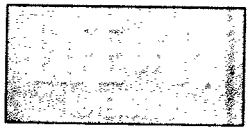
EXHIBIT C



September 12, 2011

Lawsuit Seeks the Removal of a Digital Book Collection

By JULIE BOSMAN

Three major authors' groups and eight individual authors filed suit against a partnership of research libraries and five universities on Monday, arguing that their initiative to digitize millions of books constituted copyright infringement.

The lawsuit, filed in United States District Court for the Southern District of New York, contends that "by digitizing, archiving, copying and now publishing the copyrighted works without the authorization of those works' rights holders, the universities are engaging in one of the largest copyright infringements in history."

The plaintiffs in the lawsuit are the Authors Guild, the Australian Society of Authors and the Québec Union of Writers. Individual authors include Pat Cummings, Roxana Robinson and T. J. Stiles.

"We've been greatly concerned about the seven million copyright-protected books that HathiTrust has on its servers for a while," said Paul Aiken, executive director of Authors Guild, an industry group that says it represents more than 8,500 authors. "Those scans are unauthorized by the authors." HathiTrust is the name of the partnership of libraries.

The announcement leaves the Authors Guild fighting a two-front war against what it contends is copyright infringement. It filed a lawsuit in 2005 against Google, contending that the company's project of scanning and archiving digital books violated copyrights.

In March, a federal judge in New York rejected a settlement that Google had worked out with authors' and publishers' groups. A new hearing on that case will be held on Thursday.

In addition to copyright infringement, the suit also cites concerns about the security of the files in the HathiTrust repository, which is organized and maintained by the University of Michigan. Scott Turow, the president of the Authors Guild, said the books on file were at "needless, intolerable digital risk."

The plaintiffs are not seeking damages in the lawsuit; instead, they are asking that the books be taken off the HathiTrust servers and held by a trustee.

HathiTrust, founded in 2008, is a collaboration of research libraries that share the goal of building a digital archive. The partnership has so far digitized more than 9.5 million total volumes, including books and journals. About 27 percent of those works are believed to be in the public domain, the group said.

John P. Wilkin, the executive director of HathiTrust, said in an interview Monday that nearly all the digitized works were provided by Google and that the project was "a lawful activity and important work for scholarship."

"This is a preservation operation, first and foremost," Mr. Wilkin said. "Books are decaying on the shelves. It's our intention to make them available to people at institutions for scholarly purposes. We are ensuring that the cultural record is preserved."

The lawsuit also objects to HathiTrust's method of determining which books are so-called orphan works, whose rights holders are unknown or cannot be found. About 150 books in the HathiTrust digital library have so far been identified as possible orphan works, Mr. Wilkin said, and many more are expected to be identified.

A list of the possible orphan works has been posted online, and after 90 days, if they have not been claimed, HathiTrust will consider them orphans, Mr. Wilkin said.

The first group of orphan works are expected to be made available to users of HathiTrust's repository on Oct. 13.

James Grimmelmann, an associate professor of law at New York Law School who has closely followed the Google lawsuit, said that a settlement in that case would have provided a framework to decide which use of the libraries' books was permitted.

"They chose now to go after the libraries in part because of the posting of books online," he said. "And in part because the Google books settlement has fallen apart."

The Laboratorium

GBS: Authors Guild Goes for an Early Knockout

March 4, 2012 at 2:35 PM 3 Comments

In December, HathiTrust moved for "partial judgment on the pleadings" on the issue of associational standing in the parallel case against Google's library partners. Judgment on the pleadings is an early pretrial tactic: the party asking for it, in essence, says that there's no need to move to the fact stage of the lawsuit. Even if every single thing the other side alleges turns out to be true, it wouldn't make a difference: the law still favors the moving party.

Well, two can play at that game. The Authors Guild and its allies filed their own motion on Tuesday for partial judgment on the pleadings. And this one is a doozy: it asks the court "to hold that Defendants' mass digitization and orphan works projects are not protected by any defense recognized by copyright law." If they win this motion, the case is all but over, and the libraries will almost certainly need to suspend their cooperation with Google and give up their digital copies of the books.

The motion deals with two sections of the 1976 Copyright Act that are expected to play leading roles in the libraries' defenses: Section 107 on fair use and Section 108 on library copying. In many respects, the sections couldn't be more different. Fair use is a standard: broadly and vaguely phrased, inherently case-specific, requiring elaboration by the courts. The library privileges are rules: narrowly and tightly phrased, far more mechanical in their application. And their interaction is ... disputed.

Before the 1976 Act, there was no provision on library privileges in the Copyright Act. Instead, libraries relied on fair use when they photocopied materials for their patrons. The scope of that fair use defense, though, wasn't determined by rulings from the courts. It was a mixture of custom, forbearance, confusion, and several sets of guidelines promulgated by different groups at different times, most notably a "Gentlemen's Agreement" from 1935 that allowed individual reproductions for research purposes only. (For more on this pre-1976 history, see this background paper by Mary Rasenberger and Chris Weston and this paper on the Gentlemen's Agreement by Peter Hirtle.)

This detente came under severe strain in the 1960s and 1970s under the influence of much better copying technologies. Patrons came to value the convenience of photocopying; libraries came to appreciate photocopying's value in preservation; authors and publishers worried that photocopying would cut severely into their sales. There were proposals to codify library reproductions into hard-and-fast fair use rules in the Copyright Act, but libraries and copyright owners were enormously far apart on what those rules ought to say. Meanwhile, a lawsuit by the publisher Williams and Wilkins against the National Institutes of Health and the National Library of Medicine resulted in a single-judge ruling that library photocopying was not fair use, then a 4-3 ruling in the Court of Claims that it was, and then a 4-4 Supreme Court split decision, which had the effect of leaving the NIH's victory intact while taking the Court of Claims's opinion off the books as binding precedent. Uncertainty and more uncertainty.

As ultimately enacted, the 1976 Copyright Act punted on the question of what the general law of library copying under fair use ought to be. Section 108, with its detailed and narrow rules governing allowing certain types of archival copies and certain distributions of copies to patrons, was in the Act.

But it contained two clauses whose meaning was never the subject of clear agreement among the various interest groups pushing and prodding Congress. First, there was the "systematic" exception:

> **(g)** The rights of reproduction and distribution under this section extend to the isolated and unrelated reproduction or distribution of a single copy or phonorecord of the same material on separate occasions, but do not extend to cases where the library or archives, or its employee ... **(2)** engages in the systematic reproduction or distribution of single or multiple copies or phonorecords of material described in subsection (d) [i.e., using the Section 108 privileges] ...

And second, there was the fair use savings clause:

> **(f)** Nothing in this section ... **(4)** in any way affects the right of fair use as provided by section 107 ...

The libraries took these to mean that library photocopying programs had been a fair use before the 1976 Act and would continue to be a fair use. On the other hand, copyright owners read these provisions to codify a few specific photocopying practices as being legal, while rendering the others categorically off-limits.

The Authors Guild's new motion falls definitively in the latter camp. It repeatedly refers to the libraries' actions as "violations" of Section 108, with the implication that to fall outside of its protections is to infringe. And it makes a detailed argument that the libraries fall outside each subsection of Section 108 that could possibly apply. This is the core of what the Authors Guild is going for: a judicial declaration that Section 108's threshold conditions haven't been met, taking it off the table as a possible defense early on. (I'll discuss the details in a future post, once HathiTrust's response brief is in.)

The part of the brief that drew the most attention last week—the fair use argument—is also the briefest. The Section 108 arguments take up twelve pages; the fair use arguments only three. But the Authors Guild's argument here is aggressive and more than a little breathtaking:

> Defendants will undoubtedly seek to defend themselves by arguing that their activities constitute fair use ... However, rules of statutory construction, case law and legislative history definitively establish that Section 107 is unavailable to Defendants under these circumstances.

There's a reason, though, why this sweeping argument—failure to qualify for Section 108 automatically disqualifies a library from claiming fair use—is relegated to the tail of the brief. It's just not very strong, and the brief's authors know it. Part I does an excellent job knocking down some of the specific Section 108 defenses, but Part II on fair use is tactical. It could wrong-foot HathiTrust's legal team and force them to litigate fair use before they have developed sympathetic facts. It could dispose the judge to regard the fair use claims with suspicion from the start. It could fire up the Tea Party anti-library faction of the author community. All of these are part of a good litigator's toolkit: confuse your opponents, sway the judge, please your client. But they shouldn't be mistaken for an argument that the litigator expects to prevail.

The first problem is that judgment on the pleadings is far too early in the case for a fair use ruling. Fair use requires case-by-case balancing, which requires developing the facts that make that balancing possible. If there is any plausible set of facts consistent with the libraries' arguments that would support a fair use claim, the Authors Guild's motion must be denied. For purposes of the motion, everything the libraries allege—absolutely no effect on the market, perfect quality control in the Orphan Works Program, etc.—must be taken as true.

The only way the Authors Guild can get around the enormously high factual burden facing it at this procedural stage is to make a purely legal argument: that failure to comply with Section 108 categorically prevents reliance on fair use, across the board, no factual questions asked. But here, even its own sources betray it. The 1983 Copyright Office report the Authors Guild quotes on the relationship between Section 108 and fair use says only that fair use is "often clearly unavailable as a basis for photocopying not authorized by section 108." Read that again: "often" unavailable, not "always" unavailable. This is not judgment-on-the-pleadings material.

The brief also features some creative but unpersuasive arguments about the fair use savings clause. First, it gives a standard specific-controls-the-general argument:

> The savings clause cannot be permitted to supplant the specific limitations on library copying contained in Section 108. Further, the general language of a statutory provision, although broad enough to include it, will not be held to apply to a matter specifically dealt with in another part of the same enactment. (citations omitted)

But this gets the structure of the statute wrong: Section 108 contains additional *defenses* for libraries, not additional *limitations* on what they may do. The savings clause, therefore, doesn't derogate from the specific statements of Section 108 in the slightest: nothing it does takes away from any of the library privileges that Section 108 creates.

Nor does the savings clause render the rest of Section 108 redundant, as the brief argues. Section 108 provides a clear and unambiguous but tightly circumscribed safe harbor for libraries: none of that is at all redundant with the usual case-by-case balancing tests of fair use. But to read Section 108 and fair use as incompatible, as the brief all but argues, would in effect read the *savings clause* out of the statute.

And then there is the brief's discussion of another Copyright Act fair use saving clause, in Section 1201 of the DMCA:

> Nothing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title.

In the famous DeCSS case Universal City Studios v. Corley the Second Circuit held that fair use was no defense to DMCA anti-circumvention liability. But—as the Second Circuit explained but the Authors Guild doesn't—that was because the DMCA creates an independent form of circumvention liability that is different from infringement liability:

> In the first place, the Appellants do not claim to be making fair use of any copyrighted materials, and nothing in the injunction prohibits them from making such fair use. They are barred from trafficking in a decryption code that enables unauthorized access to copyrighted materials.

That is, fair use as a defense to copyright infringement remains completely intact under the DMCA. Unlike the DMCA, however, Section 108 does not create new forms of liability, so that "violation" of it is not some new exotic action to which fair use does not apply. Failure to qualify for Section 108, per the text of the savings clause, simply kicks one back into the usual fair use balancing test.

The actual application of that test will be interesting and contested. It will also take place in the shadow of Section 108, which both sides are likely to point to as making the libraries' uses more fair or less fair. But that's a matter for a later date in the case; for now, the action, if it's anywhere, is in associational standing and the scope of Section 108.

(Jonathan Band also has some discussion of the relationship between Section 108 and fair use in the context of the HathiTrust Orphan Works Program.)

UPDATE: I changed "Tea Party anti-library faction of the Authors Guild's base" to "Tea Party anti-library faction of the author community" to make clearer that this is a statement about the beliefs of some authors, not the position of the Authors Guild itself.

March 5, 2012 at 12:55 PM — James Gleick

Regarding the change noted in the Update (from "Author's Guild" to "author community"). Where is this "Tea Party anti-library faction of the author community"? Even leaving aside the incendiary "Tea Party" tag, I don't know any authors who are "anti-library." In my experience authors are notorious supporters, enthusiasts, and hangers-out at libraries.

Do you have anyone in mind?

March 6, 2012 at 10:55 AM — James Grimmelmann

Well, there is this, from my comments:

> It is time for libraries to go. Clearly, their only goal these days is to maintain their existence—with the aid of public funding, which most writers and publishers do not get—in a world where libraries have become obsolete. ...

March 6, 2012 at 1:45 PM — Frances Grimble

I'm not a tea party member, James. Just a historian. The library system we now have was established in a vastly different world in terms of the availability of books and of education. This isn't the world of Thomas Jefferson or Andrew Carnegie.

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HathiTrust and the Litigation Path

by Kenneth Crews on October 3, 2011

When parties file a lawsuit and send their case into the court system, predictions are almost always wrong, if not reckless. Yet litigation is a matter of strategic planning that demands predictions. Predictions are also a tempting parlor game, so let's indulge a bit.

Earlier this month, The Author's Guild and several individually named authors filed a copyright infringement lawsuit against HathiTrust and five major universities. The scope and complications of the case make it especially unpredictable, and much has been written about the legal, constitutional, and procedural challenges that lie ahead. I see the case in another way. It may be instead a harsh prelude to reining in the corpus of Google Books digital files.

At the core of the case is the allegation that Hathi's actions ("Hathi" here is shorthand for all the defendants) to receive, store, and provide limited uses of digital files of scanned books are a violation of the copyrights in those books. If that were the entire case, we could explore the possible infringing activity and debate the application of fair use or Section 108 of the U.S. Copyright Act. The case is hardly that simple. It is complicated by the separate litigation brought by authors and publishers against Google Books—and the quest for a possible injunction that could effectively shut down HathiTrust. Other blogs have underscored serious problems such as sovereign immunity and standing that weaken the authors' case.

Passing judgment with only the complaint on file is folly, but here are a few possible directions this case may take:

The Fade Away. Not all cases run their full course. Some gradually disappear into a litany of legal motions, changed policies and attitudes, or distractions by other developments. Too much is at stake here to make this option likely. Somewhat more likely is outright dismissal or summary judgment. We can expect to see the defendants file motions on various grounds. The court would then hold hearings through the coming year or more just to determine if any part of the action will go forward. Even these preludes to trial can be protracted and expensive.

The Bleak House. The case could proceed on its own terms, leading to years of litigation at enormous costs. A basic rule: Don't start any litigation if you are not ready to finish. I assume The Author's Guild is ready to pay substantial sums to lawyers to prosecute the case. The fees could be millions of dollars. If Hathi is determined to test the law and press this case to conclusion, it has to get ready to defend on similar monetary terms. A supportive law firm may offer a lower price, or a foundation may contribute its services, but the commitment of time and money is always considerable. The outcome is utterly unpredictable. Right now, every party might secretly wish this option away.

The Snowball. The legal rule of joinder allows for cases on related issues to be consolidated, suggesting the possibility that the case against Hathi could be consolidated with the ongoing litigation by authors and publishers against Google Books. The signals so far suggest that is not going to happen. The cases may not even qualify. Moreover, Judge Chin is hearing the Google Books case, and he declined to have the HathiTrust case assigned to him. At least in the courts, this case will likely remain separate from Google Books.

The New Deal. If the authors, publishers, and Google are successful in the coming months in reaching a revised settlement of their litigation, HathiTrust could easy be drawn into the fray. Here's how. The previous proposed settlement would have allowed the digital scans of books produced by Google to be used by the libraries and maintained at shared repositories, such as HathiTrust. However, the libraries and repositories may keep and use the digital books only subject to formidable restrictions. The Author Guild's concerns about the Orphan Works Project will probably motivate the Guild to argue for even yet tighter restrictions in the next round of negotiations.

This New Deal option could leave Hathi with difficult choices. For example, the parties to the Google Books case (i.e., not HathiTrust) may do all the negotiations for a revised settlement, including any new restrictions for uses of digital files. The parties would then turn to Hathi with this offer: Accept the new terms, and the authors will dismiss the lawsuit. Hathi would have limited choices: Agree to the new deal; convince the parties to revise their settlement; or get ready to continue the litigation. This is a loaded bunch of issues. Leaving Hathi out of the room while negotiating about it is a poor business strategy, yet pulling Hathi into a roster of agreed conditions and restrictions seems not likely. Under this scenario, the new terms would of course apply only to book scans received from Google, but that is a vast swath of Hathi content.

