

# THE FUTURE OF UNITED STATES COPYRIGHT FORMALITIES: WHY WE SHOULD PRIORITIZE RECORDATION, AND HOW TO DO IT

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## I. INTRODUCTION

The U.S. copyright system is derived from the Creativity Clause of the United States Constitution.<sup>1</sup> The rights inuring to creators are state-granted, limited in time, and awarded for the purpose of promoting the “Progress of Science.”<sup>2</sup> 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.<sup>3</sup> Requiring registration generated publicly available information that users could consult in order to obtain metadata.<sup>4</sup> 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

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 Article.

3. See WILLIAM BRIGGS, *THE LAW OF INTERNATIONAL COPYRIGHT* 637 (1906).

4. Copyright Act of 1790, ch. 15, § 3, 1 Stat. 124, 125 (1790).

ascertain whether copyright protection had been “claimed.”<sup>5</sup> Requiring that notice be published in a newspaper provided additional public notification of the copyright claim.<sup>6</sup> Requiring that instruments of transfer be recorded enabled license-seekers to ascertain the identity of the present owner of a work.<sup>7</sup> Requiring that authors deposit copies of their works with a clerk’s office enabled the cultivation of a national repository.<sup>8</sup> These formalities also served to limit the number of works receiving copyright protection, such that many works immediately entered the public domain upon publication.<sup>9</sup> 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.<sup>10</sup>

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.<sup>11</sup> A number of formalities were difficult to comply with, and many works were thus accidentally unregistered or registered incorrectly.<sup>12</sup> Moreover, the expense of complying with these formalities was not negligible.<sup>13</sup> The bills that authors and publishers (most of whom favored protection of foreign works) were able to get introduced in

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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 was added to the scheme of formalities in 1802. Act of Apr. 29, 1802, ch. 36, 2 Stat. 171.

6. Copyright Act of 1790 § 3.

7. Act of June 30, 1834, ch. 157, 4 Stat. 728.

8. Copyright Act of 1790 § 4.

9. See Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485, 503 (2004) (proposing that at least eighty to ninety percent of works published during the decade under the Copyright Act of 1790 immediately entered the public domain for lack of registration).

10. See *id.* at 519 (noting that eighty-five percent of works were never renewed under the original system).

11. See BRIGGS, *supra* note 3, at 637–38. 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, at 8 (1984) (report of Hon. David Ladd, Register of Copyrights, Library of Congress, on behalf 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.

Congress almost every year from 1837 until 1890 confirm this.<sup>14</sup> Still, protection for the works of foreign authors remained unavailable until 1891.<sup>15</sup> 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 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.<sup>16</sup> The Act was based on the principle of reciprocity.<sup>17</sup> The first requirement (known as the “manufacturing clause”) was only phased out in the 1980s.<sup>18</sup> The second (or “deposit”) requirement is still in place, but it is no longer linked to copyright protection.<sup>19</sup> 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

14. See Robert Spoo, *Ezra Pound's Copyright Statute: Perpetual Rights and the Problem of Heirs*, 56 UCLA L. REV. 1775, 1785 (2009). Spoo notes:

In 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.”

*Id.* (citations omitted); see also SEVILLE, *supra* 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.

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: Proclamation No. 3, 27 Stat. 981–82 (July 1, 1891) (granting such access to citizens of Belgium, France, Great Britain, and Switzerland); Proclamation No. 24, 27 Stat. 1021–22 (Apr. 15, 1892) (granting such access to citizens of Germany); see also BRIGGS, *supra* note 3, at 645. Further proclamations extended the same privileges to citizens of many other nations; see also STEPHEN LADAS, 1 THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY 837–38 (1938); 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 64 and accompanying text.

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.<sup>20</sup> Almost all of the participants in this endeavor, unlike the United States, followed a *droit d'auteur* approach,<sup>21</sup> a component of which is the recognition of the moral rights of authors in their works.<sup>22</sup> They espoused a “natural rights” justification for copyright protection that fundamentally conflicted with the imposition of mandatory formalities.<sup>23</sup> 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 the laborer to register his bushel of apples before being permitted to claim ownership of them.<sup>24</sup> 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.<sup>25</sup>

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.<sup>26</sup> The Berne Union members went a step further in

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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 CENTENARY, *supra* note 20, at 87, 108, 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. See Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 296–301 (1988) (describing John Locke’s property theory).

25. See *id.* at 331–39 (describing Georg Wilhelm Friedrich Hegel’s property theory). The principle of formality-free protection is also reflected in the 1948 *Universal Declaration of 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.” G.A. res. 217 (III) A, U.N. Doc A/RES/217(III) (Dec. 10, 1948), at art. 27(2). Article 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*, 5 U. OTTAWA L. & TECH. J. 1, 1–41 (2008).

