



# The Google Library Project: Is Digitization for Purposes of Online Indexing Fair Use Under Copyright Law?

**Kate M. Manuel**  
Legislative Attorney

May 5, 2010

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R40194

## Summary

In December 2004, Google announced its Library Project, which was to entail digitizing, indexing, and displaying “snippets” of print books in the collections of five major libraries, among other things. The Library Project was not limited to books in the public domain (e.g., books whose terms of copyright protection had expired), and Google did not seek the permission of copyright holders, in part, because it asserted that its proposed uses were fair uses. Many authors, publishers, and other rights holders disagreed.

The arguments made by and on behalf of Google and the rights holders regarding the Google Library Project highlight several questions of first impression about infringing reproduction and fair use under copyright law. First, does an entity conducting a digitization and indexing project that is not authorized by the rights holders avoid committing copyright infringement by offering rights holders the opportunity to “opt out,” or request removal or exclusion of their content? Is requiring rights holders to take steps to stop allegedly infringing digitization and indexing like requiring rights holders to use meta-tags to keep search engines from indexing online content? Or do rights holders employ sufficient measures to keep their books from being digitized and indexed online by publishing in print? Second, can unauthorized digitization, indexing, and display of “snippets” of print works constitute a fair use? Assuming unauthorized indexing and display of “snippets” are fair uses, can digitization claim to be a fair use on the grounds that apparently *prima facie* infringing activities that facilitate legitimate uses are fair uses?

Several lawsuits that could help answer these questions, at least for purposes of U.S. law, have been filed. The Authors Guild and a group of five publishers filed separate suits in September and October 2005 that have been consolidated into a single class action suit in which the parties propose to settle. A revised version of the settlement agreement was proposed on November 13, 2009, and the U.S. District Court for the Southern District of New York held a final fairness hearing on it on February 18, 2010. Because the suit is a class action, the court must approve any settlement agreement, and opponents of the agreement have raised concerns in amicus briefs and other court filings about Google’s potential monopolization of book searching, the treatment of orphan works, protection of searchers’ privacy, the rights of foreign authors, and related issues. In part because persons holding rights in photographs, illustrations, and other pictorial works incorporated within the scanned books were excluded from the proposed settlement agreement, the court rejected a motion by pictorial rights holders to intervene in the Authors Guild suit on November 4, 2009. However, on April 7, 2010, the American Society of Media Photographers filed its own class action suit against Google, alleging that the Library Project infringes their members’ copyrights by reproducing, distributing, and displaying their works without authorization.

## Contents

Introduction .....	1
The Google Library Project .....	1
The Litigation and the Parties' Positions .....	2
Legal Issues Raised by the Litigation .....	3
"Opt Out" Programs and Liability for Infringement .....	4
Digitization, Indexing, and Display as Fair Uses .....	5
The Purpose and Character of the Use .....	6
The Nature of the Copyrighted Work .....	8
The Amount and Substantiality of the Portion Used .....	8
The Effect of the Use Upon the Potential Market or Value of the Work .....	9
Proposed Settlement of the <i>Authors Guild</i> Litigation .....	9
The Proposed Settlement Agreement of October 2008 .....	10
Opposition to the Proposed October 2008 Agreement .....	11
Support for the Proposed October 2008 Agreement .....	13
The Revised Settlement Agreement of November 2009 .....	14
Current Status of the <i>ASMP</i> Litigation .....	16

## Contacts

Author Contact Information .....	16
Acknowledgments .....	16

## Introduction

As part of its Library Project, Google proposed to digitize books in the collections of several major libraries, index them in its search engine (<http://www.google.com>), and allow searchers to view “snippets” of the digitized books. Google’s proposed reproduction, distribution, and display of copyrighted books was not authorized by the rights holders, who alleged that the Google Library Project infringed their copyrights. Google’s counterarguments—that allowing rights holders to “opt out” of having their books digitized or indexed keeps its proposed uses from being infringing, or that, if found to be infringing, its proposed uses are fair—raise important questions of first impression about reproduction and fair use under copyright law. Namely, does an entity engaged in unauthorized digitization and indexing avoid committing copyright infringement by offering rights holders the opportunity to request removal or exclusion of their content? And, assuming unauthorized indexing and display of “snippets” are fair uses, can digitization claim to be a fair use on the grounds that apparently *prima facie* infringing activities that facilitate legitimate uses are fair uses?

