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THE DIGITAL ERA OF PHOTOGRAPHY REQUIRES STREAMLINED LICENSING AND RIGHTS MANAGEMENT

Jeremiah A. Armstrong*

I. INTRODUCTION

Digital photography entered the mainstream of consumer consciousness soon after the start of the new century, when manufacturers began offering gadgets that came close to matching the resolution and quality of film-based cameras at very competitive prices. While some purists remain reluctant to forsake film and the magic of the darkroom, the trend toward digital photography is indisputable—four in five cameras sold in 2005 were digital. Meanwhile, the amount of film sold has decreased annually by sixty percent since 2000, as consumers increasingly choose the convenience of instant image preview, nearly infinite shots and increasingly compact designs. In response, traditional photo labs, along with a handful of web-based startups, now provide high-quality prints of digital images, which consumers can submit via in-store kiosks or upload online. Alternatively, consumers can purchase high-resolution, yet affordable, color printers that make the reproduction of photographs quick and

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2. Id.
3. Id.
4. Benjamin Pimentel, Pixel Perfect: Print Photographers Wooed for Their Print Business, S.F. CHRON., May 23, 2005, at E1 ("Retail giants like Costco and Walgreens have seen a twentyfold growth in digital photo printing, jumping from about 123.3 million copies in 2000 to 2.8 billion last year, according to International Data Corp.").

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convenient in the comfort of the home.\textsuperscript{5} Furthermore, the lines between amateur and professional photography continue to blur given continuing advances in fully-automated cameras coupled with the emergence of relatively easy to use image touch-up software.\textsuperscript{6}

The shift in image-capturing technology brings new challenges when it comes to protecting the copyright interests of professional photographers because it has never before been easier to duplicate near-perfect copies of photographic works. At the risk of frustrating their customers, photo labs worried about copyright infringement lawsuits must devise new business practices to prevent the duplication of images submitted by customers who do not possess the necessary rights attached to the photographic work. The evolution of digital technology requires a reassessment of copyright law pertaining to rights management in order to ease liability concerns and to promote more efficient, effective ownership verification.

This comment will first provide background on how federal law provides photographic copyright protection\textsuperscript{7} and enforcement methods along with an introduction to vicarious and contributory liability,\textsuperscript{8} and fair use.\textsuperscript{9} Second, this comment will identify the legal problems associated with photographic images and explore how those legal problems affect copyright owners, photo labs and their customers.\textsuperscript{10} Finally, this comment will propose other methods to protect and verify copyrighted images while providing new royalty

\textsuperscript{5} See Renee Bacherm, Catalog Critic: Photo Printers Go PC-Free, WALL ST. J., Aug. 11, 2006, at W7C (“Photo printers have been growing in popularity—over 2.9 million consumers bought one last year, up from 1.9 million in 2004, according to market-research firm the NPD Group.”).

\textsuperscript{6} See William M. Bulkeley, Digital Cameras Get Flashy—Say Goodbye to Blurry Pictures As Amateur Photographers Snap Up High-End SLRs, WALL ST. J., Dec. 5, 2006, at B1 (stating that consumers are buying more single lens reflex digital cameras, which are becoming more affordable, due to the technology’s higher-resolution images and quicker shutter response times as compared to the compact, point-and-shoot cameras); see also Walter S. Mossberg, Free Kodak Software Helps Find, Organize, Fix and Share Photos, WALL ST. J., Dec. 8, 2005, at B1 (reviewing easy-to-use, consumer-grade photo touch-up and album organization software).

\textsuperscript{7} See infra Parts II.A-B.

\textsuperscript{8} See infra Part II.C.

\textsuperscript{9} See infra Part II.D.1.

\textsuperscript{10} See infra Part IV.
opportunities for copyright owners.\textsuperscript{11}

II. BACKGROUND

A. Requirements for Copyright Protection: Originality and Fixation

Federal copyright law extends protection to categories of works that satisfy both the "original work of authorship"\textsuperscript{12} and fixation\textsuperscript{13} requirements. One of the eight categories of copyrightable works under the modern statute is "pictorial, graphic, and sculptural works,"\textsuperscript{14} which is defined to include "photographs, prints and art reproductions."\textsuperscript{15} However, the fixation of this category of works need not be in hard-copy form.\textsuperscript{16} As stated in the Copyright Act of 1976, the work must be "fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."\textsuperscript{17} Therefore, a photographic image is fixed whether the media is film, negative, print, or computer-readable digital file.\textsuperscript{18}

Unlike the test for fixation, the evaluation for originality can prove much more subjective. Two decades after Congress amended the Copyright Act in 1865 to include "photographs and the negatives thereof,"\textsuperscript{19} the United States Supreme

\begin{footnotesize}
\begin{enumerate}
\item See infra Part V.
\item Under Section 102 of the Copyright Act, copyright protection extends to "original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." Copyright Act, 17 U.S.C. § 102 (2000).
\item A work must be reduced to tangible form to be regarded as a "writing" within the meaning of the constitutional clause authorizing federal copyright legislation. U.S. CONST. art. I, § 8, cl. 8. See generally 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 1.08[C][2] (2006) (detailing an extensive background on the constitutional basis of the fixation requirement).
\item 17 U.S.C. § 102(a)(5).
\item Id. § 101.
\item Id.
\item Id. § 102(a).
\item See Christine Haight Farley, The Lingering Effects of Copyright's Response to the Invention of Photography, 65 U. PIT. L. REV. 385, 404 n.62
\end{enumerate}
\end{footnotesize}
Court, in *Burrow-Giles Lithographic Co. v. Sarony*, weighed the constitutional merits of whether sufficient originality existed in images captured by a machine. Prominent New York photographer Napoleon Sarony filed the suit after the defendant sold 85,000 unlicensed reproductions of Sarony's studio portrait of Irish playwright Oscar Wilde. In an analysis viewed by some scholars as outcome-oriented due to the economic interests at stake, the Court found sufficient originality in the photograph given the selection of costume and accessories, the posing of the subject, and the arrangement of lighting. However, by indicating that some "ordinary" photographs may not be entitled to copyright protection without elaborating on what qualified for such an inferior classification, the Court seemingly delegated the role of art critic to subsequent jurists.

Two decades later, in *Bleistein v. Donaldson Lithographing Co.*, Justice Oliver Wendell Holmes Jr. cautioned that judges should not be the arbiters of aesthetic value. The Court recognized that the works in question—

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20. *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884). The lithograph company claimed it was within its rights to make unauthorized reproductions of the image because the photograph was not a copyrightable work. *See id.* at 53-54. However, the Court disagreed:

But it is said that an engraving, a painting, a print, does embody the intellectual conception of its author, in which there is novelty, invention, originality, and therefore comes within the purpose of the Constitution in securing its exclusive use or sale to its author, while the photograph is the mere mechanical reproduction of the physical features or outlines of some object animate or inanimate, and involves no originality of thought or any novelty in the intellectual operation connected with its visible reproduction in shape of a picture.

*Id.* at 58-59.

21. *Id.* at 54.

22. *See Farley, supra* note 19, at 415.


24. *Id.* at 59.


26. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903). It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke. It may be more than doubted, for instance, whether the etchings of Goya or the
elaborate illustrations on circus poster advertisements—exhibited sufficient originality to warrant copyright protection.27 "Certainly works are not the less connected with the fine arts because their pictorial quality attracts the crowd and therefore gives them a real use—if use means to increase trade and to help to make money."28

Many subsequent courts have avoided making artistic determinations regarding photographs and other works by citing the Justice Holmes opinion, even though some scholars question such a narrow interpretation of the Bleistein opinion.29 Taking both Burrow-Giles and Bleistein into account, Judge Learned Hand concluded that "no photograph, however simple, can be unaffected by the personal influence of the author, and no two will be absolutely alike."30 On the other hand, while sufficient originality was found in an exterior shot of the New York Public Library,31 the same

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paintings of Manet would have been sure of protection when seen for the first time. At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge. Yet if they command the interest of any public, they have a commercial value—it would be bold to say that they have not an aesthetic and educational value—and the taste of any public is not to be treated with contempt.

Id. at 251-52.

27. Id.
28. Id. at 251.
29. Farley, supra note 25, at 817-18. Professor Farley points out the following:

Justice Holmes' statement is the most famous and strongly articulated on the point of judicial restraint in aesthetic determinations. Perhaps, however, it may be read as expressing a narrower concern as opposed to propounding an absolute prohibition on judges making aesthetic determinations. First, Justice Holmes' advice of caution is explicitly directed at judges "trained only in the law." What about judges who have additional education in aesthetic theory, art criticism, or art appreciation? Might they be qualified to exercise this type of judgment? Second, he very clearly includes a qualifier. Justice Holmes states that judges should not judge art "outside of the narrowest and most obvious limits." It appears that he envisions obvious cases in which judges, even those lacking in aesthetic education, may make aesthetic determinations about art.

Id.

30. See Jeweler's Circular Publ'g Co. v. Keystone Publ'g Co., 274 F. 932, 934, (S.D.N.Y. 1921), aff'd, 281 F. 83 (2d Cir. 1922).
31. See Pagano v. Charles Beseler Co., 234 F. 963, 963 (S.D.N.Y. 1916). The court did not hesitate to play the role of art critic in the following critique:

Any one may take a photograph of a public building and of the surrounding scene. It undoubtedly requires originality to determine just when to take the photograph, so as to bring out the proper setting
district court almost nine decades later ruled that images of common Chinese food on a take-out menu presented "the rare case where the photographs . . . lack[ed] the creative or expressive elements that would render them original works subject to protection under the Copyright Act." Moreover, courts may be hesitant to find sufficient originality in images that amount to slavish copying, such as in a photo of a museum painting in the public domain, or in a situation where a photographer intentionally duplicates nearly every facet, including the subject matter, of another photograph. Nevertheless, dispensing with in-depth visual critiques, many courts follow Judge Hand's reasoning and find sufficient originality in most images based on the photographer's choice of subject matter, lens angle, lighting, and in the decision to trigger the shutter at a particular moment.