26. 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

their condemnation of “piracy” in the United States by adopting a Protocol to the Berne Convention in 1914.<sup>27</sup> 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.<sup>28</sup> The *droit d’auteur* approach thus became enshrined in the Berne Convention, now the most important copyright treaty in existence.<sup>29</sup>

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.<sup>30</sup> It also headed the effort to develop an alternative to the Berne Convention, namely the Universal

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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.

27. See CENTENARY, *supra* note 20, at 20.

28. 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.

29. 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](http://wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=15) (last visited April 24, 2013).

30. *Reciprocal copyright arrangement with Italy entered into force October 28, 1892*. 9 Bevens 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. Bevens ed., 1974).

Copyright Convention (“UCC”).<sup>31</sup> Additionally, the United States participated in the Buenos Aires Convention, which provided for mutual recognition of member nations’ copyrighted works subject to those works bearing copyright notice.<sup>32</sup> 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.<sup>33</sup> 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.<sup>34</sup>

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.<sup>35</sup> 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.<sup>36</sup> 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

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31. The UCC was established by the United Nations and mandated mutual recognition of copyright protection, subject to a notice requirement. Universal Copyright Convention, arts. 2, 3, Sept. 6, 1952, 25 U.S.T. 1341, 943 U.N.T.S. 178; *available at* [http://portal.unesco.org/en/ev.php-URL\\_ID=15381&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=15381&URL_DO=DO_TOPIC&URL_SECTION=201.html) (last accessed Apr. 24, 2013). The UCC has been superseded because (a) the TRIPS Agreement incorporates Berne, not the UCC (TRIPS Agreement, art 9.1), and (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.” *Id.* at Appendix declaration relating to Art. XVII, 25 U.S.T. at 1369, 943 U.N.T.S. at 206.

32. Buenos Aires Copyright Convention, Aug. 11, 1910, art. 3, 38 Stat. 1788.

33. *See* David M. Spector, *Implications of United States Adherence to the Berne Convention*, EUR. INTELL. PROP. REV. 1989, 11(5), 162, 163.

34. *Id.* at 168.

35. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 285 [hereinafter BCIA].

36. *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.”).

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 precondition 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.

#### 1. *Pre-Berne Formalities*

The Copyright Act of 1790 imposed several requirements—registration, deposit, newspaper publication, and renewal—and it excluded most foreign works.<sup>37</sup> The supplementary Act of 1802 added the notice formality.<sup>38</sup> 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.<sup>39</sup> The Act prohibited any action for infringement until copies were deposited and introduced a monetary penalty

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37. Copyright Act of 1790, 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. 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; *see also* BRIGGS, *supra*, note 3.

38. Act of Apr. 29, 1802, ch. 36, 2 Stat. 171. 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.

39. Copyright Act of 1909, § 12.



for failure to deposit.<sup>40</sup> The minimum notice requirements were relaxed slightly.<sup>41</sup> 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.<sup>42</sup> 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.<sup>43</sup>

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 derogated from compliance (to a small, curable degree) but also showed concern for the 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 against any subsequent good faith purchaser for value.<sup>44</sup> 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.<sup>45</sup> This

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40. *Id.* §§ 12–13.

41. 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.

42. *Id.* § 20.

43. *Id.*

44. *Id.* § 44. Professor Sprigman noted that this provision was first introduced in a supplemental enactment in 1834, which:

requir[ed], for the purpose of maintaining an accurate record of copyright ownership, the *recording* 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.”

Sprigman, *supra* note 9, at 493 (citations omitted).

45. Act of Mar. 4, 1909, ch. 320, § 9, 35 Stat. 1075.

is different from the system's previous doctrine, whereby copyright rights did not vest until registration.<sup>46</sup> 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.<sup>47</sup> The 1976 Act modified the 1909 Act's consequences for omitting notice,<sup>48</sup> maintained registration as a precondition to filing suit and eligibility for statutory damages,<sup>49</sup> maintained recordation of transfer as a precondition to filing suit for transferees,<sup>50</sup> and retained the penalty of a fee for failure to deposit.<sup>51</sup> However, the Act eliminated the need to register and renew the copyright in any works created on or after its effective date (January 1, 1978).<sup>52</sup>

## 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.<sup>53</sup> The Berne Convention Implementation Act of 1988 ("BCIA") brought the U.S. copyright system

46. Copyright Act of 1790, ch. 15, § 3, 1 Stat. 124, 125.

47. Copyright Act of 1976, Pub. L. No. 94-553, § 102(a), 90 Stat. 2541.

48. *Id.* § 405. Notice was still mandatory upon publication, but authors were given five years to cure an omission. *Id.*

49. *Id.* §§ 411, 412.

50. *Id.* § 205(d).

51. *Id.* § 407.