I am not an insider or a fortune teller. But if HathiTrust is going to continue its services and have the flexibility to meet changing future needs, Hathi will have to make a strong case for the importance, the lawfulness, the reliability, and the security of its services. HathiTrust is enormously important, but I suspect the outcome of the lawsuit will not depend on either the social significance of libraries or the procedural deficiencies of the complaint. This may instead be a case about hard-core negotiations of practical rules and procedures. Hathi may have to assert its position before a judge, but more likely in tough and pragmatic settlement talks. Otherwise, negotiations taking place in a separate locked room could leave Hathi with few options.

These are my opinions, and I welcome yours. You may have noticed that this essay includes little substantive about orphans. The HathiTrust case is not specifically about the law of orphans, but will shape it. That is another conversation.

Kenneth Crews
October 3, 2011

A previous version of this posting stated that Michigan's Orphan Works Project was suspended. It has not been suspended, but a colleague at Michigan referred me to this statement.

{ 4 trackbacks }

Notable – 10.4.11 | The Digital Immigrant
10.04.11 at 6:24 am
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Developed by the Center for Digital Research and Scholarship

Authors, Copyright, and HathiTrust

by Kenneth Crews on September 13, 2011

On September 12 of this year The Authors Guild, Inc. and other societies and individual authors filed a copyright infringement lawsuit against HathiTrust and five universities over making, storing, and providing access to scans of digital books. HathiTrust may be well known among library professionals, but this lawsuit is certain to draw considerable new attention to the initiative. HathiTrust is a tremendously valuable resource, offering the ability to search a vast collection of digitized books, and in many cases retrieve the full text and have access to the full scan.

These links offer some background:

- HathiTrust and its services.
- Google Books and the contribution of scans to HathiTrust.
- HathiTrust proposal to provide access to orphan works.

The allegations of infringement are based on a series of actions by the university libraries and HathiTrust, much of it as an outgrowth of the Google Books project. The libraries have since 2004 allowed Google to digitize many of their books, and in return the libraries have received a copy of the electronic files. The libraries have contributed many of the Google digital files to the collection of HathiTrust. Pooling the digital books in one location has had several benefits, including efficiencies of scale for digital storage and an interface for searching the full collection simultaneously. The original scanning, the duplicate files, the mirror storage of HathiTrust all involve reproductions of the books, and that copying is the leading grounds for the claim of infringement.

As in any case, one should refrain from judgment based on only the complaint. But this case promises to stir interesting and important issues about reproduction and copies, and about fair use and Section 108 of the Copyright Act—the statute that allows libraries to make copies for preservation and other purposes. It is also about orphan works. American copyright law has no provision to safeguard the users of orphan works, other than an interpretation of fair use. Under the auspices of fair use, HathiTrust is currently preparing to launch an initiative to permit libraries and their users to access some digital files of books in the library collections that are deemed to be orphans.

If the litigation progresses, fair use will figure prominently. In the meantime, these two issues of complication are dominant:

Orphan Works. The complaint is about much more than just the orphan work initiative at HathiTrust, but orphan works receive ample attention. Orphans seem to be emphasized in the complaint as an example of the expanded use of the digital files that HathiTrust is clearly willing to pursue. For the libraries and users, that may be a good thing. For the rightsholders in this complaint, it is far overreaching. Moreover, the complaint cites the Google Books case and the failed efforts by Congress to enact orphan works law to argue that orphans need a legislative solution—not a private innovation.

Google Books Settlement. This case may mean nothing or everything. We will know soon. The parties to the Google Books case are due in court this week, on September 15. The Authors Guild is bringing the case against HathiTrust, and Guild is also a party to the Google Books case. The HathiTrust case probably signals that the Google parties have not reached a new settlement, and libraries and universities will be pulled into the renewed litigation. It could by contrast signal that the parties have reached a settlement and want steer all e-book activity away from HathiTrust into a licensing system that will be part of the settlement. Stay tuned.

This case raises many more issues, but these are my initial thoughts. The opinions here are not necessarily the views of Columbia University. I welcome your thoughts.

Kenneth Crews
September 12, 2011

Want to read more? Here is a sampling of other reports and summaries about the lawsuit:

- Author Guild press release.
- The Complaint.
- James Grimmelmann and The Laboratorium.
- ars technica article.
- Publishers Weekly article.
- Associated Press article.

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Developed by the Center for Digital Research and Scholarship

BBC NEWS

TECHNOLOGY

13 September 2011 Last updated at 06:37 ET

Legal action on college book plan

Writers from Australia, Britain and Canada are suing five US universities for creating online libraries made up of millions of books scanned by Google.

They argue that the books were digitised without authorisation.

The lawsuit accuses the universities of "engaging in one of the largest copyright infringements in history".

The case could have implications for the long-running court battle between Google and publishers.

Abducted?

The lawsuit centres on the HathiTrust repository, set up by the University of Michigan to allow students and university staff members access to so-called orphan works.

Orphan works are defined as out-of-print books whose writers could not be located.

The other universities named in the lawsuit are the University of California, the University of Wisconsin and the universities of Indiana and Cornell.

Paul Courant, the dean of libraries at Michigan University, told the AP newswire he was surprised by the lawsuit.

"I'm confident that everything we're doing and everything we're contemplating doing is lawful use of these works," he said.

He said that Google had so far digitised about five million books from Michigan's library, with several million more to scan.

But authors are convinced that the project is a massive infringement of copyright.

"This group of American universities has no authority to decide whether, when or how authors forfeit their copyright protection. They aren't orphaned books, they're abducted books," Angelo Loukakis, executive director of the Australian Society of Authors told the AP news service.

His views were echoed by Daniele Simpson, the president of Canadian authors guild the Union Des Ecrivaines et des Ecrivains Quebecois.

"How are authors from Quebec, Italy or Japan to know that their works have been determined to be 'orphans' by a group in Ann Arbor, Michigan? If these colleges make up their own rules, then won't every college and university, in every country, want to do the same?" she asked.

Unfair advantage

Alongside the US Authors Guild and eight individual authors, the groups aim to prevent the first release of 27 works by French, Russian and American authors scheduled for October.

The authors said books from nearly every nation have been digitised, including thousands of works published in 2001 in China,

France, Germany, India, Italy, Japan, Spain and the UK.

"This is an upsetting and outrageous attempt to dismiss authors' rights," said Mr Loukakis.

Mr Loukakis and Ms Simpson are among the authors involved in the lawsuit. Others include UK author Fay Weldon, poet Andre Roy and Shakespeare scholar James Shapiro.

The lawsuit comes ahead of the next hearing in the six-year battle between Google, the Authors Guild and the Association of American Publishers.

Lawyers for authors and publishers are due to go back to court in 10 days time to see if a new deal can be done with the search giant.

A $125m (£79m) royalties settlement was rejected by Judge Denny Chin who argued that the deal would give Google an unfair advantage.

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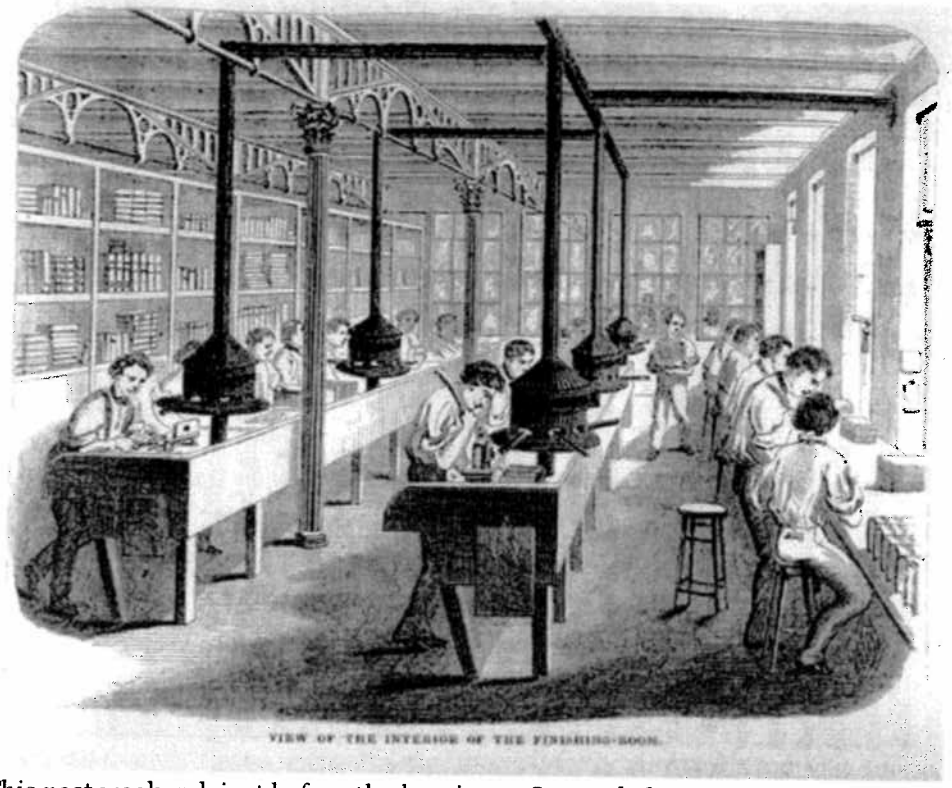
Steamboats Are Ruining Everything

The Future of books and copyright



This past weekend, just before the hurricane, I attended In Re Books, a conference about law and the future of the book convened by James Grimmelmann at the New York Law School. Playing the role of Luddite intruder among the futurologists, I gave a talk about the hazard that digitization may pose to research and preservation. Though there were a few librarians, leaders of nonprofits, and even writers present, most of my fellow conference attendees were lawyers who specialize in copyright, and I discovered that copyright lawyers see the world rather differently than do the writer-editor types with whom I usually rub shoulders. They don't expect publishing as I know it to be around much longer, for one thing. I thought I'd try to write up my impressions of the time I spent in their company. Please keep in mind that I'm not a lawyer myself. I'm just a visitor who went to the fair.

A specter was haunting the conference: the ghost of the settlement that Google Books tried to make with the Authors Guild several years ago. That settlement, slain by Judge Denny Chin in late 2011, had attempted to obtain digital rights to what are known as orphan works, books that are protected by copyright even though the author or publisher who holds the copyright can no longer be found. The settlement had proposed to set up a collective licensing system that would charge for digital access to all books under copyright, parented and ophaned. Proceeds from orphan works, it was suggested, might be shared with findable authors, if no actual rightsholder could be found and if anything was left over after the rights management organization was done paying for itself. The proposal was far from perfect. Why should Google get to sell orphan works and nobody else? Why should the profits from orphan works go to people who didn't write them? It turns out that the death of the agreement is not much lamented by the copyright lawyers. When Minda Zeitlin, president of the American Society of Journalists and Authors, asked, "Is there anyone better to represent dead and unfindable authors than living and findable ones?" the retort from Pamela Samuelson, a copyright law professor at the University of California at Berkeley, was sharp: "I'm a better representative of an author like me," Samuelson said, her implication being that an academic author aims in publishing to further knowledge and build a reputation, not make money. Roy Kaufman, who works at the

Copyright Clearance Center, a collective licensing agency founded in 1978 in response to the disruptive technology known as the photocopier, was at pains to distinguish his employer's system from the one advanced by Google Books and the Authors Guild. The Copyright Clearance Center is opt-in and nonexclusive, he assured the audience. His message was studiously non-threatening: mass digitization *could* involve rightsholders. Maybe it could take the form of collective licenses arranged between social-media networks and publishers. Facebook, for example, could pay the *New York Times* for articles and photos that its users posted.

Kaufman's support for collective licensing, however cautious, was atypical. Most at the conference were against it. Samuelson thought it inadvisable in general, as did Matthew Sag, of Loyola University Chicago, who justified his dislike by pointing to the failures and subsequent reboots of a compulsory licensing system recently set up in the United States for the webcasting of music.

What, if anything, will take the ghost's place? At the conference, a leading contender was the idea that fair use might solve the orphan works problem—an idea recently advanced by Jennifer Urban of the University of California at Berkely. Fair use, as I wrote in a review-essay for *The Nation* earlier this year, is an exception to copyright written into American law in 1976. It's because of fair use that a reviewer doesn't need to ask permission before he quotes from a book, and it's because of fair use that an Obama campaign commercial can quote a Romney speech, or vice versa, without paying for it. In the last few years, courts have been more and more generous in how they define fair use, perhaps because Congress seems so unlikely to help sort out the tangles in copyright. In a recent case between the Authors Guild and a digital books repository called Hathi Trust, for example, a court found that three of the four things that Hathi wanted to do with digital texts were fair use: data-mining, indexing, and providing access to the blind. America's 1976 copyright law specifies four factors to consider in determining fair use—the nature and purpose of the new use, the nature and purpose of the original work, the amount taken, and the impact on the original creator's income—but in the last couple of decades, judges have focused on whether a new use is "transformative" of the old content it borrows from. Whatever purpose Thomas Pynchon had in mind when he wrote *Gravity's Rainbow*, for example, he probably didn't imagine computerized search of his novel along with a myriad of others in order to find patterns of word usage. That's a completely new use, a transformation of the purpose of his words unlikely to interfere with the money he expected to make from his novel, so the judge in the Hathi Trust case found it fair.

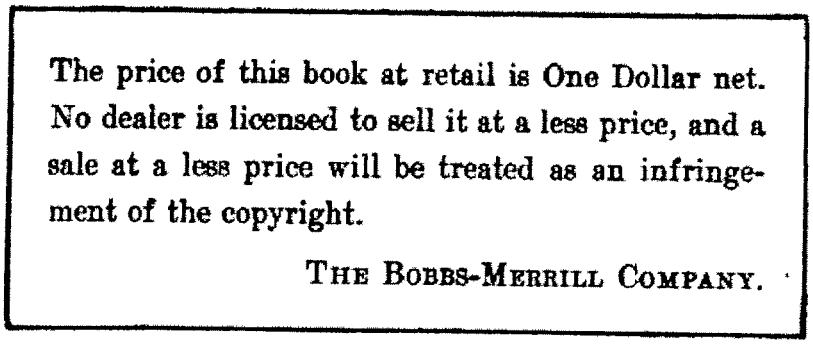
Sag and Samuelson favored Urban's idea, which was also mentioned by Doron Weber of the Alfred P. Sloan Foundation, which funds the Digital Public Library of America. Since I hadn't read Urban's paper, I asked Sag what kind of transformation lay behind her deployment of fair use. There wasn't any, he explained, to my surprise, and now that I look at the paper, I see what he means. Urban thinks libraries and universities should be able to provide digital facsimiles for their patrons to read—exactly the same use for which the books were originally published. She also frankly admits to wanting the right to reproduce entire works, not just samples or snippets of them. But she argues that such use would be fair nonetheless, based on the four factors conventional in fair-use analysis. She maintains that libraries and universities are nonprofit institutions, who would be offering access to the texts as a noncommercial service for such public-spirited purposes as research and preservation. (For this part of her argument to hold water, would a university library need to open itself to the public in a general way? Right now the services of a university library, however worthy, are for the most part bestowed only on its own students and faculty, and their character is not purely altruistic.) And she argues that the orphanhood of an orphaned work is more important than previous analysts have seen: "Orphan works," she writes,

> represent a clear market failure: there is no realistic possibility of completing a rights clearance transaction, no matter how high the costs of that transaction, because one party to the transaction is missing.

Therefore market harm, the fourth factor of fair-use analysis, is nugatory, in Urban's opinion. The trouble with her argument here, I think, is that it's impossible to know whether a so-called orphan work is really an orphan or

merely a work whose parents haven't shown up yet. If the parents do exist, the market harm to them is real, and it would be as wrong for a court to give the value of their work to Urban's university library as to give it to Google or a third-party author. Urban seems to be transferring the copyright rather than carving out an exception to it, and I'm afraid that only Congress, in its capacity as the sovereign power of the United States, has the authority to dispose of someone else's copyright, in an act of eminent domain. Without any claim of a transformation, it seems unlikely to me that Urban will convince a court to define fair use so broadly that it includes reproducing whole works for much the same purpose that they were originally published. But this is just my opinion. The copyright lawyers seem excited by her idea, and as yet no one knows how far it will go. It's up to the courts. As Jule Sigal, of Microsoft, noted in his presentation, the orphan-works problem has passed through the Age of Legislation (2005-2008) and the Age of Class Action (2008-2011), and we are now living in the Age of Litigation.

The other big new idea at the conference was that the first-sale doctrine might be extended to e-books. That sentence will sound like gibberish to the uninitiated, so let me back up and explain. The first-sale doctrine is a legal concept that limits the control that copyright affords. Specifically, it limits copyright control to the period before an item under copyright is first sold. Once you buy an ink-on-paper book, for example, you're free to re-sell the book on Ebay at a fraction of the cost. Or give it to your boyfriend. Or take an X-acto blade to it and confuse people by calling the result art. You don't have the right to sell new copies of the book, but you're free to do almost anything else you like with the specific copy of the book that you bought. Without the first-sale doctrine, used bookstores would be in constant peril of lawsuits.