B. Exclusive Rights

Owners of copyrights are entitled to six exclusive rights under Section 106 of the Copyright Act. When it comes to

for both animate and inanimate objects, with the adjunctive features of light, shade, position, etc. The photograph in question is admirable. The photographer caught the men and women in not merely lifelike, but artistic, positions, and this is especially true of the traffic policeman. The background, taking in the building of the Engineers' Club and the small trees on Forty-First Street, is most pleasing, and the lights and shades are exceedingly well done.

Id. at 964.
34. Gross v. Seligman, 212 F. 930, 931 (2d Cir. 1914) (photographer who sold copyright in first work, then copied most of the same elements and subject matter to produce a second work, found to infringe copyright of the first, even though the photographs were not identical). See generally NIMMER & NIMMER, supra note 13, § 2.08[E][2], for a survey of how courts evaluate absence of originality.
35. See, e.g., Time, Inc. v. Bernard Geis Assocs., 293 F. Supp. 130, 143 (S.D.N.Y. 1968) (district court rejected defendant's claim that the amateur home movie images of the President Kennedy assassination lacked sufficient creativity to warrant copyright protection). See generally NIMMER & NIMMER, supra note 13, § 2.08[E][1].
36. 17 U.S.C. § 106 (2000). The copyright owner is entitled to the following exclusive rights: reproduction; preparation of derivative works; distribution; performance; display; and, if the work is a sound recording, public performance via digital audio transmission. Id.
photographs, the most pertinent and potentially lucrative exclusive rights are reproduction\(^3\) and distribution.\(^3\) The reproduction right, according to a 1976 House Report, covers "the right to produce a material object in which the work is duplicated, transcribed, imitated, or simulated in a fixed form."\(^3\) A reproduction is fixed when it is "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."\(^4\) Thus, in a digital environment, examples of reproduction include the following: the digitizing or scanning of a photograph or other pictorial work; uploading a file containing such a work from a personal computer to a server; downloading a file from a server; and placing a work on a computer, whether on a permanent storage device, such as a hard drive or CD-ROM.\(^4\)

Under the right of distribution, the copyright owner is entitled to control the transfer of physical copies of the work to the public, either "by sale or other transfer of ownership, or by rental, lease, or lending."\(^4\) Under what is known as the "first sale" doctrine, as codified in Section 109 of the Copyright Act, the distribution right is limited after the first instance of sale or transfer.\(^4\) In other words, once the copyright owner transfers ownership of a particular copy of a photograph, the purchaser or transferee is entitled to dispose of that copy by any means desired without the original owner's permission. Under Section 202 of the Copyright Act, the owner of a physical copy of a copyrighted work is not free to reproduce or publicly perform the copyrighted work without the copyright owner's consent because such activities are considered separate, exclusive rights under Section 106.\(^4\)

\(37\) Id. § 106(1).
\(38\) Id. § 106(3).
\(40\) Id.
\(41\) See BROWN, supra note 18, at 65-66.
\(42\) 17 U.S.C. § 106(3).
\(43\) Id. § 109(a) ("Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.").
\(44\) Id. § 202 ("Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied.").
For example, when a photographer sells a class portrait to a student, the student is not free to duplicate the print, unless such right has been explicitly transferred or licensed by the photographer to the student. However, the student is entitled, under the first sale doctrine, to resell to another person the specific portrait print which was originally provided by the photographer.

In addition, legal ownership of the copy, as opposed to mere possession, is required for a valid transfer under the first sale doctrine. For example, renting—as opposed to purchasing—a DVD from Blockbuster does not entitle the customer to re-rent the same DVD to other people. Still, copyright owners can try to impose contractual limitations on the future disposition of copies, but such provisions are enforceable (if at all) under contract, rather than copyright, law.

Copyright owners also enjoy the exclusive right of adaptation, or the right to “prepare derivative works based on the copyrighted work” and the right of public display. A derivative work is created when one or more preexisting works are “recast, transformed or adapted.” Such a broad definition provides the copyright owner with significant leeway to enforce the commercial exclusivity of the original work in both the same and different media. Additionally, the Copyright Act provides the copyright owner with the

45. Id. § 109(d) (“The privileges prescribed by subsections (a) and (c) do not, unless authorized by the copyright owner, extend to any person who has acquired possession of the copy or phonorecord from the copyright owner, by rental, lease, loan, or otherwise, without acquiring ownership of it.”).

46. See 3 PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 7.6.1, at 7:130-131 (3d ed. 2006).

The rationale behind section 109(a) is that, once the copyright owner has parted with title to a particular copy or phonorecord embodying its work, successive possessors of the copy or phonorecord should not be put to the trouble of having to negotiate with the owner each time they contemplate a further sale or other transfer of the copy or phonorecord. In the usual case, the copyright owner will have no interest in undertaking the expense of such additional negotiations. The copyright owner who does wish to so encumber the subsequent distribution of copies or phonorecords embodying its work can do so by initially leasing, rather than selling, the copies or phonorecords.

Id. at § 7.6.1, at 7:131.

47. 17 U.S.C. § 106(2).

48. Id. § 106(5).

49. Id. § 101.

exclusive right of public display,\textsuperscript{51} which covers any showing of a "copy" of the work "either directly or by means of a film, slide, television image or other device or process . . . at a place open to the public or at any place where a substantial number of persons outside of a normal circle of family and its social acquaintances is gathered."\textsuperscript{52}

Copyright owners may enforce and enjoy their exclusive rights for a long period of time. Under the latest amendment to the Copyright Act, the copyright endures for a term consisting of the life of the author and seventy years after the author's death, which applies to most works created on or after January 1, 1978.\textsuperscript{53} Determining whether an older work has entered the public domain can prove difficult due to conditional renewals and extensions.\textsuperscript{54} A work published prior to 1923 is definitely in the public domain,\textsuperscript{55} but anything younger deserves careful scrutiny to avoid potential infringement.

C. Enforcement

Copyright owners can protect their interests and seek compensation through a variety of avenues, ranging from negotiating licenses to pursuing damages through infringement actions. Some of the mechanisms were

\textsuperscript{51} 17 U.S.C. § 106(5).
\textsuperscript{52} Id. § 101.
\textsuperscript{53} Id. § 302(a). Copyright duration can prove quite complicated given different treatment of works depending on joint authorship and works made for hire. For pre-1978 works, the initial term lasted for 28 years after first publication with an optional renewal. \textit{See}. id. § 304. Such a detailed discussion, however, is outside the scope of this comment. \textit{See generally} NIMMER & NIMMER, \textit{supra} note 13, § 9.01.
\textsuperscript{54} See 17 U.S.C. §§ 203, 302-304. For instance, copyright term extensions are available to the author, or to the author's statutorily-defined heirs, if a work was in its first term of copyright as of January 1, 1976, or if a renewal application is filed one year before the expiration of the original term of copyright. Id. § 304(a).

Therefore, the U.S. copyright in any work published or copyrighted prior to January 1, 1923, has expired by operation of law, and the work has permanently fallen into the public domain in the United States . . . . Unless the copyright law is changed again, no works under protection on January 1, 1999, will fall into the public domain in the United States until January 1, 2019.

\textit{Id.}
implemented to remedy market failures and allow for an arguably more efficient royalty collection and distribution system. While not all of the enforcement regimes are applicable to the protection of rights in photographic works, an overview helps when evaluating potential solutions to the legal issues presented by the mainstream availability of sophisticated digital image technology.

1. Licensing

Licensing is one of the principal methods for copyright owners to simultaneously control and earn income on their works. Copyright owners can license all or some of their rights in the works on either an exclusive on non-exclusive basis. An entire assignment of rights or an exclusive licensing agreement must be conveyed in writing and can be recorded with the Copyright Office in order to provide constructive notice of the transfer. On the other hand, non-exclusive licenses can be oral or even implied by conduct between the parties.

a. Negotiated

Instead of assigning all rights to the buyer, photographers can retain ownership of the copyright and license the work for particular uses for a license fee. Potential licensees may not want to pay for exclusive use of the photograph for all purposes, but instead may bargain with the copyright owner for the right to exclude the photograph from being used in certain publication genres or other markets for a period of time. Therefore, the value of

58. Id. §§ 204-205. See generally Nimmer & Nimmer, supra note 13, § 10.03[A][1].
59. See Nimmer & Nimmer, supra note 13, § 10.03[A][7].
the license is typically determined by which exclusive rights are being granted, the geographic scope of the use, the commercial purpose of the use, the quantity of reproduction, and the term of the use.\textsuperscript{62}

Rather than undertaking the potentially time-consuming task of individually negotiating licensing contracts with end-users, some copyright owners associate with stock photo agencies like Corbis and Getty Images to improve efficiency and exposure.\textsuperscript{63} After negotiating the licensing terms and royalty structure on behalf of, or under the direction of, the copyright owner, the agency collects the royalties, deducts a twenty-to-thirty percent commission, and passes the remainder upstream to the copyright owner.\textsuperscript{64} Additionally, these agencies typically conduct significant monitoring of infringement activities on the Internet and elsewhere,\textsuperscript{65} along

\textsuperscript{62} See id. at 236-39.


By sending images in, photographers agree to let Getty license the images on Lifesize exclusively for two years. The royalty rate for Lifesize is 30 percent - at the low end of rights-managed licensing terms, but greater than the 20 percent standard rate for royalty-free images. Generally, an image will need to sell only once for the photographer to make back the fee. The cost of a Getty Image license varies depending on the image and the intended use. The average price of a rights-ready image is not available, but according to Getty's most recent figures, the average license fee for a rights managed image is $546 and the average license fee for a royalty free image is $248.

\textit{Id.}

\textsuperscript{65} See, e.g., Getty Images Contributors, Getty Images Policy on Unauthorized Use (Oct. 5, 2005), http://contributors.gettyimages.com/article.asp?section_id=14&article_id=889 ("The Image Tracker Service is the market standard for monitoring visual assets. The service applies some of the most sophisticated crawling and image recognition technology in the world, and is capable of detecting images even if they have been altered or distorted.")
with providing services that assist photographers with protection of their rights by handling the bulk submission of images to the Copyright Office and managing the overall registration process. Agencies’ catalogs consist primarily of celebrity and public figure portraits, editorial news photos and creative commercial images intended for marketing campaigns.

b. Compulsory

Under certain circumstances, rather than obtaining a license through private bargaining, one who wishes to use a copyrighted work may do so via a compulsory license without the copyright owner’s permission. The Copyright Act outlines six instances where negotiation between private parties may be bypassed by complying with the statutory compulsory license and paying the established royalties. Transaction costs are minimized by statutory licenses in at least two ways. First, predetermined contract terms may ease and shorten the bargaining process. Second, the parties save on the costs of recordkeeping, payment collection and other transaction costs.

