

Unless otherwise noted, the content of this course material is licensed under a Creative Commons Attribution 3.0 License.
<http://creativecommons.org/licenses/by-sa/3.0/>.

Copyright © 2008, Greg Grossmeier.

You assume all responsibility for use and potential liability associated with any use of the material. Material contains copyrighted content, used in accordance with U.S. law. Copyright holders of content included in this material should contact open.michigan@umich.edu with any questions, corrections, or clarifications regarding the use of content. The Regents of the University of Michigan do not license the use of third party content posted to this site unless such a license is specifically granted in connection with particular content. Users of content are responsible for their compliance with applicable law. Mention of specific products in this material solely represents the opinion of the speaker and does not represent an endorsement by the University of Michigan. For more information about how to cite these materials visit <http://michigan.educommons.net/about/terms-of-use>.

Any medical information in this material is intended to inform and educate and is not a tool for self-diagnosis or a replacement for medical evaluation, advice, diagnosis or treatment by a healthcare professional. You should speak to your physician or make an appointment to be seen if you have questions or concerns about this information or your medical condition. Viewer discretion is advised: Material may contain medical images that may be disturbing to some viewers.

Greg Grossmeier

Final Paper

SI-519/PubPol 688
Intellectual Property and Information Law

Licensed under a
Creative Commons Attribution-ShareAlike 3.0 License
<http://creativecommons.org/licenses/by-sa/3.0/>

Restrictions on Library Activities via Contract: *Effects on Copyright, Fair Use, and the Future of Information*

Introduction

The role of the library is in a constant state of flux as libraries strive to develop new services and new ways to present those services to the patron. The advent of digital dissemination of information, everything from CD-ROMs to the Internet, presents library administrators with tough choices about what direction to take. One such choice is what to do in response to the rising desire of patrons to find the answers to their questions online? Do you provide a thorough index that users can search for their answer but be required to still view the original physical object in the library? Or do you provide the entire work online in a digital format? The second option will undoubtedly provide a higher degree of access of information to patrons. It is not a simple undertaking for any institution. Many of the largest libraries have had digitization projects ongoing for the past decade including the University of Michigan. These digitization projects were, without exception, a slow process and would take multiple generations to complete. Then Google announced its plans to digitize the complete collections of some libraries.

Google Library Project

The Google Library Project has the laudable goal of providing the ability to search the entire corpus of human knowledge in book form. It is doing this by creating, by most assumptions, the largest digital library of scanned books in the world. To create this library Google is partnering with multiple libraries around the world, from Michigan to Madrid. These partnerships give Google access to the collections needed to build its library. Google, as part of the agreements, also provides the partner libraries with a copy of the digital file of the scanned book. The libraries then do not have to pay to perform their own scanning projects, which some libraries such as the University of Michigan had already been engaged in, and Google does not have to pay to either buy the books or borrow from

libraries. This project did receive much scorn from the American Association of Publishers and the Author's Guild.

Lawsuit Background

On December 14th, 2004 Google announced¹ its partnership with the libraries of the University of Michigan, Harvard, Stanford, University of Oxford, and The New York Public Library to scan their collections so that users around the world would be able to search within them via Google. Less than one year later, on September 20th, 2005, the Author's Guild filed a complaint² against Google stating that the Google Book Search infringes on its members' copyrights. One month later the McGraw-Hill, Pearson Education, Penguin Group, and other publishers also filed suit against Google for copyright infringement.³

The two complaints filed against Google are similar in purpose and spirit but differ in the specific allegations. For example, the wording from the publishers' complaint under Count I is:

“Google will infringe the copyrights of the Publishers' books by unlawfully reproducing and publicly distributing and displaying copies of such works in violation of the Copyright Act. Google's infringements are and will be willful, executed with full knowledge of the Publishers' copyrights and in conscious disregard for the Publishers' exclusive rights in the protected works.” (p. 13)

While the Author's Guild states under their Count One:

Google has made and reproduced for its own commercial use a copy of some of the literary works contained in the University of Michigan library, which contains the Works that are subject to this action, and intends to copy most of the literary works in the collection of that library. (p. 11)

The differences between these two complaints are subtle yet important.

First, the Author's Guild complaint does not explicitly reference the distribution of the copies to the users of the Google Book Search service and instead concentrates on the mere fact of making the initial digital copy. They do reference this display of the literary works to users in the “General

1 Google. *Google Checks Out Library Books*. (December 14, 2004). Available at http://www.google.com/press/pressrel/print_library.html

2 <http://f11.findlaw.com/news.findlaw.com/hdocs/docs/google/aggoog92005cmp.pdf>

3 <http://news.findlaw.com/hdocs/docs/google/mcgggoog101905cmp.pdf>

Allegations” section but not in either count against Google.