52. *Id.*

53. There is a vast amount of commentary on adherence by the United States, including in this volume. *See, e.g.,* 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); 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); Ralph Oman, *The United States and the Berne Union: An Extended Courtship*, 3 J.L. & TECH. 71 (1988); 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); 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); 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).

into conformity with some of Berne's dictates.<sup>54</sup> This included the elimination of recordation as a prerequisite to the filing of an infringement action.<sup>55</sup> The notice requirement was modified to be voluntary.<sup>56</sup> 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.<sup>57</sup> 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.<sup>58</sup> 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 precondition for bringing an infringement action (unless the work is foreign).<sup>59</sup> It provides constructive notice that a work is under protection<sup>60</sup> and makes available the recovery of statutory damages and attorneys' fees.<sup>61</sup> A defense of innocent infringement is unavailable if the work bears notice of copyright protection.<sup>62</sup> Recordation of transfers still provides constructive notice but is no longer a prerequisite to an infringement action.<sup>63</sup> The deposit requirement has been

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54. The United States, however, 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).

55. Berne Convention Implementation Act (BCIA) of 1988, Pub. L. No. 100-568, § 5, 102 Stat. 2853 (codified at 17 U.S.C. § 205(d) (2012)).

56. Where notice is provided, a defense of innocent infringement is unavailable. BCIA § 7.

57. *Id.* § 9.

58. MIHÁLY FICSOR, GUIDE TO THE COPYRIGHT AND RELATED RIGHTS TREATIES ADMINISTERED BY WIPO AND GLOSSARY OF COPYRIGHT AND RELATED TERMS (2003) [hereinafter WIPO GUIDE], ¶¶ 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.

59. 17 U.S.C. § 411 (2012).

60. *See id.* § 410(c).

61. *See id.* § 412.

62. *See id.* § 401(d).

63. *See id.* § 205(c).

retained. However, failure to comply is penalized only with a fine, not forfeiture of copyright.<sup>64</sup>

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.<sup>65</sup> Berne accession happened, after all, at the beginning of the General Agreement on Tariffs and Trade ("GATT") Uruguay Round (1986–1994), which would eventually produce the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement") and move most intellectual property rules to the trade world, including adjudication of disputes by the World Trade Organization ("WTO").<sup>66</sup> "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, it is important to examine what Berne requires.

## B. THE BERNE CONVENTION

### 1. *The Prohibition Against Mandatory Formalities*

The Berne Convention was the brainchild of the International Literary and Artistic Association ("ALAI").<sup>67</sup> Its founder and president at the time was the famous French playwright and polemist Victor Hugo (author of, inter alia, *Les Misérables*). Many Berne signatories took a *droit d'auteur* approach (the term "*auteur*" is used in the sense of the actual creator of a work and not, as in the U.S. work-for-hire context, as the owner of the means of

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64. *See id.* § 407(d).

65. *See* PAUL EDWARD GELLER, 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE § 5[4][b][ii] (Paul Edward Geller & Melville B. Nimmer eds., 2007).

66. *See* DANIEL GERVAIS, THE TRIPS AGREEMENT; DRAFTING HISTORY AND ANALYSIS 11–31 (4th ed. 2012).

67. The ALAI (coming from the French *Association Littéraire et Artistique Internationale*) is an organization "dedicated to studying and discussing legal issues arising in connection with the protection of the interests of creative individuals." *Who Are We?*, ALAI, <http://www.alai.org/en/presentation.html> (last visited Aug. 12, 2013); *see* WIPO GUIDE, *supra* note 58, ¶¶ 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.").

production), recognizing the natural and moral rights of authors in their creative works.<sup>68</sup> 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.<sup>69</sup>

When Berne was first signed in 1886, it introduced the principle that creators need only comply with the formalities of their country of origin.<sup>70</sup> In 1908, this rule was abandoned in favor of formality-free protection.<sup>71</sup> It has survived until now.<sup>72</sup> The relevant parts read 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.<sup>73</sup>

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 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.<sup>74</sup>

The expression “these rights” in article 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.”<sup>75</sup> 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.”<sup>76</sup> The formalities prohibited under Article 5(2) are thus those that are imposed by law and

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68. See Ginsburg, *supra* note 23, at 994.

69. See *id.*; 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 (L. Bently et al. eds., 2010).

70. Berne Convention for the Protection of Literary and Artistic Works, art. 2(2), Sept. 9, 1886, 828 U.N.T.S. 221.

71. *Id.* art. 4(2).

72. Paris Act Relating to the Berne Convention for the Protection of Literary and Artistic Works, art. 5(2), July 24, 1971, 1161 U.N.T.S. 18388 [hereinafter Berne Convention].

73. *Id.* art. 5(1).

74. *Id.* art. 5(2).