66. See, e.g., Corbis, The Corbis Copyright Registration Program, http://www.corbis.com/corporate/photographers/copyright_registration.asp (last visited May 6, 2007). In order to satisfy the Copyright Office requirement of having only one claimant, Corbis was required to have each photographer temporarily assign his/her copyright to Corbis. Once the registration is complete, Corbis assigns back to each photographer his or her respective copyright interest. The benefit is that Corbis can help photographers obtain copyright protection—at our effort and expense—by acting as their agent for purposes of registration.

67. See, e.g., Corbis, Photography, http://www.corbis.com/corporate/Overview/Photography.asp (last visited May 6, 2007) (“The Corbis collection of more than 70 million images is constantly evolving as we anticipate the latest creative and cultural trends. Every day, we add new images from the world-renowned photographers we represent as well as from our partnerships with image providers and media companies.”).


69. The Copyright Act’s six compulsory licenses are: (1) Cable Television License, 17 U.S.C. § 111 (2000); (2) Digital Performance Right in Sound Recordings License, Id. § 114; (3) Mechanical License, covering reproduction and distribution of sound recordings of musical works, Id. § 115; (4) Public Broadcasting License, Id. § 118; (5) General Satellite Retransmission License, Id. § 119; and (6) Local-to-Local Satellite Retransmission License, Id. § 122.

70. Merges, supra note 68, at 1295.
and royalty disbursement because statutory licensing usually has built-in administrative support.\textsuperscript{71}

For example, the Mechanical License establishes a statutory license for the reproduction and distribution of musical sound recordings.\textsuperscript{72} Under the terms of this compulsory license, the licensee can use the underlying musical work for making and distributing recordings of the same composition for private use by members of the public.\textsuperscript{73} The royalty rate is administratively determined and currently set through voluntary negotiations between interested parties, including copyright holders.\textsuperscript{74} However, in practice, the compulsory licensing process is usually foregone in favor of obtaining similar licensing terms with the Harry Fox Agency, a private company representing copyright owners and music publishers.\textsuperscript{75}

c. Collective

Collective licensing also helps minimize licensing transaction costs for parties on both sides of the transaction by providing a centralized registry of copyrighted works and a streamlined system to obtain appropriate licenses.\textsuperscript{76} Performing rights societies, for example, provide a method by which music composers and publishers are able to police, license and administer their copyright interests.\textsuperscript{77} By pooling their rights together, the copyright owners vest control of their works to organizations like ASCAP, BMI and SESAC.\textsuperscript{78} The performing rights societies overcome antitrust concerns by working under a consent decree from the Department of Justice.\textsuperscript{79} Broadcasters and other performance entities may purchase blanket licenses to perform all works in the rights society repertory.\textsuperscript{80} The license fee is generally based upon

\begin{enumerate}
\item Id.
\item 17 U.S.C. § 115.
\item Id. § 115(a)(1).
\item NIMMER & NIMMER, supra note 13, at § 8.04[H].
\item Id. § 8.04[I].
\item See Posner, supra note 56, at 328-29.
\item NIMMER & NIMMER, supra note 13, § 8.19[A].
\item Id.
\item See generally Broadcast Music, Inc. v. Moor-Law, Inc., 484 F. Supp. 357 (D. Del. 1980) (discussing the consent decrees arranged between the societies and the Department of Justice).
\item See NIMMER & NIMMER, supra note 13, § 8.19[C].
\end{enumerate}
the size of the intended audience. The rights society disburses fees to members based upon a comprehensive sampling of what musical works are the most popular.

2. Device Royalties

In the late 1980s, the music industry faced its first threat from digital technology with the introduction of digital audiotape technology, which enabled consumers to make perfect second-generation copies of sound recordings. Fearing lost retail sales, music industry lobbyists pressed hard for protective legislation, which eventually came in the form of 1992's Audio Home Recording Act (AHRA). Under the AHRA, consumer electronic manufacturers and distributors are granted immunity from contributory infringement actions based on the manufacture, importation, or distribution of digital or analog audio recording devices. In return, these manufacturers and distributors must contribute to the royalties fund from which money is then distributed to copyright owners, recording artists and record companies to compensate for revenues lost due to home taping. Royalties are disbursed using a formula to determine a proportionate share of total number of song titles sold that year. Furthermore, the AHRA requires that these digital audio recording devices implement a copy management encoding system which prohibits reproduction of second-generation copies, but allows for unlimited copies of the original. Notably, under the AHRA, personal computers and portable MP3 audio devices are not considered digital audio recording devices, and are exempted from the law.

81. 9 ENTERTAINMENT INDUSTRY CONTRACTS § 180.03[6] (Donald C. Farber & Peter A. Cross eds. 1986).
82. Id. §§ 180.03[6]-[7].
83. See LAURA LEE STAPLETON, E-COPYRIGHT LAW HANDBOOK § 3.02, at 3-6 to -16 (2003).
86. Id. §§ 1003-1008 (1994).
89. See Recording Indus. Ass'n of Am. v. Diamond Multimedia Sys., Inc., 180 F.3d 1072, 1077 (9th Cir. 1999) (citing S. REP. No. 102-294) ("There are simply no grounds in either the plain language of the definition or in the legislative history for interpreting the term 'digital musical recording' to include
3. Infringement Action

   a. Registration

   The first step in any infringement action is to prove the work in question is actually covered by copyright. For visual arts like photographs, the work is automatically protected the moment it is fixed onto a medium like film, paper or a digital memory card.\(^9\) However, before an infringement action can proceed, the work in question must be registered with the Copyright Office, because the courts do not have federal subject matter jurisdiction over a copyright infringement action until “registration of the copyright claim has been made.”\(^9\) While the registration serves as prima facie evidence of valid copyright ownership and provides a public record of ownership, the issue of what constitutes “registration” is currently the subject of a circuit split.\(^9\) Therefore, depending on the jurisdiction, plaintiffs can either file an infringement action when the copyright owner submits an application to the Copyright Office,\(^9\) or the plaintiff must wait anxiously until the Copyright Office actually approves or

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songs fixed on computer hard drives.”). Furthermore, the court held that the AHRA’s statutory royalties are not required for a portable audio devices whose primary purpose is the facilitation of personal, non-commercial use, rather than to make perfect second-generation digital audio recordings. \textit{Id.} at 1079.

90. STAPLETON, supra note 83, \$ 6.02[A], at 6-3. While not required, authors or assignees of copyrightable works benefit from placing a copyright notice on the image to warn potential infringers of the work’s status. 17 U.S.C. \$ 401. Such a notice also weakens a defendant’s claim of “innocent” infringement, which could potentially affect the amount of statutory damages awarded in a successful suit. \textit{Id.} \$§ 401(d), 504(c)(2).

91. 17 U.S.C. \$ 411(a).

92. \textit{See generally} La Resolana Architects v. Clay Realtors Angel Fire, 416 F.3d 1195 (10th Cir. 2005) (discussing the current circuit positions on the registration matter).

93. \textit{Id.} at 1198. By choosing this approach, the Tenth Circuit aligns itself with the Eleventh Circuit. \textit{Id.} at 1202-03 (citing M.G.B. Homes, Inc. v. Ameron Homes, Inc., 903 F.2d 1486, 1488 (11th Cir. 1990)). The Ninth Circuit lacks precedent and the district courts remain split on the registration issue. \textit{See} Loree Rodkin Mgmt. Corp. v. Ross-Simons, Inc., 315 F. Supp. 2d 1053, 1054-57 (C.D. Cal. 2004) (relying on other circuits to hold that “registration” refers to certificate issuance). \textit{But see} Corbis Corp. v. Amazon.com, Inc., 351 F. Supp. 2d 1090, 1111-12 (W.D. Wash. 2004) (citing the “plain language” of the Copyright Act to hold that a district court does not have subject matter jurisdiction over an infringement claim until the Copyright Office grants the registration application and issues a certificate of registration).
rejects the application. 94

Overall, timely registration helps expedite infringement actions, provides a public record of ownership that serves as prima facie evidence of valid copyright ownership, and may allow a plaintiff to forego proving actual damages and opt instead to collect substantial statutory damages and attorney's fees. 95 Photographs may be registered with the Copyright Office by submitting ownership identification information, a deposit of a non-returnable copy of the work, and a filing fee of forty-five dollars. 96 Making bulk registration somewhat cheaper and easier for photographers starting in 2002, the Copyright Office allows photographers to register two or more individual works using one application and by paying a single forty-five dollar fee. 97 In response to a technology evolution, the Copyright Office also now allows photographers to satisfy the deposit requirement by submitting photos in a myriad of hard-copy and digital formats, including a collection stored on CD-ROM. 98

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94. This is the policy of the Fifth Circuit and the position advocated by the Nimmer treatise. See Apple Barrel Prods., Inc. v. Beard, 730 F.2d 384, 386-87 (5th Cir. 1984); see also NIMMER & NIMMER, supra note 13, § 7.16[B][1][a].

95. 17 U.S.C. § 401(c). See, e.g., Rogers v. Koons, 960 F.2d 301, 306 (2d Cir. 1992). Valid registration prior to infringement also is required to enable the copyright owner to recover statutory damages under § 504(c) and attorney's fees under § 505 in a successful infringement action. 17 U.S.C. §§ 411-412.