Two speakers at the conference told the story of *Bobbs-Merrill v. Straus*, the 1908 case that established the first-sale doctrine. On the copyright page of the novel *The Castaway*, the publisher Bobbs-Merrill set the retail price at one dollar and threatened to sue discounters for breach of copyright. Macy's sold the book for eighty-nine cents anyway, triggering a lawsuit, and the court ruled that copyright afforded Bobbs-Merrill control over the book's price only up to the moment when Bobbs-Merrill, as a wholesaler, sold copies to Macy's, which then became free to set whatever retail price it wanted. Ariel Katz, of the University of Toronto, noted that the story is usually told as if the case involved an attempt at what's known as "vertical" price-fixing—that is, an attempt by a wholesaler to fix the prices charged by independent retailers further down the supply chain. But Katz maintains that it was actually a story of "horizontal" price-fixing—that is, an attempt at collusion in price-fixing by companies that are supposed to be in competition with one another, wholesalers in collusion with wholesalers, and retailers with retailers. The Straus brothers who ran the Macy's department store were "retail innovators," Katz explained, who sold a wide variety of goods, including books, at steep discounts, thereby angering publishers and traditional booksellers. The members of the American Publishers Association publicly swore to refuse to supply retailers who discounted the retail price of books, and the American Booksellers Association publicly swore to boycott any publishers who didn't toe the American Publishers Association's line. It was the Straus brothers who first went to court, accusing the publishers and booksellers of antitrust violations, but the outcome of this first case was ambiguous: the court ruled that publishers could only set the prices of books that were under copyright. It wasn't until the 1908 case that the court limited price-setting even of copyrighted books to the period before their first sale.

(As Katz pointed out, it isn't obvious why publishers and booksellers should have been willing to collude in fixing prices, and he proposed an economic explanation that I wasn't quite able to follow. He suggested that the price-fixing was an attempt to solve a challenge first discovered by Ronald Coase: if you sell a durable good and you're a monopolist, you soon find that your monopoly isn't as profitable to you as you'd like it to be, because you're in competition with yourself—that is, you're in competition with all the durable goods you've already sold, which suppress demand. The only way to keep prices from falling is to convince consumers that you'll never let them fall. Katz argues that the limit to booksellers' shelf space helped publishers make credible their promise never to lower prices, and that in the digital world, where shelf space is unlimited, no similar promise will be as credible. He ran out of time before explaining in detail how this mechanism would work, and as I say, I didn't quite follow. I also wasn't quite certain that books qualify as durable goods. Most people, once they've read a book, prefer to read a new one instead of re-reading the one they just finished, a fact that suggests that books are more like loaves of bread than refrigerators. But I may be missing something.)

Aaron Perzanowski, of Wayne State University, framed the story of *Bobbs-Merrill v. Straus* in the context of a common-law tradition of rights exhaustion—the word *exhaustion* here having the sense of a thing coming to its natural end. In Perzanowski's opinion, the right to control price is not the only aspect of copyright that expires when an item under copyright is sold. The owner of a work has purchased the use and enjoyment of it, Perzanowski argued, including perhaps the rights to reproduce the work and to make derivative works. Perzanowski made explicit a further leap that remained mostly implicit in Katz's talk: Shouldn't the first-sale doctrine apply to e-books, too? As a contractual matter, e-books are rarely sold, in order to prevent exactly this eventuality. In the fine print, it transpires that what distributors purchase from publishers, and what readers purchase from distributors, are mere licenses. But if courts were to recognize readers of e-books as owners, the courts could grant readers the right to re-sell and a limited right to reproduce what they had purchased. Jonathan Band, of Policy Bandwidth, in his assessment of recent legal victories won by university libraries on the strength of fair-use arguments, noted that he saw the first-sale doctrine as likely to be important in future disputes over digital rights. Libraries, he said, felt that they had already purchased the books in their collection and ought to be able to convey them digitally to their patrons.

Extending the first-sale doctrine to e-books might make libraries happy, but it would horrify publishers. Right now, only two of the six largest American publishers allow libraries to lend all of their e-books, and one of those two sells licenses that expire after twenty-six check-outs. Librarians sometimes become quite indignant over the limitations and refusals. "Are publishers ethically justified in not selling to libraries?" one asked at the conference. A recent Berkman Center report, *E-Books in Libraries*, offered some insight into publishers' reluctance:

> Many publishers believe that the online medium does not offer the same market segmentation between book consumers (i.e., people who purchase books from a retailer) and library patrons (i.e., people who check out books from a public library) that the physical medium affords.

When was the last time you checked out a printed book from the library? My own impression is that gainfully employed adults rather rarely do. (At least for pleasure reading. Research is a different beast.) Maybe they prefer to buy their own books for the sake of convenience, which ready spending money enables them to afford. Or maybe it's to signal their economic fitness to romantic partners, or to broadcast their social status more generally. But whatever the reason, the fact is that publishers don't sacrifice many potential sales when they sell printed books to libraries, because library patrons by and large aren't the sort who purchase copies of books for themselves. The case seems to be different with e-books, though, especially if patrons are able to check them out from home. E-book consumers signal their economic status by reading off of an I-pad XII instead of a Kindle Écru; the particular e-book that they're reading is invisible to the person on the other side of the subway car, so it might as well be a free one from the library. That means that e-book sales to libraries cannibalize sales to individual consumers. Publishers have tried charging libraries higher prices for e-books. They've tried introducing technologically

unnecessary "friction," such as a ban on simultaneous loans of a title, or a requirement that library patrons come in person to the library to load their reading devices. The friction frustrates library patrons and enrages librarians, and even so, it hasn't been substantial enough to reassure the publishers who are abstaining from the library market altogether. If the future of reading is digital, the market-segmentation problem raises a serious question about the mission of libraries. In his remarks at the conference, the writer James Gleick, a member of the Authors Guild who helped to negotiate its late settlement with Google Books, said that he doubted that every lending library needed to be universal and free, and that he wished the Digital Public Library of America, which is still in its planning stages, were trying to build into its structure a way for borrowers to pay for texts under copyright. The challenge of bringing e-books into public libraries turns out to be inextricable from the larger problem of how authors will be paid in the digital age.

I'll try to report what the lawyers think of that larger problem in a later post.

UPDATE: Part two here.

Posted by Caleb Crain on Wednesday, 31 October 2012 at 07:55 PM in Books, copyright, economics, history of technology, literature, trial | Permalink

Comments

For the record: you understand Coase's problem correctly. A monopolist with a durable good is in competition with himself across periods of time.

Your objection is also valid: even knowing that the last Harry Potter will be published on paperback for $8, you may be willing to dole out $20 to read it as soon as it is available in hardback. I also do not thing that the Coase argument holds much water for most books.

Posted by: Mathieu P. | Friday, 02 November 2012 at 06:23 AM

Interesting article. Thanks. Though I feel the need to say that I'm a long-term well-paid corporate employee and have over 40 books checked out from my local library. Many of my coworkers also use the library--and it seems to be largely for pleasure reading. For research it's better to buy the book so you can keep it longer and mark it up. People are varied in their use of objects.

Posted by: Claire R | Friday, 02 November 2012 at 08:03 PM

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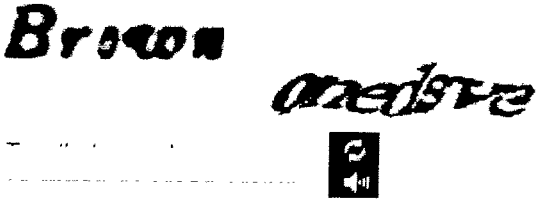

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25th Annual Seminar
The Changing Face of Media
Friday, May 4, 2012

Program Overview

For 25 years, the Media and the Law Seminar has highlighted important First Amendment issues. In the late 1980's, there was significant concern among media advocates that the U.S. Supreme Court's ruling in *Milkovich v. Lorain Journal* would erode protected opinion under the First Amendment. In the next decade, newsgathering techniques took center stage in high stakes privacy suits, such as in *Food Lion v. ABC*, as juries punished intrusive media defendants, and the public developed its first taste for "reality" programming. Libel damages, which had been increasing, peaked with a $222 million jury verdict (which was never collected) in *MMAR Group Inc. v. Dow Jones & Company*. As the new millennium dawned, courts struggled to apply First Amendment principles to Internet communications and to interpret new federal laws, such as Section 230 of the Communications Decency Act and the Digital Millennium Copyright Act. In 2008, we witnessed the rapid decline of news media companies as subscribers—and advertisers—left in droves for online sources of news and information. Today, social media has become the platform of choice for many, allowing them to influence and challenge corporations, government and politics by speaking with a unified voice in tweets, texts and posts. Through it all, the First Amendment continues to endure and expand, even protecting speech and conduct most consider to be repugnant, such as that directed toward fallen U.S. soldiers by the Westboro Baptist Church.

With a nod to its past and a look toward the future, this year's seminar will discuss how new media challenge our notion of privacy and free speech. Google plans to wire Kansas City, Kansas, as its first city of the future. Our panel will analyze whether the benefits of immediate public access trump concerns over Google's access to the online actions of so many. In another panel, authors seeking to protect their copyright interests will square off against book publishers seeking to digitize "orphaned" literary works. We will explore how dancing flash-mobs have morphed into sinister "smash and grabs" and how city officials struggle to balance the protection of citizens against the right of others to be heard. Film clips will spotlight a dispute over whether zealous plaintiffs' attorneys improperly use documentaries to the detriment of corporate defendants in civil litigation. Finally, we'll discuss how anti-SLAPP statutes are being adopted by more states and weakening the threat of libel litigation.

8:00 a.m. WELCOME

Russell Hickey, Chair, Media & the Law Committee, AXIS PRO, Kansas City, Mo.
Seminar Moderator: Mike Kautsch, Professor, Media, Law & Technology, University of Kansas School of Law, Lawrence, Kan.

NOTE: Written materials for each panel discussion are in tabbed sections of this binder.

8:10 a.m. PANEL 1
TOTO, WE'RE NOT IN KANSAS ... BUT GOOGLE IS!
What happens when technology, big business and individual rights collide?

Summary: Google recently announced that Kansas City, Kansas, won a nationwide race to be Google's first test city for an ultra high speed fiber project that will make internet speed 100 times faster. All eyes are on the Kansas Google site, as it becomes the window to the future. What does an "ultra high speed" Internet mean for the future of journalism? New technology has already created different opportunities for reporting and news dissemination. Issues to be addressed include

- What are the attendant risks and legal exposures as journalism continues to evolve?
- How have new technology and new media platforms changed traditional perils?
- To what extent may innovations in media technologies affect how courts view First Amendment protection for freedom of speech and press?

Moderator: Jane Kirtley, Silha Professor of Media Ethics and Law, University of Minnesota, Minneapolis, Minn.
Roger Fidler, Program Director for Digital Publishing, Donald W. Reynolds Journalism Institute, Columbia, Mo.
Robb Heineman, CEO, Sporting KC, Kansas City, Mo.
Thomas R. Julin, partner, Hunton & Williams, Miami, Fla.

9:10 – 9:20 a.m. Q&A

9:25 a.m. Panel 2
WHOSE BOOK IS THIS?
Digital publishing, copyright and the future of "orphaned" literary works

Summary: The panel will discuss the state of chaos involving digital publishing, including the Google Settlement, *New York Times Co. v. Tasini*, proposed legislation and a new class action arising from "orphaned" literary works. Certain issues to be addressed are related to such endeavors as the Orphan Works Project:

- "The Orphan Works Project is being led by the Copyright Office of the University of Michigan Library to identify orphan works. Orphan works are books that are subject to copyright but whose copyright holders cannot be identified or contacted. Our immediate focus is on digital books held by HathiTrust, a partnership of major research institutions and libraries working to ensure that the cultural record is preserved and accessible long into the future. "This effort is funded by the HathiTrust and is part of U-M Library's ongoing efforts to understand the true copyright status of works in its collection. As part of this effort, the Library will develop policies, processes, and procedures that can be used by other HathiTrust partners to replicate a task that will ultimately require the hand-checking of millions of volumes." (*Orphan Works Project*, http://www.lib.umich.edu/orphan-works)

- "In the ongoing litigation between the Hathi Trust and the Author's Guild over the Trust's book digitization in partnership with Google, the Guild filed for partial judgment on the pleadings on February 28. In essence, the Guild claimed that the Trust and five of its 60 member libraries and institutions are infringing because some of their book digitization activities "are wildly exceeding" those defined in section 108 of the 1976 Copyright Act. (Despite the involvement of Google, this case is separate from the Guild's long-running lawsuit against Google Books.)

  "[L]ibrary advocates are already contesting the Guild's assertion on several grounds, including the 'savings clause' of section 108, which explicitly states that nothing in section 108 'in any way affects the right of fair use as provided by section 107.'" (*Author's Guild Seeks Partial Judgment on Hathi Trust's Fair Use*, Meredith Schwartz, Library Journal (March 7, 2012), http://lj.libraryjournal.com/2012/03/copyright/authors-guild-seeks-partial-judgment-on-hathi-trusts-fair-use/)

Moderator: Kate Spelman, Attorney, Cobalt LLP, Berkley, Calif.
Steve Potter, Director of Libraries, Mid-Continent Public Library, Kansas City, Mo.
Edward Rosenthal, Partner, Frankfurt Kurnit Klein & Selz PC, New York, NY

10:25 a.m. **Q&A**

10:35 – 10:50 a.m. **Break**

10:50 a.m. Panel 3
ANTI-SOCIAL MEDIA
Social media and the struggle for free speech

Summary: Recently social media and social media platforms have been the source of popular uprisings, vilified as tools for unlawful activity, the subject of overbroad state laws, and the focal point for numerous class-action lawsuits alleging invasion of privacy. This panel will explore hot topics and First Amendment implications from:

- the Bay Area Rapid Transit Authority's decision to turn off cell phone reception
- Missouri's short-lived attempt to prevent teachers from "friending" students on Facebook
- the lawsuits alleging invasion of privacy by mobile application developers

Moderator: Roger Myers, Partner, Bryan Cave LLP, San Francisco, Calif.
Sylvester "Sly" James, Jr., Mayor, City of Kansas City, Mo.
Jean Maneke, Attorney, The Maneke Law Group, Kansas City, Mo.
Lee Tien, Senior Staff Attorney, Electronic Frontier Foundation, San Francisco, Calif.

11:50 a.m. **Q&A**

Noon – 1:30 p.m. Lunch

Fredrik Gertten is a Swedish filmmaker and journalist. In 2009, Mr. Gertten's documentary, *Bananas!**, highlighted the plight of twelve Nicaraguan workers on the Dole Food Company banana plantation, who sued the food giant for negligently exposing them to DBCP, which allegedly caused sterility. After the film's initial screening at the Los Angeles Film Festival in June 2009, Dole sued Mr. Gertten for defamation. Amid threats of further litigation from Dole's attorneys, the LA Film Festival removed the documentary from competition. Mr. Gertten and his legal team fought back, filing a special motion to strike the complaint under California's anti-SLAPP statute. In response to the motion—and with the film effectively silenced—Dole voluntarily dropped its defamation suit without prejudice. A year later, the California Superior Court granted the defendant's motion and fully vindicated the film on the defamation claim, thus making its distribution possible. The court held that Dole's lawsuit lacked "minimal merit" and that a "careful review of the film did not support Dole's assertions" in the complaint. Dole was ordered to pay defendants' attorneys' fees. Gertten's fight for the film and freedom of speech won international recognition. In Sweden, he was awarded the Anna Politkovskaya Freedom of Speech Award.

This past year, Mr. Gertten directed the film, *Big Boys Gone Bananas!**, which documents Dole's efforts to suppress and discredit *Bananas!** through litigation, intimidation and PR spin. The film premiered at the Sundance Film Festival to rave reviews. Out of an abundance of caution, Gertten attended the festival with his media defense attorney at his side.

1:30 pm. Panel 4
WINNING BY SPINNING?
The ethics of litigating civil cases in the media

Summary: In the civil justice system, attorneys zealously may use their advocacy skills in the court of public opinion, as well as in the court of law. Through a variety of media, extrajudicial advocates may seek to convey accurate information to the public. Yet, publicity fostered by attorneys can have questionable effects on the civil justice system. Ethics experts and others are voicing concerns that extrajudicial advocacy in civil cases may spin out of control, confusing the public, aggravating disputes, prejudicing prospective jurors, generating undue pressure for settlements, skewing verdicts, and undermining confidence in the justice system.

