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LEGAL ISSUES

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Legally Speaking — Google Books Case Ends, Not With a Bang But a Simper

by **William M. Hannay** (Partner, Schiff Hardin LLP, Chicago) <whannay@schiffhardincom>

In a short opinion issued on November 14, 2013, **Judge Denny Chin** finally put the ***Google Books*** case to rest after eight long years of litigation. ***Authors Guild, Inc. v. Google Inc.***, 2013 U.S. Dist. LEXIS 162198, 2013 WL 6017130 (S.D.N.Y. 2013).

For those who love the whole idea of the **Google Books** project (and many librarians seem to), it is a sweet victory. For others who revere the sanctity of copyright law, **Judge Chin's** decision is a puzzlement. They are left scratching their heads, trying to figure out exactly how and when "transformation" became the trump card in fair use analysis.

To recap, **Google Inc.** began a project in 2004 to digitally scan all the books in the world. To date, **Google** has copied some 20 million books from scores of libraries, keeping electronic copies for itself and providing one to the participating library. All of these books are accessible through the Internet for online searching, and where there is a "hit," **Google** generates "snippets" containing the search term, page reference, and a sentence or so on either side of the term for context. **Google** makes money by selling advertising on its Internet Website where the searches are conducted. (**Google** originally planned to sell electronic copies of the entire book, but that concept got shot down by **Judge Chin** a couple years ago.)

The **Authors Guild** and a number of individual authors brought a class action copyright infringement suit against **Google**, which was defended on the basis of the fair use doctrine. (Section 107 of the ***Copyright Act*** provides that "the fair use of a copyrighted work … for purposes such as criticism, comment, news reporting, teaching …, scholarship, or research, is not an infringement of copyright.") After innumerable starts and stops, efforts at settlement, procedural skirmishing, and a trip to the Court of Appeals for the Second Circuit, the parties to the case squared off to fight the fair use battle this Summer. But it all seemed somewhat anticlimactic.

By the Summer of 2013, the **Google Books** project had been in operation for nearly nine years. The pattern of its use had settled down to a somewhat humdrum existence, and any possibility of **Google** making huge windfall profits by selling electronic copies of orphan books or for that matter copyrighted books seemed to have evaporated. The passion seemed to have drained out of the fight for all concerned.

In place of the superheated emotions of the fight over the proposed settlement of the case in 2010-11 (which **Judge Chin** rejected in 2011, *see* 770 F. Supp. 2d 666), there was a sense of going through the motions. Instead of an informed and informative intellectual debate over the concept of fair use in the electronic world of the 21st Century, there was a rehashing of the positions of the parties from years before. The only "new" thing was the focus on whether the book project constituted a "transformative" use of the copyrighted material, a theory that appears nowhere in the ***Copyright Act*** but was hypothesized by **Judge Pierre Leval** of the Second Circuit in a law review article several years ago.

The metaphysical act of "transformation" had been seized on by **Judge Harold Baer** a year earlier in the ***HathiTrust*** case as a justification for concluding that libraries' use of **Google's** digitally copied versions of books was fair use because **Google** had "transformed" the books from a paper to an electronic medium and thereby made an "invaluable contribution to the progress of science and cultivation of the arts." *See* 902 F. Supp. 2d 445.

It was but a short step for **Judge Chin** to conclude that, if "transformation" protected the library goose, it must likewise protect the **Google** gander. He concluded that **Google Books** was the best thing since sliced bread, simpering as follows:

> In my view, **Google Books** provides significant public benefits. It advances the progress of the arts and sciences, while maintaining respectful consideration for the rights of authors and other creative individuals, and without adversely impacting the rights of copyright holders. It has become an invaluable research tool that permits students, teachers, librarians, and others to more efficiently identify and locate books. It has given scholars the ability, for the first time, to conduct full-text searches of tens of millions of books. It preserves books, in particular out-of-print and old books that have been forgotten in the bowels of libraries, and it gives them new life. It facilitates access to books for print-disabled and remote or underserved populations. It generates new audiences and creates new sources of income for authors and publishers. Indeed, all society benefits.

2013 WL 6017130 at 27-28. Thus, the copying involved in creating this "invaluable" database was merely fair use of the underlying works. Accordingly, the court dismissed the complaint against **Google**.

The **Authors Guild** has indicated that it plans to appeal the ruling to the U.S. Court of Appeals for the Second Circuit. Whether the appellate court will examine the "transformative" use concept with a more critical eye than **Judges Chin** or **Baer** is hard to say. (The ***HathiTrust*** decision is already on appeal to the Second Circuit.) But there is reason to question the wisdom of ignoring the rights of authors and publishers whenever someone comes up with a new technological gimmick. Was it not "transformative" when **David O. Selznick** made a movie version of the novel, "Gone With The Wind"? But no one would have argued that **Selznick** could have ignored **Margaret Mitchell's** copyright.

Certainly there are benefits to having direct access to 20 million books. (Isn't that why libraries exist in the first place?) But should that really be the determinative test? The result-oriented analysis of **Judge Chin** and **Judge Baer** seems blinded by the economies of scale from massive copyright infringement. If you misappropriate enough books, you become a public resource. But is that right and just? Is it fair?

It is a little reminiscent of the World War II propaganda technique known as "the big lie." People will believe a big lie sooner than a little

continued on page 42

Questions & Answers — Copyright Column

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QUESTION: A music librarian asks about term extension for sound recordings in the European Union that would extend from 50 to 70 years the copyright term for sound recordings. Has it been enacted?