Second, the publishers' complaint does not explicitly mention the commercial nature of Google's use of the digital copies where the Author's Guild does. The complaint does not make the case that Google's use is a commercial use and instead focuses on the possible loss of “present and future business relationships and opportunities for the digital copying, archiving, searching and public display of [the publishers'] works.”

In short, the Author's Guild focused on the initial copying of the work into a for-profit company's database while the Publishers focused on the display of these works to the public at large and possible loss of future agreements with others to display said works. This distinction, while notable, does not suggest that the lawyers for either the Author's Guild or the Publishers would not have expanded their arguments to include other issues during the trial. It does clearly give the reasons that the respective organizations had for filing the complaints against Google.

The question we must now answer is: what are the arguments to be made on both sides regarding Google's fair use claim. This Fair Use discussion will necessarily only focus on the issues as they relate to works still in copyright, as other works are out of scope for the copyright infringement claim against Google. This is important as Google displays the search results for these works differently than for works not restricted by copyright.

Fair Use Determination

Under copyright law there are four factors used to determine whether a use is a fair use. We will go through these four factors in order:

- ***First factor: “the purpose and character of the use, including whether such use is of a commercial nature,” 17 USC § 107(1).***

Google's use of the scanned works is a commercial use in so much as they are making money from the selling of ads next to the display of the works. That is where the commercially exploitative aspect of Google's use ends. Google does not receive any revenue when someone clicks on the

available links to purchase a work from third-parties such as Amazon.

Additionally, the display which Google is using (“snippets”) would not remove worth from the original work as a whole. A related case, *Kelly v. Arriba*, dealt with the display reduced size images of Kelly's photographic work in Arriba's search engine. In *Kelly v. Arriba* the court found that if the use was “more incidental and less exploitative in nature” and not “directly [promoting] its web site nor trying to profit by selling Kelly's images”⁴ it was not to be seen as a negative in determining fair use.

We must also determine the transformative nature of this use by Google. In *Kelly v. Arriba* the court noted that the images in question were “smaller, lower resolution images that served an entirely different function than [the] original images.” Arriba's use of these images improved access to Kelly's work and was not in and of its self an artistic expression. The corollary can be applied to Google's use of the scanned books. Google is only displaying a very limited view of the works (“snippets”) and the purpose of the use is to improve access to those works by making the works searchable.

As Google's use of the works is similar in nature to Arriba's use of Kelly's images we can assign the same finding for the first factor: this use weighs in favor of Google.

- ***Second factor: “the nature of the copyrighted work,”***

Books have been considered protected material since 1790 when the first Copyright Act was passed. As such, they are at the core of what copyright restrictions are intended to protect. There is the consideration of fiction versus non-fiction and how the use of non-fiction works is more tolerated by copyright law.⁵ Even though it is assumed that the majority of works scanned by Google will be in this non-fiction category and thus would more likely be a fair use, Google has not stated that it intends to treat fiction works differently from non-fiction.

This factor weighs in favor of the publishers.

- ***Third factor: “the amount and substantiality of the portion used in relation to the***

⁴ *Kelly v Arriba Soft Corp.* 336 F.3d 811 (9th Circuit 2003)

⁵ “Factual works, such as biographies, reviews, criticism and commentary, are believed to have a greater public value and, therefore, uses of them may be better tolerated by the copyright law.” page 1533 in *Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F. Supp. 1522, 1538-39 (S.D.N.Y. 1991)

copyrighted work as a whole,”

To build its universal digital bookstore⁶ Google needs to copy the whole work into its database. In *Worldwide Church of God v. Philadelphia Church of God* it is explained that “while wholesale copying does not preclude fair use per se, copying an entire work militates against a finding of fair use.”⁷ It also noted that “If the secondary user only copies as much as is necessary for his or her intended use, then this factor will not weigh against him or her.”⁸ Thus, as Arriba needed to copy the entire image to be recognizable to searchers that wholesale copying was necessary for the intended use. “If Arriba copied only part of the image, it would be more difficult to identify it, thereby reducing the usefulness and effectiveness of the visual search engine.”⁹

The same reasoning could be applied to Google's scanning of entire works as any smaller portion would indeed be less useful to a searcher. For instance, one could imagine Google only scanning the “contents page, introductory chapter and index of the books.”¹⁰ Although it would provide a somewhat useful service, just as only being able to view the top half of an image, it would be less useful than Google's intended goals. Rephrasing the Kelly decision: Google is then copying only as much as is necessary for their intended use and as such this factor should not weigh against them.