75. See WIPO GUIDE, *supra* note 58, ¶ BC-5.6.

76. See *id.* ¶¶ BC-5.1, BC-5.2.

copyright-specific.<sup>77</sup> Examples 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.<sup>78</sup>

As used in the Convention, “enjoyment” refers to the existence and scope of the right while “exercise” refers to enforcement.<sup>79</sup> 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.<sup>80</sup> 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.<sup>81</sup>

## 2. Recordation Requirements

The elimination of compulsory recordation of transfers was effected as part of the Berne Convention Implementation Act.<sup>82</sup> 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 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)

77. See SAM RICKETSON & JANE C. GINSBURG, *I INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS: THE BERNE CONVENTION AND BEYOND* 325–26 (2d ed. 2006).

78. Formal requirements recognized 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.*

79. See WIPO GUIDE, *supra* note 58, ¶ BC-5.8.

80. 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 77, at 325 (quoting in part German delegate Meyer).

81. WIPO GUIDE, *supra* note 58, ¶ 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.”).

82. See BCIA, *supra* note 35.

condition, namely that a transfer be in writing.<sup>83</sup> As Professor Melville Nimmer noted, “[N]othing in the Convention expressly forbids national legislation from requiring that agreements to transfer copyright or rights thereunder be in writing. . . . It is arguable that . . . recordation is no more a “formality” than a writing.”<sup>84</sup>

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,<sup>85</sup> 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.<sup>86</sup>

This does *not* mean that a negative inference can necessarily be made when the name does not appear.<sup>87</sup> In addition, there are some works and

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83. 17 U.S.C. § 204(a) (2012); Berne Convention, *supra* note 72, art. 2(6).

84. Melville B. Nimmer, *Implications of the Prospective Revisions of the Berne Convention and the United States Copyright Law*, 19 STAN. L. REV. 499, 514 (1967).

85. *See* Sprigman, *supra* note 9, at 497.

86. Berne Convention, *supra* note 72, art. 15(1).

87. *See* WIPO GUIDE, *supra* note 58, 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”).

some contexts when the author's name would simply not appear "in the usual manner" as this term is used in the Convention.<sup>88</sup> 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:

[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.<sup>89</sup>

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."<sup>90</sup> 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."<sup>91</sup> Under Article 15(2), the maker/producer of a movie benefits from a right to "be presumed to be the maker."<sup>92</sup> 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 as an initial author.<sup>93</sup>

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.

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88. See *infra* note 91 and accompanying text.

89. TRIPS Agreement, *supra* note 29, art. 44(1).

90. See *infra* note 182 and accompanying text.

91. Berne Convention, *supra* note 72, art. 15(1).

92. *Id.* art. 15(2).

93. *Id.* This would presumably have little impact on major publishers who already register.



### 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.<sup>94</sup> 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.<sup>95</sup> A more substantive critique is that formality-free copyright subjects all works to protection, not simply those that the Creative 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).<sup>96</sup> 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.<sup>97</sup> In some cases, these issues may also constrain freedom of speech and the ability to create.<sup>98</sup>

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 “rightsholders who do not expect

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94. 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); LAWRENCE LESSIG, *REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY* 260–65 (2008) [hereinafter LESSIG, *REMIX*]; see also James Gibson, *Once and Future Copyright*, 81 NOTRE DAME L. REV. 167 (2005); 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); Landes & Posner, *supra* note 36; Pamela Samuelson et al., *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175 (2010) [hereinafter Samuelson et al., *Directions for Reform*]; Pamela Samuelson, *Preliminary Thoughts on Copyright Reform*, 2007 UTAH L. REV. 551 (2007); Sprigman, *supra* note 9.

95. See LESSIG, *FREE CULTURE*, *supra* note 94, at 249.

96. See Gibson, *supra* note 94, at 214–15.

97. 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.

98. See Sprigman, *supra* note 9, at 524–28. See generally NEIL WEINSTOCK NETANEL, *COPYRIGHT’S PARADOX* (2010).

their works to produce significant revenue. For these rightsholders, any disadvantage that noncompliance may create in infringement litigation is irrelevant.”<sup>99</sup>

B. PROPOSALS TO MODIFY THE CURRENT REGISTRATION SYSTEM

A number of scholars have also 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.<sup>100</sup> Under the proposed system, copyright protection would not commence until publication or registration.<sup>101</sup> Thereafter, the copyright holder would be required to reregister the work once every ten to twenty-five years, and would be required to notify the registry in the event the copyright was transferred.<sup>102</sup> There would be no limit to the number of times a work could be reregistered, thereby allowing for indefinitely renewable copyright.<sup>103</sup>

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.<sup>104</sup> 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 conditioning the Berne-plus term of protection (currently the last twenty years of the life-plus-seventy term) on mandatory registration.<sup>105</sup>

Just shy of the hypothetical/unorthodox 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

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99. Sprigman, *supra* note 9, at 495.

100. See Landes & Posner, *supra* note 36.

101. *Id.* at 478.

102. *Id.* at 477.

