both for new and existing work).

135 See Daniel Gervais, *China-Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, 103: 3 AM. J. INT'L L. 549, 550 (2009).

136 See Helen A. Christakos, *WTO Panel Report On Section 110(5) Of The U.S. Copyright Act* 17 BERKELEY TECH. L.J. 595 (2002).

137 See Ashley C. Adams, *Section 211 Of The Omnibus Appropriations Act: The Threat To International Protection Of U.S. Trademarks*, 28 N.C. J. INT'L L. & COM. REG. 221 (2002).

138 In the minutes of the meeting of the WTO Dispute-Settlement Body held on July 23, 2012, more than 12 years after the report finding the measure inconsistent with TRIPS, the United States declared that the "US Administration would continue to confer with the European Union, and to work closely with the US Congress, in order to reach a mutually satisfactory resolution of this matter." WTO document WT/DSB/M/320 of Sept. 28, 2012, ¶ 26.

139 For a detailed discussion of Ecuador's use of cross retaliation against the European Union following its victory against the Union before a World Trade Organization dispute resolution panel, see James M. Smith, *Compliance Bargaining in the WTO: Ecuador and the Bananas Dispute* Negotiating Trade: Developing Countries in the WTO and NAFTA, 257 (2006).

the United States should ignore Berne, our counterarguments are admittedly not in the realm of *realpolitik*.¹⁴⁰ Our counterarguments are grounded in the desirability of compliance with international treaties ratified by the Senate, and they criticize the application of a double-standard whereby the United States demands high IP protection from its trade partners while abrogating undesirable treaty obligations at home.

While we take the view that compliance with Berne and TRIPS is desirable, there are other issues of international relevance that are worth mentioning. First, countries supporting the protection of traditional knowledge are likely to oppose modifying the international scheme to require formalities. Second, even though the Internet allows for easier compliance (automated translation programs may also help a creator deal with administrative formalities in languages other than her own),¹⁴¹ both small and developing countries may have priorities for their use of—often severely limited—resources that do not include copyright formalities administration.¹⁴² Still, reversion to a principle of reciprocity would impose much less of a burden on creators who hail from a no-formality country (i.e., a vast majority of the world) because they would enjoy formality-free protection in the United States.¹⁴³

Finally, regarding the normative lessons to be taken from Berne, we suggest that, instead of resisting Berne to the maximum degree possible, a calibration approach that looks for the positive in Berne (and TRIPS) compliance is better.¹⁴⁴ This requires an explanation about the commerciality of copyrighted works.

2. *Commerciality*

Some of those championing a return to formalities propose that the U.S. copyright system does not aim to protect works not intended for commercial publication and that the right to exclude is only justified under the expectation that the work will be made publicly available.¹⁴⁵ However, the right to exclude motivates more creators in the aggregate in that very few works ever stand to realize a commercial profit, but all may come into existence with promises to the author that their expressions will not be appropriated from them. The lack of protection afforded to unpublished works is a particular concern with any return to formalities. If issues regarding the infringement of

140 See Galia Aharoni, *You Can't Take It With You When You Die . . . Or Can You?: A Comparative Study Of Post-Mortem Moral Rights Statutes From Israel, France, And The United States*, 17 U. BALT. INTELL. PROP. L.J. 103, 129 (2009).

141 Can it be presumed that a creator should be able to register in English? Even if he or she might want to sell into the U.S. market, hundreds of small non English language markets may exist here (not to mention Spanish as a major second language). Then if a work is pirated here (say an unauthorized translation), should the author lose all rights to prevent that translation from being sold in the United States because she did not register her work in the U.S.?

142 See Susy Frankel, *Approaches to Copyright*, in TEST-TUBES FOR GLOBAL INTELLECTUAL PROPERTY ISSUES: SMALL MARKET ECONOMIES (S. Frankel ed., *forthcoming*).

143 See Sprigman, *supra* note 9, at 490 (“[R]elatively small changes to Berne could, if properly implemented, support a system that allows authors (or publishers) to comply with formalities that may be imposed in any Berne nation simply by complying with formalities in their home country.”).

144 For a discussion of calibration (as distinguished from both resistance and mechanical compliance), see Daniel Gervais, *Policy Calibration and Innovation Displacement*, in DEVELOPING COUNTRIES IN THE WTO LEGAL SYSTEM 363, 365–68 (JOEL TRACHTMAN AND CHANTAL THOMAS EDS. 2009).

145 Gibson, *supra* note 93, at 217.

unpublished material were consigned to privacy law,¹⁴⁶ the result could be a dearth of protection that would render creators fearful that anything they create could potentially be exploited by a third party without permission.

It is true of course that, even if a creator is motivated by non-commercial incentives and her interest is only in protecting her right to exclude, she may be willing to participate in a conditional copyright system by registering like everyone else. For creators in that situation, however, the cost of compliance is not an incidental cost of doing business, as she does not stand to recoup these costs upon profiting from the work.¹⁴⁷ Moreover, she may lack the requisite information and resources to afford compliance, even if she places a very high value on having her rights secured.

A precept that critically undermines a narrow reading of the Creativity Clause is that valuable creation is not the exclusive province of creative professionals. Because our system affords unconditional copyright to all fixed works of original expression, the message it sends the public is simply: “Go forth and create. You will have control of your work and will be entitled to realize (at least some of) the value it may have.” This message fosters a culture of respect for all creative endeavors and encourages society to appreciate meritorious creation wherever it may be found.¹⁴⁸ Under a strict formality-based system, the message to the public is qualified, signaling instead: “We desire you to create valuable works. If you manage to do so, and have complied with formalities, you will be entitled to realize the value of the work.”¹⁴⁹ This message serves to encourage those who explicitly intend to create commercially and who have the information and resources to comply with formalities. Such creators play an important role in our creative industries, but they are not uniquely responsible for the “progress of science.”¹⁵⁰

3. *Formalities and Incentives*

The great success of present-day creative culture is that it encourages creation without qualification. Whether a creator is a professional composer or a complete neophyte, if he creates something good, he will benefit from any potential commercial success. Moreover, regardless of whether his aim is commercial, copyright will honor his interests, if any, in exercising partial control over how the work is copied, distributed, sold, displayed, performed, employed in the creation of a derivative work, or even (in some cases) mutilated.

There is indubitable value for a creator attempting to market her work in being able to show that she is the registered creator of the work.¹⁵¹ Likewise, there is value in having information available to the public (whether in the form of a registry, notice, or both) that enables the users of works to seek

146 *See id.*

147 Kuhne explicitly intends that a registration and renewal requirement would prevent the owners of non-commercial works from seeking and preserving protection. Kuhne, *supra* note 93, at 550.

148 Like the music instructor who notices that her four-year-old granddaughter has a prodigious talent and nurtures that talent to great effect. *See* <http://www.youtube.com/watch?v=vUx4t4W4eVY> (last visited April 28, 2013)

149 *See supra* note 128.

150 If “progress” has become understood to have more to do with the creation of works than the dissemination of them, then the creation of even private works should be found to further this aim (keeping in mind that some private works end up as public works; e.g., *The Diary of Anne Frank*).

151 *See, e.g.*, 17 U.S.C. § 410(c) (2000) (A certificate of registration “shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate.”).

the permission of the works' rights holders.¹⁵² However, the formalities of registration, notice, recordation, and renewal fail to offer complete assurance regarding protection and ownership for three reasons. First, registration provides little assurance that a work does not substantially copy or is itself derived from a different work.¹⁵³ Second, the grant of registration does not prohibit a court from invalidating the protection of a work due to the useful articles doctrine¹⁵⁴ or on selection-and-arrangement grounds.¹⁵⁵ Third, knowing the identity of the creator and rights holder does not completely resolve the critical inquiry of ascertaining the date of the creator's death, upon which the duration of copyright is premised.¹⁵⁶

Registration still serves some useful functions in that it signals that a work is being claimed; it helps license-seekers identify and contact rights holders; it provides information from which a work's term of protection can be ascertained in most circumstances; it can be a useful source for national statistics on creativity and culture; and, when requiring deposit, it serves to build a repository of works.¹⁵⁷ However, all of these functions are served without the Copyright Office being required to make a determination as to whether a registered work is truly protectable in every case. This copyrightability determination should be unnecessary.