The differences between Google and Arriba's use must be addressed as well. In response to a user's search Arriba was displaying a full, albeit reduced quality, view of the image. In contrast, in response to a user's search Google will be displaying only a limited view of the entire work. Google's display will only show, in Google's terms, “snippets” of the work. The effective quantity of these snippets is only a few sentences to give context to your search term. However, consumers use photographs and books in vastly different ways. Photographs, in general, are meant to be viewed as a

6 Courant, Paul. *The Google Settlement - From the Universal Library to the Universal Bookstore* (October 28, 2008.) Available from <http://paulcourant.net/2008/10/28/the-google-settlement-from-the-universal-library-to-the-universal-bookstore/>

7 *Worldwide Church of God v. Philadelphia Church of God, Inc.*, 227 F.3d (9th Circuit 2000) at 1118 (internal quotation marks omitted).

8 *Kelly v Arriba* p. 9074

9 *Kelly v Arriba* p. 9075

10 Ganley, Paul. *Google Book Search: Fair Use, Fair Dealing and the Case for Intermediary Copying* (January 13, 2006). Available at SSRN: <http://ssrn.com/abstract=875384>

complete work at one time. There are no sentences, paragraphs, pages, or chapters of a photograph. The *context* which the snippet view for books provides is a similar *context* as what the entire image provides in photographs. In fact, the context – in relation to the whole – provided by the snippet view is no more than, if not less than, the context provided by the reduced quality images of Arriba's search.

The third factor weighs in favor of Google.

- ***Fourth factor: “the effect on the use upon the potential market for or value of the copyrighted work.”***

“[The] last factor is undoubtedly the single most important element of fair use.”¹¹ In the case of *Kelly v. Arriba* the Ninth Circuit found in favor of Arriba as the “search engine would guide users to Kelly's web site rather than away from it.”¹² Also, “the thumbnails [which Arriba displays to the public] would not be a substitute for the full-sized images because the thumbnails lose their clarity when enlarged.”¹³ Neither Kelly nor Arriba were selling or licensing the thumbnails of Kelly's images so there is no market loss for displaying those in search results. And the availability of these thumbnails does not harm the market for Kelly's full-sized versions which he sells. In fact, as quoted above, the users of Arriba's search engine are guided towards Kelly's website, thus increasing traffic of possible customers.

Google's search engine provides links to online stores where a user could purchase copies of the search results thus guiding users to the publishers (through third-party retail stores). Also, the snippets which Google shows would not be a substitute for the full work as there is no way to extrapolate the full work from such short samples. As such, the availability of these snippets does not harm the market for the full work. In a related scenario, Amazon provides a “Search Inside” feature for certain books which allows users to view pages of books before buying. The books that allow this feature have seen a 9% sales increase relative to non-searchable books.¹⁴ Reference books which had this feature had an

11 *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985), 566.

12 *Kelly v Arriba* p. 9075

13 *Kelly v Arriba* p. 9076

14 Anderson, Chris, “The Zen of Jeff Bezos.” *Wired* (January 2005). Available at <http://www.wired.com/wired/archive/13.01/bezos.html>

even higher than average sales figure. However, as in *UMG Recordings v. MP3.com*, simply having a positive effect on a prior market is not justification for having a harmful impact on a *potential* market.¹⁵ MP3.com was indeed harming the potential space-shifted market for music with its service. The analogous market for this case would be e-book market which Google is in no way harming, and if anything helping, with its service.

Publishers could argue that the Google Library project precludes them from licensing the works to search engines for full-text search. However, Google did provide the Print Publisher Program where publishers would receive revenue from the ads surrounding their books. Google would prefer the publishers participate in this program as it would save Google money that would be spent on digitizing those works. And the publishers are of course free to license their works with other search engines or even create their own competitive service.

Google could also argue that there is an implied license to scan these books when the publishers or authors do not participate in the opt-out program. In *Field v. Google*, a case involving a copyright infringement suit against Google for making available a cached version of a website, the court stated “[an] implied license can be found where a copyright holder engages in conduct from which the other party may properly infer that the owner consents to his use.”¹⁶ And “consent given in the form of mere permission or lack of objection is also equivalent to a nonexclusive license.”¹⁷ Thus, as Google has made a good faith effort to inform as many authors and publishers of their ability to opt-out of the program we can take the inaction of those who do not participate as an implicit agreement to continue scanning the works.

The fourth factor, thus, weighs in favor of Google.

¹⁵ *UMG Recordings, Inc. v. MP3.com, Inc.* 92 F. Supp. 2D 349 (S.D.N.Y. 2000)

¹⁶ *Field v. Google, Inc.*, 412 F.Supp.2d 1106 (D. Nev. 2006). (inner quotations omitted)

¹⁷ *Keane Dealer Servs., Inc. v. Harts.* 968 F.Supp. 944, 947 (S.D.N.Y. 1997)

Fair Use Factor	Determination
<i>the purpose and character of the use...</i>	Google
<i>the nature of the copyrighted work...</i>	Publishers
<i>the amount and substantiality of the portion used...</i>	Google
<i>the effect on the use upon the potential market...</i>	Google

With three factors in favor of Google and one in favor of the publishers Google's use of these works in this way is indeed a *fair use*.