Several lawsuits that could help to answer these questions, at least for purposes of U.S. law, have been filed. Although the U.S. District Court for the Southern District of New York is presently considering whether to approve a proposed settlement agreement in a class action suit by authors, pictorial rights holders filed a separate class action suit against Google in that court on April 7, 2010. Even assuming both lawsuits are eventually settled, future digitization and indexing projects could raise similar questions.

This report provides background on the Library Project, legal issues raised by digitization and indexing projects, and the status of the litigation over the Library Project. It supersedes CRS Report RS22356, *The Google Book Search Project: Is Online Indexing a Fair Use Under Copyright Law?*, by Robin Jeweler.

## The Google Library Project

In December 2004, Google initiated its Library Project by announcing partnerships with five libraries.<sup>1</sup> Under the partnership agreements, the libraries would allow Google to digitize the print books in their collections, and Google would (1) index the contents of the books; (2) display at least “snippets” of the books among its search results; and (3) provide partner libraries with digital copies of the print books in their collections.<sup>2</sup> Google and its partners never planned to make the full text of any digitized and indexed books that are still within their terms of copyright protection available to searchers.<sup>3</sup> Rather, by digitizing and indexing books, Google and its partners sought to make the contents of print books more accessible to searchers, who could potentially buy or borrow books after seeing “snippets” of them among the results of Google

---

<sup>1</sup> Google Checks Out Library Books, Dec. 14, 2004, *available at* [http://www.google.com/press/pressrel/print\\_library.html](http://www.google.com/press/pressrel/print_library.html). Participating libraries included those at the University of Michigan, Harvard University, Stanford University, and Oxford University, as well as the New York Public Library.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* Copyright protection for books generally lasts “for a term consisting of the life of the author and 70 years after the author’s death.” 17 U.S.C. § 302(a).

searches.<sup>4</sup> Google also intended to sell advertising “keyed” to results lists incorporating the digitized books.<sup>5</sup>

Google’s Library Project was itself part of a larger initiative initially known as Google Print and later renamed Google Book Search.<sup>6</sup> The Google Partner Program was also part of this initiative.<sup>7</sup> The Partner Program allows authors and publishers to submit copies of their books for indexing in Google’s search engine.<sup>8</sup> However, because rights holders affirmatively choose to have their books digitized or indexed through the Partner Program, the Partner Program has not been subject to allegations of copyright infringement like those made against the Library Project.

## The Litigation and the Parties’ Positions

Authors, publishers, and other rights holders objected to the Google Library Project from its inception on the grounds that it infringed their copyrights.<sup>9</sup> Generally, copyrights in books initially vest in the books’ authors.<sup>10</sup> Many authors later transfer their copyrights to publishers under contract in exchange for payment and the publisher’s manufacturing and selling copies of the book.<sup>11</sup> Regardless of whether they are the books’ authors or publishers, however, copyright holders have exclusive rights “to reproduce the copyrighted work in copies,” or, in the case of literary works such as books, “to display the copyrighted work publicly.”<sup>12</sup> The rights holders and commentators who object to the Library Project claim that Google infringes these exclusive rights by making digital copies of print books and presenting snippets from the digitized books without rights holders’ permission.<sup>13</sup> Google initially responded to these concerns by allowing rights holders who did not want their books included in Google Book Search to “opt out.”<sup>14</sup> If rights holders notified Google, Google would ensure that digitized versions of their books were not included in its database.

The ability to “opt out” of the Library Project did not satisfy rights holders, however, who have sued to enjoin Google’s digitization and indexing and recover monetary damages for Google’s alleged copyright infringement. In September 2005, the Authors Guild filed a class action suit in

---

<sup>4</sup> Google Checks Out Library Books, *supra* note 1.

<sup>5</sup> *Id.*

<sup>6</sup> Association of American University Presses, Google Book Search, Neé Google Print, *available at* <http://www.aaupnet.org/aboutup/issues/gprint.html>.

<sup>7</sup> Google Books Partner Program: Promote Your Books on Google—For Free, 2009, *available at* [http://books.google.com/googlebooks/book\\_search\\_tour](http://books.google.com/googlebooks/book_search_tour).

<sup>8</sup> *Id.*

<sup>9</sup> *See, e.g.,* Anandashankar Mazumdar, University Press Group Expresses Concern Over Google Print’s Digitization of Works, 70 *Pat., Trademark & Copyright J.* 109 (June 3, 2005).