103. *Id.*

104. Berne Convention, *supra* note 72, art. 5; Landes & Posner, *supra* note 36, at 473 (“[W]e are interested in the economics of indefinitely renewing the copyright term and express no view on its legality.”).

105. Under 17 U.S.C. § 302(a), duration of copyright under U.S. copyright law is life plus 70 years. 17 U.S.C. § 302(a) (2012). 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).

advocates limiting the term of total copyright protection to 100 years.<sup>106</sup> 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.<sup>107</sup>

Next along the spectrum is the major proposal of Professor Christopher Sprigman, joined by Professor James Gibson. They envision a formalities scheme that would return our copyright jurisprudence to its incentive-based 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.<sup>108</sup> 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.<sup>109</sup>

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."<sup>110</sup> 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.<sup>111</sup> The justification for this

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106. 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 94, at 562.

107. Berne Convention, *supra* note 72, arts. 5, 7(1).

108. Sprigman, *supra* note 9, at 561–62; Gibson, *supra* note 94, at 211.

109. 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 94, at 217.

110. Sprigman, *supra* note 9, at 568.

111. Sprigman argues:

The royalty payable under the default license would be low. Ideally, the royalty to license a work that a rightsholder has failed to register, notice,

proposal is that a rights holder who fails to comply with formalities “places a minimal value on the right, a value no greater than the cost of compliance.”<sup>112</sup> Professor Sprigman would further require copyright holders to refile 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.<sup>113</sup> He would also require notice and the recordation of transfers.<sup>114</sup> Under a default license system, creators would lose the authority to control their works if they failed to comply with formalities.<sup>115</sup>

Professor Gibson has generally agreed with Professor Sprigman about the desirability of returning to formalities and the form those formalities should take.<sup>116</sup> 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.<sup>117</sup> 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.<sup>118</sup>

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.”<sup>119</sup> 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 receiving protection against certain uses when the authors do not object to

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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 rightsholder who expects his work to produce revenue exceeding the cost of complying with the relevant formality will prefer to comply with the formality, whereas a rightsholder 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.

112. *Id.* at 556.

113. *Id.* at 555.

114. *Id.* at 564.

115. *Id.* at 556 (“Penalty defaults are purposefully designed to impose what the parties would not want . . .”).

116. Gibson, *supra* note 94, at 211, 223–29.

117. *Id.* at 215–16.

118. *Id.* at 229.

119. LESSIG, FREE CULTURE, *supra* note 94, at 288.

such uses.<sup>120</sup> 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.<sup>121</sup> 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 work, but would not incur a penalty for existing uses.<sup>122</sup> 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 specifically intended to comply with the dictates of Berne and TRIPS.<sup>123</sup> The CPP proposes that copyright registration could be made a more attractive option "by restructuring the availability of certain rights and remedies depending on the rights holders' registration of the work with a registry service."<sup>124</sup> 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.<sup>125</sup> By aiming only to reduce the consequences of infringement for unregistered works, and not conditioning

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120. This is arguably what Creative Commons allows. Naturally one is free to declare publicly that one will not exercise rights, or may simply refrain from enforcing 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. The organization Music Creators North America has developed "Fair Trade Music Principles" that try to capture this idea. See THE MUSIC CREATORS' ALLIANCE: MUSIC CREATORS NORTH AMERICA, [http://www.musiccreatorsalliance.com/The\\_Music\\_Creators\\_Alliance/the\\_music\\_creators\\_alliance.html](http://www.musiccreatorsalliance.com/The_Music_Creators_Alliance/the_music_creators_alliance.html) (last accessed Aug. 12, 2013).

121. LESSIG, FREE CULTURE, *supra* note 94, 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 94, at 264.

122. LESSIG, FREE CULTURE, *supra* note 93, at 290–91.

123. 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 J. COPYRIGHT SOC'Y OF THE USA, 499, 499–520 (2010).

124. Samuelson et al., *Directions for Reform*, *supra* note 94, at 1199.

125. See *id.*

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.<sup>126</sup>

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.<sup>127</sup>

We agree. Another of the CPP’s proposals with which we agree 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.”<sup>128</sup> We explore both of these points in greater detail in Part IV.

## 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.<sup>129</sup> 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

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126. *Id.* at 1200 (“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. Moreover, certain remedies, such as statutory damages and attorney fees, would not be available if unregistered works were infringed.”). 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.*

127. *Id.* at 1200.

128. *Id.* at 1234.

129. *See* Sprigman, *supra* note 9, at 514 (arguing that there are no countervailing personal benefits of protection where a work has no commercial value); *see also* Gibson, *supra* note 94, at 217; Kuhne, *supra* note 94, at 562. Arguably, the 1976 Act’s protection of unpublished works points towards something broader than protection of commercially valuable works.

not be deprived the opportunity to purchase the work for fair value.<sup>130</sup> 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.<sup>131</sup> Though recognition of natural and moral rights is not an inherent feature of our copyright system, it is rooted in Berne's guiding philosophy.<sup>132</sup>

However, recognizing natural and moral rights to some degree is not irreconcilable with our incentive-based system.<sup>133</sup> Those rights represent the desires and expectations of many creators.<sup>134</sup> 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 significant 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 Creativity Clause

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130. "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 94, at 218.