98. The deposit requirement is satisfied by submitting a copy of each photograph in one of the following formats, listed in order of preference by the Copyright Office: digital file on CD-ROM or similar storage media in a standard image format like JPEG, GIF, TIFF or PCD; reasonably sized prints or contact sheets; slides, each with a single image; a format in which the photo has been published, like a newspaper or magazine; a reasonably sized photocopy; slides, each containing up to 36 images; or a videotape clearly depicting each photograph. See id.
b. Establishing Liability

i. Distinguishing Direct and Indirect Infringement

A copyright owner may seek remedies\(^99\) for both direct and indirect infringement against anyone who violates one of the copyright owner's exclusive rights.\(^{100}\) Direct infringement exists when a party directly violates, without the owner's authorization, at least one of the exclusive rights specified in Section 106 of the Copyright Act.\(^{101}\) Along with a valid copyright registration, direct infringement requires the plaintiff to prove both actual copying of the plaintiff's work by the defendant, and the existence of substantial similarity between the defendant's work and the protectable elements of the plaintiff's work.\(^{102}\) Actual copying may be proven by direct evidence of copying, or by proof of access and probative similarities,\(^{103}\) which are typically easy to spot in the cases of mechanical reproduction of the original photograph.

Once an instance of direct infringement is proven, claims

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\(^{99}\) Remedies for copyright infringement include injunctive relief, impounding of infringing articles and monetary damages. See 17 U.S.C. §§ 502-504. When pursuing damages, the copyright owner may choose actual damages suffered as a result of infringement together with defendant's profits attributable to the specific infringement. See id. § 504(b). Alternatively, the plaintiff may seek statutory damages, a single award ranging from $750 to $30,000 per work infringed, depending on the court's discretion. See id. § 504(c)(1). In some instances, where willful infringement is proven, the court may increase the statutory award to a sum of not more than $150,000. Id. § 504(c)(2); see also Fallaci v. New Gazette Literary Co., 568 F. Supp. 1172 (S.D.N.Y. 1983) (quoting Nimmer & Nimmer, supra note 13, § 14.04[B][3]) (stating that "willful" means with knowledge that the infringer's conduct constitutes infringement). On the other hand, the court may reduce the award of statutory damages to a sum of not less than $200 per infringing act. Id. § 504(c)(2). Innocent intent may mitigate damages, but it is not an affirmative defense. The standard rationale for excluding innocence as a defense is that between the copyright owner and the infringer, the infringer is better suited to guard against mistake. See ABKCO Music, Inc. v. Harrisons Music, Ltd., 722 F.2d 988, 999 (2d Cir. 1983) ("[T]he problems of proof inherent in a rule that would permit innocent intent as a defense to copyright infringement could substantially undermine the protections Congress intended to afford to copyright holders."). Clearly, copyright infringement, even if committed innocently, can still result in significant expense to the defendant.

\(^{100}\) 17 U.S.C. § 501.


\(^{103}\) Id.
for indirect infringement can be established against those third-parties who "authorize" the violation of any of the exclusive rights. While not necessarily liable for direct infringement, businesses that provide photo reproduction services may face indirect infringement claims, which are generally categorized as either contributory or vicarious liability. No contributory or vicarious liability can be established unless another party is found directly liable for copyright infringement. Therefore, parties often defend claims of indirect infringement on the basis that the direct copying by another person was allowed under the fair use doctrine.

Contributory infringement occurs when a third party with constructive or actual knowledge of infringing conduct materially contributes to, causes, or induces the infringing conduct. The plaintiff may prove material contribution by showing that the defendant supplied the primary infringer with some item or facility necessary to conduct the infringing activity. For instance, lending someone compact discs containing copyrighted music with knowledge that the borrower intends to make illegal copies qualifies as material contribution toward infringement. Similarly, selling a product which is solely or primarily useful for conducting copyright infringement may be considered inducement, and thus, satisfy the requirements for contributory infringement.

Alternatively, vicarious copyright liability roots itself in the agency theory of respondeat superior, which requires that

104. See Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 434-35 (1984); see also discussion supra Part II.B.
105. See generally BROWN, supra note 18, at 109-14.
107. See discussion supra Part II.D.
108. NIMMER & NIMMER, supra note 13, § 12.04[A][3][a].
109. Id. § 12.04[A][3][b].
111. See Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 932-34 (2005). After the holding in Grokster, scholars now debate whether inducement is a subset of contributory infringement or a distinct category of indirect infringement. See NIMMER & NIMMER, supra note 13, § 12.04[A][4][b].
the third party have the ability to control the conduct of the
direct infringer.\textsuperscript{112} Imposition of vicarious liability also
requires that the third party obtain a direct financial benefit
from the conduct of the direct infringer.\textsuperscript{113} Moreover,
vicarious liability does not require that the third party have
knowledge of the infringing activity.\textsuperscript{114}

ii. Evolving Liability Threshold

In 2005, the Supreme Court issued a notable third-party
copyright liability decision in \textit{Metro-Goldwyn-Mayer Studios,
Inc. v. Grokster, Ltd.}\textsuperscript{115} The Court held that defendant
Grokster, a distributor of Internet file-sharing software, could
be held liable for acts of infringement by its users if the
company distributed “a device with the object of promoting its
use to infringe copyrights, as shown by clear expression or
other affirmative steps taken to foster infringement.”\textsuperscript{116}
Despite the potential non-infringing uses of the software
application, Grokster marketed the product to users of other
competing file-sharing applications and conceded the
software’s primary use was for unfiltered infringing
activity.\textsuperscript{117} The Court found the company’s business model
unacceptable:

When a widely shared service or product is used to commit
infringement, it may be impossible to enforce rights in the
protected work effectively against all direct infringers, the
only practical alternative being to go against the
distributor of the copying device for secondary liability on
a theory of contributory or vicarious

While the Court’s opinion certainly denounced services
that enable or induce copyright infringement, it did not
necessarily condemn every provider whose service is capable

\textsuperscript{112} See, e.g., Shapiro, Bernstein & Co. v. H. L. Green Co., 316 F.2d 304 (2d
Cir. 1963) (imposing liability on employer for copyright infringements by an
employee who sold counterfeit recordings).

\textsuperscript{113} See, e.g., Buck v. Jewell-LaSalle Realty Co., 283 U.S. 191, 198-99 (1931)
(holding operator of entertainment venue liable for infringing performances); see
also Fonovisa, Inc. v. Cherry Auctions, Inc., 76 F.3d 259, 263 (9th Cir. 1996)
(holding defendant flea market operator vicariously liable for sales of
counterfeit sound recordings by third-party vendors).

\textsuperscript{114} See Shapiro, 316 F.2d at 307.

\textsuperscript{115} Grokster, 545 U.S. 913.

\textsuperscript{116} Id. at 918.

\textsuperscript{117} Id. at 922.

\textsuperscript{118} Id. at 929.
of infringing uses. Instead, the narrower holding showed the Court’s distaste for services that make infringement part of the primary business model by advertising the infringing uses to customers without implementing any filtering technology.

Grokster was an opportunity for the Court to clarify the holding in Sony Corp. of Am. v. Universal City Studios, Inc. In that landmark contributory infringement case, the Court weighed the potential liability of a company that did not itself illegally copy protected material, but rather, sold VCRs which could be used for both legal and illegal purposes. Ultimately, the Supreme Court held that VCRs were capable of substantial non-infringing uses, especially in light of fair use considerations regarding “time shifting.” Therefore, Sony’s sale of the recorders to the general public did not constitute copyright infringement.

Subsequently, the Supreme Court in Grokster refrained from establishing an exact formula for calculating substantial non-infringing uses, but instead firmly stated that the earlier Sony standard required more than simply showing that a service or device has non-infringing uses. While in some instances the definition of “substantial” may be unclear, the Grokster business model did not come close to meeting that standard given statistics indicating only about ten percent of the data transferred on the company’s network was non-infringing. Unlike Sony, the Court in Grokster found that “evidence of the distributors’ words and deeds going beyond distribution as such show[ed] a purpose to cause and profit from third-party acts of copyright infringement.”

119. Id. at 940.
120. Id.
122. Id. at 421.
123. See infra Part II.D.
124. Sony, 464 U.S. at 455.
125. Id. at 456.
127. Id. at 922.
128. Id. at 940.
D. Affirmative Defenses

1. Fair Use

Some non-licensed uses of photographs may be permitted under the doctrine of fair use, an affirmative defense to copyright infringement claims. Established by case law prior to codification in 1976, the fair use doctrine often shields parties from liability when the copyrighted work is used for purposes such as criticism, comment, news reporting, teaching, scholarship, or research. The doctrine lacks bright lines and requires a subjective analysis that takes into account the following: the purpose and character of the use, particularly whether the use is of a commercial versus nonprofit nature; the nature of the copyrighted work, focusing on whether the copyrighted work is "factual" or "creative"; the amount and substantiality of the portion used in relation to the entire copyrighted work; and the effect of the use upon the potential market for or value of the copyrighted work. While all factors may be weighed, courts have consistently considered the effect on the work's market value as the most important. Thus, "mere duplication" for

129. See 17 U.S.C. §§ 107-121 (2000) (setting out various infringement exceptions and defenses, mostly applicable to libraries for archival purposes); see also Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 590 (1994) ("Since fair use is an affirmative defense, its proponent would have difficulty carrying the burden of demonstrating fair use without favorable evidence about relevant markets.").


131. 17 U.S.C. § 107. The examples provided in the text of the statute are not necessarily exhaustive. LEE & DAVIDSON, supra note 101, at 139.


133. Id. § 107(2); see also 3 GOLDSTEIN, supra note 46, § 12.2.2.2, at 12:56 (2006) ("Courts give greater scope to the fair use of factual works than they give to the fair use of more creative works on the ground that the enforcement of rights in factual works poses a greater risk of inhibiting the free flow of information than does the enforcement of rights in fictional entertainments.").

134. 17 U.S.C. § 107(3); see also 3 GOLDSTEIN, supra note 46, § 12.2.2.3, at 12:63 ("If the defendant copied a substantial, rather than a trivial, portion from the plaintiff's work, the plaintiff's losses from the use are likely to approach, if not exceed, the defendant's gains. Also, the use of substantial portions from the copyright work is more likely to justify the expense of negotiating a license from the copyright owner than is the use of small excerpts.").


a commercial use is unlikely to win a fair use analysis. However, the fair use defense often proves more successful when the defendant’s use is transformative in some way. Fair use is a crucial defense for businesses that provide copying services given the inherent likelihood that some infringing reproduction will occur even with good faith monitoring by personnel. The success of the fair use defense by a copyshop likely hinges on whether the enterprise’s actions constitute direct or indirect infringement. With direct liability, the business defendant faces significant scrutiny under the “commercial” and “potential market” prongs of the fair use test. Under such an analysis, a business that reproduces copyrighted material for profit is engaged in for-profit commercial use regardless of the end-user customer’s non-profit, personal use. In other words, the copyshop’s activities are considered commercial even though the end-user customer needs the copyrighted material for non-profit, educational purposes.