<sup>10</sup> 17 U.S.C. § 201(a). There are exceptions to this general rule, such as when a book is “made for hire” or is a “work of the United States Government.” *See* 17 U.S.C. § 105 & 201(b).

<sup>11</sup> *See, e.g.,* Example Author Contract, *available at* [http://www.writecontent.com/Publishing\\_Tools/Author\\_Contract/author\\_contract\\_.html](http://www.writecontent.com/Publishing_Tools/Author_Contract/author_contract_.html) (“The Author hereby grants to the Publisher exclusive rights to reproduce and/or publish or adapt and sell, and/or license third parties to publish or adapt and sell said Work.”).

<sup>12</sup> 17 U.S.C. § 106(1) & (5).

<sup>13</sup> *See, e.g.,* Mazumdar, *supra* note 9.

<sup>14</sup> *See, e.g.,* Christine Mumford, Google Library Project Temporarily Halted to Allow Copyright Owner Response, 70 *Pat., Trademark & Copyright J.* 461 (Aug. 19, 2005).

U.S. District Court for the Southern District of New York on behalf of “all persons or entities that hold the copyright to a literary work that is contained in the library of the University of Michigan.”<sup>15</sup> Shortly thereafter, five publishing companies also sued in the Southern District of New York.<sup>16</sup> The suits were consolidated, and additional plaintiffs, including the Association of American Publishers, joined the suit. The parties have proposed a settlement agreement that would resolve this litigation. However, because the suit is a class action,<sup>17</sup> the agreement requires court approval, which is currently being considered.<sup>18</sup>

More recently, in April 2010, the American Society of Media Photographers (ASMP) filed a separate class action suit on behalf of persons owning rights in photographs, illustrations, or other pictorial works included in the scanned books.<sup>19</sup> Such right holders are explicitly excluded from the settlement class in the *Authors Guild* litigation,<sup>20</sup> and the U.S. District Court for the Southern District of New York rejected their motion to intervene in that litigation on November 4, 2009.<sup>21</sup>

There has also been litigation in foreign jurisdictions, which is outside the scope of this report.<sup>22</sup>

## Legal Issues Raised by the Litigation

The litigation over the Google Library Project raises important questions about infringing reproduction and fair use under copyright law. Namely, can an entity engaging in unauthorized digitization and indexing avoid liability for copyright infringement by offering rights holders the opportunity to request removal or exclusion of their content from its database? And, assuming unauthorized indexing and display of “snippets” of digitized works are fair uses, can digitization itself claim to be a fair use on the grounds that apparently *prima facie* infringing activities that

---

<sup>15</sup> *Authors Guild v. Google Inc.*, Class Action Complaint, No. 05 CV 8136 (S.D.N.Y. Sept. 20, 2005) at ¶ 20. The University of Michigan’s library was the focus because Google began digitizing its books first. *Id.* at ¶ 31. Under copyright law, “literary works” are any “works, other than audiovisual works, expressed in words.” 17 U.S.C. § 101.

<sup>16</sup> *McGraw Hill Cos. v. Google Inc.*, Complaint, No. 05 CV 8881 (S.D.N.Y. Oct. 19, 2005). These companies were McGraw-Hill Companies; Pearson Education; Penguin Group; Simon & Schuster; and John Wiley and Sons.

<sup>17</sup> Fed. R. Civ. P. 23(e).

<sup>18</sup> See *infra* notes 129-131 and accompanying text.

<sup>19</sup> *Am. Soc’y of Media Photographers, Inc. v. Google Inc.*, Complaint, No. 10-2977 (S.D.N.Y. Apr. 7, 2010).

<sup>20</sup> See *Authors Guild, Inc. v. Google Inc.*, Revised Settlement Agreement, Case No. 05 CV 8136-JES (S.D.N.Y. Nov. 13, 2008), at ¶ 1.75 (defining “insert” so as to exclude “pictorial works, such as photographs, illustrations, maps, paintings, or musical notation (*i.e.*, notes on a staff or tablature)”). The settlement class includes only rights holders in books or inserts. See *id.* at ¶ 1.13.

<sup>21</sup> *Authors Guild v. Google Inc.*, No. 05-8136 (S.D.N.Y. Nov. 4, 2009).