IV. THE RIGHT WAY FORWARD

The three previous sections demonstrated that clarity and/or uniformity of views on the objectives of a reemphasis on formalities is lacking. There are at least two distinct goals underpinning the various reformalization proposals. The first is to limit copyright to commercial works. The second is to make the system work better, not by putting works in the public domain, but by allowing the licensing market to function more efficiently (including addressing the orphan works problem) and tailoring remedies to reflect the fact that a transfer of copyright by a creator to a commercial entity should impact the infringement analysis. Mandatory registration and the limitation or elimination of exclusive rights upon failure to register a new work would achieve some of that.

This Article acknowledges that if the primary aim of formalities is to limit the number of works under copyright protection, then it may be difficult to reconcile the proposal in Part IV with such an aim. Conversely, if the animus for reform is the desire to ameliorate the difficulties of rights clearance attributable to the prohibition of formalities, this Article's approach is instructive. What should be the consequences of a failure to make that information available, including for works that were available commercially but are no longer exploited, particularly in light of the excessive term of copyright protection? A number of proposals to deal with orphan works, for example, have argued for greater fair use when a license is unavailable, or even a new exception.¹⁷¹ This Article argues that a greater role for appropriate formalities would be transformative in this context.

152 Sprigman, *supra* note 9, at 500; Samuelson, *Preliminary Thoughts on Copyright Reform*, *supra* note 93, at 563.

153 *Three Boys Music Corp. v. Bolton*, 212 F.3d 477 (9th Cir. 2000).

154 *See Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987).

155 *See Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340 (1991).

156 *See supra* note 104.

157 *See* http://www.wipo.int/copyright/en/activities/copyright_registration/index.html (accessed April 24, 2013).

171 Samuelson, *Directions for Reform*, *supra* note 93, at 1200, 1234–35.

The proposal outlined in the next Part reflects a belief that denying or limiting protection from the moment of creation due to an absence of registration is not just a violation of Berne (for foreign works at least), but it is also misguided in part because (a) authors may not want to exploit their works commercially but may want attribution; (b) the opt-out regime for dedicating works to the public domain or allowing noncommercial uses (i.e., via Creative Commons) is not more complicated than registration (and it is available internationally in many languages).¹⁷² The Berne Convention's requirement that authors be granted rights without formalities is consonant with the prescription that the person whose name is indicated on the work be deemed the author.¹⁷³

Let us consider a scenario where a third-party content user is clearly acting exploitatively and wherein the creator of the content is one who would fail to qualify for protection under a system of formalities: Abe is a mostly-insolvent student songwriter, passionate about the plight of Tibetans. Abe writes new songs every week. He records and publishes them on the Internet for the purpose of spreading his message. Abe's hundred and thirty-first song happens to feature a really catchy melody. An advertising executive, Ben, stumbles upon the song on a website that plainly indicates Abe to be the author of the song and lists contact information explaining how one can get in touch with him. Without attempting to contact Abe, Ben captures the song, writes substitute lyrics to accompany it, and publishes the newly created song in a public advertisement for some product.

Under our current system, legal redress would be available. First, Abe would be required to apply to register his work before bringing suit. Depending on the jurisdiction, Abe may be permitted to proceed with a legal action directly after depositing his application for registration (if in a jurisdiction following the "application approach"). Or, if in a "registration approach" jurisdiction, Abe would be required to wait for the copyright office to grant registration before a legal action could proceed, by which time the ad may well have run its course.¹⁷⁴ Once prepared to bring an action, Abe could sue to recover damages and to enjoin Ben from continuing to use the derivative work.¹⁷⁵ However, only actual, not statutory, damages would be recoverable for infringing acts occurring prior to registration.¹⁷⁶ Because the song was published on a website featuring information that Ben could have used to contact Abe and obtain permission, Ben would be ineligible to plead innocent infringement.¹⁷⁷ Furthermore, the measure of actual damages may be considerable depending on what can be proved in terms of the destruction of the value of the songwriter's work caused by the advertisement.¹⁷⁸

172 Creative Commons has affiliates in over 70 jurisdictions worldwide. See http://wiki.creativecommons.org/CC_Affiliate_Network (last visited April 29, 2013).

173 Perhaps ironically, if an author complies with the "formality" of putting her name on a work, then law recognizes her authorship of that work. If "formality" is defined as in art. 5(2) of Berne, this would not be because it is not a condition on the existence or exercise of copyright. See *supra* note 86 and accompanying text.

174 For a detailed discussion on this with persuasive arguments favoring nation-wide adoption of the "application approach," see Matthew J. Astle, *Help! I've Been Infringed and I Can't Sue!: New Approaches to Copyright Registration*, 41 U. MEM. L. REV. 449, 468 (2011).

175 17 U.S.C. §§ 502, 504 (2006).

176 17 U.S.C. § 412.

177 17 U.S.C. § 504(c)(2).

178 17 U.S.C. § 504(b).

Under a reformalized registration-based system, Ben is liable for very little because Abe has failed to register his work, perhaps only for the amount that Abe would have had to pay to comply with formalities.¹⁷⁹ It would be of no consequence that the nature of the work was perverted,¹⁸⁰ that Ben exploited the work in a commercial way,¹⁸¹ or that Ben appropriated the entire musical score of the work.¹⁸²

Here, Ben had actual notice of Abe’s authorship of the song yet did not contact Abe. He appropriated the music to Abe’s work wholesale, failed to give any attribution, recreated the work (fundamentally changing the work’s meaning), and did so in a commercial context. Virtually all of the harms contemplated as infringements to one’s copyright are implicated. To postpone Abe’s eligibility to bring suit or to exclude the possibility of statutory damages is undesirable. If Abe may prove that Ben’s infringement has been very lucrative for Ben, and very damaging to Abe’s work, there is no reason to prohibit the court from awarding Abe a handsome sum. Moreover, immediate injunctive relief should be available to redress Ben’s clear and willful infringement; this is arguably the most critical remedy for preventing irreparable injury to Abe’s work,¹⁸³ and perhaps the most important imposition for deterring exploitations of this nature in the first place.

A. A PURPOSIVE APPROACH

The diminution of mandatory formalities has left holes in our copyright system.¹⁸⁴ The Copyright Principles Project reports that:

A model copyright law or principles project will be faced with other challenges besides what substantive rules to propose and what kinds of institutional and process reforms might help maintain the integrity of the law or principles. One such challenge is to what extent the drafters should feel constrained in their thinking by international treaty obligations. My sense is that international obligations should be considered as a constraint, but not so much of a constraint that the drafters cannot deliberate about what the right rule might be and then consider how the right rule can be reconciled (or not) with international obligations. There may be more flexibility in international norms than some may perceive.¹⁸⁵

Taking the view that international norms are applicable, difficult to modify, and contain valuable normative guidance, this Part seeks to offer realistic proposals for furthering the goals of those seeking the reintroduction of formalities without endangering compliance with Berne.¹⁸⁶

¹⁷⁹ See Sprigman, *supra* note 9, at 555.

¹⁸⁰ 17 U.S.C. § 107(2).

¹⁸¹ 17 U.S.C. § 107(1).

¹⁸² 17 U.S.C. § 107(3).

¹⁸³ See *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1254 (3d Cir. 1983) (“[A] prima facie case of copyright infringement or reasonable likelihood of success on the merits raises a presumption of irreparable harm.”).

¹⁸⁴ Mandatory formalities remain. See 17 U.S.C. § 411 (2000).

¹⁸⁵ Samuelson, *Preliminary Thoughts on Copyright Reform*, *supra* note 93, at 570.

¹⁸⁶ Unanimous consent of all 166 Berne member states is required to amend Berne. Berne Conv. art. 27(3); see *supra* note 28. Unlike the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, this would not be an addition to a Berne that could be done by a protocol or separate instrument, but rather a change to existing norms, hence the unanimity requirement would apply.

