FAIR USE AND THE GOOGLE BOOK SEARCH PROJECT: THE CASE FOR CREATING DIGITAL LIBRARIES

Manali Shah[†]

I. INTRODUCTION

The controversy generated as a result of Google's plan to digitize library book collections and make them searchable over the Internet illustrates the tension between United States copyright law and the growing capabilities of technology.[1] Copyright law was originally created under Congress' constitutional powers to promote the progress of arts and sciences.[2] Although Congress wanted to promote the dissemination of information into the public domain, it feared that without offering creators a means to generate exclusive profits, there would be no incentive to create new ideas or artistic expressions.[3] Google's quest to create an online card catalog highlights the

[†] J.D. Candidate, May 2008. I would like to give special thanks to my family and friends for their support and encouragement throughout the writing process.

[1] *See generally,* Hannibal Travis, *Building Universal Digital Libraries: An Agenda for Copyright Reform*, 33 PEPP. L. REV. 761 (2006) (discussing the Google Book Search project in the context of how the current status of copyright law impedes the creation of digital libraries); *see also* Oren Bracha, *Standing Copyright on Its Head? The Googlization of Everything and the Many Faces of Property*, 85 TEX. L. REV. (forthcoming 2007) (draft at 3–4, *available at* http://www.utexas.edu/law/conferences/ip/BrachaPaper.pdf).

[2] U.S. CONST. art. I, § 8, cl. 8. The Constitution vests in Congress the power "to Promote the Progress of Science and useful Arts, by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." *Id.*

[3] *See* Mazer v. Stein, 343 U.S. 201, 219 (1952) ("The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'"); *see also* Susan Kim, *Selling Spray Paint in Cyberspace: Applying the Fair Use Defense to Inline Note Service Providers*, 34 U.C. DAVIS L. REV. 809, 843–845 (2001) (arguing for an application of fair use that would allow Internet service providers to continue the use of inline notes).

legal uncertainty in applying copyright law to the dissemination of information through new mediums.

In December 2004, Google revealed a two-part plan to scan the books of the New York Public Library and the libraries of Harvard University, Stanford University, Oxford University, and the University of Michigan to create an online card catalog and to make each scanned book searchable online through the Google Book Search Project (formerly titled Google Print).[4] In response, the Authors Guild,[5] an organization advocating for published writers, along with several individual writers, brought a class action suit against Google for copyright infringement, seeking injunctive and declaratory relief.[6] Google's defense rests heavily on its belief that the works displayed through the Book Search Project qualify as fair use.[7] The case forces to the forefront the issue of the application of copyright protections and exceptions in the face of growing dissemination of information through the Internet, particularly in the creation of digital libraries in addition to the Google Book Search project itself.[8]

Copyright law developed to encourage the creation of works for public benefit.[9] It grants exclusive rights to the creators of works of original authorship, including literary, dramatic, musical, and artistic works.[10] These exclusive rights include the right to reproduce the copyrighted works, prepare derivative works, and to distribute the copies.[11] Yet Congress believed these monopoly rights required limitations to allow the public to use and thus fully benefit from the creation of these works.[12] Consequently, a num-

---

[4] Elizabeth Hanratty, *Google Library: Beyond Fair Use?* 2005 DUKE L. & TECH. REV. 10, ¶ 1 (2005), *available at* http://www.law.duke.edu/journals/dltr/articles/PDF/2005DLTR0010.pdf (arguing that Google is unlikely to succeed in a claim of fair use against the Authors Guild under the traditional four factor analysis).

[5] The Authors Guild is a professional society of over 8000 published authors working to improve the rights of authors, for instance increasing their ability to contract and boost royalties. The legal staff of the Guild works to aid authors in agency contracts as well as intervene on their behalf in public disputes. *See* The Authors Guild–History, http://www.authorsguild.org/?p=51 (last visited Mar. 25, 2007).

[6] Complaint at 13, The Authors Guild v. Google, No. 05 CV 8136 (S.D.N.Y., filed Sept. 20, 2005), *available at* http://pub.bna.com/eclr/05cv8136comp.pdf [hereinafter Complaint].

[7] *See generally* Paul Ganley, *Google Book Search: Fair Use, Fair Dealing and the Case for Intermediary Copying* 6–7 (Baker & McKenzie, LLP Working Paper, January 13, 2006), *available at* http://ssrn.com/abstract=875384. Ganley argues that the Google Book Search project has a chance of succeeding in its fair use claim within the U.S. Courts. *Id.*

[8] *See* Travis, *supra* note 1, at 762–65 (arguing for reforms in the current copyright law to incentivize increased creation of digital libraries).

[9] *See* Kim, *supra* note 3, at 816.

[10] 17 U.S.C. § 106 (2000) (setting forth the exclusive rights granted to creators of a copyrighted product).

[11] *Id.*

[12] Subject Matter and Scope of Copyright, 17 U.S.C. §§ 107–108 (setting forth limitations on the exclusive rights of authors); *see also* Campbell v. Acuff-Rose Music, Inc., 510

ber of statutory and common law exceptions have evolved, creating defenses to copyright infringement liability and allowing for uses that do not impinge upon the original owner's incentive to create.[13]

One of the most important exceptions developed by Congress is known as "fair use."[14] The doctrine of fair use permits the limited use of a copyrighted work without permission from the owner in circumstances where the usage will not undermine the original author's incentive to create.[15] There are no clear rules for determining what constitutes fair use. Rather, the ambiguity of the statute allows for a case-by-case application.[16] Because no categorical rules exist for the types of use that are fair or unfair, courts are able to take into consideration the specific circumstances surrounding each cause of action before making a determination.[17] As the Supreme Court noted, the "equitable rule of reason"[18] framework in the fair use doctrine "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity that law is designed to foster."[19] This flexible analysis has gained particular utility in copyright disputes arising from unforeseen circumstances created by new technologies.[20]

U.S. 569, 577 (1994) (noting that creating exceptions to allow for certain uses of copyrighted works helps promote the creation of arts and science).

[13] Copyright law includes sixteen statutory exceptions to copyright infringement along with several common law exceptions (estoppel, de minimis use, and implied license). Many of these statutory provisions have specific applications only, such as those applying to satellite broadcasters, while others like fair use are more flexible and may apply to the use of any copyrighted works. *See* KENNETH CREWS, NAT'L SCIENCE FOUND., COPYRIGHT LAW FOR THE DIGITAL LIBRARY: FRAMEWORK OF RIGHTS AND EXCEPTIONS 5–9 (2001), http://dml.indiana.edu/pdf/CopyrightLawforDLibFramework.pdf (discussing the limitations on the exclusive rights of copyright holders).

[14] 17 U.S.C. § 107. *See* June Besek, *Copyright: What Makes a Use "Fair,"* 38 EDUCAUSE REV. 12 (2003), *available at* http://www.educause.edu/ir/library/pdf/erm0368.pdf; *see also* CREWS, *supra* note 13, at 5.

[15] 17 U.S.C. § 107 (allowing avoidance of copyright infringement liability if defendant can establish that the use will not harm the original owner's incentive to create and will allow the original owner to continue gaining the benefits of their creation). To determine whether a defendant has established fair use, the courts evaluate the copied works based on four factors set forth in the statute. *See id.*

[16] *See Campbell*, 510 U.S. at 577 (directing courts to weigh the four factors set forth in 17 U.S.C. § 107 to determine whether fair use applies to exempt defendants from copyright infringement charges).

[17] *See* Besek, *supra* note 14, at 12.

[18] Sony Corp. of Am. v. Universal City Studios (*Betamax*), 464 U.S. 417, 448 (1984) (citing H.R. REP. NO. 94-1476, at 65–66 (1976)).

[19] Iowa State Univ. Res. Found. Inc. v. American Broad Co., 621 F.2d 57, 60 (2d Cir. 1980).

[20] *See* Besek, *supra* note 14, at 12. "[T]he ambiguity of the fair use doctrine is also its strength because it allows courts to apply fair use to new and sometimes completely unanticipated uses of copyrighted works." *Id.*

Recent advances in information reproduction and transmission technology have sparked calls for changes in the applications of copyright law and the fair use exemption to enable the growth of new technology.[21] One widely debated issue is whether the creation of online libraries is permissible under current copyright law and whether the statutes should be changed to accommodate their creation.[22] As the Internet continues to grow as an information resource, scholars have called for increased digital access to sources of information through the creation of digital libraries.[23] Despite successful small-scale attempts, the current status of copyright law has impeded the creation of larger online libraries.[24] Though Congress has noted the benefits of such libraries,[25] no legislative initiative has developed to create allowances for their development. The Google Book Search Project is one of the few attempts to create such a library despite the current status of copyright law.

With little guidance from Congress on how to apply copyright law to cases involving the display of works on the Internet, lower courts have developed varying interpretations of fair use.[26] Recently, the District Court of the District of Nevada applied a unique interpretation of what consti-

---

[21] *See* Travis, *supra* note 1, at 763–65 (calling for a more flexible application of copyright law and warning against a potential movement by copyright owners for a more stringent application of the law); *but see* Raymond T. Nimmer, Contemporary Intellectual Property, Licensing & Information Law, *Google Lawsuit Begins; Fair Use*, http://www.ipinfoblog.com/archives/intellectual-property-google-lawsuit-begins-fair-use.html (Oct. 3, 2005) (expressing hopes that courts will not undertake the expansive view of copyright law necessary to allow for the Google Book Search Project to qualify as fair use).

[22] *See generally* Travis, *supra* note 1; *see also* Peter Lyman, *Archiving the World Wide Web*, *in* BUILDING A NATIONAL STRATEGY FOR DIGITAL PRESERVATION ISSUES IN DIGITAL MEDIA ARCHIVING (Apr. 2002), *available at* http://www.clir.org/pubs/reports/pub/06/pub/06.pdf.

[23] Travis, *supra* note 1, at 763–64.

[24] *Id.* at 765. Travis notes that "[u]nless courts stop denying fair use arguments whenever a merely potential harm may be imagined, they will outlaw efforts to build digital libraries through caching, linking to, and framing copyrighted material." *Id.*

[25] In recognition of the benefits provided by digital libraries, Congress attempted to digitize the works within the Library of Congress in order to "[harness] new technology as it fulfills its mission 'to sustain and preserve a universal collection of knowledge and creativity for future generations." *See* Library of Congress–American Memory Project, http://memory.loc.gov/ammem/about/index.html. (last visited Mar. 25, 2007).

[26] *Compare* Kelly v. Arriba Soft. Corp., 336 F.3d 811 (9th Cir. 2003) *and* Field v. Google, Inc., 412 F. Supp. 2d 1106 (D. Nev. 2006) *with* Perfect 10 v. Google, Inc., 416 F. Supp. 2d 828 (C.D.C.A. 2006) *and* UMG Recordings, Inc. v. MP3.com, 92 F. Supp. 2d 349 (S.D.N.Y. 2000). The differences between each case's finding of fair use highlights the varying judicial interpretations across judicial circuits on how the commercial nature of a defendant along with the public benefit provided by the copyrighted works affect a determination of fair use.

tutes fair use in its holding in *Field v. Google*.[27] *Field* represented an opportunity for a federal court to clarify how copyright law, and particularly the fair use exemption, applies to the issue of whether Internet search engines can distribute and reproduce works of authors through "caching."[28] In its fair use analysis, the *Field* court added an evaluation of good faith to the statutory guidelines based on the "equitable balance of a fair use determination."[29]

The framework set forth in *Field* allowed the Nevada District Court to construe copyright law to encourage the development of new technology that the court believed was beneficial to the public.[30] The District Court for the Southern District of New York should adopt this framework to find for Google in the *Authors Guild* case. Although the court has not adopted a *Field*-like framework in prior fair use cases, it has shown a willingness to evaluate the defendant's conduct and good faith actions in analyses where the infringement was demonstrated to benefit the public.[31] The *Authors Guild* case presents the court with a chance to set forth how copyright law is to be applied to newer mediums. A more liberal application, such as the approach taken in *Field*, favors the Google Book Search project and would establish protections for future digital library projects.[32]

---

[27] 412 F. Supp. 2d at 1118–23 (applying the four factors set forth in the statute along with an evaluation of the defendant's good faith in evaluating whether or not their copying constituted fair use).

[28] "Caching" occurs when Web browsers store the data on previously visited Web pages into their servers' memory (known as RAM). The storage of Web sites in a network's cache memory allows browsers faster access to the contents of the site by allowing the browser to avoid searching the Internet for the information since it is already stored in its RAM. The problem that arises out of the caching is that it interferes with the Web site's ability to control what users view. This is particularly problematic for Web sites displaying time-sensitive information. *See* HARRY NEWTON, NEWTON'S TELECOM DICTIONARY 136–37 (CMP Books) (22nd ed. 2006).

[29] *Field*, 412 F. Supp. 2d at 1122. The majority in *Field* found authority to use good faith in its fair use analysis because "[t]he Copyright Act authorizes courts to consider other factors than the four non-exclusive factors discussed above." *Id.*

[30] *Field*, 412 F. Supp. 2d at 1118 (holding Google's actions benefited the public by allowing users to access information through a link to the cached Web site for times when the original Web site was inaccessible or users wanted to compare changes to the Webpage over time by comparing the original site to the cached Web site).

[31] *See, e.g.*, Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 333 (S.D.N.Y. 2005) (using a consideration of whether the defendants actions in copying the original works were in good faith as part of the balancing of fair use factors); *see also* Kane v. Comedy Partners, 2003 WL 22383387 at *7 (S.D.N.Y. Oct. 16, 2003). When evaluating fair use "courts occasionally consider whether the defendant exercised good faith." *Id.*

[32] *See* Posting of Dan Cohen, Impact of Field v. Google on the Google Library Project, http://www.dancohen.org/blog/posts/impact_of_field_v_google_on_the_google_library_project (Feb. 9, 2006, 11:53 EST) [hereinafter Impact] (claiming that because the Google Book Search Project's features closely resemble those the Nevada District Court held as good faith in *Field*, if the Southern District of New York were to evaluate this factor in the *Au-*

This Note begins by explaining why digital libraries, particularly those accessible by the public via the Internet, are important and should be encouraged. Next, it outlines the development of copyright law in both the District Courts for the Southern District of New York and the District of Nevada. An analysis of previous copyright cases demonstrates that the fate of the Google Book Search Project hinges on whether Google can establish a viable fair use defense. This Note argues that the District Court for the Southern District of New York should adopt the *Field* framework for the analysis of fair use, and that the evaluation of good faith under this framework will guide the court to find for Google. In addition to aiding Google's ability to continue its Book Search project, the adoption of the *Field* fair use analytical framework will promote the creation of other digital libraries and future innovations in information dissemination by removing the legal barrier.[33]

II. THE PUBLIC BENEFIT DERIVED FROM ONLINE LIBRARIES

In collecting, preserving, and sharing works of knowledge with their communities, libraries are "one of civilization's great traditions."[34] However, libraries can only provide their communities a small portion of available information due to the restrictions of their physical boundaries.[35] Moreover, materials that are loaned are often lost or destroyed, presenting challenges to libraries' attempts to preserve hard-copy works.[36]

Digital libraries offer useful alternatives to their physical counterparts. They can better preserve and store materials, and, because there are no true space restrictions, they can grant access to a greater array of information. Because of the ease of networking between multiple databases, digital li-

---

thors Guild case, the advantage would swing in Google's favor). It should also be noted that an alternative means of removing legal barriers to the creation of digital libraries is by legislative action to change the law. While scholars have proposed several changes that would help the creation of such libraries, Congress has yet to develop any such initiative, *see* Travis, *supra* note 1 at 764–65 (arguing that the current status of copyright law impedes the creation of online libraries and proposing changes in the law that would create greater incentives for the development of such libraries).