Documentary films about civil litigation have spawned controversies that illustrate the ethical implications of extrajudicial advocacy. One such controversy erupted over "Crude," a documentary film about litigation by Ecuadoran plaintiffs against the Chevron Corporation. The plaintiffs blamed Chevron for allegedly toxic effects of oil exploration. In "Crude," film-maker Joe Berlinger featured the litigation in response to an invitation from a lead plaintiffs' attorney, Steven Donziger, to "tell his clients' story," according to the U.S. Court of Appeals for the 2nd Circuit. The court upheld a judge's order that Berlinger release outtakes from "Crude" that Chevron had demanded. Chevron

alleged that the Ecuadoran litigation was fraudulent and used the outtakes to support its claim.

A report by The New York Times last year characterized "alliances between filmmakers and lawyers" as "becoming increasingly common, with recent films tied to cases involving Dole Food" and other companies.

The film that concerned Dole Food, "Bananas!*," was about Nicaraguan banana workers who alleged that they had been harmed by the company's use of pesticides. Dole Food characterized the film as "knowingly false." The Times quoted an attorney for Dole Food as saying that "defendants would increasingly fight plaintiffs' use of documentaries to promote their cause and force settlements."

Both Dole Food and the "Bananas*!" filmmaker have been publicizing their opposing views of the film. On Dole Food's web-site, the company has posted a series of statements and documents critical of "Bananas!*," including a judge's finding that the banana workers' lawsuit against the company was fraudulent. Meanwhile, the "Bananas!*" filmmaker is promoting, "Big Boys Gone Bananas!*," his documentary about his successful defense against a defamation claim by Dole Food. On the "Bananas!*" web-site, the film "Big Boys Gone Bananas!*" has been characterized as "an unparalleled thriller" that focuses on: "Dirty tricks, lawsuits, manipulation, and the price of free speech."

Issues for discussion by the panel include:

- The American Bar Association's model rules of professional conduct raise a concern about the effect of publicity on "a civil matter triable to a jury." What is the nature of extrajudicial advocacy that is substantially likely to result in material prejudice in a civil case?
- When attorneys are involved in public communication about civil litigation, under what conditions may they risk breaching their duties to be truthful, to maintain client confidentiality, or to avoid conflicts of interest, dishonesty, fraud, deceit, misrepresentation, and conduct prejudicial to the administration of justice?
- In the civil justice system, are ethical constraints on extrajudicial comment by attorneys considered less important than their responsibility to be zealous advocates?
- To what extent does First Amendment protection for freedom of attorney speech effectively limit ethical constraints on extrajudicial advocacy?

Moderator: Bruce Johnson, Partner, Davis Wright Tremaine LLP, Seattle, Wash.
Karen Shatzkin, Attorney, Shatzkin & Meyer PC, New York, NY
John Walsh, Carter Ledyard & Milburn LLP, New York, NY
Michael Wolff, Professor of Law and Former Missouri Supreme court Justice, Saint Louis University, St. Louis, Mo.

2:30 p.m. **Q&A**

2:40 – 3:00 p.m. **Break**

3:00 p.m. Panel 5
TAKING THE PUNCH FROM DEFAMATION SUITS
A comparative analysis of state approaches to Anti-SLAPP statutes

Summary: First Amendment advocates long have battled against lawsuits that are designed to stifle criticism, referred to as Strategic Lawsuits Against Public Participation (SLAPP). This panel will:

- review anti-SLAPP statutes in California, Texas and Illinois and the impact on defamation cases filed in these jurisdictions
- consider efforts underway in Illinois to repeal the anti-SLAPP statute there
- discuss strategies for pressing state legislators to enact such laws

Moderator: Lincoln Bandlow, Partner, Lathrop & Gage LLP, Los Angeles, Calif.
Steve Mandell, Partner, Mandell Menkes LLC, Chicago, Ill.
Laura Prather, Partner, Sedgwick LLP, Austin, Texas
L. Lin Wood, Partner, Wood Hernacki & Evan LLC, Atlanta, Ga.

4:00 p.m. **Q&A**

4:10 p.m. **Adjourn**

5:30 – 7:30 p.m. **Reception at The College Basketball Experience**
1401 Grand Boulevard Kansas City, MO 64106

After a fun-filled day discussing legal matters, it's time to go to court.

Join us for an evening with friends and colleagues at the College Basketball Experience. Although the College Basketball Experience honors the game's many great players, coaches and moments, it's not like most museums. This 41,500-square-foot venue lets casual and hardcore fans completely immerse themselves in college basketball, from playing on a full-size court to taping a broadcast from the ESPN news desk.

The College Basketball Experience includes the National Collegiate Basketball Hall of Fame. Visitors can discover or relive the seminal moments in college basketball's colorful history, including Kansas City's unique role. When you're done with the Hall of Fame, you can work on your free throws, throw down dunks on rims of varying heights or practice the perfect bounce pass.

With the Sprint Center next door and the Kansas City Power & Light District across the street, you'll find plenty to do once the horn sounds on your evening at the College Basketball Experience.

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the University of Kansas School of Law

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Katie Lula
Jean Maneke
Chad Milton
Casey Murray
C. Todd Navrat
John Nesbitt
Dan Osman
Donna Palatas
Bernie Rhodes
Scott Swift
Michelle Worrall Tilton
Alison Van Dyke
Jim Ward
Larry Worrall
Eric Weslander

KU Seminar Facilitator: Pam Hicks

Media and the Law 2012
Biographies
Participants in Panels and Presentations
25th Annual Seminar

Note: Participants were invited to provide biographical information for reference during the seminar. The sketches below include information participants themselves provided. Editing was done for format only. Some biographies were adapted from Web site biographical entries.

Panel 1. Toto, We're Not In Kansas...But Google Is! What happens when technology, big business and individual rights collide?

Jane E. Kirtley, moderator, is the Silha Professor of Media Ethics and Law at the School of Journalism and Mass Communication at the University of Minnesota, where she directs the Silha Center for the Study of Media Ethics and Law and is an affiliated faculty member of the Law School. She writes and speaks frequently on media law, freedom of information and privacy, both in the U.S. and abroad. Kirtley was the executive director of The Reporters Committee for Freedom of the Press from 1985 to1999.

Roger Fidler is an internationally recognized new media pioneer and visionary. He is best known for his vision of digital newspapers and mobile reading devices, which he conceived and first wrote about in 1981. As Director of New Media for Knight-Ridder Inc. in the 1990s, he pursued his vision at the company's Information Design Laboratory in Boulder, Colorado. In 1994, his team at the lab produced a video titled "The Tablet Newspaper: A Vision for the Future," that demonstrated how people might one day read newspapers and magazines on tablets. The video has gone viral on the Web since the announcement of the Apple iPad. As program director for digital publishing at the Donald W. Reynolds Journalism Institute (RJI), Fidler coordinates digital publishing research projects and the Digital Publishing Alliance, a member-supported initiative that includes The New York Times, Los Angeles Times and Washington Post. He has been at RJI since 2004 when he was named the first Reynolds Journalism Fellow. At the time of his appointment he was a tenured professor of journalism and information design in the School of Journalism and Mass Communication at Kent State University in Ohio.

Robb Heineman is recognized as a progressive, forward-thinking leader in sports. Heineman is CEO of Sporting Club, the parent organization of Sporting Kansas City, and one of the club's five principal owners. Heineman also serves as managing partner of Sporting Innovations, a technology company focused on innovation in sports and entertainment. After taking over as CEO in 2006, Heineman worked with several local municipalities around the Kansas City metropolitan area to get a soccer-specific stadium built for Sporting Kansas City. In January 2010, the Kansas Board of Commissioners unanimously approved the plan for the 18,467-seat LIVE**STRONG** Sporting Park, an 18-24 field youth soccer complex and new offices for Cerner Corporation. Since then, Heineman has been instrumental in creating partnerships with worldwide leaders in a

wide range of sectors. Spring 2011 saw Sporting Club announce historical partnerships with the likes of LIVE**STRONG**, Cisco and Google, enabling LIVE**STRONG** Sporting Park to serve as a living lab for sports and entertainment technology.

Thomas R. Julin heads the First Amendment practice of Hunton & Williams LLP. He prosecuted a series of lawsuits over a six-year period resulting in *Sorrell v. IMS Health, Inc.*, 131 S. Ct. 2653 (2011), a decision that invalidated a state law prohibiting the use of personally identifiable information for targeted marketing. The case is expected to have a significant impact on efforts to regulate Internet marketing. *See* Thomas R. Julin, *Sorrell v. IMS Health May Doom Federal Do Not Track Acts,* 10 Privacy & Security L. Rep. (BNA) 35 (2011); Thomas R. Julin, Jamie Z. Isani & Patricia Acosta, *The Dog that Did Bark: First Amendment Protection of Data Mining is Here*, ___ U. Vt. L. Rev. ___ (expected 2012).

Panel 2.
Whose Book Is This?
Digital publishing, copyright and the future of "orphaned" literary works

Kate Spelman, moderator, a member of Cobalt LLP, has special expertise in cutting edge copyright matters, as well as in the area of providing strategic advice, design and implementation for start-up companies, including those engaging in handheld computing devices and wireless technology. She also has extensive experience in the beverage industry, including special knowledge in wine issues as they relate to trademark and marketing law. Spelman is experienced in copyright, media, licensing, and trademark issues, and provides advice and counseling on the development, production, sale, and defense work for numerous varied intellectual property matters. She manages the copyright and trademark portfolios of many Fortune 500 companies, celebrities, and nationally recognized non-profit organizations. Her expertise includes negotiating and structuring evolving digital publishing issues and deals focusing on the new language and provisions of the changed, global distribution environment.

Steven V. Potter is Director of Libraries / CEO of the Mid-Continent Public Library in Greater Kansas City, Missouri. Serving more 750,000 people in three counties with over thirty libraries, MCPL routinely loans more than nine million items annually and has the 23rd largest material collection in North America. Starting as a branch manager in 1991, Potter has worked in several capacities at MCPL including automation/Internet librarian, regional manager of libraries, business manager/CFO and deputy director. Potter has a B.A. in history, a master's degree in public administration from the University of Missouri, Kansas City, and a master's degree in library science from the University of Missouri.

Edward H. Rosenthal chairs Frankfurt Kurnit Klein & Selz PC Intellectual Property and Litigation Groups. He focuses on intellectual property litigation, emphasizing trademark, copyright, right of publicity, advertising, privacy and publishing matters. His clients include businesses and individuals in the media, advertising, sports, and entertainment fields. Rosenthal is listed in *Best Lawyers in America, Chambers USA America's Leading Lawyers for Business*, and *The Legal 500,* and he has been named a New York-area "Super Lawyer" for Intellectual Property Litigation by *Law and Politics* magazine for five consecutive years. He is also a certified mediator. Rosenthal runs the firm's trademark prosecution and enforcement practice, representing numerous businesses and individuals in protecting and enforcing their intellectual property. He also represents the estates of deceased celebrities, including Humphrey Bogart, and handles the estates' licensing work. Rosenthal was recently named a "Top 20 Trademark Attorney" by *CSC Trademark Insider.*

Panel 3.
Anti-Social Media
Social media and the struggle for free speech

Roger Myers, moderator, is a partner in the Bryan Cave LLP San Francisco office. His practice focuses on media, Internet, intellectual property and unfair competition law, representing a melding of the old media and the new. His clients include publishers of newspapers, magazines, and books; broadcast media, both television and radio networks and their affiliates; and online media. Myers has litigated numerous intellectual property and unfair competition matters for media and non-media clients and has successfully represented Internet access, service, and content providers in both online defamation and copyright litigation. A former newspaper reporter and editor, Myers serves as newsroom counsel to more than 25 newspapers and as general outside counsel for Business Wire, Inc., and the California First Amendment Coalition.

Sly James was sworn in as Mayor of Kansas City on May 1, 2011. Mayor James attended Bishop Hogan High School in Kansas City and served as a military police officer for four years. When his service ended, he returned to Kansas City and graduated from Rockhurst College before earning his law degree from the University of Minnesota in 1983. Throughout his 26-year legal career, Mayor James has been appointed to the Missouri Board of Law Examiners, lead the Kansas City Metropolitan Bar Association (KCMBA) and the Kansas City Bar Foundation, and served as vice president of the Public Interest Litigation Clinic and of the board of directors of Legal Aid of Western Missouri. In 2002, Mayor James started The Sly James Firm, where he works with victims to seek justice and positive outcomes to disputes.

Jean Maneke has been counsel to the Missouri Press Association since 1991, focused on Sunshine Law issues and serving Missouri newspapers as the association's attorney. She also represents MPA before the state legislature and in that role has drafted many of the association's proposed changes to the law. She serves as Secretary to the Missouri Sunshine Coalition and has spoken numerous times to media, law enforcement and governmental groups. Her firm provides counsel to newspapers, magazines, broadcasters, film producers, book publishers, municipalities and others in the area of public records access, intellectual property and other media, entertainment and communications issues.

Lee Tien is a senior staff attorney with the Electronic Frontier Foundation (EFF), a non-profit civil liberties organization based in San Francisco, California. Before joining EFF, his main area of practice was Freedom of Information Act litigation. At EFF, he specializes in free speech and privacy issues such as online censorship, electronic surveillance, online behavioral tracking, location tracking, biometrics, electronic health records, smart meters, and cyber security. He has published law review articles on a variety of subjects including the First Amendment status of computer software, Fourth Amendment issues around data mining, and practical aspects of litigating the state secrets privilege. He received his bachelor's degree from Stanford University and his law degree from Boalt Hall School of Law at the University of California at Berkeley. He was a newspaper reporter for the Tacoma News Tribune prior to attending law school.

Panel 4.
Winning by Spinning?
The ethics of litigating civil cases in the media

Bruce E.H. Johnson, moderator, is a partner in the Seattle office of Davis Wright Tremaine LLP, where he has practiced First Amendment and media law for 35 years, including many defamation, privacy, and intellectual property cases. Johnson has also published extensively on media topics; for example, he co-authored the major national treatise on First Amendment protections for commercial speech, *Advertising and Commercial Speech: A First Amendment Guide*, published by the Practising Law Institute. He was author of the Washington State Reporter Shield Law, enacted in 2007, and the Washington State Anti-SLAPP Law, enacted in 2010. Finally, Johnson has been actively involved in advising clients on attorney ethics and professional responsibility matters, especially those involving media lawyers, since the mid-1980s.

Karen Shatzkin is a partner in Shatzkin & Mayer, P.C., a New York litigation and transactional firm whose clients are primarily in creative fields, including film, publishing, art, design, theater and television. She works with many documentary filmmakers, including Susan Saladoff, whose film "Hot Coffee" was critical of corporate public relations campaigns aimed at swaying the civil justice system. Shatzkin is a graduate of Columbia Law School and clerked in the Southern District of New York. She teaches a trial practice course as a Columbia adjunct faculty member and regularly gives seminars for filmmakers on fair use, privacy, defamation and other legal issues that impact their projects.

John J. Walsh is one of the country's leading first amendment and media law litigators. He has been counsel to plaintiffs in well-known defamation cases including *Tavoulareas vs. Washington Post, DeRoburt v. Gannett and Prozeralik v. Capital Cities/ABC* and is currently representing claimants against NBC based on a Dateline NBC Broadcast and CBS based on a 60 Minutes Broadcast. He also represents individuals and companies in pre-publication and post-publication negotiations for corrections, retractions and other measures to prevent or remedy false articles, broadcast or other publications. Walsh also has deep experience in representing advertisers against government regulations restricting or otherwise regulating the advertisers commercial speech rights.

Michael A. Wolff is a professor of law at Saint Louis University School of Law and co-director of its Center for the Interdisciplinary Study of Law. He was a judge of the Supreme Court of Missouri from August 1998 to August 2011, and served a two-year term as Chief Justice from July 2005 to June 2007. Judge Wolff was named "Lawyer of the Year" by The Missouri Lawyers' Weekly in 2007, received the Theodore McMillian Judicial Excellence Award from the Missouri Bar in 2007, the Joseph E. Stevens, Jr., "Aspire to Excellence" Award from the Kansas City Metropolitan Bar Association in 2006, and the University of Missouri School of Law Distinguished Non-Alumnus Award, 2007, among others. In addition to his judicial duties, Judge Wolff was a member of the Missouri Sentencing Advisory Commission and served as its chair from 2004 to 2011. Prior to his judicial service, Judge Wolff was on the faculty of Saint Louis University School of Law for 23 years, was active in trial practice and was co-author of *Federal Jury Practice and Instructions, (4th edition)*. As a law school teacher, he was a recipient of the law school's Teaching Excellence Award. He is a member of the American Law Institute.