<sup>22</sup> One such lawsuit, *Editions du Seuil v. Google Inc.*, was decided by a French court, the Tribunal de Grand Instance de Paris, on December 18, 2009. The court found that the U.S. doctrine of fair use did not apply in the case even though the works were scanned in the United States “because the case involved the works of French authors and the scanned material was aimed at internet users in France, through a French-language website associated with the domain name books.google.fr.” Rick Mitchell, *French Court Declines to Apply Fair Use, Finds that Google Book Project Infringes, Pat., Trademark & Copyright L. Daily*, Dec. 24, 2009. Other litigation, including litigation in other countries within the European Union, remains possible. See, e.g., Rick Mitchell, *Publishers’ Lawyer Says French Ruling Against Google Could Prove Très Cher, Pat., Trademark & Copyright J.*, Jan. 8, 2010; Joe Kirwin, *EU States Urge Investigation into Google’s Digital Book Plan, Pat., Trademark & Copyright L. Daily*, May 29, 2009 (noting that the Federation of European Publishers has also raised concerns about the potential anticompetitive effects of the Google Library Project with the European Commission).

facilitate legitimate uses are fair uses? These questions will arguably persist, and their answers remain important, even if the parties ultimately settle the litigation over the Library Project.

## “Opt Out” Programs and Liability for Infringement

Google’s first line of defense against the authors and publishers was essentially that it was not liable for copyright infringement because it gave rights holders the opportunity to “opt out” of having their works digitized and indexed. In making this argument, Google relied on the related claim that no one would conduct multi-library digitization and indexing projects like the Library Project if they had to clear the copyrights for every book with the rights holders.<sup>23</sup> Identifying and locating the rights holder(s) for one book can be difficult enough, supporters of the Google Library Project noted, without repeating this process millions of times, as would be necessary with a major library collection.<sup>24</sup> The publishers, in contrast, noted that Google’s offer to let rights holders “opt out” of having their books digitized and indexed “stands copyright law on its head.”<sup>25</sup> They argued that one cannot generally announce one’s intention to infringe multiple copyrighted works and collectively offer rights holders the opportunity *not* to have their works infringed.<sup>26</sup>

It is impossible to predict what a court would find based on such arguments, and this report does not attempt to do so. This report does, however, highlight some of the considerations that could factor in the court’s consideration of the issue. On the one hand, the requirement that a copyright owner act affirmatively to stop non-willful infringement is not without precedent. The “notice and takedown” procedures of the Digital Millennium Copyright Act (DMCA),<sup>27</sup> for example, require content owners to notify Internet Service Providers (ISPs) of the existence of infringing content and can immunize ISPs from liability for infringement when they serve as “passive conduits” for infringing content transmitted by third parties.<sup>28</sup> Similarly, at least one court has found that content owners are responsible for taking affirmative measures, such as using meta-tags within the computer code of a Web page, to prevent Internet search engines from automatically indexing and displaying their content.<sup>29</sup> On the other hand, plaintiffs could argue that comprehensive digitization projects, like that proposed by Google, willfully infringe copyright<sup>30</sup> and differ from the “passive conduits” protected by the DMCA. Likewise, rights holders in print books could argue that their situations differ from that of Web page authors because Google had to digitize

---

<sup>23</sup> See, e.g., Susan Wojcicki, Google Print and the Authors Guild, Sept. 20, 2005, available at <http://googleblog.blogspot.com/2005/09/google-print-and-authors-guild.html>.

<sup>24</sup> The Harvard University Libraries, for example, contain over 15 million books. See About the HOLLIS Catalog, June 25, 2007, available at <http://lib.harvard.edu/catalogs/hollis.html>.

<sup>25</sup> Anandashankar Mazumdar, Publishers: Value of Book Search Project Shows That Scanning Is Not Fair Use, 71 *Pat., Trademark & Copyright J.* 94 (Nov. 25, 2005).

<sup>26</sup> *Id.*

<sup>27</sup> P.L. 105-304. For more information on the DMCA generally, see CRS Report 98-943, *Digital Millennium Copyright Act, P.L. 105-304: Summary and Analysis*, by Dorothy M. Schrader.

<sup>28</sup> 11 U.S.C. § 512(b)-(c).

<sup>29</sup> See *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006).