[33] It should be noted that federal copyright law contains a preemption clause, stating that United States federal law prevails in any conflict over copyright. While state law is applicable in terms of deciding remedies, courts must only look to federal law in deciding whether or not copyright infringement has occurred. 17 U.S.C. § 301 (2000).

[34] Lieutenant Governor of Alberta, Canada, Lois E. Hole, Address at Reopening of Spruce Branch, Edmonton Public Library Speech (Sept. 13, 2004) (transcript available at http://www.epl.ca/EPLImportanceOfLibraries.cfm) (discussing the general importance of public libraries and their roles within communities).

[35] PRESIDENT'S INFO. TECH. COMM., REPORT TO PRESIDENT: DIGITAL LIBRARIES: UNIVERSAL ACCESS TO HUMAN KNOWLEDGE 6–7 (2001) [hereinafter REPORT TO PRESIDENT], *available at* http://www.nitrd.gov/pubs/pitac/pitac-dl-9feb01.pdf (supporting governmental aid in the creation of digital libraries because of the benefits to the public).

[36] *See* Travis, *supra* note 1, at 763.

braries are able to offer a wider expanse of accessible material to their users. The growth of the Internet has created even greater uses for digital libraries as their materials can now be universally accessible.[37]

Currently, access to over 550 billion documents is available through the Internet—more than fifty times the works available in the Library of Congress. [38] With over 100 million Americans using the Internet and over one billion computers worldwide connected to this information source,[39] the Internet has become most of the population's "information source of first resort."[40] The growth of digital technology has not only increased the ease of information reproduction, storage, and preservation, but has also made information available for worldwide access.[41] The realization of the vast amounts of information sought and available through the Internet has led scholars and members of the government to express growing hopes that all library materials will one day be cataloged into a searchable online database accessible to the general public.[42]

The vast societal benefits that may result from the creation of digital libraries are still being contemplated.[43] The greatest benefit could be the elimination of geographical barriers, allowing the Internet to be a gateway for those who do not reside near physical libraries to access the world's knowledge base.[44] Another benefit is the archiving ability of digital networks that would ensure greater preservation of knowledge.[45] Along with increasing access to and preservation of materials, digital libraries make researching information more efficient by making works searchable and also allowing users to choose the method in which their requested information is displayed.[46]

Recognizing the benefits of a digital library, the Library of Congress began the American Memory Project which seeks to create a national digital

---

[37] *See* REPORT TO PRESIDENT, *supra* note 35, at 1–4 (discussing the important roll of the Internet in creating worldwide access to information).

[38] *See* LYMAN, *supra* note 22, at 1.

[39] Travis, *supra* note 1, at 768.

[40] *Id.* at 763.

[41] *Id.* at 765–67.

[42] *See* Travis, *supra* note 1, at 763. Recent technological progress has made it "feasible to create open access, efficiently searchable, infinitely reproducible digital libraries on the scale of the world's great physical libraries." *Id. See also* REPORT TO PRESIDENT, *supra* note 35 (discussing the important benefits of digital libraries and the role the government must take to ensure their creation); The Library of Congress–American Memory Project, http://memory.loc.gov/ammem/about/index.html (attempting to digitize portions of the Library of Congress in light of the many benefits to be gained from digital libraries).

[43] REPORT TO PRESIDENT, *supra* note 35, at 5.

[44] *See generally* Travis, *supra* note 1; *see also* REPORT TO PRESIDENT, *supra* note 35, at 1. The report claims that if digital libraries were to come into existence "no classroom, group, or person is ever isolated from the world's greatest knowledge resources." *Id.*

[45] Travis, *supra* note 1, at 764.

[46] REPORT TO PRESIDENT, *supra* note 35, at 3.

library through public initiative.[47] By digitizing recorded, print, and photographic media, by 2002 the American Memory Project made five million of the Library of Congress' works available online.[48] Despite the desire to use the Internet to create a digital library, the project has developed slowly due to budget issues, resulting in a limited display of the Library of Congress' breadth of materials.[49]

Smaller scale private initiatives have also sought to develop online digital libraries.[50] Currently, Web sites like Findlaw.com and WebMD offer freely accessible information concerning particular fields of specialty.[51] Unfortunately, such small scale creations do not allow users to search a variety of subject areas at once, leaving large gaps in what information is organized and publicly searchable.

Larger private initiatives, such as JSTOR and LexisNexis, have developed libraries encompassing a wider variety of information.[52] Yet because of the subscription costs required to search these larger libraries, the general public has not benefited from access to digital information made possible by the Internet.[53] Google's Book Search project seeks to reconcile the open access provided by public initiatives with the efficiency of privately funded projects.[54] The Google's Book Search project could accomplish Congress's goals of utilizing the Internet "to sustain and preserve a universal collection of knowledge and creativity for future generations"[55] in a more efficient and less costly manner.

---

[47] The Library of Congress–American Memory Project, http://memory.loc.gov/ammem/about/index.html (explaining that the American Memory Project was Congress's attempt to harness new technology and create an online digital library for the general public to access).

[48] *Id.*

[49] *See* Travis, *supra* note 1, at 770 (noting that only a few thousand of the over twenty-six million books held by the Library of Congress have been digitized as a result of the American Memory project).

[50] *See id.* at 769.

[51] Findlaw.com offers free access to court decisions, statutes and other legal articles while WebMD offers searchable medical information. *See id*; *see also* Findlaw.com, http://www.findlaw.com (last visited Mar. 25, 2006); WebMd, http://www.webmd.com (last visited Mar. 25, 2006).

[52] *See* Travis, *supra* note 1, at 772–775.

[53] *Id.* at 773.

[54] *Id.* at 776–77. Since Google announced its intentions to create the Google Book Search Project, several similar projects have also been announced. In 2005, Microsoft announced a plan to digitize works from a British Library whose copyright had expired. Later in 2005, Yahoo also announced a similar plan to create a digital library where authors may opt-in to have their works displayed, *see* Ruth Allen, *Google Library: Why All the Fuss*, 23 COPYRIGHT REP., 105–06, Dec. 2005, *available at* http://www.copyright.org.au/pdf/acc/articles_pdf/a05n24.pdf.

[55] Library of Congress–American Memory Project, http://memory.loc.gov/ammem/about/index.html (follow "about" hyperlink). The American Memory Project is Congress's attempt to harness new technology and create an online digital library for the general public to access. *Id.*

III. AN OVERVIEW OF COPYRIGHT LAW

While public policy arguments will play a role in the Southern District of New York's decision, it is important first to understand the basics of copyright law and the defenses available to those charged with infringement. The sections below will establish the legal standards as developed in the jurisdictions of both the *Field* case and the *Authors Guild* case by looking at both district court and appellate court rulings. Therefore, the standards set by the Second and Ninth Circuit Courts of Appeals, along with the Supreme Court, will play a significant role in developing the precedents providing authority for the *Field* decision and will apply to the *Authors Guild* case.

Section A begins by describing the rights of copyright holders under federal copyright law and the elements that must be proven to establish a prima facie case of copyright infringement. Section B sets forth several defenses available to those accused of infringement, with special attention to the fair use defense. Finally, Section C describes the *Field* case and outlines the new analysis of fair use set forth by the District of Nevada, which includes an evaluation of whether the defendant acted in good faith.

A. Copyright Law's Response to Technology

The primary purpose of copyright law is found in the Constitution, vesting in Congress the power "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[56] In response to this grant of authority, Congress granted time-limited monopoly rights to copyright holders based on the belief that such rights would advance public welfare by incentivizing the creation of those works the Constitution sought to promote.[57]

Despite the exclusive rights the Constitution granted to copyright owners, Congress has since carved out exceptions to these rights.[58] The purpose of these exceptions is to further promote science and the arts by allowing members of the public to "build freely upon the ideas and information conveyed by a [copyrighted] work."[59] As a result, statutory amendments and common law exceptions have developed defenses to copyright

---

[56] U.S. CONST. art. I, § 8, cl. 8.

[57] 17 U.S.C. § 106 (2000) (setting forth the exclusive rights of copyright holders). *See also* Mazer v. Stein, 343 U.S. 201, 219 (1952) (discussing the philosophy behind the granting of exclusive rights); Kim, *supra* note 3, at 816.

[58] *See, e.g.*, Subject Matter and Scope of Copyright Law, §§ 17 U.S.C. 107–108 (setting forth exceptions to the exclusive rights of copyright holders).

[59] *See* Kim, *supra* note 3, at 816.

infringement; fair use is the most widely applicable of these exceptions.[60] Over the last few decades, however, Congress has amended the Copyright Act to expand the exclusive rights of certain creators, and to create greater civil and criminal sanctions for certain types of infringement.[61] The most notable of these amendments is the Digital Millennium Copyright Act ("DMCA"), passed in 1998 in order to update copyright law in response to changes in technology.[62]

The passage of the DMCA was a congressional reaction to the development of new technology and the ease with which digital works are reproduced.[63] The DMCA sought to eliminate Internet piracy by criminalizing the production and dissemination of copyrighted works through the Internet and raised penalties for such infringement.[64] It allows for sentences of up to ten years for certain criminal infringement actions.[65] The DMCA also permits copyright owners to force third parties to remove from Internet sites materials that they believe infringe on their copyright.[66] While increasing the responsibilities of Internet service providers, the DCMA also limits their liability for copyright infringement in certain circumstances, including the transmission of copyrighted information over the Internet.[67] Though the DCMA does directly apply to the copyright issues surrounding digital libraries, its creation, particularly the statutory limitations, shows a willingness on Congress' part to modify copyright law as technology continues to change.[68]

---

[60] *See, e.g.*, §§ 17 U.S.C. 107–108 (setting forth exceptions to the exclusive rights of copyright holders). *See also* Sandoval v. New Line Cinema, Corp., 147 F.3d 215 (2d Cir. 1998) (allowing defendant to establish a defense of de minimis copyright for the unauthorized use of copyrighted photographs in a film); Field v. Google, Inc., 412 F. Supp. 2d 1106, 1116 (D. Nev. 2006) (holding that defendant, Google, could establish a defense of an implied license for the display of a cached Web site because plaintiff handed the works over to defendant with the awareness that it would be cached).

[61] *See* DOUG ISENBERG, THE GIGA LAW 36–38 (Random House 2002).

[62] The Digital Millenium Copyright Act (DMCA), Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in sections of 17 U.S.C., and in 28 U.S.C. § 4001); *see also* Pamela Samuelson, *The Generativity of* Sony v. Universal*: The Intellectual Property Legacy of Justice Stevens*, 74 FORDHAM L. REV 1836, 1858 (discussing how the DMCA was enacted as a Congressional response to changes in technology).

[63] Pub. L. No. 105-304, 112 Stat. at 2875–2876 (1998); *See* also ISENBERG, *supra* note 60.

[64] The UCLA Online Inst. for Cyberspace Law and Pol'y, The Digital Millennium Copyright Act, http://www.gseis.ucla.edu/iclp/dmca1.htm (last visited Mar. 25 2007).

[65] *See* ISENBERG, *supra* note 61, at 19.

[66] *See* NEWTON, *supra* note 28, at 300.

[67] *See generally,* Pub. L. No. 105-304, 112 Stat. at 2877–2887 (1998) (setting forth the extent and the limitations of the new obligations imposed on Internet service providers through the Digital Millennium Copyright Act).

[68] *See* Samuelson, *supra* note 62, at 1861–62. Samuelson claims that though the DMCA expands the exclusive rights of copyright holders to a degree, read in light of *Sony*, these provisions should be construed narrowly so as not to stifle innovation and contends that the existence of the safe harbor provisions supports this contention. *Id.*

B. Elements of Copyright Law and Infringement

Authors of a vast array of creative works may apply for monopoly rights over their creations.[69] If awarded a copyright, the author holds the exclusive rights to: (1) reproduce copies of his works; (2) prepare derivative works; (3) distribute his works; and (4) perform or display his works.[70]

To establish a prima facie case for copyright infringement, a plaintiff must demonstrate both ownership of a copyright and unauthorized copying by the defendant.[71] Section 101 of the Copyright Act identifies copying as the reproduction of works by "any method now known or later developed."[72] Therefore, the copied works need not be displayed within the same medium to establish infringement.[73]

C. Defenses to Copyright Infringement

Every unauthorized use of a copyrighted work does not necessarily constitute infringement. Defendants may assert one or more of several affirmative defenses to prove that the copying was permissible under the circumstances. These defenses include the common law defenses of de minimis copying and implied license, as well as explicit statutory defenses to copyright infringement liability set forth in the library and fair use exemptions.

---

[69] Copyright Office Basics, http://www.copyright.gov/circs/circ1.html#wccc (last visited Mar. 25, 2007).

[70] 17 U.S.C. § 106 (2000) (setting forth the exclusive rights of copyright owners).

[71] *See, e.g.*, Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991) (holding that to establish the prima facie case of copyright infringement plaintiff must prove (1) ownership of a copyright and (2) copying of the original works); Castle Rock Entm't v. Carol Publ'g Group, 150 F.3d 132 (2d Cir. 1998) (holding that to establish the prima facie case of copyright infringement a plaintiff must prove that his works were actually copied and that the copying amounts to an improper and unlawful appropriation); *see also* ISENBERG, *supra* note 61, at 5 (citing Playboy v. Sanfilippo, 1998 U.S. Dist. LEXIS 5125 (S.D.Cal. 1998)).

[72] 17 U.S.C. § 101 (2000) (setting forth the definitions of terms used throughout copyright law). "Copies" are defined as "material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." *Id.*

[73] *See generally,* 17 U.S.C. § 102 (2000); *see also* Emily Anne Proskine, *Note: Google's Technicolor Dreamcoat: a Copyright Analysis of the Google Book Search Library Project*, 21 BERKELEY TECH. L.J. 213, 228 (2006). Proskine notes that "the medium through which a work is transmitted is largely inconsequential, so long as the works are substantively the same." *Id.*

1. Common Law Defenses to Copyright Infringement

a. The De Minimis Copying Defense

The defense of de minimis copying is rooted in the theory that negligible uses of copyrighted works should not incur infringement liability when the copying is too insignificant to constitute a case for the courts.[74] The defense establishes that, "where unauthorized copying is sufficiently trivial, the law will not impose legal consequences" for copyright infringement.[75] Both the Second and Ninth Circuits have similar guidelines for establishing this defense, considering whether the use is not only minimal but whether the copied portion would be recognizable by an average audience.[76] Despite these guidelines, no brightline test exists for what actually constitutes de minimis use, largely due to a paucity of recorded cases in which the de minimis defense prevailed.[77] This lack of caselaw can be explained by the reluctance of owners of a copyright to bring a claim of infringement when uses are truly de minimis.[78]

b. The Implied License Defense

When a copyright owner consents to the use of a work by another person, he or she waives the right to bring infringement claims.[79] The consent of the copyright owner need not be formalized in an explicit license, but may instead be inferred by an implied license.[80] Due to the narrow applica-

---

[74] *See* On Davis v. The Gap, Inc., 246 F.3d 152, 173 (2d Cir. 2001). *See also* Allen, *supra* note 54, at 107.