Panel 5.
Taking the Punch From Defamation Suits
A comparative analysis of state approaches to anti-SLAPP statutes

Lincoln Bandlow, moderator, practices business litigation and specializes in litigating media, First Amendment, intellectual property and other entertainment related matters. He represents clients in the motion picture, television, publishing, broadcasting, Internet and advertising fields. In addition, he represents several principal underwriters for the entertainment industry. Bandlow previously worked in the Legal and Business Affairs Department for The Carsey-Werner Company, a television production company. He has litigated and tried cases in both state and federal courts in matters involving claims for copyright infringement, defamation, right of publicity, right of privacy, trademark infringement and related claims. He also acts as clearance counsel for studios, documentary filmmakers, publishers and other entities and individuals in the entertainment and media communities. In addition to practicing law, Bandlow has been a visiting professor at the Annenberg School of Journalism at the University of Southern California since the Spring of 1995. He also judges the Pepperdine Law School Entertainment Law Moot Court competition and is a frequent guest speaker for USC Law School and Loyola Law School.

Steve Mandell is a founding partner of Mandell Menkes. A graduate of the Georgetown University Law Center, he has more than 25 years' experience counseling clients in complex commercial matters. Mandell has a broad range of experience in various areas of commercial law including intellectual property, information technology, media and advertising, class action and insurance law. In his intellectual property practice, Mandell has represented clients in matters involving copyrights, trademarks, patents and trade secrets. With respect to matters involving copyright law, Mandell has represented, among others, software companies, authors and book publishers, record companies, video game developers and advertising agencies in the defense and prosecution of copyright infringement actions. He has counseled both traditional brick and mortar businesses and companies conducting online operations on all types of trademark issues, including general trademark selection strategy as well as more specific trademark clearance, prosecution and licensing issues. He has also represented clients in trademark litigation including the prosecution and defense of infringement and dilution proceedings.

Laura Lee Prather focuses her practice on First Amendment privacy, and intellectual property counseling and litigation arising out of both traditional and online media contexts. She is also an advocate and lobbyist for open government and First Amendment concerns at the Legislature. An expert in the industry, her practice includes general commercial, tax and employment work for media clients.

L. Lin Wood has more than 34 years of experience as a trial lawyer focusing on civil litigation, representing individuals and corporations as plaintiffs or defendants in tort and business cases involving significant damage. Wood also has had extensive experience in First Amendment litigation and management of the media in high profile cases. He was the lead civil attorney for Richard Jewell in matters arising out of reporting about Jewell in connection wth the bombing of Centennial Olympic Park in Atlanta. He represented John and Patsy Ramsey and their son in matters relating to the 1996 murder of JonBenet Ramsey in Boulder, Colorado; represented former U.S. Congressman Gary Condit in matters relating to the May 2001 abduction and murder of Chandra Levy in Washington; represented the victim in the civil action in Colorado against NBA player Kobe Bryant; represented Beth Holloway in matters related to the media coverage of the May 2005 disappearance of her daughter, Natalee Holloway; and represented the estate of Anna Nicole Smith and Howard K. Stern in matters related to theft of estate property and defamation. He also represents Dr. Phil McGraw of the DR. PHIL show in connection with reporting by Newsweek and The Daily Beast; Herman Cain in connection with media issues arising during his 2011 campaign for the Republican nomination for President; and Gov. Rick Perry in connection with media issues arising during his 2011 campaign for the Republican nomination for President. Wood has also served as lead trial counsel in civil litigation for numerous corporations, including Sun Trust Bank, the Estate of Martin Luther King, Jr., Inc., Phoebe Putney Memorial Hospital and AirTran Airways.

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HathiTrust: A Landmark Copyright Ruling

James Grimmelmann -- October 13th, 2012

The Authors Guild's lawsuit against Google over book scanning is grinding on into its eighth year. After a settlement, an amended settlement, a rejection of the settlement, and a protracted procedural fight over certifying the case as a class action, it has made almost no substantive progress in front of Judge Chin. Meanwhile, the Authors Guild's lawsuit against Google's HathiTrust library partners has produced a definitive ruling from Judge Baer in little more than a year. What started as a sideshow has become the main event.

And what an event it is! The mainstream media were all over last week's ho-hum settlement between Google and the AAP but have mostly kept quiet about yesterday's ruling. In contrast, the Twitterverse exploded with news of the HathiTrust opinion and hasn't quieted down yet. The Twitterers have it right: this decision is a big deal. There are so many winners from the decision, it's hard to count them all:

Search engines: Judge Baer added another brick to the wall of precedents holding that search engine indexing is a fair use. This proposition is crossing over from tentative to firmly established; another few more decisions like this one and it will be hard to remember why there was ever any doubt. The Authors Guild had argued that the right to index only extends to material that was already online. By rejecting that argument, the decision gives search engines a green light to seek out other untapped reservoirs of information. Perhaps it will also give other search engines the confidence to start scanning books in copyright and challenge Google.

Digitizers: The opinion is chock-full of quotable lines recognizing the social value of digitized texts. It cites with approval the arguments of the digital humanities scholars who described their statistical research in an amicus brief. And once we have digital copies of books, we should keep them and put them to good use, Judge Baer explains, writing that "it would be a tremendous waste of resources to destroy the electronic copies once they had been made." The opinion describes the HathiTrust corpus as an "invaluable contribution to the progress of science and cultivation of the arts," a summary that vindicates the vision of HathiTrust's stewards.

Google: The *HathiTrust* opinion does not technically dispose of the case against Google. Google is a commercial company, and it shows snippets of books in its search results. But neither of these factors seems crucial to the opinion, which rests more on his conclusion that digitization for search transforms the underlying books without cutting into the market for them. Not only will Judge Baer's opinion be a persuasive precedent on this point, it also creates an awkward situation for his colleague Judge Chin, who will

naturally be reluctant to reach a conflicting decision in what is essentially the same case.

The disabled: The decision by the National Federation of the Blind to intervene in the case now looks prescient. Judge Baer singled out NFB attorney Daniel Goldstein's "eloquent oral argument" for praise and gave the print-disabled a trio of powerful holdings. First, the Americans with Disabilities Act affirmatively *requires* "equal access to copyrighted information." Second, this now-mandatory access is a fair use under copyright law. And third, the University of Michigan is also authorized under the Chafee Amendment to provide accessible books to the print-disabled. Expect these points to be cited repeatedly by advocates for the disabled in other educational and online settings. And consider the possibility that the HathiTrust libraries might start partnering with other universities to provide access to *their* print-disabled students.

Educational institutions: The last year has been a very good one for universities putting copyrighted materials online for their students. Last October, UCLA won a case challenging its practice of copying DVDs to make them available via streaming. In May, Georgia state won a case challenging its e-reserves system. And now the HathiTrust universities have won a case challenging their book digitization. Professor Michael Madison says that these educational uses of computer technology are "becoming the new copyright normal." Courts seem highly sympathetic to the idea that universities ought to be allowed to translate their traditional research and teaching models to use digital delivery technologies. Their new duties to print-disabled students come with significant benefits, as well.

The clear loser in the case: The Authors Guild. Not only did it strike out on its theories of copyright law, it also lost a crucial procedural issue that could haunt it in the future. Judge Baer held that the Copyright Act does not grant associations "standing" to sue on behalf of their members for copyright infringement. Other associations can try to convince other judges that Judge Baer's reasoning was wrong. But unless the Authors Guild can get this decision reversed on appeal, it will be "precluded" from challenging it in other cases. The Guild is now in effect permanently barred from bringing copyright lawsuits on behalf of its members. This is a real blow to its institutional status as a legal advocate for copyright owners.

Also notable about the decision is what was missing from it: orphan books. None of its conclusions about harm to book sales depend on whether the books are orphan or owned, in or out of print. It does refer to the inordinate expense of negotiating permissions for millions of books and drops an aside

that it is "a tenuous assumption to say the least" that all copyright owners could be found. But this is a point about books overall, not about any specific book: the point is that there are orphan books in the collection, not that all or even most of the books in the collection are orphans. The opinion applies equally to all books.

Indeed, neither does the opinion mention Google's opt-out option for copyright owners to exclude books from being scanned, a key part of the publishers recent settlement with Google. The natural implication is that this fact is completely immaterial to the fair use holding. If so, then presumably the opt-out offered by Google is purely a matter of courtesy, rather than being required by copyright law.

The *HathiTrust* ruling could well become a landmark in copyright. The case is not yet over, and future cases could reinterpret or limit it in important ways. But it landed with a big splash, and its ripples could reach far indeed.

This entry was posted in copyright, e-books, google, libraries on October 13, 2012 [http://blogs.publishersweekly.com/blogs/PWxyz/2012/10/13/hathitrust-a-landmark-copyright-ruling/] by James Grimmelmann.

One thought on "HathiTrust: A Landmark Copyright Ruling"

Kate Barsotti
October 15, 2012 at 3:02 pm

Mr. Grimmelmann, it would be nice if you would address the possible implications for authors. I hope to publish fiction one day. Any erosion of copyright, even for noble motives, means my dream of making a living as a writer may become a thing of the past and the butt of bad joke. Non-fiction writers might recoup some income with speaking fees (maybe), but once creative fiction becomes free and easy, writers will most likely end up like many musicians whose work is streamed for little compensation or stolen outright, because it's easy and nothing happens to those who do it. I have found far more than "snippets" in Google Books. I have found all but one chapter of a creative work. They claim not to have scanned cookbooks in copyright, but a simple search proves that this claim by Google is untrue. Nor, frankly, do I understand how Google Books benefits libraries directly; it seems to bypass them and take potential readers away from libraries, many of whom are burdened with frustrating services like OverDrive. I am shocked that so much of our culture is now in the hands of a corporation, and the people who used to fight such control are now imitating its behavior. There is no reason why, one day, Google Books might begin to charge a fee for searching its database or subscription for access. There is also little logic to the claim that they should not pay for books they scan or seek permission. This company has the resources to do almost anything it wants to, but they didn't want to go to the trouble. By putting many digital works in corporate hands, I have also, I imagine, lost the privacy libraries once provided. Anyone at Google would know what I searched or read, if they wished to know. Datamining may mean a great deal to people who research such things. To those of us who create the content they wish to "mine," it's an absolute kick in the gut. We practice our craft for years, often for modest compensation as it is. The easier it becomes to steal a book (and we are taking steps towards that), the more acceptable, and normal, theft of creative work becomes.

The Entertainment, Arts and Sports Law Blog

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The Google Books Project: Now the Authors File a Lawsuit Against the Libraries

By Caroline Camp

Six years after filing a lawsuit against Google, the Authors Guild has taken aim at another group involved in the Google Books Project - the libraries themselves. On September 12, 2011, the Authors Guild, along with other individual authors and associations of authors, filed a complaint against HathiTrust and five American universities for copyright infringement. (Authors Guild, et al. v HathiTrust, et al., 11 Civ 6351 (S.D.N.Y., Sep. 12, 2011)).

HathiTrust is a partnership of libraries and universities that was formed in 2008 as a central repository for digitized collections. HathiTrust now has digital collection of nearly 10 million works, most of which had been scanned by Google.

As it is now commonly known, Google had contracted with several public and university libraries to create digital archives of their library collections. Under the agreements with these libraries, Google was able to reproduce and retain digital copies. Eventually, Google planned to index the archives so users could search them in its online search engine. In the 2005 complaint, the Authors Guild alleged that these acts of reproduction were in violation of the copyright holders' rights.

The Google Books lawsuit remains unsettled. After years working on the Amended Settlement Agreement [ASA], and after some 500 letters of opposition were filed against it, Judge Denny Chin finally rejected the proposed settlement on March 23, 2011 (The Authors Guild et al. v Google Inc., 05 Civ. 8136 (S.D.N.Y.)). Chin extolled the benefits of realizing the digital books project, but determined that the ASA, in granting prospective licenses, went too far. "The establishment of a mechanism exploiting unclaimed books is a matter more suited for Congress than this Court."

In response to Chin's opinion, HathiTrust issued the following statement: "Libraries are not leaving the future of digital books to Google. In light of Judge Chin's rejection of the Google Books Amended Settlement Agreement, HathiTrust will maintain our commitment to long-term digital preservation of library collections curated by generations of librarians at great research libraries around the world." (http://www.hathitrust.org/hathitrust_asa_response).

Before the next scheduled hearing for the Google Books suit had even taken place, the Authors Guild filed a complaint against HathiTrust, seeking an injunction. "These books, because of the universities' and Google's unlawful actions, are now at needless, intolerable digital risk," said Authors Guild president Scott Turow. (http://www.publishersweekly.com/pw/by-topic/digital/copyright/article/48739-authors-guild-sues-libraries.html). Yet why go after the libraries themselves?

Unlike Google, the libraries may have a potential safe harbor under § 108 of the Copyright Act, as modified by the Digital Millennium Copyright Act. According to a statement issued on September 15, 2011, HathiTrust's primary motive has been, and remains, preservation. However, the complaint alleges that members of HathiTrust, by

contributing copies of the works in their collections to its digital library, are acting outside the limited circumstances under which libraries are permitted to reproduce and distribute copyrighted works.

In addition creating digital archives of library collections, HathiTrust has also embarked upon a related Orphan Works Project. HathiTrust and its partners claim to make great efforts to locate and contact copyright holders. If researchers are unable to make contact with the rights holders, they will publicly list the works and their relevant bibliographic information as Orphan Candidates for 90 days. If no rights holder materializes, a work is made accessible to the University of Michigan community.

HathiTrust has argued that the complaint assumes that all U.S. works published between 1923 and 1963 are in copyright, but HathiTrust's Copyright Review Management System has reviewed 200,000 such works and has found that over 50% of them are in the public domain. Systematic digitization of these works is intended to support HathiTrust's mission of sharing the record of human knowledge by making these public domain works available.

However, the benefits of the Orphan Works Project are unlikely to hold sway with the court. Judge Denny Chin rejected the ASA in large part because of the Book Rights Registry, which also addressed the problem of orphan works. "The questions of who should be entrusted with guardianship over orphan books, under what terms, and with what safeguards are matters more appropriately decided by Congress than through an agreement among private, self-interested parties." Further, he pointed out that Congress has made many efforts to address the issue of orphan works.

Perhaps it is a bit optimistic to say that the legislature is handling the matter. Orphan works legislation was first introduced in 2006, and then again in April 2008. The Shawn Bentley Orphan Works Act passed the Senate in September 2008 and was referred to the House Committee on the Judiciary, but no House vote was ever taken, the Bill never came into law, and the 110th Congress ended. No new orphan works legislation has been introduced before Congress.

Google and HathiTrust could make great strides towards a solution to the problem of orphan works, without the help of Congress. In so doing, they might violate copyrights as well as gain control over a vast array of unclaimed works. This is part of the antitrust concern evinced in the initial complaint against Google.

At the latest hearing for the Google Books case on September 15th, the parties said they would continue to negotiate an agreement (http://www.nytimes.com/2011/09/16/business/media/judge-sets-schedule-in-case-over-googles-digital-library.html). According to one New York Times reporter, the negotiations have been "damped" by news of the latest lawsuit. On September 19th, HathiTrust backed down and announced that it would suspend the release of over 100 orphan works whose copyright owners cannot be found. (http://online.wsj.com/article/AP5ab1b6b427af4629908cd835590c1feb.html).

Posted by Elissa D. Hecker, EASL Blog Coordinator on September 19, 2011 10:52 PM | Permalink

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October 2, 2011

HathiTrust Case Highlights Authors' Fears About Fate of Their Work Online

By Jennifer Howard

Publishers and librarians tend to think in terms of multitudes right now. They talk about mass digitization and preservation on a grand scale. They focus on how to link content in repositories that hold millions of texts. They experiment with how to crowdsource peer reviews and archival work. They also want to figure out how to break down ever-bigger masses of content into chunks that can be delivered wherever and however readers want them.

Where are individual authors in all this? Some feel lost. I got a plaintive note the other day from a scholar who wondered if authors are little more than cogs in the vast content machine. They do the work that fills digital collections and then watch while it's served up in snippets to suit researchers' grazing habits.

For some authors, this feels like the writers' equivalent of factory farming. Some publishers and librarians may not understand that anxiety, but they have to reckon with it.

The Authors Guild made that clear last month when it brought suit, along with two foreign authors' groups and a cadre of individual authors, against the HathiTrust digital repository and five universities, including HathiTrust's host institution, the University of Michigan at Ann Arbor.