<sup>30</sup> See, e.g., Class Action Complaint, *supra* note 15, at ¶ 23.d and ¶ 41 (alleging Google’s infringement was willful); Complaint, *supra* note 16, at ¶ 2 (same).

their books before indexing them. They could claim that they took sufficient affirmative measures to protect their works by not making them available for free on the Web.<sup>31</sup>

## Digitization, Indexing, and Display as Fair Uses

Google also attempted to defend against the rights holders' allegations of copyright infringement by claiming that the Library Project, if found to be infringing, constitutes a fair use.<sup>32</sup> The "fair use" exemption within copyright law limits rights holders' exclusive rights by providing that uses for "certain purposes"—including, but not limited to, criticism, comment, news reporting, teaching, scholarship, and research—do not infringe copyright *even if* they are made without the rights holders' consent.<sup>33</sup> In determining whether challenged conduct constitutes a fair use, a court considers the following factors, which were developed under the common law and later codified in the Copyright Act of 1976:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.<sup>34</sup>

These four factors must not be "treated in isolation, one from another."<sup>35</sup> Rather, "[a]ll are to be explored, and the results weighed together, in light of the purposes of copyright,"<sup>36</sup> which is to "Promote the Progress of Science and useful Arts" and serve the public welfare.<sup>37</sup> Also, because fair use is an "equitable rule of reason" to be applied in light of copyright law's overall purposes, other relevant factors may be considered.<sup>38</sup> The court hearing the case makes findings of fact and assigns relative value and weight to each of the fair use factors. The court can also look to prior cases for guidance even though determining whether a challenged activity constitutes a fair use "calls for a case-by-case analysis."<sup>39</sup>

Although it is impossible to predict what a court would find when confronted with an actual case, and this report will not attempt to do so, it does highlight some of the many questions that the Google Library Project raised regarding each of the four statutory "fair use" factors. The report

---

<sup>31</sup> See, e.g., Complaint, *supra* note 16, at ¶ 29 (arguing that Web pages differ from print books because rights holders in Web pages can rely on technological measures to prevent indexing, while authors of print books can take no such measures to prevent digitization).

<sup>32</sup> See, e.g., Wojcicki, *supra* note 23.

<sup>33</sup> 17 U.S.C. § 107.

<sup>34</sup> *Id.*

<sup>35</sup> *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 (1994).

<sup>36</sup> *Id.*

<sup>37</sup> *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 720 (9<sup>th</sup> Cir. 2007) (quoting the U.S. Constitution, art. I, § 8, cl. 8, as well as *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 n.10 (1984)).

<sup>38</sup> *Stewart v. Abend*, 495 U.S. 207, 237 (1990).

<sup>39</sup> *Campbell*, 510 U.S. at 577-78.



does so in order to illustrate the potential importance of the Library Project—or similar digitization and indexing projects—in establishing the scope of infringing reproduction and fair use under copyright law.

## The Purpose and Character of the Use

First, as regards the purpose and character of the use, copyright law generally presumes that commercial uses are not fair,<sup>40</sup> and that transporting a work to a new medium is not a fair use.<sup>41</sup> These presumptions would seem to work against digitization and indexing projects like the Library Project. The Project was implemented by a for-profit corporation that proposed, among other things, to sell ads “keyed” to the digitized content. The Project was also intended to migrate content from print to digital format. These presumptions can, however, be overridden when the use is sufficiently transformative.<sup>42</sup> A copy’s use of the original is transformative when the copy does not “merely supersede[]” the original but rather “adds something new, with a further purpose or a different character” to the original.<sup>43</sup>

The transformative nature of the Library Project would arguably be more easily established if it merely indexed books and displayed “snippets” of them. Were Google’s uses so limited, it could probably rely on the precedent of two cases from the U.S. Court of Appeals for the Ninth Circuit which found that indexing and abridged displays of copyrighted content were fair uses. In the first case, *Kelly v. Arriba Soft Corporation*, the court held that a company operating a search engine, which had indexed a rights holder’s online photographs and displayed “thumbnail” versions of them, was not liable for copyright infringement because its uses were fair.<sup>44</sup> Key to this holding was the court’s finding that indexing represented a transformative use of the original photographs. While the original photographs were intended “to inform and to engage the viewer in an aesthetic experience,” Arriba used its copies of them for a different function: “improving access to information on the internet.”<sup>45</sup> The court also emphasized that Arriba indexed and displayed “thumbnail” versions of the photographs.<sup>46</sup> The thumbnails had much lower resolution than the originals and thus could not substitute for them because “enlarging them sacrifices their clarity.”<sup>47</sup> The Ninth Circuit reached a similar conclusion in *Perfect 10, Inc. v. Amazon.com, Inc.*<sup>48</sup> There, the court also considered a use’s benefit to society in finding the use to be transformative. The

---

<sup>40</sup> See, e.g., *Sony*, 464 U.S. at 451 (“Every commercial use of copyrighted materials is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright.”).