While Berne Convention compatibility and benefits to authors are easily perceived (attribution, protection of individual authors, including foreign ones and those less prone to register works unlikely to be commercially exploited), corresponding benefits to users are not always so clear. A real property analogy might help illuminate this Article’s approach. If one were to buy a car, the fact of the car’s existence is not one that most people would doubt if the car was in front of them. A document certifying the car’s existence is therefore of little value to the prospective purchaser. The purchaser would rather receive a document certifying that the seller of the vehicle is indeed the vehicle’s true owner. The current copyright system prods work “manufacturers” to register new vehicles, but recordation of title is almost entirely forgotten because the sanction for failure to register the work (statutory damages, attorneys’ fees) are greater than those for failure to record a transfer.

The argument that a registration system would allow one to search existing works to avoid infringement because registration is constructive notice is only partly convincing.¹⁸⁷ To judge whether a particular chord progression in a song or line in a novel would infringe, or whether a picture resembles a pre-existing one, is almost impossible to do using a copyright metadata database, though the database can point to a source where the work might be locatable.¹⁸⁸ Lest we forget, copyright prevents copying and a plaintiff should have to show that the defendant not only duplicated, but copied. That, in our view, should be more germane (both in the determination of infringement and at the remedial stage) than merely the registration of the title of a work if works themselves are not searchable.¹⁸⁹

B. OUR PROPOSAL

This Article’s proposal contains two principles and seven modalities.

1. Principles

Principle 1 *Authors should not be required to register new works as a pre-condition to copyright protection. A user who wants to use a work in front of her needs no evidence that the work is there, and copyright is, and should be, about copying and other restricted uses (public performance etc.) of a work that a user has*

187 In *Gaiman v. McFarlane*, 360 F.3d 644, 655 (7th Cir. 2004), a case concerning copyright in two fictional characters, the Court of Appeals for the Seventh Circuit noted the following:

We are therefore led to question the suggestion in *Saenger Organization, Inc. v. Nationwide Ins. Licensing Associates, Inc.*, *supra*, 119 F.3d at 66, that registration provides constructive notice of a claim of ownership. [...] For one thing, the court was wrong to say that registration gives constructive notice. What the Act actually says is that recording a document in the Copyright Office gives constructive notice of the facts in the document if the document identifies a registered work (17 U.S.C. § 205(c)).

188 For some categories, like photographs, group (or bulk) registration is unlikely to make search any easier. See U.S. Copyright Office, *Copyright Registration for Works of the Visual Arts*, at 4. Available at <http://www.copyright.gov/circs/circ40.pdf>.

Google Books may be more useful to that end, allowing one to compare text with previously published texts. One could also think of services now omnipresent in U.S. schools and colleges, such as turnitin.com.

189 Although the title of a copyrighted work should be taken into account if the same title is applied to a work copied from it, titles by themselves are not subject to copyright protection.” *Peters v. West*, 766 F. Supp. 2d 742, 748 (N.D. Ill. 2011)

or can access.¹⁹⁰ Those who put their name on a work (or have a valid reason for not doing so, including because it cannot be done “in the usual manner”)¹⁹¹ should have full rights to prevent use of that work absent fair use or another exception.¹⁹²

Principle 2) *Remedies should be tied to a subsequent copyright holder’s recordation of her transfer.* Recordation of transfers is different from work registration.¹⁹³ At least statutory damages and attorneys’ fees could be conditioned on timely recordation. Even the availability of injunctions could be so conditioned, under the public-interest prong of the *eBay* test,¹⁹⁴ on such recordation.¹⁹⁵ To avoid making this a Berne-impermissible requirement, however, the absence of recordation should only be a factor that a Berne successor-in-title should be allowed to explain. Using the language of the diligent search proponents (in the orphan works context), we say *diligent recordation* may be a significant part of the solution.¹⁹⁶

2. Modalities

M1) The system should not apply to works not exploited or not available in the United States, thus eschewing the issue of foreign works and especially those that may be exploited without authorization in the United States by someone other than the author or copyright holder.

M2) The time period for recordation should be regulated. The question of the time period and consequences of a failure to record a transfer are important, but they are not essential to our proposal. Options include making the requirement necessary for the transfer to be valid at all (as with the ‘in writing’ requirement in 17 U.S.C. § 204(a)) or making the recordation only valid *inter partes* until timely recordation.¹⁹⁷ We endorse the latter option. However, *foreign* transferees should have an unlimited period to record transfers, perhaps limited from the time they become aware of unauthorized exploitation of the work in question in the United States.

M3) Transferees should have an obligation—as they do for domain names, for example—to keep their contact information up-to-date.¹⁹⁸ The question of consequences would have to be

190 We will leave aside the anti-circumvention provisions of the DMCA and the practically understandable but normatively misguided divorce of anti-circumvention and infringement of the underlying work. 17 U.S.C. § 1201 (2000).

191 See *supra* notes 85 and 92 and accompanying text.

192 In many cases, a collective licensing regime will be in place to allow use for payment—the practical equivalent of a compulsory license. See Glynn Lunney, *Copyright Collectives and Collecting Societies*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS, 2D ED. (D. Gervais ed.) 339, 344–365 (2010).

193 See *supra* note 82 and accompanying text.

194 A permanent injunction cannot be issued if the public interest would be disserved. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

195 Injunctions should, however, remain “available” in all cases. See *supra* note 88 and accompanying text.

196 On diligent search, see U.S. Copyright Office, *Legal Issues in Mass Digitization: A Preliminary Analysis and Discussion Document* 26 (Oct. 2011), available at http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf.

197 As proposed by Professor Jane Ginsburg in this issue of the *Berkeley Technology Law Journal*—EDITOR TO DO

198 For information about the Whois Data Reminder Policy, which “requires domain name registrants to review the contact information associated with their domain names and make corrections when necessary,” see *WDRP FAQs for Domain Name Registrants*, INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN), <http://www.icann.org/en/resources/registrars/consensus-policies/wdrp/faqs> (last visited June 5, 2013).

examined.¹⁹⁹ At the very least, if a user requested that the Copyright Office send a notice to the last known address (email or otherwise) of a transferee and that transferee fails to respond (at least confirming that she is still at that address), then copyright should not be enforceable beyond minimally required remedies.²⁰⁰

M5) Upon recording the first recorded transfer on a particular work, the transferee would have to provide metadata and—unless the path of invalidity for transfers not recorded in a timely fashion is implemented as a reform—chain of title information (if there had been previous unrecorded transfers).

M6) Provisions for confidentiality of material filed to support transfer (perhaps as with computer software registration now), and/or requiring an affidavit in lieu of confidential documents would likely have to be written into the law.

M7) While, in accordance with principle one, the author as the initial right holder would not have to register or record her interest. If she regained title to her work, then the author would have to record that transfer.²⁰² This would happen if the author bought back her copyright; if the rights reverted to her after the 35-year period provided by statute (which already includes an obligation to notify the Copyright Office);²⁰³ or if, for example, she regained her rights because of an out-of-print clause in a publishing agreement. The logic here accords with our principles and Berne guidance. The presumption that the author whose name appears “on” the work (in the usual manner) is indeed the rights holder is broken by the author when she transfers her rights, so it is not illogical to ask her to comply with formalities.

C. DISCUSSION

1. *How the Proposal Differs from Previous Proposals*

This Article’s proposal meshes well, but is not coextensive with, proposals that would limit protection to commercially exploited works. The major difference is that our proposal does not limit the rights of the original author whose name is “on” the work “in the usual manner,” nor do we want to strip authors of unpublished works of their rights under federal copyright law.²⁰⁴ With that said, few authors commercially exploit themselves and rights to most commercially exploited works are thus often transferred to copyright holders (such as publishers). Those works would be subject to our proposed recordation regime.

199 The question of right of action after the transfer has been executed but not (yet) recorded is similarly interesting. Would the author be estopped from suing an infringer after transferring her copyright? Does the author have a right of action after granting an exclusive license (which in theory transfers any licensing of use by third parties to the licensee)? Should the transferee have a right of action retroactively to the date of execution provided the transfer is recorded in a timely fashion? Guidance from recordation requirements relating to real property and chattel may be instructive.