[75] *See On Davis*, 246 F.3d at 172.

[76] *See* Newton v. Diamond, 388 F.3d 1189, 1193 (9th Cir. 2003) (holding that defendant's use of a three note, six second segment of a copyrighted jazz compilation during a performance was de minimis because the appropriation would not be recognized by an average audience); Sandoval v. New Line Cinema, Corp., 147 F.3d 215, 217 (2d Cir. 1998) (citing Ringgold v. Black Entm't Television, Inc., 126 F.3d 70, 74) (holding that the use of a plaintiff's copyrighted photographs in a movie qualified as de minimis when neither the photographs nor their subject matter was displayed with detail that would be sufficient for a lay person to identify the copyrighted works).

[77] *See On Davis*, 246 F.3d at 173 ("The de minimis doctrine is rarely discussed in copyright opinions because suits are rarely brought over trivial instances of copying.").

[78] *Id.*

[79] *See, e.g.*, De Forest Radio Tel. & Tel. Co. v. United States, 273 U.S. 236, 242 (1927) (holding that a license allows any licensee to escape liability for infringement).

[80] *See, e.g.*, De Forest Radio Tel. & Tel. Co., 273 U.S. at 241. An implied license may exist where a defendant "may properly infer that the owner consents to his use." *Id. See also* Keane Dealer Servs. v. Harts, 968 F. Supp. 944, 947 (S.D.N.Y. 1997); IAE, Inc., v. Shaver, 74 F.3d 768, 775 (7th Cir. 1996); Field v. Google, Inc., 412 F. Supp. 2d 1106, 1115–16 (D. Nev. 2006).

tion of this doctrine, it is difficult for defendants to succeed on this defense.[81]

In *A&M Records v. Napster*, the Ninth Circuit clarified this narrow view, stating that an implied license is only applicable in the event that a copyright owner hands his or her works over to the alleged infringer at that person's request with the intention that the works be copied or redistributed.[82] However, both the District Courts for the Southern District of New York and the District of Nevada have recently taken a more liberal position on what constitutes an implied license. In *Field*, the Nevada District Court found that because the plaintiff, Mr. Field, was aware of Google's copying and failed to prevent it, Google could assert an implied license defense.[83] This broader application of implied license was also proposed by the Second Circuit in *Keane Dealer Service v. Hart*.[84] There, the court held that an implied license may be given "in the form of mere permission or lack of objection."[85] Despite the language in the *Keane* and *Field* opinions, both cases presented a factual circumstance to which the narrow requirements of *Napster* could be applied. Neither case ventured to discuss whether failure to "opt-out" of a program constitutes an implied license.[86]

2. Statutory Defenses to Copyright Infringement: The Library Exemption

The statutory limitations on the exclusive rights of copyright holders permit several affirmative defenses to charges of infringement. The defenses most applicable to the creation of digital libraries are the Library Exemption and the Fair Use Exemption.[87]

---

[81] *See, e.g.*, A&M Records v. Napster, Inc., 239 F.3d 1004, 1025–26 (9th Cir. 2001) (citing SmithKline Beecham Consumer Healthcare, L.P., v. Watson Pharms., Inc., 211 F.3d 21, 25 (2nd Cir. 1990) (preventing defendant from succeeding on a claim of an implied license because the facts did not fall into the narrow application of this doctrine); Pavlica v. Behr, 397 F. Supp. 2d 519, 527 (S.D.N.Y. 2005); Merkos L'Inyonei Chinuch, Inc. v. John Doe Nos. 1-25, 172 F. Supp. 2d 383, 387 (S.D.N.Y. 2001).

[82] *Napster*, 239 F.3d at 1026 (citing *SmithKline Beecham Consumer Healthcare, L.P.*, 211 F.3d at 25) (explaining that an implied license is not created merely because the plaintiff was aware that his work could be reproduced).

[83] *Field*, 412 F. Supp. 2d at 1116 (holding that a plaintiff's failure to prevent defendant from caching his Web site so that it could be displayed on the defendant's search engine site resulted in conduct that could be interpreted as an implied license to use plaintiff's works).

[84] *Keane Dealer Servs.*, 968 F. Supp. at 947 (citing *IAE Inc.*, 74 F.3d at 755). This case notes that "while exclusive licenses must be in writing, 'a nonexclusive license may be granted orally, or may even be implied from conduct . . . In fact consent given in the form of mere permission or lack of objection is also equivalent to a nonexclusive license and is not required to be in writing." *Id.*

[85] *Id.*

[86] *See id.*; *Field*, 412 F. Supp. 2d at 1116.

[87] Subject Matter and Scope of Copyright, 17 U.S.C. §§ 107–108 (2000).

The library exemption creates an exception for libraries to make copies of their holdings.[88] Despite the broad definition that can be used to describe libraries, this exemption is narrowly applied in practice.[89] Although the statute does not define the meaning of "library," the legislative history shows that any definition is to be narrowly construed.[90] The House Committee Report on the 1976 Copyright Act reveals that Congress intended to limit the applicability of this exemption.[91] The House reported that this exemption does not permit "a non-profit institution, by means of contractual arrangements with a commercial copying enterprise, to authorize the enterprise to carry out copying and distribution functions that would be exempt if conducted by the non-profit institution."[92] The District Court for the Southern District of New York upheld this view in *Basic Books, Inc. v. Kinko Geographics Corp.*, disallowing commercial copy centers from asserting that copying library materials constituted non-commercial use under the library exemption.[93]

The growth of the Internet also raises the question of whether the library exemption could be extended to virtual libraries.[94] In passage of the Digital Millennium Copyright Act in 1998, the Senate explicitly declared that any libraries existing in only the virtual sense do not qualify as libraries under federal law.[95] Moreover, the Supreme Court has ruled that online databases labeling themselves as "electronic libraries" do not qualify for the library exemption.[96] Thus, only physical libraries may assert the library exemption as a defense.[97]

---

[88] 17 U.S.C. § 108. Under the library exemption, libraries may make copies of their own materials as long as they are: "(1) only a single copy; (2) made by the library or a library employee in the scope of their employment; (3) that the copying is not to be associated with any commercial purpose; (4) the copies are made from collections that are open to the public; and (5) the copies include a notice of copyright." *Id. See also* Hanratty, *supra* note 4, ¶ 8.

[89] Hanratty, *supra* note 4, ¶ ¶ 8–13.

[90] *See id.* ¶ 9.

[91] H.R. REP. NO. 94-1476 at 74 (1976) (Conf. Rep.), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5688.

[92] *Id.*

[93] *See* Basic Books, Inc. v. Kinko Geographics Corp., 758 F. Supp. 1522, 1531, 1547 (S.D.N.Y. 1991) (holding that defendant could not defend against infringement liability for copying excerpts from a copyrighted book to create course packets for students).

[94] *See* Hanratty, *supra* note 4, ¶ 10.

[95] S. REP. NO. 105-109 at 62 (1998) (Digital Millennium Copyright Act). This report notes that

> [a]lthough online interactive digital networks have since given birth to online digital 'libraries' and 'archives' that exist only in the virtual (rather than physical) sense on Web sites, bulletin boards and homepages across the Internet, it is not the Committee's intent that section 108 as revised apply to such collections of information.

Id.

[96] New York Times v. Tasini, 533 U.S. 483, 501 n.12 (2001) (holding that the library exemption under 17 U.S.C. § 108 did not apply to database reproductions).

[97] *See, e.g, id.*; S. REP. NO. 105-109, at 62 (1998); Hanratty, *supra* note 4, ¶¶ 8–10.

D. The Fair Use Exemption

Federal law established a second statutory exemption to liability for copyright infringement by creating a fair use defense.[98] This is the most well known defense to charges of infringement.[99] Though fair use limits the exclusive rights of authors, it advances the intent of copyright law by creating allowances for users to "build upon the content of a work of authorship."[100] In order to evaluate a fair use defense, the courts must address the four factors set forth in the fair use statute: (1) the purpose and character of the use; (2) the nature of the copyrighted works; (3) the amount and substantiality of the portion used; and (4) the effect of the use on the market for the copyrighted work.[101] The Supreme Court noted in *Campbell v. Acuff-Rose Music* that no one factor alone is dispositive in establishing fair use.[102] Instead, the Court held that each of the four factors "are to be explored [separately] and the results weighed together in light of the purpose of copyright [law]."[103] Unfortunately, neither *Campbell* nor the fair use statute gives courts any guidance on the relative weight each factor should be awarded.[104]

Along with *Campbell*, courts often look to both the Supreme Court decision in *Sony v. Universal City Studios* (*Betamax*)[105] and the Ninth Circuit's decision in *Kelly v. Arriba Software Corporation*[106] for guidance in cases involving Internet technology. The framework applied in *Betamax* provides an example of how copyright law is to be applied to issues arising out of new technologies.[107] Most notably, it creates flexibility for courts in deciding what qualifies as a transformative use.[108] The analysis in *Arriba*

---

[98] 17 U.S.C. § 107 (2000) (setting forth the factors that must be evaluated in deciding whether a use of a copyrighted works falls under fair use).

[99] *See* Besek, *supra* note 14, at 12.

[100] *See* Kim, *supra* note 3, at 819.

[101] 17 U.S.C. § 107; *see also id.*

[102] *See* Campbell v. Acuff-Rose Music, 510 U.S. 569, 574 (1994) (holding that defendant could establish a fair use defense for a rap parody of plaintiff's rock ballad even though the parody was commercial in nature when sufficient consideration was given to the other elements of fair use set forth in § 107).

[103] *Id.* at 578.

[104] MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, Vol. 4, § 13.05 [A], at 13–159 (no. 70 2006) [hereinafter NIMMER].

[105] *See, e.g.*, Stewart v. Abend, 495 U.S. 207, 228 (1990); Harper & Row, Publishers, Inc., v. Nation Enters., 471 U.S. 539, 546 (1985); Castle Rock Entm't v. Carol Publ'g Group, 150 F.3d 132, 144 (2nd Cir. 1998).

[106] *See, e.g.*, Bill Graham Archives v. Dorling Kindersley, 448 F.3d 605, 611 (2nd Cir. 2006); Video Pipeline, Inc., v. Buena Vista Home Entm't, Inc., 342 F.3d 191, 199 (3rd Cir. 2003); Field v. Google, 412 F. Supp. 2d 1106, 1118–23 (D. Nev. 2006).

[107] *See* Sony Corp. of Am. v. Universal City Studios (*Betamax*), 464 U.S. 417, 432 (1984); *see also* Samuelson, *supra* note 62, at 1841–1849.

[108] *See Betamax*, 464 U.S. at 432. For a full discussion on what constitutes a transformative use, see notes 117–150 and accompanying text.

also provides an example of how defendants may establish transformative uses and fair use overall. *Arriba* is often cited in cases involving the Internet and search engines as it provides the leading example for evaluating fair use in "the context of digitization."[109]

1. The Purpose and Character of the Defendant's Use

Courts must answer two important questions in evaluating the purpose and character of an infringing use. They must first establish whether the use is commercial or non-commercial.[110] Then they must determine whether the work merely supersedes the original work or transforms the nature of the original work.[111]

a. Is the Use Commercial?

The Supreme Court has held that a use is commercial if the defendant is able to "profit from exploitation of the copyrighted material without paying the customary price."[112] Both the Southern District of New York and the Second Circuit courts have taken a broad view in deciding whether a use is commercial because of indirect commercial benefits.[113] Defendants in these jurisdictions have been the denied fair use defense because of the commercial character of using copyrighted works in unsponsored television broadcasts[114] and in magazine publications by non-profit institu-

---

[109] *See* Proskine, *supra* note 73, at 224; *see also* Allen, *supra* note 54, at 108.

[110] 17 U.S.C. § 107 (1) (2000). The statute requires courts to "consider" the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes" in an evaluation of fair use. *Id.*

[111] *See id.; see also*, Campbell v. Acuff-Rose Music, 510 U.S. 569, 579 (1994). In *Campbell*, the Supreme Court noted that in evaluating the purpose and character of an infringing use, "the central purpose of this investigation is to see . . . whether and to what extent the new work is 'transformative.'" *Id.*

[112] Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 562 (1984) (holding that defendant, by publishing quotes from the President's unpublished memoirs, could not establish a claim for fair use based on the purpose and character of its use because the sole purpose of the defendant's use was motivated by commercial gain).

[113] *See, e.g.*, Roy Export Co. Establishment v. Columbia Broad. Sys., Inc., 503 F. Supp. 1137, 1144 (S.D.N.Y. 1980), *aff'd*, 672 F.2d 1095 (2nd Cir. 1982). The District Court denied CBS's argument that its use of copyrighted materials in an unsponsored television broadcast was not commercial under the purpose and character test because "experience suggests that CBS stood to gain at least indirect commercial benefit from the ratings boost which it had reason to hope would (and in fact did) result from the special." *Id. See also,* Lish v. Harper's Magazine Found., 807 F. Supp. 1090, 1101 (S.D.N.Y. 1992) ("[T]he mere fact that Harper's is a non-profit organization that operates at a loss does not preclude a finding of 'commercial use'.").

[114] *Roy Export Co.*, 503 F. Supp. at 1144, *aff'd*, 72 F.2d 1095; NIMMER, *supra* note 104, § 13.05 [A][1](c), at 13–172.

tions.[115] Therefore, defendants must disprove that the "sole motive of use is monetary gain" to overcome characterization as a commercial entity.[116]

b. Is the Use Transformative?

Because an analysis of the purpose and character of the use does not end at an evaluation of whether or not a user is a commercial entity, courts must also evaluate whether the infringing work is transformative in nature before it can establish fair use.[117] Although the 1984 Supreme Court stated in *Betamax* that every unauthorized commercial use is presumptively unfair,[118] the Court has relaxed this stance over time out of concern that such a test would be too restrictive.[119] Thus, courts have allowed defendants to overcome the presumption of unfair use if they can prove their use is transformative.[120] While no brightline test exists to determine what type of use is transformative,[121] *Campbell* held the new work must add new meaning

[115] *Lish*, 807 F. Supp. at 1101 (preventing a non-profit defendant from claiming that its use of a copyrighted letter was fair use because of the commercial nature of the copied works).