<sup>41</sup> See, e.g., *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 108 (2d Cir. 1998) (retransmission of radio broadcast over telephone lines not a fair use); *UMG Recordings, Inc. v. MP3.com, Inc.*, 92 F. Supp. 2d 349, 351 (S.D.N.Y. 2000) (reproducing analog audio CDs as MP3s not a fair use).

<sup>42</sup> *Campbell*, 510 U.S. at 578-79.

<sup>43</sup> *Id.* at 579.

<sup>44</sup> 336 F.3d 811 (9<sup>th</sup> Cir. 2003).

<sup>45</sup> *Id.* at 818-19.

<sup>46</sup> *Id.* at 818.

<sup>47</sup> *Id.* at 819.

<sup>48</sup> 487 F.3d 701, 721 (9<sup>th</sup> Cir. 2007), *rev’g* *Perfect 10, Inc. v. Google Inc.*, 416 F. Supp. 2d 828 (C.D. Cal. 2006) (holding that Google’s use of thumbnail versions of Perfect 10’s copyrighted photographs was not fair, in part, because Google’s thumbnails could potentially substitute for the reduced-size versions of these photographs that Perfect 10 had licensed another company to reproduce and distribute for display on cell phones).

court noted that “a search engine provides social benefit by incorporating an original work into a new work, namely, an electronic reference tool.”<sup>49</sup>

The digitization involved in the Library Project complicates the analysis, however. Admittedly, the prior cases that found indexing and abridged displays of copyrighted content to be fair uses also involved copying of originals.<sup>50</sup> However, in these cases, the copying was of originals posted on the Internet and resulted in copies that were “inferior” to the originals for all purposes except their use in indexing. The first difference is potentially significant because courts have held that rights holders confer limited licenses to copy their content for purposes of indexing and abridged display by posting it on the Internet without taking affirmative measures to prevent copying.<sup>51</sup> The second difference could also be significant because digitized books are arguably superior to print ones when it comes to locating specific information within them.<sup>52</sup>

Because digitization was so central to the Library Project, and arguably could not be directly paralleled to the copying in cases involving indexing and display of Internet materials, Google might have had to rely on the proposition that apparently *prima facie* infringing activities (such as digitization) that facilitate legitimate uses (such as indexing and limited displays) are fair uses. The Supreme Court’s decision in *Sony Corporation of America v. Universal City Studios* could arguably provide broad support for this principle.<sup>53</sup> In *Sony*, the Court held that the sale of the video recording machine, which was used to “time shift” broadcast television for personal home viewing, was not contributory copyright infringement.<sup>54</sup> Although the factual underpinnings and legal precedent of *Sony* are not particularly relevant to or controlling in a case like Google’s, the *Sony* decision itself stands as a landmark in copyright law demonstrating the willingness of the Court to balance new technological capabilities against traditional principles of copyright law and to recognize new categories of fair use. Many copyright experts saw analogies to the technological considerations inherent in *Sony* in Google’s case.<sup>55</sup> Such experts noted that Google’s allegedly infringing activity in digitizing print books was incidental to the valid and socially useful function of indexing.

The analogy to *Sony* might not be enough to persuade a court that digitizing for purposes of non-infringing indexing constitutes a fair use, however. Digitizing and indexing print books are arguably far removed from making and selling devices that consumers use to record broadcast television programming and replay it later. Additionally, courts have shown little inclination to recognize categories of judicially created fair uses other than time shifting. In *UMG Recordings v. MP3.com, Inc.*, for example, a U.S. district court rejected out-of-hand the defendant’s proffered fair use defense as a justification for unauthorized copying of plaintiffs’ audio CDs.<sup>56</sup> The

---

<sup>49</sup> *Perfect 10, Inc.*, 487 F.3d at 721.

<sup>50</sup> *See, e.g., Kelly*, 336 F.3d at 816.

<sup>51</sup> *Field*, 412 F. Supp. 2d at 1115-16.

<sup>52</sup> A digital version of a print book would display poorer resolution than the original. However, it would enable researchers to locate specific content more easily by using the “search” or “find” functions of their Web browsers.

<sup>53</sup> 464 U.S. 417 (1984).

<sup>54</sup> *Id.* at 442.