200 We do not have the space to discuss this issue here. However, Professor Ginsburg provides analysis in her article in this issue of the *Berkeley Technology Law Journal*.

202 We would hope that, like for small entities under the Patent Rules, the Copyright Office fees for recordation in such a case (by the author) would be lower.

203 17 U.S.C. § 203(a)(4) (2006).

204 Compare with the proposals of Sprigman, Gibson, and Kuhne, each championing the imposition of reforms that would condition a creator’s enjoyment of rights granted under the present U.S. copyright system upon compliance with formalities. *See* Sprigman, *supra* note 9, at 555; Gibson, *supra* note 93, at 221; Kuhne, *supra* note 93, at 562.

An orphan works limitation on remedies would also tie in easily. If the right holder had failed to record a transfer, or update contact information, there would be a significant limitation of available remedies.

Finally, if foreign works are to be treated with privilege, calls to “close the backdoor to Berne” will no doubt surface. The backdoor to Berne is usually exploited by first publishing a work in a foreign, Berne-member country, thus making it a non-U.S. work under the U.S. statute. Here, Berne’s Article 5 (providing for how foreign works must be treated) may lose significance if the Convention makes it so that every work must be treated as a foreign work at the election of its author. Though this would not have been the case when Article 5(4) was first drafted, with the advent of the Internet, publication in a foreign nation is so simple and costless that the United States would never be able to effectively subject domestic works to formalities if U.S. authors may avail themselves of the benefits secured to foreign works simply by first publishing their work on a website with a foreign top-level domain.²⁰⁵ A potential solution would be to broaden the definition of “U.S. work” by modifying 17 U.S.C. § 101 to encompass all works created by United States residents and citizens, regardless of where the work is first published. Such a modification would likely derogate from Berne’s Article 5(4).²⁰⁶ However, one could argue that Berne’s prescribed definition of “country of origin” is not a substantive decree and must be curtailed in order to allow Article 5 to operate as intended.²⁰⁷

2. *Other Fixes*

There are a few additional fixes that we believe need attention in parallel to fix the focus on appropriate recordation obligations.

First, a parallel reform of statutory damages may be required. It may not be essential to amend the statute, as a proper application of courts’ discretion may get us there. We would prefer to allow an author (without formality) to claim statutory damages because in many cases actual damages are difficult to establish. However, we would suggest leaving them at the current minimum (\$750 per work) absent exceptional circumstances.²⁰⁸

Second, as Professor Sprigman has observed, we have not conclusively recognized a mechanism under current law to irreversibly dedicate a work to the public domain.²⁰⁹ Such a law may be desirable. However, evidence that a work has been published under a “no-claim” license (using a

205 For copyright purposes, simply distributing “copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease or lending” constitutes publication. 17 U.S.C. § 101.

206 *Compare* Berne Convention art. 5(4) with 17 U.S.C. § 101. Both allow a work to be treated as having the country of origin of the author’s nationality when the work is first published outside the union, but any work first published within the union is to be considered a work of that country where it was first published.

207 *See* WIPO GUIDE, *supra* note 57, at ¶ BC-5.4 (emphasizing the prohibition of formalities as a precept of Berne) and ¶ BC-5.9 (emphasizing that art. 5 does not limit a member State’s ability to subject domestic works to formalities).

208 The minimum is set by 17 U.S.C. § 504(c)(1). Even for works on which transfers were recorded, other than egregious cases of large-scale commercial infringement (the same type of cases that might warrant criminal penalties), we believe that the proper range is attained by multiplying the minimum by relevant factors (willfulness/knowledge of the infringement; repeated infringement; number of infringements per work; commercial nature; possibly the availability of a license) so that the proper range in most cases would oscillate between \$750 and \$3,750 per work.

209 Sprigman, *supra* note 9, at 518.

Creative Commons public domain dedication or like service)²¹⁰, and that the licensee relied on the donation in good faith, should be grounds for a finding of innocent infringement.²¹¹

Third, adding a vast amount of recordation of transfers would tax the resources of the Copyright Office. They use resources *inter alia* to examine the status of works submitted for registration.²¹² There may be a way to put some of those resources to work elsewhere. Naturally, this is assuming that the fees paid for recordation would not cover the additional work, an important administrative matter on which we cannot opine without additional data.

In addition, registration only provides prima facie evidence of copyrightability.²¹³ The Copyright Office's decision to register a work is not dispositive. As discussed above, a court may disagree as to whether the work is actually a useful article, or as to whether the amount of creative input is sufficient to give rise to copyright.²¹⁴ And again, copyright registration does nothing to ensure that the work was not plagiarized, or that it does not substantially copy another existing work.

The evidentiary value of having the Copyright Office certify that a work is eligible for protection is limited. Moreover, if required, a court would be able to make a far more informed determination than the Copyright Office as it would have the opportunity to consider evidence both for and against protection whereas a copyright register would be required to make the determination looking only at the materials in an application.²¹⁵ We should expect this to be likely in areas where colorable arguments exist as to whether a commercially valuable work should qualify for protection, such as when re-casting a work in the public domain²¹⁶ or when a creative work manages to have functional characteristics.²¹⁷ Accordingly, it may be desirable to reduce or even jettison the Copyright Office's role of screening the copyrightability of works. Eliminating this function should dramatically reduce the resources (particularly manpower) expended by the Copyright Office in processing registrations and permit for the costs of registration to be reduced significantly. A meaningful reduction in cost should, in turn, prompt an increase in voluntary registrations.²¹⁸

210 Publishing services can and do take it upon themselves to offer a public dedication option (e.g., the websites SoundCloud and YouTube both permit content uploaders the option of either giving free license to others or of reserving rights in their works).

211 Another worry is the case of fraudulent transfer. If someone purchases or licenses a work from someone representing themselves to be the author, and the purchaser has done a basic check to ensure that there is no one else publicly claiming ownership of the work, the purchaser should be protected from injunction. The fraudulent transferor should be liable to both the purchaser and the true creator, and the true creator should be entitled to proceeds for the continued use of the work.

212 NIMMER & NIMMER, *supra* note 83, at § 7.16[B] [3][b][ii], at 7-171. The Copyright Office reportedly accepts over 99% of applications. *See id.*

213 Unlike the case with patents, trademarks, and real property, we do not need the Copyright Office to determine for the public “what” the work is; insofar as the work is an original work fixed in a tangible medium, the “what” is in almost all cases easily perceived. More importantly perhaps, identifying the work does not resolve important questions as to what others are and are not prohibited from copying.

214 Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc., 499 U.S. 340, 348 (1991).

215 Indeed, even if registration is denied, applicants may contest it. The Copyright Office has a two-stage appeal process for challenging the denial of a registration. *See* <http://www.copyright.gov/reports/annual/2002/registration.html>.

216 *See* L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 491 (2d Cir. 1976).

217 Brandir Int'l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1145 (2d Cir. 1987).

218 WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 235 (2003) (arguing that decreases in copyright registrations may be attributed to increases in registration fees).

V. CONCLUSION

Formalities are in the zeitgeist for a number of reasons. The abundance of tools to capture and process data in myriad forms makes the absence of data harder to understand for many users. Copyright-related formalities—which may have seemed to some like passport applications—could be much easier and efficient, and data could be made more readily available. If big data is the trend, then copyright is still very much “small data.”

International rules that bind the United States, especially the Berne Convention and the TRIPS Agreement, are a necessary part of a complete discussion on formalities. This Article has attempted to demonstrate that the Convention’s no-formality rule, which is mostly derived from a natural rights approach, is not incompatible with United States copyright policy. It provides useful guidance that distinguishes authors from successors in title. While advocating a reduced role for work registration, the Article suggests that a greater role for recordation of transfers (including transfers back to the original author) are Berne-permissible and normatively desirable, provided that rules recognize the needs of foreign right holders and do not amount to the imposition the adoption of similar formalities by other countries.