131. 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 founder of ALAI (see *supra* note 67 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, 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. See Daniel Gervais, *The 1909 Copyright Act in International Context*, 26 SANTA CLARA COMPUTER & HIGH TECH L.J. 185, 188–89 (2010) (quoting in translation Victor Hugo, *Discours d'ouverture du Congrès littéraire international de 1878* (1878)).

132. WIPO GUIDE, *supra* note 58, ¶ 5.5. On the incorporation of Berne's negotiating history into TRIPS, see GERVAIS, *supra* note 66, at 288.

133. See Jeanne C. Fromer, *Expressive Incentives in Intellectual Property*, 98 VA. L. REV. 1745, 1823 (2012) ("what 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"); 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 . . .").

134. See Fromer, *supra* note 133, at 1823.

narrowly.<sup>135</sup> 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.

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.<sup>136</sup> 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.<sup>137</sup> The United States ignored the ruling, as it did with the ruling on the compatibility of the Cuban trademark regime a year later.<sup>138</sup> More than ten years later, there is little indication that any of those panel report recommendations will be ever be implemented.<sup>139</sup> Accordingly, if non-

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135. See U.S. CONST. art. I, § 8, cl. 8. 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 94, at 561–62. 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 best to 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 works).

136. See Daniel Gervais, *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, 103 AM. J. INT'L L. 549, 550 (2009).

137. See Helen A. Christakos, *WTO Panel Report on Section 110(5) of the U.S. Copyright Act*, 17 BERKELEY TECH. L.J. 595 (2002).

138. 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).

139. In the minutes of the meeting of the WTO Dispute Settlement Body held on July 23, 2012, more than twelve 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



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.<sup>140</sup> 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 the United States should ignore Berne, our counterarguments are admittedly not in the realm of *realpolitik*.<sup>141</sup> 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, both small and developing countries may have priorities for their use of often severely limited resources that do not include copyright formalities. 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.<sup>142</sup>

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)

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mutually satisfactory resolution of this matter.” Meeting Minutes of the Dispute Settlement Body, ¶ 26, WT/DSB/M/320 (Sept. 28, 2012).

140. For a detailed discussion of Ecuador’s use of cross retaliation against the European Union following its victory before a WTO dispute resolution panel, see James M. Smith, *Compliance Bargaining in the WTO: Ecuador and the Bananas Dispute*, in *NEGOTIATING TRADE: DEVELOPING COUNTRIES IN THE WTO AND NAFTA* 257 (John S. Odell ed., 2006).

141. 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).

142. 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.”).

compliance is better.<sup>143</sup> 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.<sup>144</sup> 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 unpublished material were consigned to privacy law,<sup>145</sup> 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.<sup>146</sup> 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

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143. 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 & Chantal Thomas eds., 2009).

144. Gibson, *supra* note 94, at 217.

145. *See id.*

146. 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 94, at 550.

appreciate meritorious creation wherever it may be found.<sup>147</sup> Under a strict formality-based system, the message to the public is qualified, signaling instead: “We want 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.”<sup>148</sup> 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.”<sup>149</sup> Allowing commercial exploitation (without authorization or financial compensation) of unregistered works not initially created for commercial exploitation strikes us as suboptimal in that context.

### 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.<sup>150</sup> 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 the permission of the works’ rights holders.<sup>151</sup> However, the formalities of registration, notice, recordation, and renewal fail to offer complete assurance regarding protection and ownership for three reasons. First, registration

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147. Like the music instructor who notices that her four-year-old granddaughter has a prodigal talent and nurtures that talent to great effect. See WGN, *The Next Mozart? 6-Year Old Prodigy Wins All*, YOUTUBE (May 15, 2008), <http://www.youtube.com/watch?v=vUx4t4W4eVY>.

148. See *supra* note 129 and accompanying text.

149. 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*).

150. See, e.g., 17 U.S.C. § 410(c) (2012) (a certificate of registration “shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate”).

151. Samuelson, *Preliminary Thoughts on Copyright Reform*, *supra* note 94, at 563; Sprigman, *supra* note 9, at 500.

provides little assurance that a work does not substantially copy or is itself derived from a different work.<sup>152</sup> Second, the grant of registration does not prohibit a court from invalidating the protection of a work due to the useful articles doctrine<sup>153</sup> or on selection-and-arrangement (lack of creative choices) grounds.<sup>154</sup> 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.<sup>155</sup>

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.<sup>156</sup> 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 seems unnecessary.