Suing libraries and universities is not a move calculated to win public affection. Reaction to the authors' legal action was swift and scathing. Kara Novak of Public Knowledge castigated the plaintiffs in a blog post that caught the mood of much of the public response.

"Instead of fighting for copyright protection where none exists, the Authors Guild should work with the technology that quickly disseminates authors' works and create new business models that will bring in money earned from digital book sales," she wrote. "It is time for the Authors Guild to focus less on litigation to impound its works under top security and turn its attention to creating the artistic work it claims to protect."

Whatever one thinks about the lawsuit, it's time to think harder about the anxiety that prompted it. In its filing, the Authors Guild expressed deep concern about what would happen if the millions of scanned texts in the HathiTrust repository—files created largely with the help of Google's book-scanning project—got loose on the Internet. Such a breach could cut into the value of copyrighted material, the author plaintiffs argued.

It goes beyond money, though. In a conversation with me, Paul Aiken, executive director of the Authors Guild, made the basic but important point that authors want to have a say in what happens to what they create. "It's their hard work," he said. "It's not just for one group with their own interests to decide the fate of these works."

Now HathiTrust is not an amateur operation. Long-term, big-scale preservation of digitized material is central to its mission. It's not trying to publish or sell any of that material, nor is it posting files online for the world to do with as it likes. I can imagine far less safe places to store intellectual content.

But if you're an author who discovers that Google or some other entity (even a nonprofit, preservation-minded, university-based one) has taken your book and made digital copies of it without asking you, you might be a little concerned. You might wish somebody had asked you first. You might like some guarantees that digital versions of your book will not turn up in a torrent available for download on the Pirate Bay site, liberated by reformers who think the current intellectual-property system is too restrictive. You might ask whether an Aaron Swartz-style hacktivist will take control of your work away from you in the name of open access. "Anyone who follows the news knows how real the risk is," Mr. Aiken said.

Copyright reformers and preservation-focused librarians tend to scoff at such worries. And plenty of authors, especially in the academic world, don't expect to make a lot of money off their work. They welcome the idea that it's being digitized and preserved as part of a large-scale effort. But there's enough fear out there to prompt expensive and unpopular legal action—and that should be enough to get publishers and libraries thinking about how to reassure authors worried about what happens to their work in this sprawling, murky digital environment.

Libraries, charged with handling enormous amounts of material, may be tempted to assume that being on the side of preservation and access is reassurance enough. The Authors Guild's HathiTrust lawsuit is another reminder that it will take more than good intentions to convince content creators that the benefits outweigh the risks.

joemontibello 1 year ago

"You might like some guarantees that digital versions of your book will not turn up in a torrent available for download on the Pirate Bay site, liberated by reformers who think the current intellectual-property system is too restrictive."

This bit strikes a chord. However, the reality is that anyone with a scanner and some bandwidth can upload full text of anything they like to Pirate Bay. There is no easy way to prevent this from happening (just look at scribd.com). On the other hand, it's a lot easier to file suit against HathiTrust than to try to track down individuals doing this stuff. I don't expect the Authors Guild (or individual authors) to simply give up and let their work be given away for free, all at once, but HathiTrust at least has the benefit of having good intentions and making an attempt at preservation. I hope that they can find a way to get some of these things made available, and at a minimum, get permission to preserve the things that have been digitized.

5 people liked this Like

jxmiller 1 year ago

On page 52 of his book "Avatars of the Word," James O'Donnell notes, "If you were a farsighted text of the second century and you wanted to be read a thousand or more years later, the thing you most wanted was to be copied into codex form. Books that made that transition successfully had a reasonable chance of surviving and being read in the centuries to come, while books that did not were more likely to be orphaned." By the way, when this article reminded me of that quote, I searched for, and found it, on Google Books. Not in the table of contents or index of the print copy I have in front of me.

While I understand an individual author's trepidation about lose of control, I worry that the millions of decisions, or lack thereof, by individual authors will consign much of the knowledge of the Gutenberg Age to a slow and silent death as our society moves from print to digital formats and we will all be the poorer for it.

7 people liked this. Like

c_i_c 1 year ago

...authors want to have a say in what happens to what they create. "It's their hard work," he said. "It's not just for one group with their own interests to decide the fate of these works."

Some authors might wish for this control, but the fact is that copyright law also recognizes a public interest in gaining access to creative works; access without having to seek prior permission from the authors. It's true that, over the past several decades, U.S. copyright law has extended the duration of copyright protection for authors and rights-holders (often a for-profit publisher rather than the author), but the notion of a "public domain" for intellectual/artistic works, and designated fair uses of works still in copyright, continue in law as important reminders that creative works are a public good, and that copyright law is as much intended to protect and advance that public good as it is to recognizing an author's right to fair compensation for her/his endeavors.

Mark Sandler
Committee on Institutional Cooperation

5 people liked this Like

sand6432 1 year ago

It would no doubt be for the "public good" if every textbook were made available free to every student. Universities could contribute to this good by requiring their faculty to prepare such textbooks as works made for hire as part of their academic duties and then making them freely available over a network like HathiTrust. Why have they not done so, but instead farmed out this work to commercial entities that pay professors to write textbooks? (Open courseware is not quite the same as free textbooks.) Similarly, why do universities not fund all costs of publishing scholarly monographs up front so that they can all be made available "open access"? Instead, those that operate presses require them to recover, on average, 90% of revenues from sales in the marketplace. When I hear complaints about publishers' interest in copyright, and the common argument that faculty do not generally write for the benefit of earning money directly from sales, I wonder why universities continue to put these presses in the position of having to rely on copyright to protect their businesses, which provide the services that faculty need in order to advance in their careers. There appears to be a lot of hypocrisy in such complaints, when the universities have it in their power to devise new business models to serve their own proclaimed interests--and the public good--better. As for the Authors Guild, I understand the concerns of their member authors when they view the Google operation on which HathiTrust is based in large part as one gigantic copying machine that is functionally equivalent to a massive pirate printing operation. Preservation is all well and good, but Google's interests extended to monetizing the content and universities are well on their way to using the gigantic copying system of the HathiTrust to avoid having to buy any extra copies of anything, all under the pretext of educational "fair use." Consider, in this regard, the efforts of people like Jonathan Band, arguing on behalf of the academic library coalition, that practically all copying for educational use (including the kinds of books written by members of the Authors Guild) can be construed as "transformative" in nature and hence fair, and you can see where things are heading. Congress opened the Pandora's box in 1976 by sanctioning the making of multiple copies for classroom use--the first time fair use was ever interpreted as allowing the mechanical reproduction of additional copies with no value added.---Sandy Thatcher

1 person liked this. Like

joemontibello 1 year ago in reply to sand6432

Sandy Thatcher said: "Preservation is all well and good, but Google's interests extended to monetizing the content and universities are well on their way to using the gigantic copying system of the HathiTrust to avoid having to buy any extra copies of anything, all under the pretext of educational "fair use.""

These are good points. I'd even go a little further and say that Google's interest started and ended with monetizing the content. And universities are certainly looking to capitalize on this. But I don't think that the answer is to keep things the way they are.

The main thing I like about HathiTrust is how bold they are in trying to do something. They made a big mistake by not vetting the "orphan works" bucket more carefully. Libraries tend to be very risk-averse. Google cut the Gordian knot by digitizing a bunch of stuff and then waiting for a lawsuit to come in - and they won't be ruined if they lose and are never able to monetize what they put into the effort. I think the benefit of having HathiTrust come onto the stage at this point is to show that libraries have a vested interest in this, and we don't want the whole thing decided around a table we're not allowed to sit at. I'd personally rather see negotiations and agreements made instead of gauntlets thrown and libraries having their future guided by the outcomes of legal proceedings, but either of those options is preferable to waiting for commercial interests to decide what's to become of us.

HathiTrust has at least failed (as much as it has, up to this point) in a way that stakes a claim to relevance, now and in the future. Without them, the question was starting to sound like, "How much of the pie does Google get, how much does the publishing industry get, and who's going to sell it to libraries?"

1 person liked this Like

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September 14, 2011

In Authors' Suit Against Libraries, an Attempt to Wrest Back Some Control Over Digitized Works

By Jennifer Howard

The copyright-infringement lawsuit brought on Monday by the Authors Guild and others against the HathiTrust digital repository, the University of Michigan, and four other universities could have a major impact on research libraries and the fate of millions of book scans created by recent mass-digitizing efforts. The plaintiffs seek to take control of those files out of the hands of libraries until Congress establishes guidelines for the use of digital libraries and orphan works—those that are subject to copyright but whose rights holders can't be identified or located.

But Paul Courant, dean of libraries at Michigan, said the libraries and the trust are in the right and will go on with their work. "We still think it's entirely legal, and we're going to continue to do what we're doing," he said. And at least for the short term, the suit has few implications for individual scholars.

The lawsuit was brought in the U.S. District Court in New York by the guild, the Australian Society of Authors, the Quebec writers' union, and eight individual authors. It names Cornell University, Indiana University, the University of California, and the University of Wisconsin, along with Michigan and HathiTrust, a large-scale digital repository that has partnerships with more than 50 institutions to digitize and preserve books and other material. The suit says that the defendants have engaged in "the systematic, concerted, widespread, and unauthorized reproduction and distribution" of some seven million copyrighted works, a handful of which are listed in the brief. It says that the plaintiffs and Google, which has provided most of the digital scans at issue, did not seek permission to digitize those works.

It asks the court to impound and lock up "all unauthorized digital copies" of copyright-protected works in the defendants' possession, pending some appropriate action by Congress. It requests the court to prevent the defendants from giving Google clearance to scan more copyrighted works. It also seeks the suspension of Michigan's

Orphan Works Project, which seeks to identify orphan works and make them more widely available.

The plaintiffs expressed concerns about the security of the digitized files in HathiTrust's possession, saying that their copyright value would vanish if the scans were distributed widely and without authorization on the Internet.

"These books, because of the universities' and Google's unlawful actions, are now at needless, intolerable digital risk," the Authors Guild's president, Scott Turow, said in a statement that announced the lawsuit.

All the defendants participate both in HathiTrust and the Orphan Works Project. HathiTrust digital repository and the University of Michigan say the lawsuit will not derail their efforts. They told *The Chronicle* they plan to push ahead with the Orphan Works Project. The first batch of works—26 titles—is scheduled to be released on October 13.

Preservation Mission at Stake

Mr. Courant and John Wilkin, executive director of HathiTrust, said they expect to prevail in court, based on their readings of fair use and libraries' rights in Sections 107 and 108 of the U.S. copyright code. But they also argued that a win for the plaintiffs could put not only the Orphan Works Project but HathiTrust and its preservation mission at risk. The repository contains as many as 10 million volumes in all, including many public-domain works. "The whole HathiTrust effort is incredibly important for libraries in terms of how to deal with the preservation question," Mr. Wilkin said. If the plaintiffs win, "it would undermine our ability to collaborate effectively around research collections."

As for the security of the digitized works, Mr. Wilkin and Mr. Courant said they knew of no breaches so far. They outlined strict procedures in place that limit users' access to material in the repository. Mr. Courant said that even he can't get access as a reader to in-copyright works in HathiTrust.

According to Mr. Courant and Mr. Wilkin, the lawsuit came as a surprise. They said that the Authors Guild had been in touch with them over the last month, wanting to know more about the repository and the Orphan Works Project. There had been talk that an Authors Guild representative might pay a visit to Ann Arbor.

Paul Aiken, executive director of the Authors Guild, confirmed that conversations had been taking place and said that his group is still willing to talk. But he said the imminent rollout of the Orphan Works Project prompted the plaintiffs to go ahead and file their

complaint. The timing gave the lawsuit "immediacy and urgency," he said. But the guild's main concerns center not on that project but on "the entire database of copyright-protected books that's being hosted at Michigan and the mirror site at Indiana," he said.

The plaintiffs consider it too risky to have seven million copyrighted works held by universities that can't be sued for damages because as state institutions they enjoy sovereign-immunity protection from prosecution, he said. Because of that, the plaintiffs aren't seeking monetary damages, but they do ask the court to stop the scanning and impound the digital files.

"Believe me, this is not a lawsuit that anyone looks forward to bringing," Mr. Aiken said. "But these are real property rights that real authors have. It's their hard work, and even an institution with the best of intentions that loses seven million unencrypted PDF's of the world's greatest literature can do a huge amount of damage to the value of those works."

The decision to put copyrighted work at risk "should not be made by anyone other than the rights holder—anyone other than the author," Mr. Aiken added. He said it's critical to have agreements in place that make sure "everybody involved has a financial stake in making sure that these things are secured."

A Voice for Authors

According to Mr. Aiken, it shouldn't be up to HathiTrust and its institutional partners alone to decide what happens to the material in the repository. Authors have a stake and should have a say. "It's not just for one group with their own interests to decide the fate of these works," even if that group is a nonprofit organization, he said.

Mr. Aiken acknowledged that the lawsuit could put a damper on author-library relations. "Authors have depended on libraries forever," he said. "This is not an action that we were eager to bring. But it's a necessary action, unfortunately."

The guild's members have been "overwhelmingly supportive," he said. "I hope that the librarians would understand that, in the online world as in the print world, there has to be a way to protect authors' rights and their works" as well as to make sure that the works are available to readers and scholars.

The plaintiffs include one academic author: James Shapiro, a Shakespeare scholar who is a professor of English at Columbia University and the author of several books. Mr. Shapiro is on sabbatical and did not have any immediate comment.

For the most part, the legal action does not appear to have had much impact on individual scholars. "This is really strictly about the

libraries at the moment," says James Grimmelmann, an associate professor at New York Law School. HathiTrust does not plan to make books available "unless they can't find the author or publisher, and this is a very small slice of books."

That's a very different situation than the one that would have been created by a settlement proposed in another lawsuit involving millions of scanned books. In 2005, the Authors Guild and other plaintiffs sued Google over its Book Search project. A federal judge shot down a settlement deal that would have cleared the way for Google and academic libraries to make much greater use of those millions of digitized works.

Although the parties agreed to try to recast the settlement to deal with the judge's objections, most observers expect that last-ditch effort to fail. A status conference in that case is scheduled for Thursday. "The Google settlement really had the potential to reshape the marketplace for books," Mr. Grimmelmann says. The HathiTrust lawsuit "is very much about how far the scope of an academic library goes."

But Mr. Grimmelmann points out that the HathiTrust case does have the potential to determine how much material scholars get to see and use. The question for researchers isn't "Does this affect my life now?", he says, but "what the future of access to scholarly books in the digital age is going to be."

Academic librarians will be watching the case closely. On Tuesday, the Association of Research Libraries issued a resource packet on orphan works that responds to the issues raised in the lawsuit.

Jonathan Band, a copyright lawyer who works closely with the library community, helped prepare the association's packet. In an interview, he said he considers the lawsuit "a failure to understand what HathiTrust was doing," and says it's based on a misreading of the relevant copyright law. "It's a very curious suit," he said.

Based on his understanding of the copyright code, Mr. Band doesn't see much cause for libraries to worry. "From the substantive point of view, the legal position of the libraries is extremely strong," he said.

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Real-time updating is **paused**. (Resume)

jabberwocky12 1 year ago

I have a bad news prediction for these authors. Given:
- the extremely poor online security at universities;
- the length of time it takes for legal systems to grind through processes, and
- the disregard that so many people have for copyright,

it won't be too long before many (all?) of those texts are floating around on the Internet. I'm not saying that it's right (I really feel for those authors), but I think that will be the reality.

3 people liked this Like

rmelton5 1 year ago in reply to jabberwocky12

Which authors do you really feel for? By definition, these authors are those who a) can't be identified--i.e., the work was written anonymously or by a committee, etc., or b) can't be located, and c) are quitely likely dead, given the date of publication. And, if they OR their legal heirs/executors do identify themselves as a result of having their work more greatly exposed, their request to have their work suppressed from the repository will be quickly implemented.

8 people liked this Like

mbelvadi 1 year ago

Does the plaintiff's filing lay out their argument as to why the project does NOT fall under Fair Use or the preservation clauses of section 108? All too often we hear authors (especially on these comments boards) claim an unfettered right to absolutely determine all uses of their work, as if sections 107 and 108 do not exist. I'd like to read the argument prepared by actual lawyers who understand that they have to address those sections to make their case.

Also, I don't understand how any plaintiffs can have legal "standing" with regard to the Orphan Works Project materials - by definition, if they can claim any material interest in the works involved, then the works are not orphans.

7 people liked this Like

drjeff 1 year ago in reply to mbelvadi

> ...I don't understand how any plaintiffs can have legal "standing" with regard to the Orphan Works Project materials - by definition, if they can claim any material interest in the works involved, then the works are not orphans.