BERNE'S VANISHING BAN ON FORMALITIES

*Christopher Jon Sprigman**

I. INTRODUCTION

Not too long ago, conventional wisdom in the copyright field condemned copyright formalities as unnecessary and pernicious, and celebrated their removal from American law. Recently, however, an increasingly prominent strand of copyright scholarship has begun to rue the death of mandatory formalities and to note the many possible benefits of re-instituting them.¹ But now that the prospect of “reformatization” has been raised, the opponents of formalities have laid on the table what seems (at least to them) to be a trump card. Whatever the virtues of formalities, opponents claim that they are banned by article 5(2) of the Berne Convention for the Protection of Literary and Artistic Works (“Berne”),² which prohibits signatory states from imposing, for the works of foreign nationals, formalities that affect “the enjoyment and the exercise” of rights in protected works. Furthermore, opponents invoke derivative protection through the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”),³ which adopts the Berne standards and makes them enforceable via the World Trade Organization (“WTO”) dispute resolution process.

Opponents of reformatization readily acknowledge that Berne leaves signatory nations free to impose formalities on their own nationals, so long as they don't tread on the narrow set of substantive minimum rights provided for in Berne. But imposition of the proscribed formalities on the works of foreign nationals is prohibited. Given that national governments tend not to promote the rights of foreigners over their own citizens, the practical effect is to ban formalities across the board.⁴

The view that article 5(2) of Berne creates a complete ban on formalities is deeply and honestly held. It is nonetheless almost wholly irrelevant to the current debate about reformatization. The

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1 LAWRENCE LESSIG, *FREE CULTURE: THE NATURE AND FUTURE OF CREATIVITY* 287–91 (2004); STEF VAN GOMPEL, *FORMALITIES IN COPYRIGHT LAW: AN ANALYSIS OF THEIR HISTORY, RATIONALES, AND POSSIBLE FUTURE* 285–296 (2011); James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167, 169–171, 212–243 (2005); Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485 (2004).

2 Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as revised at Paris on July 24, 1971 and amended in 1979, S. Treaty Doc. No. 99-27 (1986) [hereinafter Berne Convention].

3 Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299 [hereinafter TRIPS].

4 See, e.g., Jane C. Ginsburg, *The U.S. Experience With Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 COLUM. J. L. & ARTS 311, 313–14 (2010).

reason for that is straightforward. Recapturing many of the benefits of formalities does not require, and perhaps is not even best pursued by, re-instituting the sort of formalities that article 5(2) bans—i.e., those that affect “the enjoyment and the exercise” of exclusive rights in copyrighted works.⁵ Rather, the sorts of formalities that occupy the center of the current debate, the so-called “new-style” formalities, are subtler. Unlike traditional formalities, non-compliance with new-style formalities does not prevent copyright from arising, cause existing copyrights to terminate, or make existing copyrights unenforceable in court. Rather, the various varieties of new-style formalities that have been proposed to date would work mostly by contracting the scope of infringement *remedies* available to a rightsholder who has failed to provide the ownership information required to comply with the formality. Traditional formalities work as bludgeons. New-style formalities work as nudges.

This Article will focus on one of the many new-style formalities that has been proposed—one that would condition the availability of preliminary and permanent injunctions, as well as “disgorgement” money remedies (i.e., remedies requiring the defendant not simply to pay the value of a reasonable license, but also to turn over to the plaintiff any profits linked to the infringement), on compliance with a convenient, low-cost registration formality. Under a new-style formality of this type, owners of unregistered works would continue to recover actual damages as measured by the reasonable value of a license, but they would be ineligible to receive either disgorgement or preliminary or permanent injunctive relief.

A formality of this sort would apply a liability rule rather than a property rule to unregistered works—that is, by limiting remedies for unauthorized use to actual damages, and eliminating the prospect both of injunctive relief and the award of the defendant’s profits, the formality would effectively permit use of a work without authorization, in return for a payment that would be measured by the value of a license had one been negotiated *ex ante* the use.

Exposing unregistered works to a liability rule would create significant benefits. Most straightforwardly, such a rule would encourage registration; registration produces information about ownership, which helps to lower the cost of licensing. Additionally, a registration formality of the sort discussed here could also help reduce the problem of orphan works. The growth of the Internet and, more broadly, of digital technologies has opened up new possibilities for public access to and use of creative works that did not exist when Congress was removing formalities from copyright law in the process of gaining U.S. entry to Berne. Before the digital age, the cost of copying and distribution had more effect on the ability of most people to access, use, and transform creative works than did the copyright laws. But now digital distribution is cheap and digital copying is essentially free. Today copyright law has emerged as the principal barrier to both use and creative reuse of a large amount of material that under the pre-Berne formalized U.S. copyright regime would not have been subject to copyright in the first place. The majority of creative works have little or no commercial value, and the value of many initially successful works is quickly exhausted. For works that are not producing revenues, continued copyright protection serves no economic interest of the author. But in a deformalized copyright system, commercially “dead” works that are still subject to copyright are nonetheless locked up. This is especially true if their owners are difficult to find—the so-called “orphan works”. They cannot be used as building blocks for (potentially

⁵ Berne Convention, art. 5(2).

valuable) new works without permission, and the cost of obtaining permission will often prevent use. In such instances copyright is radically unbalanced: its potential benefits are depleted, and it therefore imposes only social costs. Exposing unregistered works to a liability rule would reduce these costs by encouraging re-use, while preserving authors' right to some payment.

The remainder of this Article considers each of the provisions in both Berne and TRIPS that are conceivably relevant to the permissibility of a “no-injunctions” registration formality. As will become apparent, there is no provision in either Berne or TRIPS that bans this type of formality, either explicitly or implicitly.

II. THE BERNE CONVENTION'S SILENCE ON INJUNCTIONS

Berne says nothing directly about injunctions, the measure of damages available in copyright infringement cases, or, indeed, the entire subject of remedies. Nor does it say much by implication. A close reading of the Convention reveals nothing that would ban a no-injunctions formality.

A. ARTICLE 5(2): THE DISTINCTION BETWEEN RIGHT AND REMEDY.

Article 5(2) of the Berne Convention proscribes formalities that affect “the enjoyment and the exercise” of rights in protected works. As stated in article 5(2):

The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.⁶

I previously wrote on the meaning of this provision.⁷ The text distinguishes sharply between “rights” on the one hand and “means of redress” on the other. This is a classic distinction between rights and remedies.⁸ Article 5(2) makes this separation clear by providing that, “apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights shall be governed exclusively by the law of the country where protection is claimed.” The upshot of this separation between rights and means of redress is clear and foundational. The formalities that article 5(2) purports to govern are only those that affect the rights that attend copyright. Article 5(2) does not purport to govern formalities that touch only upon the means of redress—that is, the remedies—that signatories' domestic laws prescribe for copyright infringement. In fact, article 5(2) of the Berne Convention explicitly disclaims any intent to ban formalities that regulate only copyright infringement remedies, at least so long as these remedies-focused formalities do not tread upon specific minimum guarantees found in the treaty. Additionally, article 5(2)'s partition of rights and remedies has a rather obvious import regarding

⁶ *Id.* Berne applies the same principle of redress governed by domestic law to moral rights: “The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.” Berne Convention, art. 6(3).

⁷ Sprigman, *supra* note 1, at 541.

⁸ Article 5(2) also suggests that, apart from the other provisions of Berne, the “extent of protection” (i.e., the scope of copyright rights) is a matter of domestic law. This means that so long as signatories follow the minimum substantive standards set out in Berne, they are free to alter the scope of copyright protection as they see fit.

how the meaning of the Berne Convention should be interpreted. Berne does not purport as a general matter to regulate remedies. Therefore, unless a particular Berne provision explicitly touches the question of infringement remedies, it should not be read to do so. There should be no such thing as an implied regulation of remedies in the Berne Convention.

There is nothing strange about Berne’s separation of right and remedy. Indeed, it reflects a venerable feature of property law: one who holds an “exclusive right” does not necessarily possess a “right to exclude”—especially not an unqualified right to exclude. One may hold a property right, and yet be limited to monetary remedies for trespass on that right, either across the board or in particular cases. We recognize property rights of this sort as being subject to a “liability rule.”⁹ But the limitation of remedies to money damages does not gainsay the existence of an underlying property right. The shorthand is worth repeating: *one who possesses an exclusive right does not necessarily possess a right to exclude*. Trespass on the exclusive right may trigger payment rather than exclusion.