[116] NIMMER, *supra* note 104, § 13.05[A][1](c), at 13–176 (quoting Worldwide Church of God v. Phila. Church of God, Inc., 227 F.3d 1110, 1119 (9th Cir. 2000).

[117] The only exceptions to the requirement that a use be transformative are when the non-transformative copying is for research purposes or for the purpose of news reporting. *See* Duffy v. Penguin Books, USA Inc., 4. F. Supp. 2d 268, 274 (S.D.N.Y. 1998) (photocopying by the defendant of the copyrighted works qualifies as fair use because the purpose and character of defendant's use was research); Italian Book Corp. v. Am. Broad. Co. Inc., 458 F. Supp. 65 (S.D.N.Y. 1978) (establishing that the transmission of a copyrighted song over a television broadcast was fair use based on the purpose and character of the use: news reporting).

[118] Sony Corp. of Am. v. Universal City Studios, Inc. (*Betamax*), 464 U.S. 417, 451 (1984) (holding that defendant's sale of home video recorders to record copyrighted programs was fair use because the device merely allowed the user to view copyrighted programs at a later time and did not constitute substantial infringement).

[119] *See* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 584 (1994) ("If, indeed, commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research."); *see also* Am. Geophysical Union v. Texaco, Inc., 60 F.3d 913, 921 (2d Cir. 1994) ("[U]nduly emphasizing the commercial motivation of a copier will lead to an overly restrictive view of fair use.").

[120] *See, e.g., Campbell*, 510 U.S. at 579. The Court noted that if a defendant can establish that the infringing use is transformative, "less will be the significance of other factors, like commercialism." *Id. See also*, Kelly v. Arriba Soft. Corp, 336 F.3d 811, 820 (9th Cir. 2003); *Texaco*, 60 F.3d at 923; Field v. Google, 412 F. Supp. 2d 1116, 1118–19 (D. Nev. 2006).

[121] A transformative use is one that transforms the original work in composition, structure, outward appearance, character or condition. *See* definition of "transform" in MERRIAM WEBSTER'S COLLEGIATE DICTIONARY 1249 (10th ed. 2002).

to the original use rather than supersede the original use.[122] In economic terms, this test focuses on whether the new works are complementary rather than substitutional.[123]

Although the *Betamax* presumption that all commercial uses are not fair uses has been modified, the case is still important to copyright law because it expands the notion of transformative use with regard to technological innovations.[124] Faced with the question of whether copying original works through a new technology constituted fair use, the Supreme Court created a new category of transformative uses in "time shifting."[125] In *Betamax*, several major motion picture companies brought suit against Sony, a manufacturer of home video cassette recorders ("VCRs"), for contributorily infringing on their copyrights, alleging that Sony's VCR allowed its purchasers to record copyrighted productions and view them "off the air."[126] The motion picture holders believed that the sale of VCRs would negatively affect the sales of motion pictures.[127] The Court found that the copying merely allowed users to "time-shift" their viewing of the copyrighted productions such that no actual infringement occurs.[128] Therefore, because time-shifting was a fair use, the VCR manufactures could not be responsible for contributory infringement.[129] The Court's determination that the public would benefit from the ability to time-shift programming was a factor in permitting time-shifting as a transformative use.[130] Public benefit was defined as increased access to the "free flow of ideas, information and commerce," the primary purpose of copyright law.[131] The decision displayed the "willingness of the Court to balance new technological capabilities against traditional principals of copyright law."[132]

Like the Supreme Court in *Betamax*, the Ninth Circuit and the District Court for the District of Nevada have also based findings of transformative

---

[122] *Campbell*, 510 U.S. at 579 (holding that because a rap music parody of a rock ballad did not supplant the market demand for the original work, it could not supersede the copied work).

[123] *See* NIMMER, *supra* note 104, § 13.05 [A](1)(b), at 13-170 (citing Ty, Inc. v. Publ'ns Int'l Ltd., 292 F.3d 512, 517–18 (7th Cir. 2002)).

[124] *See* Sony Corp. of Am. v. Universal City Studios, Inc. (*Betamax*), 464 U.S. 417, 456 (1984); *see also* Samuelson, *supra* note 62, at 1843–1845.

[125] *Betamax*, 464 U.S. at 421.

[126] *Id.* at 419–20.

[127] *Id.* at 425.

[128] *Id.* at 456.

[129] *Id.* at 455–56.

[130] *Id.* at 455 ("Virtually any time-shifting that increases viewer access to television programming may result in a comparable benefit.").

[131] *Id.* at 429.

[132] ROBIN JEWELER, CRS REPORT FOR CONGRESS, THE GOOGLE BOOK SEARCH PROJECT: IS ONLINE INDEXING A FAIR USE UNDER COPYRIGHT LAW 5 (2005), *available at* http://www.opencrs.com/rpts/RS22356_20051228.pdf.

use on the public benefit argument.[133] In *Arriba*, the defendant created a search engine of Internet images by compiling a database of pictures from Web sites without the consent of photographers.[134] Because the search engine was found to "benefit the public by enhancing information-gathering techniques on the [I]nternet,"[135] despite its commercial nature, the Ninth Circuit found *Arriba* established the purpose and character of its use as fair use based on the transformative nature of its creation.[136] Citing *Arriba*, the District Court for the District of Nevada in *Field* found that caching and display of a cached Web site by Google also was a transformative use because it allowed users to access materials that would otherwise be inaccessible.[137] As in *Arriba*, the *Field* court found for Google despite the commercial nature of the use. [138]

The Second Circuit and the District Court for the Southern District of New York, on the other hand, have taken a narrower view on what qualifies as a transformative work, holding that an infringing use is not automatically transformed by nature of incorporation into a new technology.[139] The District Court for the Southern District of New York best stated this view in *UMG Recordings v. MP3.com*, holding that "repackag[ing] those recordings to facilitate their transmission through another medium"[140] is not enough to qualify as a transformative use. Even if the repackaging is innovative and could benefit the public by increasing access to the original works, *UMG* shows that in order for a use to be transformative, the author

---

[133] *See, e.g.*, Kelly v. Arriba Soft. Corp., 336 F.3d 811, 820 (9th Cir. 2003) (holding that defendant's thumbnail display of a copyrighted photograph on its search engine Web site qualified as fair use because the use aided information gathering and thus benefited the public); Field v. Google, Inc., 412 F. Supp. 2d 1106, 1118–19 (D. Nev. 2006) (finding that the cached Web site display by Google was transformative of the original site because of the benefits it provided to the public).

[134] *Arriba*, 336 F.3d 815–16.

[135] *Id.* at 820.

[136] *Id.*

[137] *Field*, 412 F. Supp. 2d at 1118. The court noted that Google's display of links to cached Web sites qualified as fair use under the purpose and character of the use test because, instead of providing a substitute for the original work, the "links allow users to locate and access information that is otherwise inaccessible." *Id.*

[138] *Id.* at 1119. The court allowed Google to establish its use as transformative "[b]ecause Google serves different and socially important purposes in offering access to copyrighted works through 'Cached' links and does not merely supersede the objectives of the original creations. . . ." *Id.*

[139] *See, e.g.*, Infinity Broad. Corp. v. Kirkwood, 150 F.3d 104, 108–09 (2d Cir. 1998) (finding that the retransmission of the radio broadcast through dial-up Internet would benefit the public by increasing access to the show, but could not qualify as a transformative use because such benefit could be accomplished through other methods as well); *see also* UMG Recordings, Inc. v. MP3.com, 92 F. Supp. 2d 349, 351 (S.D.N.Y. 2000) (establishing that the defendant's copying of plaintiff's recording onto computer servers did not constitute fair use and was merely "repackaging" by reproducing the works on a different medium, and therefore was not transformative in character).

[140] *UMG Recordings, Inc.*, 92 F. Supp. 2d at 350.

must add her own ideas to the copied works rather than merely create a new means to view the works.[141]

Furthermore, the recent case *Perfect 10 v. Google* demonstrates that even if a work is transformative in character, an infringing use can be found if the defendant derives a significant economic benefit from the use.[142] In *Perfect 10*, the District Court for the Central District of California rejected a fair use claim asserted by the search engine for actions similar to those of the Arriba Software Corporation.[143] The court distinguished *Perfect 10* from *Arriba*, as Google's usage of Perfect 10's works resulted in revenue gains for the company from displaying advertisements along side the thumbnails of the works.[144] Accordingly, the court found Google's use to be consumptive instead of transformative[145] due to the commercial benefit the company derived, thus barring the company from asserting a viable fair use claim. [146] Therefore, *Perfect 10* demonstrates that the defendant's motivation for copying the original works is important in the evaluation of fair use.[147]

It should be noted that determining the transformative character of a use is merely one factor in evaluating a defendant's claim of fair use. The Second Circuit stated that it is not "absolutely necessary" for a work to be transformative in order to find fair use.[148] Moreover, the Southern District of New York has allowed defendants to claim fair use for non-transformative copying if the usage is for research purposes[149] or falls under the protection of news reporting.[150]

---

[141] *See* NIMMER, *supra* note 104, § 13.05 [A][1](b), at 13-164.

[142] *See* Perfect 10 v. Google, Inc., 416 F. Supp. 2d 828, 849 (C.D.Cal. 2006).

[143] *Id.*

[144] *Id.* at 846.

[145] The court held that Google's use was consumptive rather than transformative because the infringing use was displayed on the Web site in order to derive commercial benefit rather than provide a public benefit. *Id.* at 847.

[146] *Id.* at 846–47. The court held that the gain of revenue from advertising displays "unquestionably makes Google's use of thumbnails on its image search far more commercial than Arriba's use in Kelly II." *Id.*

[147] *Id.* at 846–47 (holding that Google's thumbnail display of Perfect 10's copyrighted photos did not constitute fair use under the purpose and character of the use because Google derived economic benefit from their display of the thumbnails through advertisements displayed on their search engine page).

[148] *See* Infinity Broad. Corp. v. Kirkwood, 150 F.3d 104, 108–109 (2d Cir. 1998) (disallowing defendant from succeeding on a claim of fair use for the retransmission of the radio broadcast though dial-up would benefit the public, because such benefit could be accomplished through other methods as well).

[149] *See, e.g.*, Duffy v. Penguin Books, USA Inc., 4 F. Supp. 2d 268, 274 (S.D.N.Y. 1998) (noting that photocopying copyrighted works may qualify as fair use based on the purpose and character of the use when done for research purposes).

[150] *See, e.g.*, Italian Book Corp. v. Am. Broad. Co. Inc., 458 F. Supp. 65, 70–71 (S.D.N.Y. 1978) (allowing defendant to disclaim infringement liability for the transmission of a copyrighted song over a television broadcast as fair use based on the purpose and character of the use because it was for the purpose of news reporting).

2. The Nature of the Copyrighted Works

Along with the purpose and character of the use, the fair use statute requires an evaluation of the nature of the works copied in order to make a determination of what is fair use.[151] Whereas it is more difficult to establish a fair use defense when the type of work is creative in nature,[152] defendants have an easier time establishing fair use on this factor when the works copied are factual in nature.[153] The rationale behind such findings is based on the assumption that copyright law is intended to protect an author's incentive to create.[154] Therefore, allowing the copying of factual information would be less harmful to the goal of copyright law than allowing for the copying of creative works.[155]

While a consideration of the nature of the copyrighted work is important in the evaluation of a fair use defense, the Supreme Court noted in *Campbell* that nature is less helpful in analyzing fair use when the purpose and character of the use are deemed to be transformative.[156] Despite this claim, many lower courts have continued to use this factor in their fair use evaluation even after establishing that a use is transformative.[157]

3. The Amount and Substantiality of the Portion Used

When a negligible amount of a copyrighted work is used, defendants may assert the common law defense of de minimis copying.[158] Yet, usage of copyrighted works need not be de minimis to prevent infringement li-

---

[151] 17 U.S.C. § 107 (2) (2000). The statute instructs courts to consider "the nature of the copyrighted work" in its determination of fair use. *Id.*

[152] *See, e.g.*, Stewart v. Abend, 495 U.S. 207, 237 (1990) (holding that infringement by basing a motion picture on a fictional story was not fair use because the work copied was creative in nature); Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 563–64 (1984); Kelly v. Arriba Soft. Corp., 336 F.3d 811, 820 (9th Cir. 2003) (finding against the defendant based on the nature of the copyrighted works because the photographs copied were creative in nature); Field v. Google, Inc., 412 F. Supp. 2d 1106, 1120 (D. Nev. 2006) (finding against the defendant based on the nature of the copyrighted works because the Web site copied was creative in nature).

[153] *See* Am. Geophysical Union v. Texaco, Inc., 60 F.3d at 913, 925 (2d Cir. 1994) (allowing the nature of the copyrighted works to weigh in Texaco's favor in a fair use analysis for copying articles from the plaintiff's magazine and disseminating them among employees because the articles copied were primarily factual in nature).

[154] Kim, *supra* note 3, at 816–817. The Copyright Act does not grant exclusive rights to the use of factual ideas "because they lack the constitutional requirement of originality." *Id.* at 817.

[155] Hanratty, *supra* note 4, ¶ 22.

[156] *See,* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 578–79 (1994).

[157] The courts in *Arriba* and *Field*, for example, took the nature of the copyrighted works into account despite finding that the usage was transformative. *Arriba*, 336 F.3d at 820; *Field*, 412 F. Supp. 2d at 1120.

[158] *See, e.g.*, On Davis v. The Gap, Inc., 246 F.3d 152, 172 (2d Cir. 2001) ("[W]here unauthorized copying is sufficiently trivial, the law will not impose legal consequences.").

ability if the defendant can establish a claim of fair use.[159] This factor allows for a finding of fair use where the use is more than de minimis, so long as the amount and substantiality of the portion used does not harm the author's incentive to create new works.[160]

The Ninth Circuit has applied this factor liberally, finding situations in which the copying of an entire copyrighted work is acceptable.[161] In *Sega Enters v. Accolade*, the court established that the copying of a whole product was acceptable as an intermediary step for reverse engineering.[162] The court held that reverse engineering was fair use as long the final product developed by the defendant does not contain any infringing material.[163] In finding fair use, the court focused heavily on the necessity of the copying in order for Accolade to be able to create its product.[164]

Reverse engineering is not the only situation in which wholesale copying has qualifed as fair use.[165] In *Arriba*, the Ninth Circuit held that copying the entire work was acceptable because it was necessary for Arriba to allow user recognition.[166] The court held that a defendant can assert fair use on the amount and substantiality of the portion used as long as he or she "only copies as much as is necessary for his or her intended use, then this

---

[159] 17 U.S.C. § 107 (3) (2000). The statute requires courts to evaluate "the amount and substantiality of the portion used in relation to the copyrighted work as a whole" in its determination of fair use. *Id.*

[160] Lloyd Rick, *The Publishing Law Center, How Much of Someone Else's Work May I Use Without Asking Permission: The Fair Use Doctrine*, Part I, 2006, http://www.publaw.com/work.html ("The critical determination is whether the quality and value of the materials copied are reasonable in relation to the purpose of copying.").