Similarly, copyshop defendants’ attempts to refute direct liability on the theory that the business was acting as the agent of the customer have not prevailed, as was the case in the pivotal photocopying fair use case of Basic Books v. Kinko’s. Textbook publishers sued the national copyshop chain for widespread copyright infringement for unlicensed quotes from a forthcoming book by President Ford supplanted the copyright holder's commercially valuable right of first publication; Hustler Magazine, Inc. v. Moral Majority, Inc., 796 F.2d 1148, 1155 (9th Cir. 1986) (holding that the unlicensed reprinting of parody advertisement did not effect potential market of magazine in which the work was originally published); Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 456 (1984) (holding that television program copyright holders failed to demonstrate that consumers’ time-shifting of shows using VCRs “would cause any likelihood of nonminimal harm to the potential market for, or the value of, their copyrighted work”).

138. See id.
140. See, e.g., L.A. News Serv. v. Tullo, 973 F.2d 791, 797 (9th Cir. 1992) (holding that the “ultimate use” to which customer’s of defendant use copied work is “irrelevant”); see also Harper & Row v. Nation Enterprises, 471 U.S. 539, 562 (1985) (“The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.”).
141. See NIMMER & NIMMER, supra note 13, § 13.05[A][1][c].
reproduction and distribution of book excerpts sold in college course reading compilations. Kinko's claimed such copying done on behalf of students and professors and should thus be considered fair use, a position the court did not agree with. "The use of the Kinko's packets, in the hands of the students, was no doubt educational. However, the use in the hands of Kinko's employees [was] commercial. Kinko's claims that its copying was educational and, therefore, qualifies as a fair use. Kinko's fails to persuade us of this distinction." Ultimately, the district court found the fair use analysis did not favor Kinko's, especially given the active licensing market benefiting publishers for such copying, and ultimately awarded the publishers over half a million dollars in statutory damages and more than one million dollars in attorneys' fees. Subsequently, in the separate yet nearly identical case of Princeton University Press v. Michigan Document Services, an en banc panel of the Sixth Circuit Court of Appeals followed the Kinko's court's analysis and also rejected the defendant's agency theory of fair use. Thus, based on these and other court decisions, the

143. *Id.* at 1528-29 ("It is undisputed that Kinko's markets and provides its copying services directly to university professors and students . . . . Plaintiffs [publishers] derive a significant part of their income from textbook sales and permissions fees.").

144. *Id.* at 1531-32 ("Kinko's has periodically asserted that it acted at the instruction of the educational institution, that is, as the agent of the colleges and is without responsibility.").

145. *Id.* at 1531.


147. Princeton Univ. Press, MacMillan, Inc. v. St. Martin's Press, Inc., 99 F.3d 1381, 1389 (6th Cir. 1996) (en banc) ("As to the proposition that it would be fair use for the students or professors to make their own copies, the issue is by no means free from doubt. We need not decide this question, however, for the fact is that the copying complained of here was performed on a profit-making basis by a commercial enterprise.").

148. See also Am. Geophysical Union v. Texaco, Inc., 802 F. Supp. 1 (S.D.N.Y. 1992), *aff'd*, 60 F.3d 913 (2d Cir. 1994), *cert. dismissed*, 516 U.S. 1005 (1995) (holding that a single copy of various academic journals by employees of commercial entity did not qualify for fair use because a license could have been readily obtained for such photocopying). In the context of music, courts have differentiated between the reproduction and transformation of sound recordings by a consumer for personal use (e.g., archiving CD tracks to digital audio files) versus a commercial entity performing the same copying and storage for subsequent retrieval by consumer who has verified ownership of those same CDs. Cf. Recording Indus. Ass'n of Am. v. Diamond Multimedia Sys., 180 F.3d 1072, 1079 (9th Cir. 1999) (holding that copying done by consumers when
likelihood of a fair use determination depends significantly on whether the actual copying is being done by a private party for personal use. In other words, copying done by an end-user consumer might be considered fair use, while a commercial entity performing the same essential acts is not provided the same protection.

2. Implied License

Aside from the fair use doctrine, defendants have successfully avoided infringement liability in certain narrow circumstances where the court recognized the existence, based on the conduct of the parties, of an implied license for limited reproduction. While the Copyright Act requires that exclusive licenses be in written form, courts infer that non-exclusive licenses do not have to be in a written instrument given the absence of such a requirement in the statutory text. Demanding careful scrutiny of the facts, putting songs on their portable audio devices was consistent with the concept of VCR "time-shifting" of television programming that was recognized by the Supreme Court as fair use in Sony Corp. of America v. Universal City Studios, 464 U.S. 417, 455 (1984). But see UMG Recordings v. Mp3.com, Inc., 92 F. Supp. 2d 349 (S.D.N.Y. 2000) (finding commercial defendant's Internet-based song storage database system failed fair use analysis).


Based on the similar outcomes and reasoning expressed in the Kinko's, American Geophysical, and MDS cases, it is clear that regardless of whether copying for classroom use is fair if done by students or professors, it is viewed by courts as patently unfair when a commercial copyshop enters the picture. From the publishers' perspective then, a student's decision to hire a copyshop, rather than to go to the library with a pocket full of dimes, surely must bring a smile. It effectively cements their entitlement to a substantial amount of yearly revenue which would otherwise be uncollectible from a practical, and probably legal, standpoint.

Id. at 1399-1400.

150. See Effects Assoc., Inc. v. Cohen, 908 F.2d 555, 559 n.6 (9th Cir. 1990) (quoting 17 U.S.C. § 202 (1988)) ("While delivery of a copy 'does not of itself convey any rights in the copyrighted work,' it is one factor that may be relied upon in determining that an implied license has been granted.").


152. See I.A.E., Inc. v. Shaver, 74 F.3d 768, 775 (7th Cir. 1996) ("A nonexclusive license is, therefore, an exception to the writing requirement of section 204. In fact, consent given in the form of mere permission or lack of objection is also equivalent to a nonexclusive license and is not required to be in writing.").

153. Id. at 776 ("Several objective factors to guide the judicial inquiry as to
"[a]n implied license can only exist where an author creates a copyrighted work with knowledge and intent that the work would be used by another for a specific purpose."

Furthermore, "[c]onsent to use the copyrighted work need not be manifested verbally and may be inferred based on silence where the copyright holder knows of the use and encourages it." Therefore, in the context of a studio photographer who sells the prints of a family portrait to the parents, an implied license for further reproduction of those photographs would presumably require facts indicating that the photographer conveyed to the parents that they could make duplicates without subsequent permission by or payment to the photographer.

However, an implied license seems unlikely to exist under most scenarios given that the business model of many portrait studios and wedding photographers depends on income derived from reproductions and enlargements of the prints. In the Internet context, one district court found that Google held an implied license to reproduce and distribute copies of cached content from the plaintiff's website because the operator knowingly refrained from inserting code into the pages that would prevent such activity by search engines. Nevertheless, implied licenses only exist in very narrow circumstances and copyright owners can take

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154. SHL Imaging, Inc. v. Artisan House, Inc., 117 F. Supp. 2d 301, 317 (S.D.N.Y. 2000). In SHL Imaging, the court did not find an implied license because the plaintiff creator sold his photographs to the defendant reproducers for money without ever conveying any rights directly or by implication. Id. at 318.


158. The Field court put significant emphasis on the plaintiff's conduct that led Google's automated indexing system to believe that it had permission to use the copyrighted content for its search and caching services. See id. at 1116-17. Whether a party other than a search engine, which arguably helps drive more traffic to the website, can readily claim an implied license to reproduce or distribute such content remains doubtful in the Web context. Nevertheless, a fair use defense may prove more fruitful. See, e.g., Kelly v. Arriba Soft Corp.,
proactive steps to prevent such defenses.\textsuperscript{159}

III. IDENTIFICATION OF THE LEGAL PROBLEM

Advances in digital technology exacerbate the already difficult task of enforcing copyrights of photographic works. From the perspective of photographers, the increased accessibility of high-quality scanners, copiers, printers and other imaging technology leaves these copyright owners with a difficult task of tracking, let alone preventing, infringement.\textsuperscript{160} From the perspective of photo finishers, threats of third-party liability lead to additional overhead and customer service issues, as businesses must monitor customers' submitted images for potential infringement. From the perspective of consumers, the absence of a streamlined process to obtain a license or an easily verifiable method to prove the requisite ownership in order to reproduce a photograph leads to confusion, frustration and lost time. While the legal interests among these parties may sometimes overlap, the legal problems regarding the production and duplication of photographs is best presented from these three perspectives.

IV. ANALYSIS

A. Perspective: Professional Photographers

Even prior to the proliferation of affordable digital imaging and printing devices, photographers struggled to prevent copyright infringement.\textsuperscript{161} The challenges faced by

\textsuperscript{159} For instance, many online copyright holders now draft terms of service that are posted or incorporated into the content delivery. See Annie R. Lin, Note, Who Owns the Cow When We Give Away the Milk for Free? Fair Use and the Protection of Web-Posted Materials, 3 BUFF. INTELL. PROP. L.J. 46, 65 (2005) (“For many digital copyright holders, drafting has become a viable alternative to the protracted litigation process that may accompany a battle over the terms of an implied license or a battle over the applicability of the fair use doctrine.”).

\textsuperscript{160} Highton, supra note 60, at 226.