This basic division between right and remedy is reflected with perfect clarity throughout U.S. intellectual property law. As the Supreme Court noted in *eBay Inc. v. MercExchange, L.L.C.*, a copyright owner, like a patent owner, possesses “the right to exclude others from using his property.”¹⁰ But the Court noted, “the creation of a right is distinct from the provision of remedies for violations of that right.”¹¹ Both U.S. patent and copyright law give courts discretion to order injunctions or withhold such relief. For example, the U.S. Copyright Act provides that a court “may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.”¹² The *eBay* Court emphasized its longstanding fidelity to this discretionary standard: “[The] Court has consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed.”¹³

With this in mind, it should now be plain that a formality that limits injunctions to registered works would affect neither the “enjoyment” nor the “exercise” of “these rights” (that is, the exclusive rights granted to the copyright owner). The no-injunction formality would not affect “enjoyment” because non-compliance would not eliminate *substantive rights* in the way that traditional formalities did, or even limit the substantive rights that make up copyright. Limiting the remedy does not limit the right, at least not in instances where access to some substantial remedy, like money damages, remains.

⁹ See Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089, 1092 (1972).

¹⁰ *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 392 (2006) (quoting *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932)) (internal quotation marks omitted).

¹¹ *Id.*

¹² 17 U.S.C. § 502(a) (2012).

¹³ *eBay*, 547 U.S. at 392–93 (citing *New York Times Co. v. Tasini*, 533 U.S. 483, 505 (2001); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994); *Dun v. Lumbermen’s Credit Ass’n*, 209 U.S. 20, 23–24 (1908) (a pre-1909 Copyright Act case noting the “tersely stated . . . opinion of the court of appeals” which held that “the proportion [of copied material] is so insignificant compared with the injury from stopping appellees’ use of their enormous volume of independently acquired information, that an injunction would be unconscionable. In such cases the copyright owner should be remitted to his remedy at law.”).

Nor would such a no-injunction formality affect the “exercise” of the right. Non-compliance would not prevent the institution of a lawsuit, preempt a finding of liability, or affect the standards by which liability would be judged. This is what exercise of the right means. We know this because article 5(2) makes clear that the consequence of a successful exercise of the right (i.e., the remedies flowing from a finding of infringement) are a separate matter controlled by domestic law. Therefore, “exercise” must refer to the process by which a liability finding is made, and not to what follows from such a finding.¹⁴ Giving the concept of “exercise” any broader meaning would directly contravene a structural principle of Berne that is apparent not only in the text of article 5(2), but throughout the document. Namely, the Convention sets forth certain minimum rights that must be respected by signatories, but does not purport to regulate remedies available for infringement of those rights.

In short, the text of the very Berne provision that the opponents of formalities would identify as banning the imposition of a no-injunctions formality actually does the opposite. Article 5(2) permits a no-injunctions formality. As a general matter, formalities that operate by expanding or contracting access to remedies based on compliance with some prerequisite are precisely the type of arrangement that article 5(2) permits. Formalities that affect substantive rights or eligibility to file an infringement lawsuit are banned under article 5(2), but formalities that focus on “means of redress” are permitted.

Some suggest that a no-injunctions formality is nonetheless proscribed by Berne because at the time article 5(2) was drafted at the 1908 Berlin revision conference, the automatic availability of injunctions was taken for granted, and therefore the “exercise” of copyright must include the availability of injunctive relief.¹⁵ The argument, which is originalist in nature, has very little force, as it is undermined by two substantial defects.

First, it flies in the face of the plain language of article 5(2), which states explicitly that signatories retain authority to determine the “means of redress” available in cases of infringement. Injunctive relief is a “means of redress” like any other, and given Berne’s deep structural commitment to leave remedial policy to the domestic law of signatories, it’s not much of an argument to insist that the general availability of injunctions in 1908 means that their availability cannot be limited now. The general availability of injunctions in copyright infringement cases at the turn of the twentieth century does not tell us much about the drafters’ intent. Perhaps the Berne signatories did not consider the possibility that infringement may not result in an injunction, and therefore had no specific intent regarding injunctions one way or the other. Alternatively, they did consider such a possibility, but decided in any event to leave the matter to signatories’ domestic law. Absent some particularly powerful evidence that one particular means of redress (injunctions) was

14 Article 9(1) of the Berne Convention provides that “[a]uthors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.” Some have taken this to make injunctions mandatory, but such a view conflates right with remedy. Berne itself separates right and remedy, as has been noted directly above. Additionally, as has been previously noted in this article, the “exclusive right of authorizing” is not equivalent to a “right to exclude.” Limiting remedies to money damages is perfectly consistent with an author possessing an exclusive right to authorize use of his copyrighted work.

15 See, e.g., Jane C. Ginsburg, *“With Untired Spirits and Formal Constancy”: Berne-Compatibility of Formal Declaratory Measures to Enhance Copyright Title-Searching*, 28 BERKELEY TECH. L.J. ____ (2013).

classed by the Berlin conferees as definitionally, inherently, and forever an element of the exercise of the substantive rights of copyright, there is no reason to override Berne’s fundamental disposition to have signatories’ domestic law control on the question of remedies.

Second, the originalist argument conflicts with subsequent state practice regarding the granting of injunctions. The Supreme Court’s holding in *eBay* highlights the fact that U.S. law does not conform to any reading of Berne (or, for that matter, TRIPS) that holds that injunctions must be available in all cases. Under the Court’s *eBay* rule, the availability of injunctions is conditioned on the plaintiff’s showing that an injunction is necessary, and that money damages will not suffice.¹⁶ Furthermore, it is not just the United States that conditions the availability of injunctions. U.K. courts enforce a standard that is somewhat less demanding of plaintiffs than we have seen in some of the post-*eBay* U.S. cases, but that is nonetheless discretionary. In its recent decision in *Virgin Atlantic v. Premium Aircraft*, a patent case, the Court of Appeal of England and Wales stated that “English law does not take an absolutist view” regarding the availability of permanent injunctive relief, and that “[a]n injunction is always a discretionary remedy.”¹⁷ The *Premium Aircraft* court held that a preliminary injunction would be granted or withheld according to a balancing of the interests on both sides, and a permanent injunction would be denied if enforcement would be “oppressive” (i.e., if it would impose a “grossly disproportionate” hardship on the defendant). This is almost certainly not as searching a standard—at least as far as permanent injunctions are concerned—as seen in *eBay*, but it is, nonetheless, a discretionary standard that conditions the availability of injunctive relief in IP litigation.¹⁸

State practice matters because, under the treaty interpretation provisions of the Vienna Convention, what treaty signatories provide in their domestic law is relevant to the interpretation of ambiguous treaty text.¹⁹ The Berne provisions detailed above are not ambiguous. For the aforementioned reasons, they do not mandate injunctions. But, in response to those who argue that injunctions are mandated in successful copyright infringement actions, state practice in the United States and the United Kingdom suggests, at very least, a maximalist reading of Berne—that is, one holding that the availability of injunctions cannot be conditioned—is untenable. And once injunctions can be conditioned on the sort of showing mandated in *eBay*, the opponents of a no-injunction formality must explain why the availability of injunctive relief cannot be conditioned in some other way; for example, on compliance with a low-cost registration formality.

16 *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388.

17 *Virgin Atlantic v. Premium Aircraft*, [2009] EWCA (Civ) 1513 [23] (Eng.).

18 See also *Banks v. EMI Songs Ltd.* (formerly CBS Songs Ltd.) (No. 2), [1996] E.M.L.R. 452 (EWHC (Ch)) (refusing an injunction where lyrics subject to copyright had been infringed over a period of 11 years, and plaintiff had made clear she was seeking a licensing fee).

19 See Vienna Convention on the Law of Treaties arts. 31–32, May 23, 1969, 1155 U.N.T.S. 331. The Vienna rules expressly provide in Article 31(3)(b) for interpretation on the basis of subsequent practice. Julian Arato, *Subsequent Practice and Evolutionary Interpretation: Techniques of Treaty Interpretation over Time and Their Diverse Consequences*, 9 LAW & PRAC. INT’L CTS. & TRIBUNALS 443, 445–46 (2010).