[161] *See, e.g., Arriba*, 336 F.3d at 820; Sega Enters. v. Accolade Inc., 977 F.2d 1510, 1526 (9th Cir. 1992).

[162] *See Accolade*, 977 F.2d at 1526 (holding that defendant did not infringe on Sega Enters copyright protection when the defendant copied and reverse engineered the manufacturer's video game to create its own). Reverse engineering occurs when programs are taken apart in order to analyze their composition so that similar products may be created. *See* NEWTON, *supra* note 28, at 676.

[163] The cases of *Accolade,* 977 F.2d at 1526 (9th Cir. 1992) and Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832 (Fed. Cir. 1992) held that the process of reverse engineering fell within the fair use exception to copyright infringement as long as no portion of the original work was displayed in the new product. This common law exception has since been codified into Copyright law through the Digital Millennium Copyright Act, creating a statutory allowance for reverse engineering of computer programs when the results of the copied program are not published. *See* 17 U.S.C. § 1201(f) (2000); *see also* ROBIN JEWELER, CRS REPORT FOR CONGRESS, ANTICIRCUMVENTION UNDER THE DIGITAL MILLENNIUM COPYRIGHT ACT AND REVERSE ENGINEERING: RECENT LEGAL DEVELOPMENTS 5–6 (2004), *available at* http://www.ipmall.info/hosted_resources/crs/RL32692_041210.pdf.

[164] *Accolade*, 977 F.2d at 1526.

[165] *See, e.g., Arriba*, 336 F.3d at 821; Field v. Google, Inc., 412 F. Supp. 2d 1106, 1120–21 (D. Nev. 2006). *See also* Bellmore v. City Pages Inc., 880 F. Supp. 673, 678 (D. Minn. 1995) (holding that defendant's publishing of a full article in defendant's newspaper for the purpose of criticizing the article was fair use).

[166] *See Arriba*, 336 F.3d at 821, *See also Field*, 412 F. Supp. 2d at 1120–21.

factor will not weigh against him or her."[167] The District Court for the Southern District of New York has echoed this view, holding that the finding of fair use was based on whether defendant copied more than what was necessary.[168]

Although wholesale copying can be non-infringing, courts have also found the use of relatively small portions of a copyrighted works to be infringing.[169] In *Campbell,* the Supreme Court declared that analysis of the amount and substantiality of the portion used "calls for thought not only about the quantity of the materials used, but about their quality and importance, too."[170] Therefore, copies of small portions of a copyrighted work may be deemed infringing use if that small portion captures the "heart" of the author's work.[171] In *Harper & Row, Publishers, Inc. v. Nation Enterprises* the Supreme Court clarified liability in situations in which small portions of an author's work represent enough substance to negate a claim of fair use.[172] Nation Enterprises published small portions of a political figure's unpublished manuscript.[173] The Court found against its claim of fair use on the amount and substantiality of the portion used because, despite the fact that only small amounts of the copyrighted works were used, the published portions were the most interesting parts, deemed "the heart of the book."[174]

Despite *Harper & Row*, a 2003 Ninth Circuit case, *Video Pipeline v. Buena Vista Home Entertainment*, indicates that minimal copying will generally lead to a fair use finding based on the quantity copied because it is difficult for such portions to represent the "heart" of a copyrighted work.[175] In *Video Pipeline*, defendants were sued for displaying video clips of a copyrighted film in order to create a preview.[176] The court held for the defendants on the amount and substantiality of the portion used because it believed that a small "glimpse" into the copyrighted work could not repre-

---

[167] *Arriba*, 336 F.3d at 821.

[168] Rotbart v. J.R. O'Dwyer Co, 1995 WL 46625, at *3–4 (S.D.N.Y. Feb. 7, 1995) (allowing defendant's use of language from a plaintiff's remarks criticizing news media in order to create a parody because he did not use any more than the amount necessary to create his parody).

[169] *See* Elvis Presley Enters., Inc. v. Passport Video, 349 F.3d 622, 630 (9th Cir. 2003) *but see* Maxtone-Grahm v. Burtchaell, 803 F.2d 1253, 1263–64 (2d Cir. 1986); Video Pipeline v. Buena Vista Home Entm't, 342 F.3d 191, 201 (3rd Cir. 2003).

[170] Campbell v. Acuff-Rose Music, 510 U.S. 569, 587 (1994)

[171] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 565–66 (1984) (holding that defendant's publication of the President's copyrighted memoir was infringing use even though only small portions were displayed because the published works constituted the most interesting portion of the copyrighted works).

[172] *Id.* at 565.

[173] *Id.* at 542.

[174] *Id.* at 564–65.

[175] Video Pipeline v. Buena Vista Home Entm't, 342 F.3d 191, 194 (3rd Cir. 2003)

[176] *Video Pipeline*, 342 F.3d at 194.

sent the "heart" of a work.[177] Thus *Harper & Row*, *Video Pipeline*, and *Arriba* make clear that the evaluation of the amount and substantiality of the portion used must focus on the substance of the portion copied, rather than the amount copied.[178]

4. The Effect of the Use on the Copyright Owner's Potential Market

Many courts view the effect on the potential market for the work as the most important factor in analyzing a fair use defense.[179] This factor requires an evaluation of the effects that an infringing work has on the prospective market for the copyrighted work.[180] The "potential market" is considered to be those markets that the creator of the original work is likely to develop or grant a license to others to create.[181] As a result, courts must determine "whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market for, or value of, the plaintiff's present work."[182] Harm can be represented by a loss of potential licensing fees or royalties as a result of infringing uses.[183]

The effect of the market also corresponds with whether courts find the defendant's use to be transformative.[184] According to the fair use statute, a plaintiff need not show actual harm to the prospective market to win on this factor.[185] Instead "a preponderance of the evidence that some meaningful likelihood of future harm exists"[186] is enough to weigh against defendants on this factor. The determination of whether a work is transformative is important because works that are not transformative and merely supersede the copyrighted works are able to serve as substitutes for the original

---

[177] *Id.* at 201.

[178] *See* NIMMER, *supra* note 104, § 13.05 [A][3], at 13–191.

[179] *See* Hanratty, *supra* note 4, ¶ 26.

[180] 17 U.S.C. § 107 (4) (2000). The statute requires courts to evaluate "the effect of the use upon the potential market for or value of the copyrighted work" in its determination of fair use. *Id.*

[181] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 592 (1994).

[182] *See* NIMMER, *supra* note 104, § 13.05 [A][4], at 13–195.

[183] On Davis v. The Gap, Inc., 246 F.3d 153, 175–76 (2nd Cir. 2001) (holding that defendant could not establish a claim of fair use under effect on the authors market for the copyrighted works for the use of plaintiff's clothing and accessories worn by a model in a photographic advertisement because plaintiff could have issued a license and collected fees for the use).

[184] *See Campbell*, 510 U.S. at 591 (noting that as long as a copied work does not serve as a "market replacement," it will not have a negative effect of the use on the market for the original work).

[185] Maxtone-Grahm v. Burtchaell, 803 F.2d 1253, 1263 (2d Cir. 1986) (finding for the defendants on the effect of the use on the market for the copyrighted work because the use of quotations from plaintiff's book of interviews about women with unwanted pregnancies did not affect the potential market for plaintiffs book).

[186] *Id.* at 1263–64.

works.[187] Because transformative works do not compete with the original works, they are more likely to be deemed fair use based on the minimal effect of the use on the potential market for the copyrighted works.[188] As the Supreme Court noted in *Betamax*, transformative uses "need not be prohibited in order to protect the author's incentive to create."[189] In *Arriba*, the Ninth Circuit stated that this factor also should be used in evaluating whether the defendant's use benefits the original works.[190] Accordingly, the court held for the defendants because the copied works would "guide users to Kelly's Web site rather than away from it."[191] Therefore, according to *Arriba*, uses that benefit an original copyright holder's marketability are more likely to constitute fair use.

Not all circuits agree with the Ninth Circuit that providing a benefit to the plaintiff is enough to ensure a finding of fair use on this factor. In *BMG Music v. Gonzalez*, the Seventh Circuit held that "[c]opyright law lets authors make their own decisions about how to best promote their works; [and] copiers . . . cannot ask the courts (and juries) to second-guess the market and call wholesale copying 'fair use' if they think that authors err in understanding their own economic interests."[192] The Second Circuit has also taken a markedly different stance from the Ninth Circuit on what constitutes a negative effect on a copyright owner's market.[193] In *UMG*, the Second Circuit held that by overcoming a copyright holder's right to license, the use negatively affected the potential market for the plaintiff.[194] The decision demonstrated that any proof of loss in licensing revenue may

---

[187] *Campbell*, 510 U.S. at 591 (allowing defendant to establish fair use on the effect of the use on the market for the copyrighted work because the production of a rap parody of a copyrighted rock ballad because the rap parody could not be a "market replacement" of the original works and therefore did not have a negative effect of the use on the market for the original works).

[188] *See* Fisher v. Dees, 794 F.2d 432, 438 (9th Cir. 1986). Appellants were able to establish fair use based on the effect of the use on the market for the copyrighted works for copying twenty-nine seconds of a copyrighted song to create a parody because the parody did not fulfill the same demand as the original and therefore had no effect on the market for the original work); *see also* Italian Book Corp. v. Am. Broad. Co. Inc., 458 F. Supp. 65, 70 (S.D.N.Y. 1978) (allowing defendant's transmission of a copyrighted Italian song through a news broadcast of a parade because the broadcast had no effect on the potential market for the plaintiffs as the two uses did not compete with one another).

[189] Sony Corp. of Am. v. Universal City Studios, Inc. (*Betamax*), 464 U.S. 417, 450 (1984).

[190] *See,* Kelly v. Arriba Soft. Corp., 336 F.3d 811, 821 (9th Cir. 2003).

[191] *Id.*

[192] BMG Music v. Gonzales, 430 F.3d 888, 891 (7th Cir. 2005) (holding that defendants, as providers of a Web site to download MP3s, could not claim fair use under this fourth factor under the premise that providing the downloaded songs would have a positive effect on the marketability of the copyrighted works).

[193] *See, e.g.,* UMG Recordings, Inc. v. MP3.com, 92 F. Supp. 2d 349, 352 (S.D.N.Y. 2000).

[194] *Id.*

result in a finding against the defendant on this factor within the Second Circuit.

Not all unauthorized use of copyrighted materials will lead to a loss of licensing revenue, however. In *Bill Graham Archives, LLC v. Dorling Kindersley, Ltd.*, the District Court for the Southern District of New York found that using copyrighted works in a transformative manner avoids the losses of licensing revenues caused by non-transformative reproductions.[195] The court stated that an evaluation of the effect of the use will only weigh against defendants for loss of licensing revenues when "the market is 'traditional, reasonable, or likely to be developed,' and is not a protected transformative use."[196] Because defendant's use did not supplant the market demand for plaintiff's original work, the court held that this factor could not weigh against the defendant.[197]

E. Fair Use in *Field v. Google*: The Good Faith Test

Because Congress specified that copyright law was to be an "equitable rule of reason,"[198] the District Court of Nevada in *Field* looked beyond the four factors set forth in the statute in its analysis of whether Google's usage qualified as fair use. Relying on the fact that § 107 directs that each of the listed factors are to be "included" in a court's evaluation, the District Court believed Congress did not intend that this list of factors to be considered as exhaustive.[199] As a result, the court included an evaluation of whether the defendant acted in good faith in their determination.

Blake Field brought suit against Google for infringing on his copyright by displaying a cached version of his Web site through its search engine.[200] Mr. Field had previously published a work entitled "Good Tea" on his personal Web site.[201] In order to catalog Web pages for its search engine, Google uses an automated program called "Googlebot" to analyze and

---

[195] *See,* Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 332 (S.D.N.Y. 2005).

[196] *Id.* The equitable rule of reason framework permits "courts to avoid rigid application of the copyright statute, when, on occasion, it would stifle the very creativity that the law is designed to foster." *Id.*

[197] *Id.*

[198] *See* Sony Corp. of Am. v. Universal City Studios, Inc. (*Betamax*), 464 U.S. 417, 450 n. 31 (1984).

[199] 17 U.S.C. § 107 (2000). *See also* Field v. Google, Inc., 412 F. Supp. 2d 1106, 1122 (D. Nev. 2006). The court in *Field* found authority to consider good faith in its fair use evaluation based on the fact that "the Copyright Act authorizes courts to consider other factors than the four non-exclusive factors." *Id.*

[200] *Field*, 412 F. Supp. 2d. at 1109.

[201] *Id.* at 1110.

catalog Web page content.[202] Copies of the scanned Web pages are stored in Google's cache memory, a temporary online storage bank.[203] Web site owners are able to prevent caching by placing "no archive" meta-tags within their site.[204] When Google displays Web pages, it displays another link to the cached Web site as well, which directs users to the archival copy.[205] Field contended that, by allowing users to view this archival copy, Google violated his exclusive right to distribute and reproduce his copyrighted works.[206]

The court held that Google had two viable defenses to Field's claim of copyright infringement. The first was a defense of an implied license: by failing to insert meta-tags to prevent caching, Field made a conscious decision to allow Google to cache his site, thereby creating an implied license.[207] The second defense available to Google was fair use. In its fair use analysis, the court focused not only on the four traditional factors set out in § 107 but also a fifth factor, testing for fair use based on good faith.[208] Allowing Google's good faith actions to aid its fair use argument strengthened Google's defense.

The District Court's analysis was supported by precedent in the Ninth Circuit.[209] In *Fisher v. Dees*, the Ninth Circuit held that "[b]ecause 'fair use' presupposes 'good faith' and 'fair dealings', courts may weigh 'the propriety of the defendant's conduct' in the equitable balance of a fair use determination."[210] Other courts also have shown a willingness to consider whether or not the defendant acted in good faith in addition to the four

---

[202] To provide a search engine for the World Wide Web, Google employs the "Googlebot," an automated program that crawls the Internet and analyzes Web pages and catalogs them into Google's searchable index. *Id.*

[203] As part of the analyzing process, the Googlebot takes a picture of the Web site and stores the photo in Google's cache memory. *Id.* When users search the Web through Google, the search engine provides users with both the URL link to the original Web site along with a link to the cached Web site. *Id.* at 1111. The cached Web site gives users a "snapshot" of the Web site display when Google originally placed the site into their index. *Id.* In the event that a URL is not working, the cached Web site will still appear. *Id.*

[204] *Id.* at 1113. A meta tag is an HTML tag that contains information about a Web site. This tag allows Internet search engines to locate the Web site. *See* NEWTON, *supra* note 28, at 500–01.

[205] *Field*, 412 F. Supp. 2d at 1111.

[206] *Id.* at 1109.

[207] *Id.* at 1116.

[208] *Id.* at 1122.

[209] *Id.* (citing Fisher v. Dees, 794 F.2d. 432, 436–37 (9th Cir. 1986)).