I remember thinking when I read the first coverage of that project that it seemed constructed or defined to make it lawsuit-proof. Maybe the guild et al are holding themselves out as proxies for (any) eventual, real plaintiffs they (reasonably) hypothesize will appear, too late to prevent their works from becoming wallpaper.

I"m not a lawyer, but it seems a make-able argument, as in "you could argue it with a straight face," but I see why the lawyer doesn't like their chances.

This seems to be (yet another) case where the oft-maligned discipline of the market would help: if it were a for-profit agency (like Google, or maybe better, Lexis/Nexis) holding the works and responsible for their security, then authors would be able to sue for damages after works "got out" (and reasonably expect to collect), so an injunction like the one the Guild seeks would be much harder to argue for. It's precisely because the Trust members are public institutions and could claim sovereign immunity that the Guild felt they had to act preemptively

2 people liked this Like

rwforce 1 year ago

Given that half the books in academic libraries have never been used by anyone, having them floating around the Internet won't improve their odds much.

22 people liked this. Like

11186245 1 year ago in reply to rwforce

I think nonuse (borrowing or browsing) is a higher percentage. Google actually might improve the chances of an unused book to be serendipitously found and used. Not guaranteed but if your search topic matches the book's subject, it might appear in the first ten citations.
John Lubans.

3 people liked this. Like

commentarius 1 year ago

I suggest as first order of business that all authors party to this lawsuit should have their own library privileges immediately revoked. If they can do without libraries, more power to them. Then, copies of all their books in libraries should be immediately withdrawn and pulped to prevent them from falling into the wrong hands. After all, it's a risk to Author Rights to have a book sitting on a shelf that might be read by someone and then spur an idea or concept for which the Author might not be richly compensated. No, better to burn them all right away.

35 people liked this. Like

drjeff 1 year ago in reply to commentarius

So, you don't understand the authors' concern?

If you had a nice car in your driveway, and your neighbor hoisted a wrecking ball over your parking spot, and said "trust me, I'll make sure it doesn't drop on your car," and refused to (re) move it, you wouldn't get yourself to court?

Especially if you knew any attempt to sue the neighbor if the ball, in fact, did drop would probably be unsuccessful?

I challenge you to explain how this case is different (or else keep puerile comments like the above out of forums whose readers deserve better).

6 people liked this. Like

dank48 1 year ago in reply to commentarius

My guess, either you've never published a book or you're so high-minded you'd like everyone to be able to read it, borrow it, use it, or own it without paying you royalties.

1 person liked this. Like

Geoffrey James 1 year ago

It took the Author's Guild exactly 2 minutes to find a living author, with an agent, who is currently making e-distribution deals, whose work is supposedly "orphaned" and will be distributed for free by the thieves at HathiTrust"

http://tiny.cc/rkivs

What part of the term "copyright" don't you idiots understand? The "copy" part? Or the "rights" part?

4 people liked this. Like

d_fevens 1 year ago

The Google Books Settlement case is due in Judge Chin's court tomorrow for an update hearing. James Grimmelmann has tweeted: "The HathiTrust suit has been referred to Judge Chin as "possibly related" to the Google Books case: his call whether to keep it."

Douglas Fevens,
Halifax, Nova Scotia
The University of Wisconsin, Google, & Me

Like

old nassau'67 1 year ago

Copyright law hasn't yet caught up to the computer age. All the authors need do is, first, in their contracts with publishers, prohibit the digitizing of their works. Then, forbid their publishers from selling any of their works to libraries who participate in the HathiTrust, or in the digitizing of works.

1 person liked this Like

Zagros 1 year ago in reply to old nassau'67

Under first sale doctrine, it would be impossible for authors or publishers to prevent libraries from acquiring such books. They would simply buy them from a third party and then go about digitizing them.

Like

dank48 1 year ago in reply to old nassau'67

The reality is that, unless you're using an IBM Selectric or some other neolithic device to write the book, it's already digitized. The publisher will use your file(s) for editing and typesetting the print version and probably for the ebook version as well. If you check your contract, you'll see that it covers the various electronic, photographic, mechanical, etc. forms a book could appear in, probably including the spoken word and dramatizations--so long as everyone respects the contract. Most of the time, people being generally law-abiding, everyone does. Most of the time . . . But when people or institutions decide they're above the law, lawsuits ensue.

Best of luck to the Authors Guild. Imo this is the most important work Scott Turow has ever done.

1 person liked this Like

d_fevens 1 year ago

FYI: *HathiTrust Single-Handedly Sinks Orphan Works Reform*

Douglas Fevens,
Halifax, Nova Scotia
The University of Wisconsin, Google, & Me

Like

chriskox 1 year ago

Sovereign immunity from prosecution? That's news to me!

Like

Fair Use and Digitization: Authors Guild, Inc. et al. v. HathiTrust et al

Submitted by Sanjay Hukku on Thu, 07/26/2012 - 4:54pm

Is the mass scanning of books copyright infringement or fair use?

This questions was the center of a 2005 suit between the Authors Guild and Google. It once again emerged in late September of 2011 when the the Authors Guild, the Australian Society of Authors, the Union Des Écrivaines et des Écrivains Québécois (UNEQ), and eight individual authors filed a copyright infringement lawsuit in federal court against HathiTrust, the University of California, the University of Michigan, the University of Wisconsin, Indiana University, and Cornell University.

What was originally at issue: the universities had obtained from Google scans of an estimated 7 million books, the rights to which are held by authors in dozens of countries. The universities had pooled the files in a repository organized by the University of Michigan called HathiTrust. In June of 2011, Michigan announced plans to permit unlimited downloads by its students and faculty members of copyright-protected works it deems *orphans*--works that are subject to copyright but whose rights holders can't be identified or located. Other universities joined in Michigan's decision in August of 2011.

The initial Authors Guild complaint registers two major issues: 1) Some of the scanned books are still copyrighted, and the participating American universities had neither the authority to digitize them nor to make them digitally available, and 2) The protection of the digitized files is questionable--the security of the program and its servers are unknown.

The Guild sought an injunction barring the libraries from future digitization of copyrighted works; from providing works to Google for its scanning project; and from proceeding with their plans to allow access to "orphan works." It also asked the court to "impound" all unauthorized scans and to hold them in escrow "pending an appropriate act of Congress."

In response, the HathiTrust altered its orphaned works program. A new outline for it can be seen here.

This case has recently come back into the spotlight, because both the Authors Guild and HathiTrust filed motions for summary judgment on 29 June 2012. The Authors Guild asserts it should win because the library defendants have no viable defense for their mass-digitization program, while the HathiTrust argues that it should win because its program falls under fair use, or 17 U.S.C. § 107.

Judgment in Fair Use cases looks to four planks:

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

The Authors Guild's motion for summary judgment claims, ""Discovery has only reinforced how brazen Defendants, and their business partner, Google, have been...For all intents and purposes, Defendants permitted Google to back trucks up to university library loading docks, empty every book from every shelf, drive the trucks to one of several top secret Google-operated scanning centers, digitize each work, keep a digital copy for Google's own commercial purposes and then return the printed work and a digital copy to Defendants for their own use." Additionally, the Guild argues, "nothing in copyright law permits the unlicensed scanning, copying and use of millions of copyrighted books, whether by a giant commercial entity like Google or a group of university libraries."

They rebuke HathiTrust's fair use claim by arguing that "any public benefit" offered by the HathiTrusts's mass digitization program is "outweighed by the actual and potential harm to authors' interests." Instead of adjudicating the case under fair use, the The Guild contends that it should be adjudicated under the so-called "library exemption," or 17 U.S.C. § 108. These exemptions include the ability to make or distribute a copy of a published work, to make or distribute up to three copies of an unpublished work, and to make or distribute up to three copies of a published work in poor condition or in an obsolete format, subject to certain conditions.

Among the Guild's arguments regarding section 108 is that the statute contains a "threshold" condition stating that any

reproductions must be made without "direct or indirect" commercial advantage. "Even if the defendant libraries do not themselves have a commercial purpose," the AG brief states, "Google certainly does." In addition, the AG notes that the HathiTrust project oversteps section 108 in other ways, for example, it makes more copies of each work than the three copies permitted by law; that the program does not limit copying to works that were damaged or deteriorating; and did not, as required, determine whether reasonably priced replacement copies could be obtained before creating copies.

The Guild argues, "If Defendants' preservation needs are not being met by the statutory allowance, their remedy is to either lawfully purchase digital copies of the books they wish to keep or to petition Congress to amend the statute. They may not take copyright law into their own hands."

The HathiTrust has responded by claiming that nothing in Section 108 "preempts application of Section 107." HathiTrust attorneys argue the law goes so far as to expressly state that nothing in section 108 "in any way affects the right of fair use as provided by section 107." While maintaining their fair use claim--and while claiming that the library exemption doesn't preclude fair use--the HathiTrust has responded by claiming the Authors Guild is essentially asking the court to "punt," on digitization, with the "hope that Congress will catch the ball." The Authors Guild, meanwhile, counters that "impatience with the legislative process" is not an excuse for libraries to undertake a project that "fundamentally reshapes copyright law," because reshaping it to accommodate mass digitization is the purview of Congress.

This is certainly an important case to watch. The Authors Guild successfully sued Google's digitizing program, and they are pursuing a similar path with HathiTrust.

Behind both of these litigations sits a larger, lurking issue. As we move into large-scale digitizing of sources--including copyrighted sources, we will have to rethink the contours of not only fair use, but also of library exemptions, and, perhaps, of copyright itself. If a digital material is easily duplicated and transmitted, then we need to fundamentally rethink laws designed for the sale and transfer of a material good.

I don't have any answers to this throny issue, nor will I predict how this case will play out.

It is simply something very important for us to watch. How it unfolds will affect digitization projects across America.

Matthew Sag
Copyright Law, Fair use and Technology

What is at stake in Authors Guild v. Google; Authors Guild v. HathiTrust

Posted on **August 10, 2012**

Now that the Google Book Settlement is well and truly dead, attention is turning back to the underlying legal controversy. There are many issues in *Authors Guild v. Google* and the parallel case of *Authors Guild v. HathiTrust*, but the main one is simple. Does copying books so that computers can analyze them infringe copyright even if none ever reads that copy?

If the answer is yes, then, through the magic of class action law, the Authors Guild gets to sue Google for a minimum of $750 x several million books. Who would get these billions of dollars is unclear.

If the answer is no, then the Authors Guild would have to point to instances where Google has made a nontrivial portion of a book available to the public without permission of justification such as fair use. There might be one or two of these, but I think Google won't loose sleep about statutory damages for a handful of books.

I recently wrote an amicus brief, along with Matthew Jockers (Assistant Professor of English at the University of Nebraska, Lincoln) and Jason Schultz (Assistant Clinical Professor of Law; Faculty Co-Director, Samuelson Law, Technology & Public Policy Clinic), arguing that such **non-expressive is use fair use**. I.e., that text-mining is not copyright infringement.

More than 60 professors and researchers in the digital humanities joined our brief because, as we said:

> *"If libraries, research universities, non-profit organizations, and commercial entities like Google are prohibited from making non-expressive use of copyrighted material, literary scholars, historians, and other*

> *humanists are destined to become 19th-centuryists; slaves not to history, but to the public domain. History does not end in 1923. But if copyright law prevents Digital Humanities scholars from using more recent materials, that is the effective end date of the work these scholars can do."*

This is what is at stake.

This entry was posted in digital humanities, fair use, google books by Matthew Sag. Bookmark the permalink [http://matthewsag.com/what-is-at-stake-in-authors-guild-v-google-authors-guild-v-hathitrust/] .

Comments are closed.

Copyright Today: An Interview with Tracy Thompson-Przylucki

About the Issues (http://aallwash.wordpress.com/about-the-issues/) of AALL's three policy committees: the Copyright Committee, Digital Access to Legal Information Committee, and Government Relations Committee.

Tracy Thompson-Przylucki is the Executive Director of the New England Law Library Consortium (NELLCO) and Chair of the Copyright Committee. The Government Relations Office recently sent Tracy a number of questions about the status of copyright today. Here is what she had to say:

The courts have recently handled several cases affecting copyright and mass digitization projects, including *Authors Guild, Inc v. Hathi Trust (http://www.tc.umn.edu/~nasims/HathivAG10_10_12.pdf)* and *Authors Guild, Inc v. Google Inc.* What is the impact of these cases on law libraries?

The evolution from a print to a digital information world has forced us all to rethink the application of copyright laws to the business of libraries. What may once have seemed like settled law is no longer sufficient to address the rights and interests of information stakeholders in a wired, global marketplace. Freeing information from the limits of the bound volume, and access from the limits of brick and mortar has led to a series of copyright challenges in the courts over the past several years.

The decisions coming out of these courts suggest a trend that is generally favorable to libraries' interests. The two you mention, as well as the Georgia State case (http://homer.gsu.edu/blogs/library/wp-content/uploads/2012/05/GSU_decision.pdf) and *Kirtsaeng* (see below), all have copyright implications that impact libraries. *Hathi* and *Georgia State*, both decided within the last six months, dealt with fair use exception claims under section 107 (http://www.copyright.gov/title17/92chap1.html#107) of the U.S. Copyright Act.

Oxford and Cambridge University Presses and Sage Publications brought suit against GSU in 2008, arguing that GSU's e-reserves system exceeded fair use in violation of copyright. In *Hathi*, the Authors' Guild sued in 2011, claiming that HathiTrust's mass digitization efforts and Orphan Works Project were not compliant with the library exceptions carved out in sections 107 (http://www.copyright.gov/title17/92chap1.html#107) and 108 (http://www.copyright.gov/title17/92chap1.html#108), and therefore infringed on the copyrights of Guild members.

Determining what constitutes fair use is no simple matter, and requires courts to apply a four factor analysis. The four factors are:

(1) purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) nature of the copyrighted work;

(3) amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) effect of the use upon the potential market for or value of the copyrighted work.

The decisions in these two cases, both of which are subject to appeal, favor a more expansive definition of fair use and provide guidance to libraries to help shape future digitization and distribution activities. Two points of particular interest to libraries emerged from the *Hathi* decision. Judge Harold Baer, finding in favor of Hathi Trust, soundly rejected the plaintiffs' claim that the library exceptions included section 108 limited libraries' ability to claim fair use exceptions under section 107. This is an important clarifying precedent that should preempt any future attempts to erode libraries' rights in this way. Judge Baer also paid careful attention to balancing the goals of our copyright regime with the rights of copyright owners. In his decision he states:

I cannot imagine a definition of fair use that would not encompass the transformative uses made by Defendants' MDP [Mass Digitization Project] and would require that I terminate this invaluable contribution to the progress of science and cultivation of the arts that at the same time effectuates the ideals espoused by the ADA.

Judge Evans authored an exhaustive 350 page decision in the GSU case. In that case, plaintiffs claimed 99 specific incidents of copyright infringement. After a comprehensive analysis and application of each of the four fair use factors above, the Judge found only 5 infringing instances. The remaining 94 incidents were deemed to be acceptable fair uses and legitimized GSU's reliance on the fair use exception to support their e-reserve program.

In her decision, Judge Evans also established a rule for factor #3 (amount of work used) which sets 10% (for works with fewer than 10 chapters) or one chapter (for works over 10 chapters) as the acceptable amount of a work that can be used under fair use. While this provides some guidance for libraries, it may set an arbitrary standard that in practice is more rigid than libraries would like.

The legacy of the Google Books (http://www.aallnet.org/main-menu/Advocacy/aallwash/Issue-Briefs-and-Reports/2010/ib062010.pdf) case remains unclear. Two separate cases, *Authors' Guild v. Google* and *McGraw-Hill v. Google*, filed in 2005, were merged into this single, class action suit.Google was launching a mass digitization project, the ambitious goal of which was, as stated by Google's Adam M. Smith, ". . . to make the full text of all the world's books searchable by anyone." To that end, Google had established a project which included the Books Rights Registry (BRR); an opt-out regime for copyright holders of the works Google was digitizing. Google proposed to digitize everything without prior approval of copyright holders. Through the Registry they would respond to any take down demands and/or compensate copyright holders who came forward. Their model shifted the onus of protecting copyright onto the copyright holder, and also effectively circumvented the orphan works problem.

The Google Books case went through several failed settlement proposals, but in early Oct. 2012 the parties in the McGraw-Hill (publishers) piece of the litigation finally reached an out-of-court agreement (http://publishers.org/press/85/). It is not clear what the terms of the agreement are (some of which are confidential), except that the opt-out requirement seems to have survived. The parties to the agreement recognize that they have reached a settlement without addressing any of the underlying legal issues.