B. THE INAPPLICABILITY OF ARTICLE 9(2)

We should also consider article 9(2) of Berne, the provision that permits exceptions “in certain special cases” to the author’s exclusive right to authorize reproductions.²⁰ Article 9(2) is implicated when government makes rules that limit or remove the author’s right to authorize reproduction, and replace it with some form of government-granted permission to reproduce (i.e., some form of compulsory license). But article 9(2) does not apply to a formality for which non-compliance limits access to injunctions. In such an instance, the author’s exclusive right to authorize reproductions remains intact. Such a formality would not “permit” reproduction of the work, as the sole authority to grant permission to reproduce remains with the rightsholder. What shifts is only the means of redress when unauthorized reproduction occurs.

As has been stated above, violation of an exclusive right may be redressed with a property remedy (that is, a remedy that includes the right to an injunction), or a liability remedy (that is, a remedy that is limited to monetary compensation and which does not include the right to an injunction). As U.S. state practice recognizes, both types of remedy are fully consistent with the concept of the rightsholder retaining an exclusive right to authorize reproduction. In sum, no provision of the Berne Convention rules out, either explicitly or by implication, a no-injunctions formality of the sort considered by this Article.

III. TRIPS AND THE WIDE PERMISSIBILITY OF FORMALITIES THAT LIMIT REMEDIES

In contrast with Berne, TRIPS does provide explicit rules regarding the availability of remedies. These rules, however, do not prohibit a formality for which non-compliance limits the availability of injunctions.

A. ARTICLE 44(1): PERMISSIBLE, NOT MANDATORY, INJUNCTIONS

The most relevant part of TRIPS is article 44(1), which provides as follows:

The judicial authorities shall have the authority to order a party to desist from an infringement, *inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.²¹

First, note that article 44(1) provides only that judges shall “have the authority” to impose injunctions. The provision does not in any way suggest that injunctions are mandatory in all cases of

²⁰ Article 9(2) states:

It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

Berne Convention, art. 9(2).

²¹ TRIPS, art. 44(1).

infringement, or even that they must be available in all cases. It is phrased in a way that suggests that the authority to impose injunctions may be conditioned. And this flexibility is consonant with the entire structure of the TRIPS enforcement section, which, as Daniel Gervais notes, “does not mandate specific remedies in particular cases . . . [but rather] contains mostly ‘empowerment norms’ that require that authorities have the authority to order certain remedies”²²

Nothing in article 44(1), or elsewhere in TRIPS, requires that any particular form of remedy must be available in all cases, or that the availability of a particular remedy cannot be conditioned on some action to be taken by the rightsholder. If that were the case, then, for example, the requirements in some jurisdictions that a plaintiff seeking a preliminary injunction must post a bond adequate to compensate the defendant if the latter ultimately prevails in the litigation would, if applied in an IP infringement action, violate TRIPS.

It is, of course, possible that a systematic refusal to provide certain remedies, including injunctions, would violate at least the spirit of article 44(1). But a formality limiting injunctions to registered works would not be a systematic refusal, especially if compliance were cheap and easy. It would be a condition precedent to the availability of injunctions, in much the same way that registration currently serves as a condition precedent to the availability of statutory damages and attorneys’ fees.

B. ARTICLES 45(2) AND 43(1): OTHER TRIPS PROVISIONS THAT PERMIT SIGNATORIES TO CONDITION THE AVAILABILITY OF REMEDIES

A particularly strong argument for the TRIPS-compatibility of the no-injunction formality involves the same sort of TRIPS language that authorizes the registration prerequisites already written into U.S. copyright law. That parallel language can be found in article 45(2):

The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.²³

The first sentence of article 45(2) applies the same formula found in 44(1) to the availability of attorney’s fees. Under TRIPS, the particular remedy must be one that judges “have the authority” to order. For copyright infringement cases in the United States, judges have the authority to order payment of attorney’s fees and expenses, but it is limited to cases in which the plaintiff has registered his or her work prior to the commencement of infringement.²⁴ This is precisely the same condition that a no-injunction formality would apply to injunctions. That is, the availability of injunctions and disgorgement remedies would be limited to cases in which the plaintiff has registered his or her work prior to the commencement of infringement. For that reason, a formality limiting the availability of injunctive relief is authorized by the same TRIPS formula that authorizes the limitation on the availability of attorney’s fees. To argue otherwise is tantamount to a claim that, by

22 DANIEL J. GERVAIS, *THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS* 564 (4th ed. 2012).

23 TRIPS, art. 45(2).

24 *See* 17 U.S.C. §§ 412, 505 (2012).

conditioning the availability of attorney’s fees and expenses on registration, the United States is, and long has been, out of compliance with its TRIPS obligations. That is an argument that even TRIPS ultras have thus far not dared to push.

It is also worth mentioning that the same construction of requiring that judges “have the authority” is used in article 43(1), which deals with the introduction of evidence in infringement cases:

The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.²⁵

Article 43(1) has been interpreted to require Member States to give judges the power to order the production of evidence, but not to require its production in all cases in which the predicates listed have been met.²⁶ That is, members are not obliged by article 43(1) to direct judges to order the production of evidence in all eligible cases. If the same language in article 44(1) is interpreted consistently, and there is no reason to think that it should not be, then member states are likewise directed to provide their judges with the authority to order injunctions where they are appropriate, but Member States are not obliged by article 44(1) to make injunctions available in all cases of infringement.²⁷

To complete this point, a momentary return to article 45(2) is helpful. The second sentence of that provision is also important, for it authorizes the second element of the no-injunction formality proposed here: the elimination of “disgorgement” money remedies for infringement cases involving unregistered works, and the consequent limitation of money damages in such cases to actual damages as measured by the reasonable value of a license. The second sentence of article 45(2) makes clear that signatories may provide for disgorgement remedies in “appropriate cases.” That formulation signifies that disgorgement need not be available in all cases. Indeed, the language providing that signatories “may authorize” disgorgement suggests that it is not mandatory in *any* case.

C. ARTICLE 41(1): MANDATORY “EFFECTIVE ACTION”

The opponents of an no-injunction formality have, at best, a faint argument based on article 41(1) of TRIPS, which provides as follows:

Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent

²⁵ TRIPS, art. 43(1).

²⁶ GERVAIS, *supra* note 22, at 573.

²⁷ TRIPS, art. 41(1). All of the arguments against a maximalist interpretation of article 44(1) of TRIPS apply also to article 50, which provides that “[t]he judicial authorities shall have the authority to order prompt and effective provisional measures,” including preliminary injunctions. TRIPS, art. 50. Again, article 50 of TRIPS directs that judges shall have the authority to order this sort of preliminary relief, but does not direct that the authority must extend to all cases.

infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.²⁸

The requirement that signatories make available remedies that “permit effective action against any act of infringement” does not prohibit a formality that limits injunctions or disgorgement damages as a consequence of non-compliance. TRIPS does not define “effective action,” and, in the absence of a TRIPS standard for all of the aspects of an enforcement system that contribute to “effectiveness” (accessibility of courts and legal counsel, professionalism of judges, rules for production and admission of evidence, rules for proving damages, etc.), “effective action” functions more as a principle than as a specific test.

Nowhere does TRIPS explicitly prohibit the use of liability rules (i.e., remedies limited to compensation) for certain types of infringement. Article 44(1) of TRIPS would prohibit an intellectual property system that relied *solely* on money damages, but that is a far cry from any proposal to limit injunctions according to compliance with a formality. In any event, article 44(1) contains the same key phrasing that we see elsewhere in the TRIPS remedies provisions. Signatory Member States must make effective remedies “available,” a formulation that suggests that access to particular remedies may be conditioned, as indeed already occurs in U.S. law with respect to attorney’s fees and statutory damages.²⁹

Additionally, article 41(1) allows signatories to provide “safeguards” against the abuse of certain remedies. Subjecting the availability of injunctions to a registration formality is readily justified under this part of article 41(1). Compliance with a registration prerequisite to the availability of injunctions is a means by which a rightsholder is permitted to signal that, at least as far as he or she is concerned, money damages are not sufficient compensation for infringement of his or her particular copyright. Inversely, a rightsholder who fails to comply with such a formality signals that money damages are sufficient. Eliciting this sort of information helps courts to filter out those copyright infringement plaintiffs who are using the threat of an injunction strategically (e.g., to hold up a defendant who has invested substantial resources in a derivative work, in order to leverage a license payment in excess of what an *ex ante* arm’s length transaction would have yielded).