Contractual Agreement

Now that we have ascertained that the Google Library Project would have been considered a fair use if the cases were allowed to complete the legal process we should now examine the contractual agreements between Google and its partner libraries.

The sample agreement we will examine is the agreement between the University of Michigan and Google.¹⁸ We will go straight to the issue that concerns the future of access to information, the restrictions on the digital copies imposed by Google. It is prudent that the wording is preserved, so the following quote is the complete relevant portion:

4.4.1 Use of U of M Digital Copy on U of M Website. ... U of M shall also make reasonable efforts (including but not limited to restrictions placed in Terms of Use for the U of M website) to prevent third parties from (a) downloading or otherwise obtaining any portion of the U of M Digital Copy for commercial purposes, (b) redistributing any portions of the U of M Digital Copy, or (c) automated and systematic downloading from its website image files from the U of M Digital Copy. U of M shall restrict access to the U of M Digital Copy to those persons having a need to access such materials and shall also cooperate in good faith with Google to mutually develop methods and systems for ensuring that the substantial portions of the U of M Digital Copy are not downloaded from the services offered on U of M's website or otherwise disseminated to the public at large.

This section explicitly forbids the University of Michigan from sharing any digital file (“the U of M Digital Copy”) with any non-associated third party.¹⁹ This restriction is applied to all digital copies of

¹⁸ <http://www.lib.umich.edu/mdp/um-google-cooperative-agreement.pdf>

¹⁹ It is allowed, in the following section of the agreement (4.4.2), to share these digital copies with the members of partner research libraries as long as the other library has limitations put on their use of the digital file that are at least as restrictive as the limitations the U of M has agreed to.

books scanned by Google including books which are in the public domain. Although the University of Michigan is bound by these restrictions of all copies Google is not:

4.5.3 Distribution of Google Digital Copy. To the extent portions of the Google Digital Copy are either in the public domain or where Google has otherwise obtained authorization, Google shall have the right, in its sole discretion, to make copies of such portions of the Google Digital Copy and to provide, license, or sell such copies to any party, subject to such copies being used consistent with the copyright-related restrictions set forth in section 4.5.1.

This unbalanced restriction is an unneeded, and unfair, limitation under copyright law; public domain works have no restrictions on this type of use, and thus the only reason to enforce it is to prevent any type of competition of services with Google. This situation is similar to many art image databases restricting the use of their collections of public domain art works.

In the court case of *Bridgeman Art Library v Corel Corp.*, Bridgeman claimed that their photographic images of public domain works of art were copyrighted as, under one argument, skill is needed to produce these accurate representations. The court disagreed, “[the] mere reproduction of a work of art in a different medium should not constitute the required originality for the reason that no one can claim to have independently evolved any particular medium.”²⁰ In other words, any reproduction of a public domain work that does not add any new creative element does not produce any new copyright. Thus, the digital copies of any public domain book scanned by Google do not have any new restrictions to be asserted based on copyright. However, users of art image databases can effectively sign away their ability to use these public domain images in any non-approved way by agreeing to a Terms of Service which states they are unable to do so. See, for example, the ARTstor Terms of Service which states that “[c]ontent may not be incorporated into an unrestricted database or website, or made available to others (electronically or otherwise).”²¹ “Content” in this case refers to all images in the database including those which are in the public domain.²² This is, effectively, what the

²⁰ *Bridgeman Art Library, Ltd. v. Corel Corp.*, 36 F. Supp. 2d 191 (S.D.N.Y. 1999)

²¹ <http://www.artstor.org/our-organization/o-html/terms-of-use.shtml>

²² It should be noted to the reader that the ARTstor database includes images of public domain works which are asserted to be under the copyright restrictions of the photographer who produced the image. Further work to educate database providers and users regarding this fallacy would be a much needed (and welcomed from the library community) project.

University of Michigan has done with the entire corpus of public domain books that it has in its holdings.

Commentary

The University of Michigan and Google had a chance to provide the world with a service that could provide all public domain works to the world at large. The positive impact of this could not be over stated; allowing users and researchers from around the world to access this large corpus of knowledge would enable researchers to perform new and interesting studies impossible to do before. Also, it would allow the works to educate people who previously had no access to them. By limiting the dissemination of these public domain works to only Google and its pre-approved partners, however, restricts the efficacy of the above possibilities. No third party could build a collection of the public domain works using Google's digital copies and distribute it to remote learning facilities around the world.

The library community must now decide how to respond to this situation. Do we try to correct the situation by rescanning all Public Domain books and release them with out the restrictions Google is imposing? Or should the community attempt to convince Google that the restrictions are contrary to the library ethic? There are no legal barriers that stem from copyright in the way of fixing this situation. It is now on us, the community, to decide how to do it.