#### IV. THE RIGHT WAY FORWARD

The three previous Parts 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 this Article 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

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152. *Three Boys Music Corp. v. Bolton*, 212 F.3d 477 (9th Cir. 2000).

153. *See Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987).

154. *See Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340 (1991).

155. *See* 17 U.S.C. § 302; *see also supra* note 105.

156. *See Copyright Registration and Documentation*, WIPO, [http://www.wipo.int/copyright/en/activities/copyright\\_registration/index.html](http://www.wipo.int/copyright/en/activities/copyright_registration/index.html) (last visited Aug. 12, 2013).

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.<sup>157</sup> This Article argues that a greater role for appropriate formalities would be transformative in this context.

The proposal outlined in this 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 because (a) authors may not want to exploit their works commercially but may want attribution and (b) the opt-out regime for dedicating works to the public domain or allowing noncommercial uses (e.g., via Creative Commons) is not more complicated than registration (and it is available internationally in many languages).<sup>158</sup> 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.<sup>159</sup>

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 131st song happens to feature a really catchy melody. An advertising executive, Ben, stumbles upon the song on a website that plainly indicates that Abe is the author of the song and lists Abe's contact information. 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

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157. See, e.g., Samuelson et al., *Directions for Reform*, *supra* note 94, at 1200, 1234–35.

158. Creative Commons has affiliates in over seventy jurisdictions worldwide. See *CC Affiliate Network*, CREATIVE COMMONS, [http://wiki.creativecommons.org/CC\\_Affiliate\\_Network](http://wiki.creativecommons.org/CC_Affiliate_Network) (last visited Aug. 12, 2013).

159. 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 87 and accompanying text.

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.<sup>160</sup> Once prepared to bring an action, Abe could sue to recover damages and to enjoin Ben from continuing to use the derivative work.<sup>161</sup> However, only actual, not statutory, damages would be recoverable for infringing acts occurring prior to registration.<sup>162</sup> 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.<sup>163</sup> 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.<sup>164</sup>

Under a reformed 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.<sup>165</sup> It would be of no consequence that the nature of the work was perverted,<sup>166</sup> that Ben exploited the work in a commercial way,<sup>167</sup> or that Ben appropriated the entire musical score of the work.<sup>168</sup>

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

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160. For a detailed discussion on this with persuasive arguments favoring nationwide 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).

161. 17 U.S.C. §§ 502, 504 (2012).

162. *See id.* § 412.

163. *See id.* § 504(c)(2).

164. *See id.* § 504(b).

165. *See* Sprigman, *supra* note 9, at 555.

166. 17 U.S.C. § 107(2).

167. *See id.* § 107(1).

168. *See id.* § 107(3).

preventing irreparable injury to Abe's work,<sup>169</sup> 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.<sup>170</sup> The CPP 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.<sup>171</sup>

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.<sup>172</sup>

While Berne Convention compatibility and benefits to authors are easily perceived (such as attribution and protection of individual authors, including foreign ones and those less likely to register works), 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.

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169. 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.”).

170. Mandatory formalities remain. See 17 U.S.C. § 411 (2012).

171. Samuelson, *Preliminary Thoughts on Copyright Reform*, *supra* note 94, at 570.

172. Unanimous consent of all 166 Berne member states is required to amend Berne. Berne Convention, *supra* note 72, art. 27(3); see *supra* note 29. Unlike the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, this would not be an addition to Berne that could be done by a protocol or separate instrument, but rather a change to existing norms, hence the unanimity requirement would apply.

Analogously, the current copyright system prods work “manufacturers” to register new works, 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.<sup>173</sup> To judge whether a particular chord progression in a song or line in a novel would infringe is almost impossible to do using a copyright metadata database, though the database can point to a source where the work might be locatable.<sup>174</sup> 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 (to the determination of both infringement and remedies) than the registration of the title of a work if works themselves are not searchable.<sup>175</sup>

## B. OUR PROPOSAL

This Article’s proposal contains two principles and six modalities.

### 1. Principles

**Principle 1)** *Authors should not be required to register new works as a precondition to copyright protection.* A user who wants to use a work in front of her needs no evidence that the work is there. Copyright is, and should be, about copying and other restricted uses (e.g., public performance) of a work that a user has

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173. In *Gaiman v. McFarlane*, 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 . . . that registration provides constructive notice of a claim of ownership. . . . What the Act [17 U.S.C. § 205(c)] 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.

360 F.3d 644, 655 (7th Cir. 2004).

174. 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 4 (2013), 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 anti-plagiarism services now omnipresent in U.S. schools and colleges, such as [turnitin.com](http://turnitin.com). TURNITIN, <http://turnitin.com> (last visited Aug. 12, 2013).