\textsuperscript{161} See supra Part II.A.
photographers include the inability to adequately monitor copying, the tedious and cumbersome pre-lawsuit copyright registration process, and the sheer expense of an infringement lawsuit.162 Now, in the modern digital era, mainstream consumers have access to sophisticated image editing software and also have the ability to affordably reproduce high-quality images either at a neighborhood retail store or even in the comfort of their own home. Such copyright infringement is particularly detrimental to wedding and portrait photographers who rely on reproduction and enlargement services for a significant portion of their income.163 As a result, some portrait studio chains like Sears have decided to embrace the digital era by providing customers with the option to purchase the reproduction rights to the images and the ability to obtain high-resolution digital versions of the photographs on either CD-ROM or via the Internet.164 However, not all photographers are so willing to allow this arrangement.165

Meanwhile, commercial photographers who work primarily in news and stock image production may not see their core business model jeopardized given that these images are generally licensed by advertisers and media outlets for

162. See supra Part II.C.3.
163. See Am. Soc'y of Media Photographers [ASMP], Licensing Your Images, http://www.asmp.org/commerce/legal/copyright/license.php (last visited May 6, 2007) ("This licensing model dates back over 100 years to the beginning of the wedding and portrait photography business. ASMP members have learned that a good photo, if properly licensed, can be resold multiple times over the years to create a lifetime annuity.").
164. See Sears Portrait Studio, Business Portraits, http://www.searsportrait.com/cgi/en-US/products/BusinessPortraits.htm (last visited May 6, 2007) ("[The copyright release] gives your organization permission to reproduce or print the digital images at your discretion."); see also Sears Portrait Studio, Portrait CD, http://www.searsportrait.com/cgi/en-US/products/Portrait_CD.htm (last visited May 6, 2007) ("You can purchase your entire portrait session or just your favorite poses on our high-resolution CD and take your portraits home with you (with the purchase of the Portrait CD, you have unlimited rights to print and reproduce your images). The Portrait CD includes a slideshow feature for easy viewing and is a fun way to relive your portrait session.").
165. See Should Fair Use Apply to Your Family Portraits?, http://thomashawk.com/2006/09/should-fair-use-apply-to-your-family.html (Sept. 13, 2006, 00:08:27 PST) (posting of Thomas Hawk, about a portrait photographer unwilling to release digital versions of photographs or license the rights to Hawk for a family photo).
use in publications, rather than personal use.\textsuperscript{166} As a result, the availability of quality consumer-oriented digital imaging technology does not likely pose a huge threat to the main source of income for these photographers.\textsuperscript{167} Furthermore, these photographers are often affiliated with stock photo agencies like Getty Images\textsuperscript{168} or Corbis,\textsuperscript{169} who coordinate the licensing, distribution and infringement enforcement of copyrighted works in their vast libraries.\textsuperscript{170}

While creating additional licensing opportunities for this category of photographs in particular, the Internet has also created a variety of infringement issues that led to vigilant efforts by stock photo agencies to monitor the use of their works to protect against infringement. For instance, Corbis took action against Amazon.com in 2003 when merchants on one of the Web retailer's storefront offered for sale posters of unlicensed celebrity photos.\textsuperscript{171} By comparison, enforcement activities by portrait photographers have focused primarily on

\textsuperscript{166} For stock photographers, the digital era has brought with it new licensing opportunities with the emergence of electronic publications and advertising. See Highton, supra note 60, at 217 ("Electronic media are not replacements for, but rather, extensions of traditional markets for photographs. Therefore, the additional demand for photography in electronic media effectively increases the overall value of photography.").

\textsuperscript{167} Likewise, unlike family portraits that are viewed by a relatively small audience, commercial photographs that are impermissibly reproduced are less likely to go unnoticed. For instance, National Geographic Magazine's infringing electronic publication of photographs on CD-ROM did not go unnoticed by the photographer who had decades earlier licensed the images to the magazine only for limited print publication. See Greenberg v. Nat'l Geographic Soc'y, 244 F.3d 1267 (11th Cir. 2001) (remanded to district court to determine damages).


\textsuperscript{170} See supra Part II.C.1.a.

\textsuperscript{171} See Monica Soto, Photo-Theft Crackdown Hits Amazon—Corbis Says Internet Retailer's Ignorance Doesn't Excuse Offense, SEATTLE TIMES, July 7, 2003, at E1. Ultimately, a district court found that Amazon.com, as an Internet service provider, was protected against some of Corbis' claims for infringement due to Amazon.com's compliance with the safe harbor provisions of the Digital Millennium Copyright Act, 17 U.S.C. § 512. Corbis Corp. v Amazon.com, Inc., 351 F. Supp. 2d 1090, 1110-11 (W.D. Wash. 2004). Also, the district court dismissed some claims of copyright infringement related to images for which Corbis had yet to complete the copyright registration process, a legal position for which the court has been criticized. Id. at 1113; see also Sara Goldfarb, Comment, Corbis v. Amazon.com, Inc.—Needlessly Endorsing Overly Strict U.S. Registration Requirements in Copyright Infringement Litigation, 20 ST. JOHN'S J. LEGAL COMMENT. 419, 423-25 (2006).
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preventing infringement by photo finishing retailers.\textsuperscript{172}

\section*{B. Perspective: Photo Finishers}

Purveyors of photo finishing services are left vulnerable to litigation for infringement if a customer submits a copyrighted image for duplication. Detecting and stopping infringing activity is not a new problem for photo finishers or businesses that provide copying services.\textsuperscript{173} However, the digital era of photography has left photo finishers without the photograph negative to rely on as evidence indicating that the customer likely had permission to reproduce the photograph.\textsuperscript{174} Thus, to avoid liability, photo finishers attempt to evaluate the subjective quality of the photograph, the presence of logos or details that suggest a professional photograph, and any other proof of ownership or license provided by the customer.\textsuperscript{175} However, despite these detection efforts, photo finishers and copyshops may not eliminate all liability because "[t]he exercise of due diligence . . . can reduce, but never entirely exclude, the risk of a copyright infringement claim," Professor Paul Goldstein explains.\textsuperscript{176} "Copyright law's rule of strict liability poses particularly hard problems for an intermediary, . . . which must accept on faith its author's representation that he originated the work . . . ."

A customer's mere possession of a photograph is not sufficient to prove the right of reproduction. As stated in \textit{Olan Mills et al. v. Eckerd Drugs}:

\begin{itemize}
  \item \textsuperscript{173} See, e.g., Olan Mills, Inc. v. Eckerd Drugs of Texas, Inc., 1989 U.S. Dist. LEXIS 13768 (N.D. Tex. 1989) (finding that a drugstore chain infringed a portrait studio's copyrights when reproducing images from negatives provided by customers).
  \item \textsuperscript{176} 1 PAUL GOLDSTEIN, COPYRIGHT § 1.15, at 45 (1989).
  \item \textsuperscript{177} Id.
\end{itemize}
The simple fact that an individual brings his own image to the studio is not enough to give that person a protectable property right in the portrait. The court finds no basis in law, or in facts of the summary judgment record, to conclude that the subject of a portrait is a co-creator of the photograph.\footnote{178}

Failure to monitor infringing activity can pose significant liability and public relations risks. For an example, after considerable bad publicity and failed promises to rectify infringement, Kmart settled a 1999 lawsuit brought by the Professional Photographers of America for $100,000 for reproducing copyrighted images submitted by undercover trade group investigators.\footnote{179} The lawsuit came approximately ten years after a similar pair of lawsuits filed by Olan Mills and the PPA against photo finishers for knowingly copying portrait studio photographs.\footnote{180} Additionally, copy shops became more vigilant against copyright infringement after the notable suit against Kinko's that resulted in a judgment for over a million dollars against the corporation.\footnote{181}

Faced with such liability, and continued sting operations from trade organizations,\footnote{182} most photo finishers today resort
to a subjective analysis of photographs by an employee, a potentially time-consuming and ineffective filtering method. For instance, Wal-Mart’s policy is to return negatives and digital images to customers unprinted if the photograph is signed, stamped, or identified as being the product of a professional photographer or studio.\textsuperscript{183} This policy also prohibits copying photographs that appear to have been taken by a professional photographer or studio, a far more subjective standard.\textsuperscript{184} Moreover, differentiating between works created by professional photographers versus that of skilled hobbyists continues to become more difficult with the introduction of affordable, high-resolution digital cameras and powerful image editing software. “To alter the texture of the background or the shape of a foreground object in an analog record of a photographic image might take a skilled retoucher hours or days, involving as it does the painstaking alteration of every affected portion of the picture.”\textsuperscript{185} On the other hand, modern consumer-grade image editing software gives mainstream users the ability to remove red-eye, smooth the human subject’s skin, or even polish teeth in a matter of a few mouse clicks.\textsuperscript{186}

If the submitted image appears to be the work of a professional photographer, most photo finishers, including Wal-Mart, will not reproduce the image without proof of a valid licensing agreement from the copyright owner.\textsuperscript{187}

\textsuperscript{183} See Wal-Mart Digital Photo Center, Terms of Use, \url{http://photos.walmart.com/termsofuse} (last visited May 6, 2007). Other retailers have similar policies. See, e.g., Kodak EasyShare Gallery, Help: Copyright, \url{http://www.kodakgallery.com/HelpCopyright.jsp} (last visited May 6, 2006) (providing image copyright and rights information).

\textsuperscript{184} Wal-Mart Digital Photo Center, supra note 183.

\textsuperscript{185} CRAIG JOYCE ET AL., COPYRIGHT LAW 46 (6th ed. 2003).

\textsuperscript{186} See Sean Carroll, Digital Photography: Go Forth and Rectify, PC Magazine, Oct. 3, 2006, available at \url{http://www.pcmag.com/article2/0,1895,2023298,00.asp}.