Of course, the signal sent by a no-injunction formality about the adequacy of money damages is not perfect. There are some plaintiffs who will fail to comply but later believe that money damages would not compensate them adequately. Nothing in TRIPS or anywhere else, however, requires that such a formality be a perfect proxy for the adequacy of money damages. Even an imperfect signal can be valuable. In any event, TRIPS signatories remain perfectly free to decide that using the power of an injunction to engage in hold-ups is an abuse, and to curb that sort of conduct with a formality limiting the availability of injunctions (and, as discussed earlier, disgorgement damages) to registered works.

28 TRIPS, art. 41(1).

29 *See supra* Part III.B.

D. ARTICLE 13: REVISITING THE DIFFERENCE BETWEEN RIGHT AND REMEDY

Finally, although it is not a part of the TRIPS remedies provisions, TRIPS maximalists are likely to point to article 13, which sets forth permissible “Limitations and Exceptions,” as a provision prohibiting any formality that limits the availability of injunctions as a consequence of non-compliance. Article 13 provides as follows:

Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.³⁰

The reasons article 13 does not prohibit limitations on injunctions has been stated before with respect to article 5(2) of the Berne Convention. Article 13 of TRIPS is relevant to limitations and exceptions to “exclusive rights” (i.e., to the *substantive* rights of intellectual property owners). It does not, either explicitly or by implication, purport to regulate signatories’ choice of remedy for violation of those exclusive rights. Right and remedy are separate issues, and nothing in TRIPS suggests that they should be conflated. Indeed, the opposite is true—TRIPS has a separate section containing articles that explicitly regulate remedies. As explained above, these provisions do not require availability of injunctions in all cases, or prohibit a formality limiting them. But the separate regulation of remedies reflects the fact that the parts of TRIPS, including article 13, that regulate the “exclusive rights” of IP owners, do *not* regulate remedies.

IV. CONCLUSION.

There is nothing in Berne or TRIPS that prohibits conditioning the availability of injunctive relief and disgorgement damages on compliance with an inexpensive, convenient registration formality. The argument that Berne and TRIPS prohibit such a no-injunction formality is based on confusion between substantive rights, which Berne and TRIPS regulate, and remedies, which Berne says nothing about and TRIPS regulates only very lightly. In general, Berne and TRIPS signatories retain wide freedom to institute new-style formalities that condition the availability of remedies.

This last observation leads to a broader one about the inconsistency of current U.S. practice with a maximalist view holding that Berne and TRIPS require that injunctions be available in all cases. If Berne or TRIPS required an automatic award of injunctions to all prevailing intellectual property plaintiffs, then the United States has not been in compliance for some time—a fact which the Supreme Court’s decision in *eBay* did not establish but did bring to the surface. There is nothing in either Berne or TRIPS that suggests that the availability of injunctions may not be conditioned on satisfaction of a formality.

As discussed, Berne leaves remedies to Member States, and TRIPS, while requiring that certain forms of remedy be made “available,” does not require that any form of remedy be made available in all cases. Moreover, the United States already conditions provision of certain forms of remedy (attorney’s fees and costs) on compliance with a formality, and the same TRIPS language that authorizes such remedies also permits a formality conditioning the availability of injunctions. In light

³⁰ TRIPS, art. 13.

of all this, TRIPS maximalists might argue that there is a difference between conditioning the availability of injunctions on the satisfaction of an equitable test, as the Supreme Court’s decision in *eBay* commands must be done, and conditioning the availability of injunctions on satisfaction of a registration pre-requisite. But the relevant difference is not particularly clear. It is not as if TRIPS permits the first and bans the second. In fact, TRIPS says nothing that bears on either form of conditioning. Most importantly, both forms of conditioning are aimed at the same things—producing some information regarding whether injunctions are necessary, or whether money damages will be adequate compensation. The *eBay* test does so ex post infringement, and the no-injunction formality does so ex ante. There is nothing in TRIPS that forces signatories to pursue the first strategy and not the second.

The difficulty with a maximalist reading of Berne and TRIPS is even deeper than the apparent absence of textual foundation, not to mention the fact of its being at odds with U.S. practice. A maximalist reading of Berne and TRIPS (i.e., one which would require injunctions to be available without condition) would wreak havoc across the entire field of intellectual property. The TRIPS standards apply to all forms of intellectual property rights, and not just copyrights. If they were to be read to require an award of injunctions in all cases, then the United States would be out of compliance with respect to its patent and perhaps even trademark law. *eBay* was itself a patent case, and some courts have begun to apply *eBay*’s directive against pro-injunction presumptions in trademark cases.³¹ Although the McCarthy treatise disagrees,³² the Supreme Court’s *eBay* opinion is written in a way that suggests that its enforcement of the traditional test for equitable relief, and its hostility to presumptions, applies across the board, and not just to patent or copyright cases.

In sum, there is simply no purchase in either Berne or TRIPS for the notion that the availability of injunctions cannot be made subject to a formality. The same is true of disgorgement damages; Berne does not purport to regulate them, and TRIPS provides clearly that they need be made available only in “appropriate cases”—which, if a signatory chooses, might be those cases where a rightsholder has indicated his or her desire to access that form of remedy in future infringement suits by complying with a registration formality.

Finally, there is a wider lesson here. A no-injunctions formality is permissible under Berne and TRIPS but it is far from the only new-style injunction that would be permissible. In general, any formality that focuses on varying available remedies can be defended as Berne- and TRIPS-compliant. This includes a formality that remits the owner of an unregistered work to some sort of fixed payment. In a previous article, I suggested a “default license” scheme.³³ The scheme limited rightsholders in unregistered works to recovery of a sum pegged to approximate the cost of complying with the registration formality.³⁴ If the rightsholder chooses not to comply, this is a

31 See, e.g., *Pretty Girl, Inc. v. Pretty Girl Fashions, Inc.*, 778 F. Supp. 2d 261, 265 (E.D.N.Y. 2011); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227 (11th Cir. 2008) (“[*eBay*] calls into question whether courts may presume irreparable harm merely because a plaintiff in an intellectual property case has demonstrated a likelihood of success on the merits.”); *In-N-Out Burgers v. Chadders Rest.*, 2007 WL 1983813 (D. Utah June 29, 2007) (“The parties agree that after the Supreme Court’s decision in *eBay Inc. v. MercExchange, L.L.C.*, irreparable injury is no longer presumed from a finding of likelihood of success on the merits of a claim of infringement of trademark or trade dress claim.”).

32 J. THOMAS MCCARTHY. MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 30:47 (4th ed. 2006).

33 Sprigman, *supra* note 1, at 554.

34 *Id.* at 555.

strong signal that he or she expects that the value of a license, whether calculated ex ante or ex post infringement, would be worth less than the cost of complying with the formality. Exposing presumptively low-value works to a liability rule of this sort, I argued, would be a powerful inducement to the owners of works with potential commercial value to register and provide ownership information.³⁵

Compared with a default license scheme, it's possible that a no-injunctions formality may be considered less objectionable by opponents of formalities. Compared to the default license, which sets damages equal to the (very low) cost of complying with the registration formality, the no-injunctions rule does retain some flexibility in terms of the amount of actual damages that may be awarded to plaintiffs in infringement cases—but of course this flexibility comes only in exchange for the higher cost of operating a rule that allows recovery of damages in amounts that a court must determine in individual cases. Either way, a Member State that wishes to implement a new-style formalities scheme that operates by varying available remedies faces little real concern from either Berne or TRIPS.

³⁵ *Id.*