175. 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.<sup>176</sup> 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”)<sup>177</sup> should have full rights to prevent use of that work absent fair use or another exception.<sup>178</sup>

**Principle 2)** *Remedies should be tied to a subsequent copyright holder’s recordation of her transfer.* Recordation of transfers is different from work registration.<sup>179</sup> 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,<sup>180</sup> on such recordation.<sup>181</sup> 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.<sup>182</sup>

## 2. Modalities

**Modality 1)** 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.

**Modality 2)** 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

176. We will leave aside the anti-circumvention provisions of the Digital Millennium Copyright Act (“DMCA”) and the practically understandable but normatively misguided divorce of anti-circumvention and infringement of the underlying work. 17 U.S.C. § 1201 (2012).

177. See Berne Convention, *supra* note 72, arts. 15(1) and 15(2); *supra* note 86 and accompanying text.

178. 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 339, 344–65 (Daniel J. Gervais ed., 2d ed. 2010).

179. See *supra* Section II.B.2.

180. 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).

181. Injunctions should, however, remain “available” in all cases. See TRIPS Agreement, *supra* note 28, art. 44(1); *supra* note 89 and accompanying text.

182. 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](http://www.copyright.gov/docs/massdigitization/USCOMassDigitization_October2011.pdf).

only valid inter partes until timely recordation.<sup>183</sup> 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.

**Modality 3)** Transferees should have an obligation—as they do for domain names, for example—to keep their contact information up-to-date.<sup>184</sup> The question of consequences would have to be examined.<sup>185</sup> 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.<sup>186</sup>

**Modality 4)** Upon recording the first recorded transfer on a particular work, the transferee should 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).

**Modality 5)** 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 should be written into the law.

**Modality 6)** In accordance with Principle 1, the author as the initial right holder would not have to register or record her interest. But if she regained

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183. As proposed by Professor Jane Ginsburg in this Issue of the *Berkeley Technology Law Journal*. 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. 1583, 1613–21 (2013).

184. 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).

185. 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.

186. 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*. Ginsburg, *supra* note 183.

title to her work, then the author would have to record that transfer.<sup>187</sup> This would happen if the author bought back her copyright; if the rights reverted to her after the thirty-five-year period provided by statute (which already includes an obligation to notify the Copyright Office);<sup>188</sup> 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.<sup>189</sup> 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.

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.<sup>190</sup> 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,

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187. 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.

188. 17 U.S.C. § 203(a)(4) (2012).

189. Our proposal contrasts with those of Sprigman, Gibson, and Kuhne, each championing 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 94, at 221; Kuhne, *supra* note 94, at 562.

190. See, e.g., Doriane Lambelet, Note, *Internationalizing the Copyright Code: An Analysis of Legislative Proposals Seeking Adherence to the Berne Convention*, 76 GEO. L.J. 467, 475 (1987).

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.<sup>191</sup> 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).<sup>192</sup> 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.<sup>193</sup>

## 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.<sup>194</sup>

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.<sup>195</sup> Such a law may be desirable. However, evidence that a work has been published under a “no-claim” license (using a Creative

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191. 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.

192. Compare Berne Convention, *supra* note 72, 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. *Id.*

193. See WIPO GUIDE, *supra* note 58, ¶ BC-5.4 (emphasizing the prohibition of formalities as a precept of Berne), ¶ BC-5.9 (emphasizing that art. 5 does not limit a member State’s ability to subject domestic works to formalities).

194. 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.

195. Sprigman, *supra* note 9, at 518.

Commons public domain dedication or like service)<sup>196</sup> and that the licensee relied on the donation in good faith, should be grounds for a finding of innocent infringement.<sup>197</sup>

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.<sup>198</sup> 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.<sup>199</sup> 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.<sup>200</sup> 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

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196. 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). *See What is Creative Commons?*, SOUND CLOUD, <http://help.soundcloud.com/customer/portal/articles/243852> (last visited Jan. 15, 2014); *Creative Commons*, YOUTUBE, <http://www.youtube.com/yt/copyright/creative-commons.html> (last visited Jan. 15, 2014).

197. 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.

198. NIMMER & NIMMER, *supra* note 84, § 7.16[B][3][b][ii]. The Copyright Office reportedly accepts over ninety-nine percent of applications. *See id.*

199. 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.

200. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 348 (1991).

determination looking only at the materials in an application.<sup>201</sup> 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 recasting a work in the public domain<sup>202</sup> or when a creative work manages to have functional characteristics.<sup>203</sup> 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 allow for the costs of registration to be reduced significantly. A meaningful reduction in cost should, in turn, prompt an increase in voluntary registrations.<sup>204</sup>

## 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 an obligation to adopt similar formalities in other countries.

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201. 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* U.S. COPYRIGHT OFFICE, 105TH ANNUAL REPORT OF THE REGISTER OF COPYRIGHTS 9 (2002), available at <http://www.copyright.gov/reports/annual/2002/annual-report-2002.pdf>.

202. *See* L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 491 (2d Cir. 1976).

203. *See* Brandir Int'l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1145 (2d Cir. 1987).

204. 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).