\textsuperscript{187} See, e.g., Wal-Mart Digital Photo Center, supra note 183 (“Negatives or digital images of a copyrighted image will be returned to you unprinted and you will be provided instructions on how to present WALMART.COM with a signed Copyright Release.”); Shutterfly, Shutterfly Pro Galleries Terms and Conditions, available at \url{http://www.shutterfly.com/help/pop/pro_terms.jsp?index=no} (last visited May 6, 2007) (“Shutterfly may request confirmation of copyright ownership from the submitter. Shutterfly reserves the right to remove images or suspend viewing or printing of images until such confirmation is received.”). But see Walgreens Photo Center, Walgreens.com Terms and Conditions of Use, available at \url{http://photo.walgreens.com/termsofusepopup} (last visited May 6, 2007) (lacking...
Likewise, photo labs often require the customer to sign an indemnification agreement warranting that the customer either has permission or appropriate ownership rights to reproduce the photograph.\textsuperscript{188} However, indemnification agreements do not necessarily provide adequate protection against infringement litigation, as shown in Olan Mills, Inc., v. Linn Photo Co.\textsuperscript{189} When the plaintiff portrait studio hired an undercover "customer" to seek duplication of prints clearly marked on the front and back with Olan Mill's logo and copyright notice, defendant Linn Photo had the "customer" sign a liability release form.\textsuperscript{190} Nevertheless, the Eighth Circuit subsequently found defendant Linn Photo's indemnity agreement void as against public policy because the form did not constitute a good faith effort to avoid infringement and instead attempted to protect the business from liability for known unlawful activity.\textsuperscript{191}

Ultimately, the entire proof-of-ownership process proves detrimental to efficiency and customer service. The fear of third-party liability extends beyond photo finishers, as some digital camera manufacturers now warn their customers that the device may be used for potentially infringing uses.\textsuperscript{192} For instance, Canon's user guide for the popular PowerShot series warns that the camera is only intended for personal use and should never be used for infringing activity.\textsuperscript{193} Such a warning is likely an attempt to avert claims that the manufacturer induces and profits from copyright infringement, thereby avoiding the principal Grokster

\begin{footnotes}
\item[188] Id.
\item[189] Olan Mills, Inc., v. Linn Photo Co., 23 F.3d 1345, 1348 (8th Cir. 1994).
\item[190] Id. ("Because the photographs in this case were clearly marked with a copyright notice, Linn Photo could not reasonably rely on its indemnification agreement.").
\item[191] Id. Moreover, Linn Photo's legal standing was certainly harmed by prior requests by Olan Mills to cease duplication, coupled with the obvious source of such photographs. Id.
\item[193] Id. at 7 ("Please note that Canon digital cameras are intended for personal use and should never be used in a manner that infringes upon or contravenes international or domestic copyright laws and regulations.").
\end{footnotes}
holding.\textsuperscript{194}

Some image duplication and alteration services do not involve any employee interaction, as self-serve kiosks are now available at many photo labs.\textsuperscript{195} Using the kiosk, the customer is typically able to scan, manipulate, and print the images of their choice with little or no supervision from the photo lab's employees. Under such a scenario, when the customer is the direct infringer, the store provides the equipment that makes such infringement possible. The question then arises whether this willful blindness warrants a valid claim for contributory infringement, especially under the \textit{Grokster} decision that showed no mercy for entities that induce infringement. However, unlike the peer-to-peer file-sharing network operators, these photo kiosks are likely capable of producing significant evidence of substantial non-infringing use given that many of the photos copied are likely family snapshots. Also, unlike the file-sharing network operators in \textit{Grokster}, the element of bad faith seems to be missing given that kiosk operators do not focus their advertising efforts on the copyright infringement features of their technology. On the other hand, it can be argued that kiosk operators should monitor infringing activity at the checkout counter and refuse purchases of questionable images that were copied at the in-store kiosk. Nevertheless, the kiosk operators' business model seems poised to withstand scrutiny under an indirect infringement claim.

\textbf{C. Perspective: Consumers}

Increasingly, consumers who submit their digital images to photo finishers either online or at a retail store are receiving unexpected scrutiny regarding the quality of their photo. In one recent example, when an amateur photographer attempted to pick up prints of digital images that she took of her own son, a Wal-Mart clerk refused to process the order because the images looked too professional and the customer lacked a suitable copyright release form.\textsuperscript{196}

\textsuperscript{194} See infra Part II.C.
\textsuperscript{196} Balint, \textit{supra} note 174.
Such hang-ups were rare before digital photography because customers in possession of film and negatives were presumed to have permission to copy them.\textsuperscript{197} Today, retailers use heightened standards for fear of infringement lawsuits, so customers are left to prove that they have permission.\textsuperscript{198} These business practices can be particularly difficult for consumers when attempting to duplicate old portraits taken by studios that are no longer in business or when the photographer is deceased, as evidenced by frequent discussion on photography-related Internet forums.\textsuperscript{199}

Obtaining a license to duplicate a photo can be a complicated, time-consuming process for consumers. For instance, national portrait chain Olan Mills provides customers with the opportunity to order additional prints for two years after the photograph was taken.\textsuperscript{200} If the company is unable to fulfill the customer's request, likely because the negative or digital file is no longer in the company's archives, it will issue a copyright release granting reproduction rights to the customer for a fifteen dollar "processing" fee.\textsuperscript{201} Lifetouch, a nationwide class portrait company, provides a less convenient approach for customers who seek copyright releases by referring such requests to the local affiliate.\textsuperscript{202} Lifetouch alerts customers of the copyright status of their images on its website: "While you do purchase portraits of your child, the original image remains the property of
Lifetouch. This original image cannot be photocopied or reproduced without the company's express written consent.\textsuperscript{203} In other instances, tracking down the copyright owner can be a difficult and sometimes impossible task. Using its membership database and other resources, the Professional Photographers of America (PPA) offers assistance in locating the photographer or the copyright owner's heirs in order for consumers to obtain reproduction permission.\textsuperscript{204} However, given the vast number of photographs in circulation that are not yet in the public domain, some are inevitably "orphan works," copyrighted works whose owners may be impossible to identify and locate in order for such reproduction permission to be obtained.\textsuperscript{205} Ultimately, if consumers do not have convenient and affordable options for licensing photographs or a fool-proof method for proving permission to copy, most of the reproduction activity will take place in private using ever-improving personal copying technology. Rather than facing the scrutiny at a photo finisher, which may be able to provide somewhat better quality prints and a faster turnaround, the everyday consumer may just duplicate the photos at home. Short of draconian infringement detection mechanisms on personal computers and printing devices, this leads to lost revenue opportunities for both the photo finishers and the copyright owners. Therefore, a solution that eases consumers' copyright frustrations can simultaneously prove profitable to both businesses that provide copying services and photographers.

D. Preliminary Regulatory Response: The Orphan Works Report

The Copyright Office recently studied solutions to deal with orphan works and subsequently proposed legislative changes that include limiting damages in circumstances where the user has made a good faith effort to locate the

\textsuperscript{203} See Lifetouch School Protraits, Portrait Day FAQs, http://schoolportraits.lifetouch.com/portraitday/commonquestions/index.aspx#Q14 (last visited May 6, 2007) (posing the question, "Can I get a copyright release on my child's photograph?").


\textsuperscript{205} See infra Part IV.D.
In the report, the Copyright Office recommended that Congress enact legislation that would limit remedies for infringement if the user could not locate the copyright owner after performing a "good faith, reasonably diligent search." After completing such a search, remedies against the user, upon discovery of the infringement by the copyright owner, would be limited to injunctive relief along with reasonable compensation for the use of the infringed work.

The Copyright Office identified reproduction of family portraits where the photographer could not be located as one of the principal personal uses that should be allowed under the proposed statute. The infringer would rarely face significant liability because such copying is unlikely to garner the attention of the copyright owner for the following reasons:

- First, discovery of the infringement is not likely, given that the infringing copies will be disseminated—if at all—among a limited group and not generally made available to the public. Second, the amount of damages involved in these cases is likely very small, probably in the range of the cost of reprints, so that litigation costs would far outweigh prospective recovery, even if full remedies were available. Nevertheless, if the user stopped his infringing activities upon notice of infringement, he would be insulated from monetary liability by the non-commercial provision in the recommendation.

Determining what constitutes a "good faith, reasonably
diligent search" under the proposed legislation in order to warrant liability protection is a potentially complicated, shifting standard that depends on the sophistication of the infringer and the availability of new methods for conducting such searches.\textsuperscript{212} The report recommends that the infringing user carry the burden of proof regarding both whether the search was performed and if it was reasonable.\textsuperscript{213}

The Professional Photographers of America opposes such legislative changes on the basis that their infringement enforcement efforts would be crippled by a damages cap and that infringers would be shielded by non-commercial use safe harbors.\textsuperscript{214} The PPA advocates more explicit guidelines regarding what constitutes a "good faith, reasonably diligent search" in order for a user to benefit from the proposed safe harbors.\textsuperscript{215} Additionally, the PPA believes the proposal's "reasonable royalty" language puts the burden wrongly on the copyright owner to prove the work's fair market value.\textsuperscript{216} Overall, the trade group worries that copyright enforcement efforts for some types of works would no longer become economically worthwhile under the proposed legislation.\textsuperscript{217}

V. POTENTIAL SOLUTIONS

A. Enact Infringement Safe Harbors and Maintain Searchable Image Registry

The Copyright Office's recent recommendations regarding orphan works is a suitable starting point for analyzing how to solve the liability and enforcement issues presented by modern digital imaging technology.\textsuperscript{218} The legislation creates incentives for these copyright owners to

\textsuperscript{212} See generally id. at 96-108.

\textsuperscript{213} Id. at 96 n.348.


\textsuperscript{216} Id.

\textsuperscript{217} Id. at 5. ("Simply put, even a significant orphan works infringement would not generate enough in damages to make a suit economically viable—or even to make the threat of such a lawsuit credible.").

\textsuperscript{218} See discussion supra Part IV.D.
modernize their enforcement efforts in ways that provide a more efficient and effective method for detecting copyright infringement. Based on the "reasonably diligent" language of the proposed statute, the liability safe harbor implicitly adjusts to the availability of enhanced infringement detection mechanisms. Therefore, as discussed in the Copyright Office's report, enactment of the safe harbor legislation may encourage efforts to establish an electronic image registry.

The electronic image registry could enhance infringement enforcement for copyright owners, eliminate many liability concerns for photo finishers, and facilitate licensing of photographs by consumers. Given advances in image comparison software, a user-submitted image could be compared against the registry to determine the copyright status. Accordingly, copyright owners who participate in the registry stand to benefit because the registry could provide a centralized infringement monitoring system, which may then lead to more licensing opportunities. The existence of the registry would put the onus on photo finishers to adopt procedures that include running comparison queries of customer-provided photographs prior to reproduction. Similarly, rather than hassling customers, photo finishers can meet the requirements for the safe harbor protections by querying the registry. Finally, customers benefit from this streamlined, standardized infringement detection because of more efficient service along with the availability of information regarding how to obtain a proper license.