[210] *Fisher*, 794 F.2d at 437 (quoting Harper & Row, 105 S. Ct. at 2218, 2232 (1985)). The Court held that defendant's attempt to seek permission from plaintiff for creating a parody version of plaintiff's song was a good faith action that weighs in his favor and therefore the failure of the plaintiff to give permission does not preclude a finding of fair use for defendant's copying. *Id.*

factors set out in the copyright statute.[211] Even the Supreme Court has considered an infringer's state of mind when evaluating whether or not a defendant can establish a claim for fair use.[212] It must be noted that while many courts take into account a defendant's conduct and good faith, this factor is often integrated into a court's analysis of the purpose and character of the defendant's use.[213]

Field is the first example of a court's application of the good faith test as a distinct factor in a fair use analysis of the defendant's actions. The court justified its addition of this factor by citing the Ninth Circuit precedent of evaluating defendant's actions in *Fisher*.[214] In its good faith analysis, the District Court found that Google's actions honored industry standards and that Google did not maliciously infringe on the plaintiff's copyright.[215] Google's good faith claim centered on the act of promptly removing the site after learning of the plaintiff's objections to the caching.[216] This fifth factor aided the court in finding for Google based on a fair use defense.[217]

IV. *AUTHORS GUILD V. GOOGLE*: FIGHTING AGAINST A DIGITAL LIBRARY

The Google Book Search Project is composed of two components: the Partner Program and the Library Project.[218] The Partner Program allows publishers who authorize Google to scan the full text of a book into the database to share in advertising revenue with Google.[219] Under this plan, users receive a link in response to their query to a specific series of pages of the book along with a link to purchase the book directly from the seller.[220] After announcing the Partner Program in October of 2004, Google followed with the Library Project in December 2004. It is this project that has come under attack by the Authors Guild.[221]

---

[211] *See, e.g.*, Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 332 (S.D.N.Y. 2005) (holding that defendant's good faith actions in informing plaintiff of the intention to use plaintiff's copyrighted photographic images and the attempt to gain a license to use these images weighs in favor of defendant's argument for fair use).

[212] *See* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580 (1994) (holding that plaintiff's denial of defendants request for license to use copyrighted works does not weigh against finding of fair use because defendant's actions were merely a good faith effort to avoid litigation).

[213] *See* NIMMER, *supra* note 104, § 13.05 [A][1](d), at 13-179.

[214] *Field*, 412 F. Supp. 2d at 1122.

[215] *Id.*

[216] *Id.* at 1122–23.

[217] *Id.* at 1123.

[218] Jonathan Band, *The Google Library Project: Both Sides of the Story*, 1 PLAGIARY 1 (2006), *available at* http://www.plagiary.org/Google-Library-Project.pdf.

[219] *Id.*

[220] *Id.*

[221] *Id.* at 3.

Through the Library Project, Google has contracted with the libraries of Stanford University, Harvard University, Oxford University, and the University of Michigan, as well as the New York Public Library, to scan their entire library collections into Google's searchable database.[222] The contract between Google and the University of Michigan shows that in scanning the digital archives, Google will make two digital copies of each work.[223] Google will give one copy back to the library and retain one copy for its own use.[224]

Google Book Search users will be able to view full texts of public domain books, but only small "snippets" of text surrounding their search terms will be available for materials covered by copyright.[225] Along with its text display, the Web site will provide basic bibliographical information about the book and a link to a bookstore where the work can be purchased.[226] The snippets consist of three or four sentences before and after the search term. For the majority of the copied works, Google will not display more than three snippets.[227] Snippets of reference books and dictionaries will not be shown at all.[228]

Rather than provide the database on a subscription basis, Google will fund the Library Project through the sale of advertising on its search pages.[229] A share of these profits will be distributed to the publishers in the Partner Program, but no revenues will be distributed to the owners of works displayed in the Library Project.[230] Currently, the Web site derives 98% of its revenues from the sale of advertising and would not be able to provide its services freely to the public if not for the influx of advertising revenue.[231]

In a May 2005 letter to Google, the Association of American University Presses ("AAUP") expressed concerns that the Book Search project would harm the licensing revenue generated by authors. [232] The AAUP also expressed its belief that the Google project would result in a violation of copyright and that such large-scale copying and reproduction would not

---

[222] Complaint, *supra* note 6, at 11.

[223] Allen, *supra* note 54, at 105.

[224] *Id.*

[225] Google Book Search, About Google Book Search, http://books.google.com/googlebooks/about.htm (last visited Mar. 25, 2007).

[226] Google Book Search, Google Books Library Project, An Enhanced Card Catalog of The World's Books, http://books.google.com/googlebooks/library.html (last visited Mar. 25, 2007).

[227] Allen, *supra* note 54, at 107.

[228] Band, *supra* note 218, at 1–2.

[229] Allen, *supra* note 54, at 106.

[230] *Id.*

[231] Complaint, *supra* note 6, at 8.

[232] Letter from Peter Givler, Executive Director of AAUP, to Google, Inc. (May 20, 2005), *available at* http://aaupnet.org/aboutup/issues/0865_001.pdf.

qualify as fair use.[233] In response to the AAUP letter, Google temporarily halted its digitizing program between August and November 2005. The temporary stop was to give publishers and other copyright owners time to "opt-out" of the Book Project; scanning resumed in November 2005.[234] The AAUP did not find relief in Google's opt-out program, insisting that the burden of acquiring permission to use copyrighted works should be on Google.[235] AAUP President Pat Schroeder criticized the opt-out program for "shift[ing] the responsibility for preventing infringement to the copyright owner rather than the user, turning every principle of copyright law on its ear."[236]

Similarly discontented with Google's opt-out program, the Authors Guild and a number of individual authors whose works were copied by Google for the Book Project brought a class action suit in September 2005.[237] The complaint alleges that both Google's full copying of the books and displaying the snippets violate the exclusive rights of copyright holders.[238] The suit seeks damages as well as declaratory and injunctive relief.[239]

V. ANALYSIS

The issue facing Google is whether it can assert a viable defense against the Authors Guild's infringement charges. Its ability to do so is much larger than the viability of the Search Project itself. The current status of copyright law presents significant barriers in the development of digital libraries.[240] If the District Court for the Southern District of New York allows Google to carry out its programs within the bounds of copyright law, it will strengthen the jurisprudence supporting digital libraries.

In establishing a viable defense to the Authors Guild charges, Google should assert both common law and statutory defenses. Despite the multi-

---

[233] *Id.*

[234] *See* Allen, *supra* note 54, at 107.

[235] *See* Band, *supra* note 218, at 3.

[236] *See id.* This belief echoes the contentions of the Ninth Circuit in *Napster*, making clear that the burden lies on the defendant to acquire a license to copy materials rather than force copyright owners to bear the burden of preventing infringement. *See* A&M Records v. Napster, Inc., 239 F.3d 1004, 1013–14 (9th Cir. 2001); *see also* Allen, *supra* note 54, at 109.

[237] *See generally,* Complaint, *supra* note 6.

[238] *Id.*

[239] *Id.* It should also be noted that on October 2005, the publishing companies of McGraw Hill, Pearson, Penguin, Simon & Shuster, and John Wiley & Sons brought suit against Google for copyright infringement of their works. *See* Band, *supra* note 218, at 3. These publishers only sought injunctive relief as opposed to the declaratory relief and damages sought by the Authors Guild. *Id.*

[240] *See* Travis, *supra* note 1, at 764–65, 788–92 (arguing that the expansion of copyrights has created the greatest legal impediments to the creation of digital libraries).

ple defenses available, the crux of Google's argument will rest on whether its copying and display of information falls within the fair use exception. Moreover, to succeed on this claim, Google must convince the court to adopt the analytical framework set forth in *Field.*

A. Google's Common Law Defenses

There are two common law defenses that Google can use: the de minimis copying defense and the implied license defense.

1. De Minimis Copying Defense

If Google attempts to assert a defense of de minimis copying, it would only apply with regard to Google's display of the snippets.[241] This defense could not apply to Google's initial digitizing of the entire books as such portions are too great of an amount to qualify as trivial.[242] Even if Google attempts to assert a de minimis argument for the snippets, this argument is unlikely to pass the Second Circuit's "observability" test for establishing de minimis copying.[243] Because the portions of the copyrighted works displayed by Google include digital images of the works themselves, it seems likely that the average user would recognize the appropriation, even if the display is minimal. Such recognition would bar the finding of a de minimis use.[244]

2. An Implied License Defense

The second common law defense available to Google is an implied license defense. Google might argue that, by failing to opt-out of the program, the members of the Authors Guild granted an implied license for use of their works.[245] This claim raises a debate about whether an implied li-

---

[241] *See* Allen, *supra* note 54, at 106.

[242] *See* Hanratty, *supra* note 4, ¶ 7. According to Hanratty, Google is not likely to succeed in a claim of de minimis copying because "the sheer volume of copied works reasons against a *de minimis* finding." *Id.*

[243] *See* Sandoval v. New Line Cinema, Corp., 147 F.3d 215, 217 (2d Cir. 1998). To ascertain whether or not the defendant's use qualifies *de minimis*, courts must decide whether the copied work is likely to be recognized by an average audience. *Id. See also supra* text accompanying notes 74–77.

[244] *See Sandoval*, 147 F.3d at 217–18.

[245] *See* Band, *supra* note 218, at 3.

cense exists when a plaintiff fails to opt out of a defendant's creation that intends to use copyrighted works without gaining express permission.[246]

Unfortunately for Google, courts have accepted only very limited applications of the implied license defense.[247] For example, the Ninth Circuit in *Napster* held that an implied license defense is only applicable in situations where the original creator of the work handed his or her work over to the user at the user's request.[248] The District Court for the Southern District of New York echoed this narrow view in *Pavlica v. Behr*. In order to assert a claim of an implied license, the court required that the defendant show "that there was a meeting of the minds as defined by contract law."[249] This precedent on implied licenses highlights the unwillingness of courts to view reliance on an opt-out scheme favorably.[250]

Google may argue that contacting each individual copyright owner would be infeasible and too burdensome to allow for the creation of the Book Search Project. Without a recording system to keep track of each author, Google believes that many authors would be too difficult to track down.[251] An opt-in regime would also lessen the amount of information available to users of the Google Book Search Project, providing few incentives for authors to make their work available.[252] Therefore, for Google to succeed on an implied license claim, the court would need to expand the application of implied license defense to include opt-out schemes.

On its face, *Field* raises hopes that opt-out schemes may be no longer be viewed disfavorably.[253] In *Field*, the court held that because the defendant

---

[246] *See* Bracha, *supra* note 1, at 4–5, 9. *See also* Impact, *supra* note 32 ("This emphasis on *opt out* seems critical [to Google's case] since Google has argued that book publishers can simply tell them if they don't want their books digitized.").

[247] *See, e.g.*, A&M Records v. Napster, Inc., 239 F.3d 1004, 1026 (9th Cir. 2001) (allowing the establishment of an implied license only in the case where the plaintiff handed the works over to the defendant with the intention that it be used by the plaintiff); Pavlica v. Behr, 397 F. Supp. 2d 519, 526–27 (S.D.N.Y. 2005). The District Court prevented an employer from asserting an implied license to redistribute a manual produced by an employee outside the scope of his employment because the employer could not establish a "meeting of the minds" between employer and employee, nor was any consideration given to the employee to allow for the distribution of his works. *Id.*

[248] *Napster*, 239 F.3d at 1026 (citing SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms., Inc., 211 F.3d 21, 25 (2nd Cir. 2000)). The Court held that an implied license can only exist "where one party 'created a work at [the other's] request and handed it over." *Id.*

[249] *Behr*, 397 F. Supp. 2d at 526.

[250] *See Napster*, 239 F.3d at 1026; *see also* Allen, *supra* note 54, at 109.

[251] Travis, *supra* note 1, at 805–06.

[252] *See* Bracha, *supra* note 1, at 55–58 (discussing the public policy arguments for allowing Google and other digital libraries to use an opt-out scheme to gain information).

[253] *See* Impact, *supra* note 32 ("Field v. Google . . . has obvious and important implications for the legality of Google's library digitization project."); Gov't Tech., *Nevada Court Rules Google Cache is Fair Use* (2006), http://www.govtech.net/news/news.php?id=98086 (noting the favorable implications the ruling in *Field* may have on the *Authors Guild* case).

was aware of Google's copying practices and failed to prevent the search engine's caching, he had granted an implied license.[254] However, closer analysis reveals that Google's actions in *Field* fell within the narrow application of what constitutes an implied license.[255] Like *Napster*'s requirements that a plaintiff hand over his work with the intention that it be used by the defendant, Field was responsible for placing his works in Google's search engine with the knowledge that caching would occur unless he took actions to prevent it.[256] Unlike the defendants in *Field* and *Napster*, however, the members of the Authors Guild did not hand their works over to Google to be digitized. Therefore, despite the favorable view that *Field* takes towards opt-out programs, it is not enough to aid Google's establishment of an implied license defense.

B. Google's Statutory Defenses

Because neither of the common law doctrines of de minimis copying or an implied license are a viable defense to its usage, Google must instead turn to statutory authority to exempt its infringement from liability. The two statutory limitations to copyright liability that may apply to Google's case are the library and the fair use exemptions.[257]

Google may attempt to assert the statutory library exemption defense for the initial digitization of the library materials. This claim would rest on the fact that libraries should be able to contract for services that they are allowed to perform for themselves.[258] Yet, based on the stringent require-

---

[254] Field v. Google, Inc., 412 F. Supp. 2d 1106, 1116 (D. Nev. 2006). In *Field*, the court found that Google could claim an implied license for its display of the cached Web site because the defendant's failure to 'opt-out' of the caching program could be equated to a "conscious decision to permit it," thereby resulting in the granting of an implied license. *Id.*

[255] *Id.* In *Field* the defendant handed his works over to the search engine with knowledge that his Web site would be used by Google. *Id.* In contrast, the authors bringing suit against Google for the Book Search Project were unaware that their work would be used by Google as a result of publication. *See* Complaint, *supra* note 6.

[256] *See Field*, 412 F. Supp. 2d at 111 (establishing that Google's implied license defense arose from the fact that Field handed his works over to Google to be placed in the search engine's holdings and his awareness of Google's intentions to cache and display a cached version of his Web site); *see also* A&M Records v. Napster, Inc., 239 F.3d 1004, 1026 (9th Cir. 2001) (holding that an implied license only exists in the narrow circumstances where the plaintiff handed the works over to the defendant with knowledge that the defendant intended to use it) (citing SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms., Inc., 211 F.3d 21, 25 (2d. Cir. 2000)).

[257] *See* Subject Matter and Scope of Copyright, 17 U.S.C. §§ 107–108 (2000) (setting forth statutory limitations to the exclusive rights granted to copyright holders).