The Authors' Guild (http://authorsguild.org/advocacy/articles/publishers-drop-mass-book-digitization-suit.html) is still moving forward in its class action suit against Google. Hopefully some of the legal issues, such as the status of orphan works, legality of the opt-out regime, compensation of rightsholders, will be resolved in the course of that litigation.

The Supreme Court will hear arguments in *Kirtsaeng v. John Wiley & Sons, Inc.* on October 29. What is the potential impact of *Kirtsaeng*?

The Copyright Committee published an issue brief (http://www.aallnet.org/main-menu/Advocacy/aallwash/Issue-Briefs-and-Reports/2012/ibkirtsaeng.pdf) last week on *Kirtsaeng*. Thanks to our colleagues George Pike and Amy Ash for their work on this. The facts of the case tell the story of a student from Thailand, Mr. Kirtsaeng, attending college in the U.S. Kirtsaeng began purchasing text books in his home country and selling them for a profit to fellow students in the U.S. Wiley contends that this violates Wiley's distribution rights. Kirtsaeng's defense is that his actions are protected by the First Sale Doctrine.

The First Sale Doctrine of copyright protects the rights of property owners to resell, lend or otherwise dispose of items which contain copyrighted elements, and which have been acquired in the first instance with the permission of the copyright holder. The Doctrine, among other things, enables libraries to lend copyrighted works without violating copyright. The question in *Kirtsaeng* is whether the Doctrine applies only to goods manufactured in the U.S.

If the court decides that First Sale applies only to goods manufactured domestically, libraries would be required to track the origin of each and every item that they lend, sell or otherwise dispose of, or risk copyright infringement claims. Even if libraries had the resources to comply with this sort of requirement, the origin of manufacture of any item is not necessarily readily discoverable. The impact on library work flows, gift management, and acquisitions would be enormous. The impact on library users' ability to gain access to information could be severely curtailed. The efficiency and utility of libraries could be undermined.

While *Kirtsaeng* has the attention of the library world, its impact is actually much further reaching. First Sale applies not only to those things we typically think of as copyrighted materials (books, articles, etc.) but also to almost all goods in the consumer sphere. This is known as the 'gray market' impact of *Kirtsaeng*. When a consumer purchases a car, an article of clothing or a cell phone, each of these may contain copyrighted elements. However, the copyright owners have authorized that first sale, and subsequently the owner may lend or resell that item at will. If Wiley were to prevail in *Kirtsaeng* the whole downstream disposition of consumer goods, not just library materials, comes under fire.

Given the tenor of the oral arguments (http://www.supremecourt.gov/oral_arguments

/argument_transcripts/11-697.pdf) this week, the Justices are acutely aware of the 'horribles' that could result in the event that the Wiley interpretation is embraced by the Court, not just for libraries but for the entire marketplace of consumer goods. A reading of the transcript suggests a decision that will be favorable to libraries. Justice Kennedy reminded petitioners that common sense demands that the Court explore the potential consequences of a ruling. Now we wait to see how they balance the competing interests in this case.

Are there other copyright issues law librarians should be watching?

In addition to all of these cases that have bubbled up on the copyright landscape, the Copyright Office has begun exploring a more active approach to the orphan works problem. Orphan works are those published materials still in copyright for which no rights holder can be located. Earlier this month, the Copyright Office issued a notice of inquiry (http://www.copyright.gov/orphan/) inviting comment by the public. According to the notice, they are "interested in what has changed in the legal and business environments during the past few years that might be relevant to a resolution of the problem and what additional legislative, regulatory, or voluntary solutions deserve deliberation at this time." I encourage AALL members from all library types to seize this advocacy moment and comment. The special expertise of lawyer librarians can really help to inform the efforts of the Copyright Office with respect to orphan works. The comment period is open through Jan. 4, 2013.

Please tell us about any other initiatives that the Copyright Committee is working on this year.

The Copyright Committee formed 3 sub-committees this year to address some of the work that we need to get done. The first sub-committee is Education. Alicia Brillon and Kelly Leong took the lead on that front. They worked to get our 2 program proposals in shape and submitted by the deadline. Given that the program selection process is blind this year, I'll refrain from telling you about these excellent submissions until after the selection process is over!

The second sub-committee is Current Awareness. Meg Kribble (Chair-elect), Amy Ash and I are focusing our efforts here. This group will be working to keep the membership informed about copyright issues through issue briefs, list postings, and the Copyright Committee Blog (http://community.aallnet.org/AALLNET/Blogs/MyBlog/). Members can set up an RSS feed to be notified of new blog postings. The sub-committee has also discussed the development of a copyright toolkit for law librarians. That's something we plan to explore further this year.

Finally, the Web Content sub-committee, consisting of D.R. Jones and Kevin Miles, is taking a close look at the organization of all of the copyright materials hosted on the AALLnet website. Since the content from the old site was imported to the new site there hasn't been a systematic review and inventory of both the content and the structure of the information. We'd like to make it easier for users to navigate information about AALL's copyright policies, the Copyright Committee, and copyright issues of interest to members. We also want to make it easier to determine the currency of materials posted on the site. We'll be working with you in the Government Relations Office to accomplish this work.

What resources would you recommend to AALL members who would like to learn more

about copyright issues?

So many good resources out there! Of course, there is the content on the AALL website and the Copyright Committee Blog that I've already mentioned. And members should monitor the Copyright Office (http://www.copyright.gov/) website. Laura (Lolly) Gasaway, a past-president of AALL, has made significant contributions to the copyright arena. Her regular "Copyright Column" in Against the Grain is a must read. Another copyright librarian to follow is Lesley Ellen-Harris (@copyrightlaws on Twitter). Lesley is well-versed in both Canadian and U.S. copyright law. She edits *The Copyright and New Media Law Newsletter*, maintains the website copyrightlaws.com, and offers web-based copyright courses for librarians, including *Certificate in Copyright Management: Principles and Issues*, offered through SLA's Click University. James Grimmelmann, a faculty member at NYLS, pays careful attention to copyright and blogs about current copyright cases at the Laboratorium (http://laboratorium.net/).

The University of Michigan Copyright Office has some great Copyright Libguides (http://www.lib.umich.edu/copyright-office-mpublishing/libguides-copyright) available. Columbia University's Copyright Advisory Office maintains an excellent site under Ken Crews's leadership, and I'd be remiss if I didn't urge every librarian reading this to add Ken's Fair Use Checklist (http://copyright.columbia.edu/copyright/files/2009/10/fairusechecklist.pdf) to your copyright compliance toolkit. Kevin Smith's blog, Scholarly Communications @ Duke (http://blogs.library.duke.edu/scholcomm/category/scholarly-publishing/) is bookmark-worthy. ALA's page of copyright resources (http://www.ala.org/advocacy/copyright), and the Library Copyright Alliance (http://www.librarycopyrightalliance.org/), a joint effort of ALA, ARL and ACRL, are also notable.

I've just scratched the surface here but this should be a good start.

Thanks, Tracy!

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This entry was posted on Thursday, November 1st, 2012 at 1:10 pm and is filed under Copyright. You can follow any responses to this entry through the RSS 2.0 feed. Responses are currently closed, but you can trackback from your own site.

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THE KNOWLEDGE EFFECT

Fair use? Experts comment on universities' digital books project ruling

A coalition of universities may create a digitalized library of copyrighted works because the project preserves the works while adding enhanced search options and giving access to the visually impaired, a New York federal judge has ruled.

02 Nov 2012Melissa Sachs

We asked practicing attorney experts what they think is significant about the judge's analysis and whether the decision was expected. We also asked about the impact of this decision on future cases. Click past the jump to read a few of the responses we received. Do you agree or disagree?

(Westlaw users: Click here for more stories from *Westlaw Journal Computer & Internet.*)

"While the factual underpinnings are different, Judge Baer's ruling may well give new life to arguments unsuccessfully advanced by defendants in recent years in a line of cases under the Digital Millennium Copyright Act involving movie studios and the DVD Copy Control Association. As recently as 2009, the District Court for the Northern District of California concluded in *RealNetworks v. DVD Copy Control Association* that the anti-circumvention and anti-trafficking provisions of the DMCA were violated by RealNetworks' copying software that bypassed copy protection technologies embedded in DVDs. This decision was consistent with earlier DMCA cases such as *MGM Studios v. 321 Studios*, in which the same federal court rejected 321 Studios' argument that software that allows users to make copies of DVD content is legitimate under the DMCA as a fair use for back-up, preservation and archiving purposes."

Mary Ann L. Wymore *is a member of intellectual property, communications and media, and litigation practice groups at Greensfelder, Hemker & Gale, P.C. Ms. Wymore represents media organizations, advertising firms and other businesses in the areas of communications, media, defamation and privacy, advertising, constitutional and technology law, unfair competition, and intellectual property. Ms. Wymore also is a former journalist and current adjunct professor of media law and electronic media law.*

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 "The second transformative use identified by the court and which underpins much of the discussion of fair use and the court's ultimate ruling is intriguing. This second use, which is undoubtedly of lesser import to the overall goals of the HathiTrust's programs, is identified as the ability to facilitate access to the original works by print-disabled individuals. What I find unusual about this is that purpose served by the supposedly transformative copies is the precisely the same purpose served by the original work: conveying to the reader the ideas and information contained in the original work, albeit via a different medium (text-to-speech or text-to-tactile readers). It appears then the court is suggesting that at least under certain circumstances merely altering the medium by which a work is conveyed to a reader or consumer is sufficiently transformative to constitute fair use."

Jeffrey Loop *is counsel at Carter Ledyard & Milburn. After a decade in the fashion industry where he managed the wholesale operations of collections by designers such as Calvin Klein, Donna Karan and Wolfgang Joop, Mr. Loop graduated summa cum laude from Seton Hall Law School. Since that time, he has gained extensive experience in defending clients against claims of violations of the rights of publicity and privacy in state and federal courts. He is also well versed in copyright law, having represented clients as both plaintiff and defendant. Mr. Loop has represented clients in connection with a variety of media, publishing and art-related matters. He has for many years represented and advised image licensing clients in connection with relations with current and former contributing photographers and other content providers.*

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"  The decision provides a strong favorable opinion for libraries and library users that make or wish to make accessible digital copies to patrons with print disabilities. The creation of a digital index to a massive multi-million volume collection of books was ruled to be Fair Use. This is enormously useful to scholars, students and the general information-seeking public. The decision also clarifies that libraries may make digital preservation copies pursuant both to the library exception written into the copyright law (17 U.S.C. Sect. 108) as well as Fair Use."

Mary Minow *is* ***Follett Chair of Dominican University's Graduate School of Library and Information Science****. She is also a Stanford-trained lawyer and leading scholar on library copyright and intellectual property issues. Ms. Minow manages the Stanford Copyright and Fair Use website and founded the Library Law blog. She serves on the board of the Electronic Privacy Information Center,*

as well as the board of the Freedom to Read Foundation. She is co-author with Tomas Lipinski of The Library's Legal Answer Book.

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"No one can quarrel with Judge Baer's finding that digitization for purposes of providing access of works to blind persons is a fair use. But Judge Baer's holding that digitization for purposes of scanning (onto Google and otherwise) is "transformative" is deeply troubling. Judge Baer focuses on the transformative *use*. However, the traditional doctrine of transformation does not focus on use. Rather, the issue is whether the substance of the work was transformed such that it is a completely different work conveying a different message. For example, Andy Warhol's use of the Campbell's soup can in his famous painting was transformative because it was used to create a complete different work with a completely different artistic vision. In contrast, digitization is no different than transforming a copy of a record from a CD to an MP3. Whether copying the CD onto a different device is fair use is a complex and contested issue (most people in the music industry believe that it is improper to make such a copy—and download licenses generally limit the number of devices on which a music download can be used). But it certainly would be wrong to say that the transfer from a CD to an MP3 was transformative. The song remains the same. This is the major mistake in Judge Baer's analysis, leading him to mistakenly find that digitization for scanning is fair use. This turns on its head 100 years of jurisprudence on what it means to make a copy. A person violates copyright law even if he takes out pen and paper and makes a handwritten copy of a printed book. The fact that a person writes out a copy by hand rather than makes a copy on a machine is irrelevant—it is still an infringing copy.

"In addition, I believe Judge Baer's ruling on Associational standing under the copyright law is incorrect. Such standing should be allowed as a matter of judicial discretion and efficiency, since the statute does not explicitly prohibit Associational standing. The ruling on standing may be the most significant long-term ruling in the case, and I assume the Authors' Guild will find it necessary to appeal this ruling.

"In short, I believe the Author's Guild has substantial grounds for appeal."

Maurice Ross *is a partner at* ***Barton LLP****. For nearly three decades, Mr. Ross has represented corporate and individual clients in numerous high profile, sophisticated intellectual property and commercial litigations.*

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 "For those of us who have been following this case since the beginning, we are moving toward a very interesting crossroads. Even though the Google case began years before the Hathitrust case, the Hathitrust case has reached the fair use question first. Thus, on the one hand, you have Judge Baer with a definitive finding of a fair use defense for the libraries, rooted in his finding that providing new avenues for scholarship, and access for the visually impaired, are transformative uses for purposes of the fair use test. On the other hand, you have some very strong statements by Judge Chin over the years suggesting that he may not endorse what Google has done here and that he was concerned about fairness to the authors. One can see that in Judge Chin's opinions rejecting the opt-out structure of the settlement, denying Google's request to split the class because Google had treated the copyright holders collectively when it scanned all of the works, and denying Google's request to stay the litigation while the class certification question was appealed. A key distinction between the cases that may affect the fair use question is that the Google case has a decidedly commercial venture – Google Books – at issue, while the Hathitrust case appears to be focused only on the services provided by libraries."

***Hillel Parness**, an intellectual property litigation partner with **Robins, Kaplan, Miller & Ciresi L.L.P.** in New York*

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 1. Was the decision expected? I don't believe that anyone can predict fair use cases with any certainty since they are decided on the application of a four-factor balancing test. The fact, however, that the Defendants focused on uses that many see as beneficial and necessary certainly helped the court find that their use was transformative. Often when the use is found to be transformative, courts find in favor of fair use. It is important to remember that the court was not looking at Google's use, just the educational institutions's use.

2. I don't know if this decision will be appealed. I suspect it may. As I stated above, since fair use cases are decided on a case-by-case basis and are highly fact specific, I don't think this one case will set a trend in other cases, but it (along with the recent Georgia State cases) is another example of the courts taking favorable stance on fair use when an educational institution and purpose is argued.

***Glen Pudelka**, an associate at **Edwards Widman Palmer LLC** in Boston, as a source. Glenn's practice is focused on copyright issues*

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"In my view, the court reached the proper decision in the Author's Guild v. HathiTrust. In this case, the Author's Guild, on behalf of its members, filed suit against the HathiTrust partnership asserting that its library digitization project known as the HathiTrust Digital Library (HDL) violated the copyright laws. Currently, the HDL contains almost 10 million digital works. The digitized works are used for three purposes: 1) preservation of the works; 2) creation of a search index for full text searching; and 3) providing access to print-disabled persons. It is important to note that the digitized works are not made available to members of the public except in the case of print-disabled users. Applying fair use principles, the court held that the uses made of the digitized works were transformative uses and would not interfere with the market for the copyrighted works. The Author's Guild argued that allowing the digitization project would harm the copyright owners by undermining future licensing opportunities. The court held that a copyright owner could not preempt a transformative market by simply offering to license it.

"This case reflects the tension that exists between the interests of copyright owners and the public at large. Overprotection of copyright may be as harmful to the public interest as under protection of copyright is to copyright owners. The problem is finding the correct balance. There is a strong public interest in a large-scale searchable database. A searchable database enables researchers, scholars, scientists, engineers, and others to find works relevant to their interests. In my view, a large-scale searchable database would likely provide more benefit than harm to copyright owners by enabling potential purchasers to identify the copyrighted works in which they have interest. The lawsuit appears to be a miscalculation and based on the short-sighted goal of increasing licensing revenues at the expense of long-term sales."

***Dave Bennett**, managing partner at **Coats & Bennett**, has practiced as a patent attorney since 1985. Mr. Bennett's practice includes litigation involving patents, trademarks, copyrights, and trade secrets. He provides representation at both trial and appellate court levels.. He has ample experience preparing and prosecuting applications for patents and trademarks and handling appeals to the Board of Patent Appeals. He offers opinions concerning the validity and infringement of issued patents, as well as advice on how to "design around" valid patents. He also counsels clients in the selection of distinctive and enforceable trademarks.*

What do you think?

Authors Guild Inc. et al. v. HathiTrust et al., No. 11 CV 6351, 2012 WL 4808939 (S.D.N.Y., Foley Square Oct. 10, 2012).

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