Creating an electronic image registry is undoubtedly a significant undertaking that requires cooperation among multiple entities to encourage widespread adoption. The

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219. U.S. COPYRIGHT OFFICE, supra note 206, at 127 (proposing 17 U.S.C. § 514(a)).
220. See id. at 73-77.
221. For an example of such technology, a service called Image Tracker allows photographers to monitor the use of their images online by registering and uploading their portfolio of photos to the company's system, which then crawls the Internet looking for infringement. See PicScout, Image Tracker: How It Works, http://photographer.picscout.com/photo/expHow.aspx (last visited May 6, 2007). Similarly, the popular online social networking website MySpace has announced plans to use image comparison technology to prevent users from posting copyright infringing video clips. See Anick Jesdanun, MySpace to Launch Video Filtering System, USA TODAY, Feb. 12, 2007, available at http://www.usatoday.com/tech/news/2007-02-12-myspace-filter_x.htm (last visited Mar. 9, 2007).
Copyright Office is in some ways an ideal candidate to spearhead such a registry given the mass archive of photographic works deposited as part of the copyright registration. However, the scope of the project could be quite expensive for the Copyright Office given that the vast majority of the photographs would need to be scanned and presumably retrieved from the deep archives. Furthermore, such a federal project would require a congressional mandate in order to allocate the necessary funds. While a substantial federal outlay for the registry may seem unlikely, Congress has previously directed the Copyright Office to participate in private-public partnerships to facilitate licensing, as evidenced by the Copyright Clearance Center. Therefore, a similar arrangement between the Copyright Office and an entrepreneurial venture appears to be the most promising method to establish a registry. For instance, the PPA, along with stock agencies like Corbis and Getty Images, could help organize such a registry given their extensive image libraries, membership roster and profit incentive. The development of such voluntary-participation private registries would not necessarily require copyright holders to take any extra steps to ensure their rights, but instead would provide another avenue for licensing opportunities. Simultaneously, if the

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223. See id.
224. The Copyright Clearance Center provides copyright licensing and royalty disbursement for over 1.75 million works. The organization represents over 9,600 publishers and thousands of authors. See Copyright.com, Corporate Overview: Creating Copyright Solutions, http://www.copyright.com/ccc/do/viewPage?pageCode=au1 (last viewed May 6, 2007).
226. Id. at 112 (private registries, while competing to offer the most efficient and accurate search results, also may drive down licensing transaction costs as copyright owners become more readily identifiable).

[T]his proposal does not require rightsholders to fix notice on their works, register, or record transfers with the Copyright Office or other private databases. Instead, this proposal encourages rightsholders to
orphan works legislation spurs the creation of such registries, consumers can benefit from either the ability to locate the copyright owner or the safe-harbor provisions of the statute as a result of conducting such a search.\textsuperscript{227}

B. Digital Rights Management for Photographs

While a central image database provides an effective process for determining copyright ownership of photographs, the library certainly does not eliminate all copyright infringement. While file formats with Digital Rights Management (DRM) capabilities are now readily available from online music and video retailers,\textsuperscript{228} standard image file formats on the Internet typically provide no copy protection whatsoever.\textsuperscript{229} A well-designed DRM file format for images could provide a way for copyright owners to tag their photographs with licensing information, limiting wrongful Internet distribution and providing photo finishers with another piece of data to filter out non-licensed reproduction.

create information that will lower transactions costs—something that our current system of automatic copyrights fails to do. Under this proposal, rightsholders—who are in the best position to know the value of their own works—have full control of how many steps they would like to take, and to what extent, thus yielding the optimum set of protective measures for each work.

\textit{Id.}

227. \textit{Id.}

228. The DRM encryption scheme used by most digital music retailers limits which devices that the consumer can playback the file on, prevents unlicensed distribution, and restricts the consumer from converting the file into another file format. Likewise, the digital music file usually contains information about who is licensed to play the file (i.e. the consumer who purchased the digital music file). See Electronic Frontier Found., \textit{The Customer Is Always Wrong: A User's Guide to DRM in Online Music}, http://www.eff.org/IP/DRM/guide/ (last visited May 6, 2007).

229. Comparatively, stock photography agencies have recently implemented watermarking technology that embeds invisible ownership data into the image. This allows the agency to track distribution of the image and detect unlicensed uses by using special search engines to crawl the Internet. However, rather than providing a mechanism for the public to identify the copyright owner of the photograph, the watermarking technology is designed for policing misuse. "With this capability, organizations can ensure that marketing partners are acting in compliance with guidelines for campaigns and new product rollout, and legal departments can effectively communicate and enforce image copyrights." Corbis, \textit{eMotion and Digimarc Partner to Deliver Superior Image Tracking and Monitoring}, Mar. 15, 2005, http://pro.corbis.com/creative/services/mediamanagement/NewsEvents/content/en-US/March_15.html.
Additionally, a standardized DRM model might prove convenient for consumers who sometimes find it difficult to prove ownership of their own photographs when a photo lab suspects the photo is too "professional." This may be accomplished if digital camera manufacturers incorporate the DRM file standard into their devices, thus fingerprinting images taken even by amateur photographers for ownership tracking purposes.

DRM is not foolproof, however. While prohibited under the Digital Millennium Copyright Act, circumventing DRM protection is not impossible or even unusual. Furthermore, DRM protected files sometimes present headaches and confusion for consumers who find the restrictions complicated. Some lawmakers in Congress have suggested requiring the development of a uniform DRM format to

230. See supra Part V.C.
231. For example, tagged images could contain license and ownership information known as metadata that may serve as a warranty of ownership so that third-party photo finishers could be sure the image is approved for a customer's use. In this way, the protected image may also contain metadata that correlates to specific copyright registration information at the Copyright Office or at a central licensing authority. Additionally, professional photographers' organizations recently advocated and proposed a standardized metadata format that would streamline ownership tracking. See STOCK ARTISTS ALLIANCE, A METADATA MANIFESTO 2 (2006), available at http://www.stockartistsalliance.org/pdf_docs/SAA_MetadataManifesto_v1_0606.pdf.
232. The DMCA's extensive modifications to copyright law affecting digital and Internet-based technology span several code sections. See 17 U.S.C. §§ 117, 512, 1201-1205, 1301 (2000). Among these provisions, the DMCA prohibits the manufacture of any device, or the offering of any service, primarily designed to defeat technology used to protect copyrighted material. Id. § 512. Furthermore, the DMCA prohibits unauthorized removal or modification of digital "copyright management information," which is data used to automate the licensing of digitally-produced works. Id. § 1202.
234. Apple Inc.'s iTunes Music Store is currently the world's largest digital music retailer and uses DRM to prevent unlicensed distribution of music files. Steve Jobs, Apple's CEO, recently publicly called for major record companies to quit requiring that iTunes sell the files with the copy protection technology, which limits consumers' ability to play the music files to certain devices. See Yinka Adegoke & Duncan Martell, Apple's Jobs calls on music industry to drop DRM, Reuters, Feb. 6, 2007; see also Grant Gross, Experts Debate: Is DRM Good or Bad For Consumers?, COMPUTERWORLD, Nov. 8, 2006, available at http://computerworld.com/action/article.do?command=viewArticleBasic&articleId=9004909.
protect consumer rights, allow for continued fair use and improve device interoperability. Such intervention might be necessary to implement a publicly acceptable DRM format, thus avoiding proprietary squabbles between different media companies and technology vendors who wish to lock content to a particular brand of device. However, to prevent the stifling of innovation, Congress must act carefully and should consult international standardization bodies, like the World Wide Web Consortium (W3C), to formulate appropriate specifications that can be implemented on a broad range of hardware and software platforms.

C. Device Royalties

The solutions outlined above are mostly ineffective at preventing the public from using home or office printers and scanning devices to reproduce protected images. Photographers and copyright owners could seek compensation for ongoing infringement by convincing Congress to impose a compulsory royalty fee on manufacturers of these products, similar to the one imposed on certain types of digital audio devices. However, while such compulsory royalty schemes have been successfully implemented in Europe to compensate copyright owners, enacting such legislation in the United States seems unlikely given the expected loud objection from a broad array of device manufacturers, as compared to the questionable lobbying clout of the photographer trade industry. Assessing a fee on each device essentially punishes...


238. See discussion supra Part II.C.2.

every consumer, even those who do not commit infringement, and taxes innovation.\textsuperscript{240} Also, determining an appropriate royalty fee would be complex and may not adequately compensate parties who are harmed by copyright infringement. Furthermore, even if it garners lawmaker support, implementing a fair method to disburse royalties proves cumbersome given the lack of uniformity in tracking photograph usage, unlike the well-established methods for tracking song plays in the music industry. Therefore, for the foreseeable future, individuals with unregulated access to printing and scanning devices will probably be able to reproduce protected works without providing any compensation to copyright owners.

VI. CONCLUSION

Advancing technology has certainly presented challenges to copyright owners over the last few decades. Originally designed to protect the rights of book publishers, lawmakers have attempted to mold copyright law to fit evolving technology and new business models, which too often prove problematic under existing law. New methods of digital image reproduction and distribution require a new framework to protect the rights of photographers and copyright owners of visual arts. A multi-faceted solution requires cooperation with photographers and their trade groups, along with commercial entities that provide reproduction services. Ultimately, the general public deserves a more streamlined and efficient system to license copyrighted works and prove ownership of their own photographs. While the digital age presents challenges for copyright holders, technology can also be the source of a better protection mechanism and new sources of licensing revenue.

\textsuperscript{240} Id. at 1351.

Levies on equipment or services have the virtue of permitting automatic collection of royalties and reducing the enforcement cost dramatically but at the price of taxing legal as well as illegal uses. A levy solves the enforcement problem at the front end, but, as with the current approach of suing facilitators, it imposes burdens of copyright enforcement on innovators.

\textit{Id.}