[258] *See* 17 U.S.C. § 108(a) (2000) (allowing libraries to produce no more than one copy of a work within their collection); *See also* Hanratty, *supra* note 4, ¶ 8. Because the library exemption in the copyright statute allows libraries to make copies of their own works for archival purposes, Google may argue that libraries should be allowed to contract these services to others. *Id.*

ments set forth in the statute and the legislative history, it is clear that Congress did not mean for any "for profit" institution or digital library to fall within the library exemption.[259] Because Google's Book Search Project falls within both of these limitations, it cannot assert the library exemption for its benefit.[260] Therefore, the crux of Google's case will be Google's ability to establish a fair use defense.

C. Fair Use Under the Traditional Four Factor Test

Without common law authority or the library exemption on its side, Google's fate rests on its ability to assert a fair use exemption to its infringement.[261] In evaluating a claim of fair use, the *Campbell* doctrine instructs that the four factors set forth in the fair use statute "are to be explored, and the results weighed together. . . ."[262] Thus, in order to succeed on its fair use claim, Google must demonstrate that the overall balance of the four factors set forth in the statute weigh in its favor. Moreover, Google must convince the District Court for the Southern District of New York to adopt the *Field* framework and use a five factor test, analyzing good faith as part of the claim to fair use. Under this application, Google should succeed in establishing fair use and open the door for the creation of more digital libraries in the future.[263]

1. Where Google's Fair Use Claims Are Likely to Succeed

The last two factors in the fair use statute call for courts to evaluate the amount and substantiality of the portion used and the effect the use will have on the market for the copyright works. Under the framework set forth in *Betamax*, *Arriba*, and their progeny, it is likely that Google can convince the court that these factors weigh in its favor.

---

[259] *See* 17 U.S.C. § 108(a) (2000). *See also* H.R. REP. NO. 94-1476 at 74 (1976) (Conf. Rep.), *as reprinted in* 1976 U.S.C.C.A.N. 5679; S. REP. NO. 105-190 at 62 (1998)

> Although online interactive digital networks have since given birth to online digital 'libraries' and 'archives' that exist only in the virtual (rather than physical) sense on websites, bulletin boards and homepages across the Internet, it is not the Committee's intent that section 108 as revised apply to such collections of information.

Id.

[260] *See* Hanratty, *supra* note 4, ¶ 11.

[261] *Id.*, ¶¶ 14–32 (asserting that Google is unlikely to succeed against the charges of the Authors Guild because it will not be able to establish a fair use defense). *But see,* Band, *supra* note 218; Impact *supra* note 32.

[262] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 578 (1994).

[263] *See* Impact, *supra* note 32 (noting that Google is likely to succeed against the Authors Guild's charges in light of the *Field* decision).

a. Google Can Establish Fair Use Based on the Amount and Substantiality of the Portion Used

Google must show that the amount and substantiality of the portion used does not violate fair use.[264] In order to establish a viable argument, Google must show that both the initial digitizing and the display of the snippets qualify as fair use.[265] While Google must make out both elements of the case, much of the finding will depend on whether Google's display of the snippets is fair use. As *Arriba*, *Accolade*, and *Atari Games Corp. v. Nintendo* have shown, wholesale intermediate copying may be excusable if it is necessary for the creation of the defendant's final product.[266] Based on the reasoning set forth in *Accolade* and *Arriba*, Google can argue that its initial digitizing of the entire books is necessary in order to create a complete database for customers to search.[267]

In order for such an argument to succeed, Google also must prove that its end use of the works, the display of the "snippets," qualifies as fair use. Google's argument may focus on the small amount of the works displayed to bolster its claim.[268] Though the minimal use weighs in Google's favor,[269] courts have found against a defendant's claim to fair use when even a small portion of a copyrighted works is used.[270] Therefore, to establish a

---

[264] 17 U.S.C. § 107. The statute requires courts to evaluate "the amount and substantiality of the portion used in relation to the copyrighted work as a whole" as a factor in its determination of fair use. *Id.*

[265] Caroline Horton Rockafellow, *Is Google Redefining Digital Copyright Law?* IP FRONTLINE.COM, Mar. 24, 2006, http://ipfrontline.com/depts/article.asp?id=10068&&deptid4 (implying that Google must establish fair use based on the right to copy the initial works and the right to display each of these works in order to succeed against charges of copyright infringement).

[266] Kelly v. Arriba Soft. Corp., 336 F.3d 811, 820–21 (9th Cir. 2003). In *Kelly*, the court allowed the defendant to establish fair use based on the amount and substantiality of the portion used despite wholesale copying of the plaintiff's works. The court found the defendant's copying was allowable because "[i]t was necessary for Arriba to copy the entire image to allow users to recognize the image and decide whether to pursue more information about the image or the originating web site." *Id. See also,* Sega Enters. v. Accolade, Inc., 977 F.2d 1510, 1526 (9th Cir. 1992) (holding that reverse engineering by wholesale copying of a plaintiff's works in order to create its own works qualifies as fair use by the defendant because it is the only possible means to accomplish the creation of a competitive product); Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832, 842 (Fed. Cir. 1992).

[267] Band, *supra* note 218, at 7.

[268] *See* Allen, *supra* note 53, at 108 ("Statements by Google and its supporters tend to focus on the small amounts of digitised [sic] works that will be made available to someone searching the database.").

[269] *See* Video Pipeline v. Buena Vista Home Entm't, 342 F.3d 191, 201 (3rd Cir. 2003) (stating that defendant's display of video clips to create a preview of a copyrighted movie was fair use because the clips only gave a small "glimpse" into the copyrighted works and could not copy the "heart" of the works).

[270] *See,* Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 565 (1984) (holding that defendants could not establish a claim of fair use based on the amount and substantiality of the portion used for copying small portions of the President's unpublished

viable claim under this factor, Google must establish that its copying is fair use because both the amount and the substance used are insubstantial.

Google is likely to succeed on the claim that the amount copied qualifies as fair use as "snippets" are unlikely to tell the entire story of the copied books due to the small portions that will be displayed. Analogizing the movie clips of *Video Pipeline* to the snippets displayed via the Google Book Search Project, it is unlikely that these snippets could display the "heart" of an author's work.[271] Therefore, together with the holding in *Arriba, Video Pipeline* can help Google establish that fair use weighs in its favor based on the amount and substantiality of the portion used.

b. Google Can Establish Fair Use Based on the Effect of the Use on the Author's Market for the Copyrighted Works

The effects on marketability factor require the court evaluate whether or not Google's use will cause harm to the original copyright owner's right to profit.[272] Courts are not required to evaluate whether actual harm has occurred, but rather whether the use has an effect on the potential market of the copyright holder.[273] In *UMG*, the Second Circuit held that the loss in potential licensing revenue from any conceivable market creates a presumption of harm under this factor.[274] The Authors Guild claims that this presumption should weigh against Google because the authors have lost the ability to gain from licensing revenues.[275] The existence of the Google Partner Program supports this claim, showing that there is revenue to be gained.[276] If *UMG* were applied, Google could not establish fair use under this factor because its use would be barring copyright owners from exercising their right to license the use of their books to the Google Book Search program.[277]

---

memoirs because the portions copied were the most interesting parts of the copied works). *See also, Video Pipeline*, 342 F.3d at 201; Elvis Presley Enters., Inc. v. Passport Video, 349 F.3d 622, 630 (9th Cir. 2003).

[271] *Video Pipeline*, 342 F.3d at 201 (establishing that defendant's use of clips of a copyrighted movie in order to create a preview constituted fair use based on the amount and substantiality of the portion used because the clips could not represent the "heart" of the work).

[272] 17 U.S.C. § 107 (4) (2000). The statute requires courts to evaluate "the effect of the use upon the potential market for or value of the copyrighted work" in its fair use determination. *Id.*

[273] *Id.*

[274] *See* UMG Recordings, Inc. v. MP3.com, 92 F. Supp. 2d 349, 352 (S.D.N.Y. 2000) (finding that the broad rights of copyright holders includes the right to refuse or to grant a license to enter a derivative market).

[275] *See* Band, *supra* note 218, at 9.

[276] *Id.*

[277] *See* Hanratty, *supra* note 4, ¶ 30.

Yet many courts have refrained from using such a strict evaluation of the effect of the use on the market for the copyrighted works.[278] The Ninth Circuit moved away from the strict application of this factor in *Arriba* and "properly focused on the lack of actual harm to the market."[279] Its finding rested on the belief that "[a] transformative work is less likely to have an adverse impact on the market of the original than a work that merely supersedes the copyrighted work."[280] Although the District Court for the Southern District of New York is not bound by the decision in *Arriba*, the court has previously cited *Arriba* in holding that transformative uses are likely to succeed under an evaluation of the effect of the use because they will not supplant the demand for the original product.[281] Therefore, Google must persuade the court to adopt the favorable interpretations set forth in *Arriba* and *Betamax* to reach the conclusion that, through the Google Book Search project, original copyrighted works are transformed by being made searchable through the Web site.

To establish this, Google must convince the court to adopt the doctrines espoused in *Betamax* and *Arriba* for what qualifies as a transformative use. *Betamax* supports the contention that the court should construe copyright law in favor of technology that benefits the public, [282] while *Arriba* gives an example of how to apply copyright law to a case factually similar to the *Authors Guild* case. [283] The interpretations set forth in these the two cases help establish that Google's use is transformative in nature.

In *Betamax*, the Supreme Court created flexibility in a court's ability to decide what is transformative. Believing that the capabilities of technology should not be stifled in the face of copyright law,[284] the majority directed courts to construe copyright law "in light of its basic purpose"[285] when the application of the law is unclear. The holding demonstrated the Court's

---

[278] *See* Kelly v. Arriba Soft. Corp., 336 F.3d 811, 819 (9th Cir. 2003) (noting that the negative repercussions of too strict an application of fair use could result in overly restricting the application of fair use); Field v. Google, Inc., 412 F. Supp. 2d 1106, 1117–19 (D. Nev. 2006); *see also* Travis, *supra* note 1, at 818 (arguing that it is too easy for plaintiffs to establish potential harm, causing a reduction in the protections of fair use).

[279] *Arriba*, 336 F.3d at 821–22.

[280] *Id.* at 821.

[281] *See, e.g.,* Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 333 (S.D.N.Y. 2005) (holding that a defendant may establish fair use for the effect of the use on the author's market for the copyrighted work in instances where the copied work does not supplant the market for the original).

[282] *See* Sony Corp. of Am. v. Universal City Studios, Inc. (*Betamax*), 464 U.S. 417, 432 (1984); *see also* Samuelson, *supra* note 62, at 1875 (arguing that the framework set forth in *Betamax* allows courts to flexibly apply copyright law to allow for the development of new technology).

[283] *See* Band, *supra* note 218, at 3–5.

[284] *See Betamax*, 464 U.S. at 432 (citing Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975)) ("When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of this basic purpose.").

[285] *Id.*

support for technological innovations that benefit the public interest above the rights of copyright holders.[286] *Betamax* is often cited as the basis for adapting copyright law to allow for the development of technologies ranging from tape recorders, photocopiers, and MP3 players to software.[287] The progress of such technologies resulted either from common law exceptions created by the court, such as reverse engineering,[288] or statutory exceptions to Internet service providers' liability as provided in DMCA.[289] Each adaptation of the law was based on the belief that these new uses benefited the public.[290]

Though the *Arriba* holding does not cite to *Betamax*, the Ninth Circuit used a similar framework to the one set forth by the Supreme Court in order to construe copyright law to accommodate new technological developments that benefit the public.[291] Just as the defendant in *Arriba* succeeded on the public benefit argument, Google must argue that, under the *Betamax* framework, its new project should be deemed transformative because of the public benefits it will provide.

In response to Google's arguments, the Authors Guild may assert that *UMG Recordings v. MP3.com*, not *Arriba*, should apply as it provides mandatory authority from the Second Circuit.[292] As stated in *UMG*, the mere "repackaging" of works over a different medium is not to be considered a transformative use.[293] If the Authors Guild were to succeed on this argument, Google's use would be deemed unfair on both the purpose and character of the use and the effect of the use. The transformative nature of a work determines not only whether it can be fair under the purpose and character of the use, but also under the effect of the use on the market for

---

[286] *See* Proskine, *supra* note 73, at 232.

[287] *See* Samuelson, *supra* note 62, at 1875.

[288] *See* Sega Enters. v. Accolade Inc., 977 F.2d 1510, 1527–28 (9th Cir. 1992). The court held that reverse engineering was allowable because it upholds the ultimate purpose of the Copyright Act as described in *Betamax*. The disassembly of computer programs by other users is "the only way to gain access to the ideas and functional elements embodied in a copyrighted computer program." *Id. See also* Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832, 844 (Fed. Cir. 1992); Samuelson, *supra* note 62, at 1868–70.

[289] *See* The Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860, 2877–79 (1998) (codified in 17 U.S.C. § 512) (limiting copyright infringement liability for Internet service providers under specific circumstances).

[290] *See* Samuelson, *supra* note 62, at 1874–1875.

[291] *See id.* at 1875. Samuelson argues that though *Betamax* was not directly cited in *Arriba*, the framework was applied, as "Justice Steven's analytic framework in *Betamax*, it seems, sometimes has an influence, even when not directly cited." *Id.*

[292] *See* Band, *supra* note 218, at 6.

[293] UMG Recordings, Inc. v. MP3.com, 92 F. Supp. 2d 349, 350 (S.D.N.Y. 2000). The court held that, by allowing users of its service to copy previously recorded music programs onto its servers, defendants were merely repackaging works to facilitate transmission through a different medium and therefore did not qualify as transformative use. *Id.*

the copyrighted works.[294] Yet Google can easily distinguish this precedent because its usage adds a feature that is unavailable to the users of the original works by allowing the books to become searchable rather than merely redistributing the books through a different medium.[295]

Though *Arriba* does not represent mandatory authority for the District Court for the Southern District of New York, it is more analogous in this case than *UMG* because of its factual similarity.[296] Google's snippets are not a reproduction of the books but rather create a guide for search engine users to find the information they desire. More importantly, the Book Search project will allow users far greater access to books than the average library or bookstore.[297] The Google Book Search project will allow users increased and more effective access to information, and is therefore transformative in its use under the framework set forth in both *Betamax* and *Arriba*. Therefore, Google must argue that, just as the thumbnails in *Arriba* did not supplant the market demand for true photographs, Google's use of the "snippets" will not supplant the market for real books. As a transformative use, Google would be able to establish fair use based on the effect of the use on the market for the copyrighted works.

2. Where Google's Arguments for Fair Use Will Not Succeed

Though *Arriba* and *Betamax* can help Google establish fair use based on the amount and substantiality of the portion used and the potential effect of the use on the author's market for the copyrighted works, their favorable interpretations of the statute cannot help Google based on the purpose and character of the use and the nature of the copyrighted works. Consequently, based on the purpose and character of its use and the nature of the copyrighted works, the Authors Guild is likely to succeed in its claim of copyright infringement.

a. Why Google's Usage is Not Fair Use Based on the Purpose and Character of the Use

A commercial entity may be able to establish fair use under the purpose and character of the use if it can prove that its works are transformative in

[294] A non-transformative use should fail under an evaluation of the effect of the use on the market for the copyrighted works because it provides a market supplement for the original copyrighted works. This is because a non-transformative use is likely to harm the original author's potential to derive exclusive benefits from his or her use. *See* Proskine, *supra* note 73, at 229. Courts are less likely to find fair use under the effect on the marketplace when the copied work is a substitute for the original because "a secondary user that interferes excessively with an author's incentive subverts the aim of copyright." *Id.*

[295] *See* Band, *supra* note 218, at 6.