ANSWER: Directive 2011/77 was adopted September 12, 2011 to extend the term of protection for performers and sound recordings to 70 years which would give to performers the same protection that authors enjoy — 70 years after their death. The stated reason for the extension was to improve the income for performers who often do not have other regular salaried income. It will also benefit record producers who will generate additional revenue from the sale of records in shops and on the internet.

Typically EU directives mandate that every Member State must achieve certain results but countries are free to determine how to do so. This directive was to be effective in the member countries by November 2013. As is true with many EU directives, this may or may not occur by that date.

The text of the Directive may be found at: *http://ec.europa.eu/internal_market/copyright/term-protection/index_en.htm*.

QUESTION: An academic librarian asks whether student-created manuals (approximately 75-100 pages) can be filled with handouts and resources for their placements agency or school district to use (e.g., group therapy exercises, time management tips, etc.). Some of the exercises and handouts collected are from copyrighted books. These manuals/booklets are never published and are not cataloged or added to the collection by the library. Is it problematic for students to donate the collections of materials to their placements without written permission? Is there some kind of disclaimer they should put in the front of the manual about this?

ANSWER: The manuals that the students prepare as a course project are pretty definitely a fair use when the only copy goes to the faculty member for grading, etc. When single copies of the copyrighted materials are reproduced by the student for the manual, it is excused as a fair use.

The copyright problem arises when the student donates the manual to the placement because now the materials no longer are just within the school where the student is compiling the manual for a course. It may be fair use to donate the manual to the placement site, but it is not so clear. The problem is made worse when the placement wants to reproduce those exercises and materials to use. That placement location needs permission to reproduce the materials. Thus, if the manual is donated, a disclaimer on the front which says that reproduction of the materials contained in the manual likely require permission would help.

Another alternative would be for the student to prepare a brochure that contains bibliographic references to materials on the Web with urls, traditional books, etc., which will be presented to the placement site. This presents no problem as there is no longer any reproduction.

QUESTION: In 1973, a college recorded several oral histories as part of a project with three other colleges and universities. It interviewed older people, all but three of them born prior to 1920. Except for the three younger folks (from the 1930s and one from 1947) they are all surely now deceased. In fact, in one instance, it is clear that the interviewee is long dead, and so is her family. The library cannot find any release letters, but there is a monograph on the project that specifically states that there was a release form but that lots of the interviewees felt that they did not have anything interesting enough to merit signing a release form. The interviewers were students who were doing this as part of a class project or perhaps as work study students assigned by the College to the project.

A local researcher/writer is eager to use these oral histories in her local history research. It seems absurd not to allow her to do so, even without any specific permissions from the now deceased interviewees. The researcher self-publishes, so the idea that she would make any sort of financial gain from their utilization is quite remote.

(1) Who holds the copyright on these oral histories? (2) Would the researcher's use be fair since there is no financial gain anticipated? (3) If the interviewees are long dead, do these become public domain? (4) And more to the point, may the library allow these to be used without specific letters of release from the participants? (5) If not, should the library try to secure some kind of posthumous permission?

ANSWER: Naturally, the answers to these questions would be much easier if the library could find releases, but often these projects did not have them in the years before copyright was understood to be such an issue. In 1973 the 1909 Copyright Act was in effect. Works were protected for 28 years. But works published after 1964 were automatically renewed for copyright for a total of 95 years after the date of first publication.

(1) Ownership of the copyright is another issue. The institution would own oral histories, although the interviewees would own their words. Based on the description provided, however, most of the interviewees really were not too worried about copyright. Thus, the institution owns the histories and may decide what to do with them. (2) It seems that the library should let the researcher use the oral histories because her use would be fair use, especially if she is simply quoting from them and not republishing the entire oral history. The library may ask that she cite them as "Unpublished oral histories owned by the institution." (3) Unpublished works that existed before 1978 entered the public domain at the end of 2002 or life of the author whichever was longer. For these works, the term would be life of the author, so some of these works would be public domain and some not. (4) Should the library decide to post the histories on the library's Website ultimately, it might do so with a disclaimer about how the histories were gathered, that they have never been published, and the copyright status of them is unclear. In actuality, there is little risk in just posting them. (5) Trying to get posthumous permission would be awful. Even with published authors, heirs are usually far worse about giving permission than was the original author.

QUESTION: Now that the judge in the Google Books case has decided that Google's scanning of the works is fair use, is the case over?

ANSWER: No, as indicated in earlier columns, this is the case that will not die! The U.S. Court of Appeals for the Second Circuit directed the federal district court judge to rule on whether the **Google Books Search** constituted fair use prior to deciding whether the suit warranted class action status. On November

continued on page 43

Legally Speaking
from page 41

one; and if you repeat it frequently enough, people will sooner or later believe it.

Given **Judge Chin's** extraordinarily careful analysis of the complex issues raised by the proposed settlement two years ago, one might have expected a far more insightful analysis of the fair use issue. But it is what it is, and we will have to wait to hear what the appeals court says. For the time being though, **Google** has won this battle and maybe the war.

Mr. Hannay *is a partner in the Chicago-based law firm,* ***Schiff Hardin LLP****, and a frequent contributor to* ***Against the Grain*** *and the* ***Charleston Conference****.*