[296] *See id.* at 3–5.

[297] *See* Travis, *supra* note 1, at 801.

nature.[298] Because Google has a viable argument for establishing a transformative use, it can argue that, as in *Arriba*, the transformative nature of its use should outweigh its commercial nature and allow a successful claim of fair use under this factor.

Despite this argument, the recent case *Perfect 10 v. Google* shows that a finding of a transformative use is not always enough to overcome the commercial character of a defendant.[299] Though the Google Book Search Project does not display banner advertisements directly onto its query results page as Google had in *Perfect 10*, the District Court for the Southern District of New York has established a broad view on what uses are commercial, declaring even indirect benefits gained by the defendant as commercial uses.[300] In light of *Perfect 10*, the transformative nature of Google's use is unlikely to outweigh the commercial character of its use. As a result, the purpose and character of the use will likely weigh against Google.

b. Why Google's Usage is Not Fair Use Based on the Nature of the Copyrighted Works

In *Campbell*, the Supreme Court held that evaluating the nature of the copyrighted works is not helpful in a fair use evaluation when dealing with transformative uses.[301] Despite this holding, lower courts have been unwilling to disregard this factor in their analysis of copyright claims involving transformative uses.[302] As the Ninth Circuit noted in *Arriba*, it is difficult for defendants to establish fair use on this factor when the works copied

---

[298] *See, e.g.,* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994) (allowing defendants to succeed in a claim of fair use under this factor despite the commercial nature of its use because the copied works were transformed by the defendant into a new idea).

[299] Perfect 10 v. Google, Inc., 416 F. Supp. 2d 828, 847–50 (C.D.C.A. 2006) (holding that *Arriba* could not help Google establish fair use based on the purpose and characters use for its search engine's display of thumbnails of copyrighted photographs from the Internet because Google derived a greater commercial benefit from its use than the defendant in *Arriba*, making its use consumptive and commercial rather than transformative).

[300] *See* Roy Export Co. Establishment v. Columbia Broad. Sys., Inc. 503 F. Supp. 1137, 1144 (S.D.N.Y. 1980), *aff'd*, 672 F.2d 1095 (2nd Cir. 1982) (disallowing defendant, CBS from establishing fair use for the display of a copyrighted compilation in an unsponsored broadcast because of the potential commercial benefit CBS could gain as a result of the broadcast).

[301] *Campbell*, 510 U.S. at 586 (stating that an evaluation of the nature of the copyrighted works is "not much help" in evaluating transformative uses); *see also* Field v. Google, Inc., 412 F. Supp. 2d 1106, 1120 (D. Nev. 2006). With regard to transformative uses, this factor has been described as "not . . . terribly significant in the overall fair use balancing." *Id.* (citing Mattel Inc. v. Walker Mountains Prods., 353 F.3d 792, 803 (9th Cir. 2003)).

[302] *See* Field, 412 F. Supp. 2d at 1120; Kelly v. Arriba Soft. Corp., 336 F.3d 811, 820 (9th Cir. 2003), Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 330 (S.D.N.Y. 2005). Each case used evaluation of the nature of the copyrighted work in the fair use analysis despite a finding of a transformative use.

are creative, rather than factual, in nature.[303] Because the Project will primarily display snippets of books that are creative in nature,[304] it is unlikely Google could establish a claim of fair use based on this second factor.[305]

D. Fair Use Under the *Field* Framework

Under the framework set forth in *Field*, a determination of fair use requires an evaluation of the four factors set forth in the statute along with an assessment of whether or not the defendant acted in good faith, directing each of these factors to be weighed equally.[306] Under the four statutory factors alone, it is unlikely that Google could succeed in establishing fair use. Though Google should establish fair use based on the amount and substantiality of the portion used factor and the effect of the use on the market for the copyrighted works factor, the court is unlikely to find for Google on the purpose and character of use and the nature of usage factors. Therefore, Google must convince the court to weigh good faith in its analysis in order to tip the balance of fair use in its favor.[307]

Google must demonstrate that its conduct throughout the Book Search Project production reflected a good faith attempt to avoid infringement. Though the opt-out policy does not create an implied license for Google, it does reflect well on the search engine's conduct by showing it did not intend to reproduce the works of authors who opposed the copying of their works.[308] Also, by ceasing the digitization to allow a period for authors to opt out, Google's actions were similar to the actions taken in *Field* where Google removed the cached Web site upon learning of Mr. Field's objection to the display of his works.[309] Based on the similarity of factual circumstances, it is likely that Google could establish its good faith if the District Court for the Southern District of New York were to adopt this factor into its analysis.[310]

---

[303] *Arriba*, 336 F.3d. at 820 (holding that defendant could not establish a viable claim of fair use based on the nature of the copyrighted works for reproducing of photographs, which are creative in nature, because the core purpose of copyright law is to protect such works).

[304] The Project will not display snippets of encyclopedias or dictionaries. *See supra* Part IV.

[305] *See* Hanratty, *supra* note 4, ¶ 22; Proskine, *supra* note 73, at 226.

[306] Field v. Google, Inc., 412 F. Supp. 2d 1106, 1117–23 (D. Nev. 2006).

[307] *See* Impact, *supra* note 32.

[308] *See Field*, 412 F. Supp. 2d at 1122–23 (declaring a new standard by which to judge a defendant's conduct in order to evaluate whether or not the use qualifies as good faith).

[309] *Id.*

[310] *See* Impact, *supra* note 32.

E. Will the Southern District of New York Adopt the *Field* Five Factor Test?

Because the Nevada District Court's decision is not binding outside of its district, the important issue becomes whether the Southern District of New York is likely to adopt the five factor analysis in *Field.* While no case within the district court or the Second Circuit has taken the approach of using good faith as a factor in analyzing fair use, the District Court for the Southern District of New York has shown a willingness to look outside the four factors described in § 107.[311] The recent copyright infringement cases *Kane v. Comedy Partners*[312] and *Dorling Kindersley v. Bill Graham Archives* indicate that the inclusion of good faith in a fair use analysis is not unheard of in the Southern District of New York's court. Furthermore, public policy arguments for the creation of digital libraries and their benefits may entice the district court to adopt a new application of copyright law.[313] Together, the case law and public policy arguments make it likely that the District Court for the Southern District of New York will adopt the *Field* framework, thus creating an application of fair use that will allow the Google Book Search Project to withstand claims of infringement.

1. Case Law Arguments for the Adoption of Field's *Framework*

Despite the fact that *Kane* differs factually from both *Field* and the current case, the analysis used by the *Kane* court closely resembles that set forth in *Field.* Citing persuasive authority in *Fisher*, the District Court for the Southern District of New York included an evaluation of the defendant's good faith in its analysis of fair use.[314] In *Kane*, an unauthorized clip of plaintiff's television show was aired on defendant's nationally televised comedy show.[315] Even though it found the defendant's use was in fact unauthorized, the court found that the use was not enough to show bad faith.[316] In fact, the court held that defendant's attempt to seek plaintiff's permission and inform plaintiff of the pending use qualified as good faith.[317] Therefore, *Kane* indicates that the District Court for the Southern

---

[311] *See, e.g.*, Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 332–33 (S.D.N.Y. 2005); Kane v. Comedy Partners, 2003 WL 22383387 at *7 (S.D.N.Y. Oct. 16, 2003).

[312] *Kane*, 2003 WL 22383387, at *7 (holding that defendant's use of a clip from plaintiff's public access television show in defendant's comedy show was fair use based on the four factors set forth in §107 and the defendants showing of good faith in the use).

[313] *See generally*, Travis, *supra* note 1 (discussing the benefits to be gained from digital libraries and how the current status of copyright law provides an impediment their creation).

[314] *Kane*, 2003 WL 22383387, at *7.

[315] *Id.*

[316] *Id.*

[317] *Id.*

District of New York is willing to consider a defendant's conduct and whether his actions were in good faith separately from the factors set out in the federal copyright statute.

In *Dorling*, the District Court again displayed a willingness to consider good faith as a distinct factor to apply in evaluating a fair use defense. The court again cited the Ninth Circuit holding in *Fisher* as the basis for weighing the defendant's conduct as an additional factor determining fair use, asserting that fair use allows courts to "consider whether the defendant exercised good faith," in evaluating copyright infringement charges.[318] Dorling reduced images of plaintiff's copyrighted concert posters and reproduced them in their entirety in defendant's book.[319] As it had in *Kane*, the court found that by informing the plaintiff of his intention to use the copyrighted works and attempting to secure plaintiff's permission, Dorling's conduct supported a finding of good faith.[320] As a result, the court held that defendant's good faith conduct weighed favorably "in the equitable balance of fair use."[321]

2. Public Policy Arguments for Adopting the Field *Framework*

For Google to advance a compelling argument to entice the District Court for the Southern District of New York to adopt the *Field* five factor analysis, it must convince the court of the Google Book Search Project's public importance and its impact beyond Google itself. In *Betamax*, the Supreme Court indicated that increasing access to knowledge serves the public interest.[322] The Court cited the constitutional foundation of copyright law,[323] empowering Congress to promote the public interest through the progress of science and arts.[324] To persuade the District Court to adopt the additional fair use factor, Google must demonstrate that the Book Project promotes the public interest.

Google has a strong case that the Book Search Project provides a public benefit.[325] By allowing the ideas of millions of authors to become searchable online, the project will allow the public to access vast amounts of in-

---

[318] Bill Graham Archives, LLC v. Dorling Kindersley, Ltd., 386 F. Supp. 2d 324, 333 (S.D.N.Y. 2005).

[319] *Id.* at 325.

[320] *Id.* at 333.

[321] *Id.*

[322] *See* Sony Corp. of Am. v. Universal City Studios (*Betamax*), 464 U.S. 417, 432 (1984); *see also* Samuelson, *supra* note 62, at 1849–50.

[323] *Betamax*, 464 U.S. at 428–29.

[324] *See* Proskine, *supra* note 73, at 237.

[325] *See id* at 232.; *see also* Band, *supra* note 218, at 7 (arguing that Google has a good case for fair use based on the public benefit offered in allowing extensive works to become easily searchable).

formation.[326] Along with leading to a greater public dissemination of knowledge, the Google project's initial digitizing also serves the public interest by assuring the safe-keeping of creative works for use by future generations.[327] Opponents of the Google Book Search project fear that the service will replace other online libraries and allow Google to create a monopoly for information.[328] Google contends that the service will instead aid libraries by guiding users to either purchase the books or borrow from libraries as a result of their queries.[329] In addition, a victory for the Google Book Search Project will pave the way for other libraries of its kind to continue increasing the amount of information available online.[330]

Though neither the Second Circuit nor the District Court for the Southern District of New York have defined what constitutes a public benefit, the policy rationale underpinning copyright law supports a finding that Google's Book Search Project promotes this interest. Moreover, the congressional attempt to develop an online library through the Library of Congress' American Memory Project is a direct endorsement of the use of new technology to increase public access to information.[331] In *Betamax*, the Supreme Court held that where the application of copyright law is unclear in the face of technology, courts must construe the law in light of its basic purpose.[332] Thus, the Court construed copyright law to create a new meaning for what qualifies as a transformative use in order to deem the defendant's use fair and therefore promote the public interest. The analytical framework set forth in *Field* provides the *Authors Guild* court a means to achieve similar results, one the court is likely to implement.

VI. CONCLUSION

Because copyright law is an "equitable rule of reason," there are no brightline tests for fair use; the law instead requires judgment of each case on the facts.[333] As the Supreme Court has noted, the equitable rule of reason rationale provides courts flexibility in applying copyright analyses in

---

[326] *See* Proskine, *supra* note 73, at 232.

[327] *See* Travis, *supra* note 1, at 762–63 (arguing the fragile nature of physical libraries warrants a need to digitize the works for safekeeping).

[328] Sarah Waladan, Open Democracy, Google Search or Destroy, *Google Has Indicated its Willingness to be Seen as a Corporate Citizen*, http://www.opendemocracy.net/media-copyrightlaw/google_3130.jsp (last visited Mar. 25, 2007).

[329] *See* Band, *supra* note 218, at 7 (claiming that by making books searchable online, demand for such books will increase rather than decrease as a result, creating greater incentives to use the resources of libraries).

[330] *See* Travis, *supra* note 1, at 774–76.

[331] Library of Congress–American Memory Project, About American Memory, Mission and History, http://memory.loc.gov/ammem/index.html (last visited Mar. 25, 2007).

[332] Sony Corp. of Am. v. Universal City Studios (*Betamax*), 464 U.S. 417, 432 (1984).

[333] *See id.* at 448 n.30; H.R. REP. NO. 94-1476, at 65 (Conf. Rep.), *reprinted in* 1976 U.S.C.C.A.N. 5679.

order to achieve a desired outcome.[334] Under the traditional four factor analysis of fair use, Google's Book Search project is unlikely to succeed. Yet because of the public benefit likely to be derived from such a project along with future projects of its kind, the District Court for the Southern District of New York must find a way to construe copyright law to accommodate for this technology, just as the Supreme Court did in *Betamax*.[335]

The application of fair use in the *Authors Guild* case has implications beyond the success of the Google Book Search project.[336] Without direction from the legislature as to the proper application of copyright law to these circumstances, the fate of Google's Book Search Project rests on how the District Court applies the law and the fair use exemption.[337] The case gives the court an opportunity to expand the reaches of fair use and establish greater protections for digital libraries, thus encouraging their creation.[338] To achieve this expansion, the court must find a way to construe the application of the law so that all may reap its benefits. Therefore, the District Court should include an evaluation of good faith in order to shift the balance of fair use factors in Google's favor and allow the Book Search project to succeed, as the cases of *Dorling* and *Kane* indicate that the court is willing to do. By applying the *Field* framework, the District Court for the Southern District of New York would gain the ability to promote the growth of technology without requiring changes to copyright law.

---

[334] *See, e.g., Betamax*, 464 U.S. 417; Stewart v. Abend, 495 U.S. 207, 237 (1990). The equitable rule of reason framework "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." *Id.* (quoting Iowa State Univ. Res. Found., Inc. v. Am. Broad. Cos., 621 F.2d 57, 60 (2nd Cir. 1980)). *See also* Samuelson, *supra* note 62, at 1850–75 (discussing how the general framework set forth in *Betamax* has allowed courts to change the application of copyright law to allow for the development of new technologies).

[335] *See* Waladan, *supra* note 328.

[336] *See* Impact, *supra* note 32.

[337] *See id.*

[338] *See* Travis, *supra* note 1, at 833. "The implementation of these reforms will offer the builders of digital libraries a degree of certainty that existing law does not provide, and thus ensure that digital libraries will be as abundant and widely accessible as possible." *Id.*