<sup>55</sup> *See, e.g.,* Jonathan Band, The Google Print Library Project: Fair or Foul?, 9 *J. of Internet L.* 1, 4 (Oct. 2005); Christopher Heun, Courts Unlikely to Stop Google Book Copying, *InternetWeek* (Sept. 2, 2005), available at <http://internetweek.cmp.com/showArticle.jhtml?articleID=170700329>.

<sup>56</sup> 92 F. Supp. 2d 349, 352 (S.D.N.Y. 2000) (“[D]efendant’s ‘fair use’ defense is indefensible and must be denied as a matter of law.”).

defendant had claimed that its unauthorized copying enabled CD owners to “space shift” because they could access the music on their CDs from any location through MP3.com’s subscription service.<sup>57</sup>

## The Nature of the Copyrighted Work

Comprehensive digitization and indexing projects, such as the Google Library Project, raise similar questions when the second fair use factor is considered. Projects that digitize library collections potentially encompass diverse types of materials. Some of these materials may be works of fiction, which are among the creative works accorded the highest level of copyright protection.<sup>58</sup> Other materials may be reference books or compendiums of facts, which are afforded the “thinnest” copyright protection.<sup>59</sup> Yet other materials may be nonfiction and mix unprotected ideas with protected expressions of these ideas.<sup>60</sup> This diversity of materials makes possible the arguments of both proponents and opponents of the view that projects like Google Book Search constitute fair uses. The nature of the work can, however, be less important than the purpose and character of the use, at least in situations where the use can be clearly recognized as transformative.<sup>61</sup>

## The Amount and Substantiality of the Portion Used

The amount and substantiality of the portion used in relation to the copyrighted work as a whole is another factor that could potentially cut either way in cases involving digitization and indexing projects. As a general rule, “[w]hile wholesale copying does not preclude fair use *per se*, copying an entire work militates against a finding of fair use.”<sup>62</sup> Copying entire works can, however, be found to constitute a fair use when doing so is reasonable given the purpose and character of the use.<sup>63</sup> Digitization projects, such as the Google Library Project, would clearly be engaged in wholesale copying, including copying any segments comprising the “heart” of the copied work.<sup>64</sup> The question would thus become whether such wholesale copying was reasonable for an indexing project. Proponents of the project could argue that courts have found copying entire works in order to digitize them reasonable,<sup>65</sup> and that searchers would see only “snippets” of the work in any case. Opponents, in contrast, could argue that, in all cases where courts protected wholesale copying for purposes of indexing, the authors had placed their works online, thereby creating implied licenses for others to copy and index them.<sup>66</sup> Moreover, in at least some of these cases,

---

<sup>57</sup> *Id.*

<sup>58</sup> *Kelly*, 336 F.3d at 820.

<sup>59</sup> *See, e.g., Feist Publ'ns, Inc. v. Rural Tel. Serv.*, 499 U.S. 340 (1991) (requiring originality in the selection or arrangement of facts for copyrightability).

<sup>60</sup> *See, e.g., Baker v. Selden*, 101 U.S. 99 (1879) (distinguishing non-protectable ideas from their protectable expressions).

<sup>61</sup> *Campbell*, 510 U.S. at 577-78.

<sup>62</sup> *Worldwide Church of God v. Philadelphia Church of God, Inc.*, 227 F.3d 1110, 1118 (9<sup>th</sup> Cir. 2000) (internal quotations omitted).

<sup>63</sup> *See, e.g., Kelly*, 336 F.3d at 821; *Sega Enters., Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1523 (9<sup>th</sup> Cir. 1992).

<sup>64</sup> *See, e.g., Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 564 (1985).

<sup>65</sup> *See, e.g., Kelly*, 336 F.3d 811; *Perfect 10, Inc.*, 487 F.3d 701.

<sup>66</sup> *See Field*, 412 F. Supp. 2d at 1115-16.

the copies were deleted after the indexing was completed.<sup>67</sup> In no case did the copier propose to give copies to third parties, as Google did when contracting to provide digital copies of the books in their collections to libraries.

### **The Effect of the Use Upon the Potential Market or Value of the Work**

Finally, digitization and indexing projects could be seen as either promoting or inhibiting the potential markets or values of the copyrighted works. Proponents of digitization could argue that indexing and display of “snippets” of print books increases the markets for the originals by alerting researchers to books on their topics. If researchers purchase books of which they would otherwise have been unaware, the markets for these books could potentially be improved by the unauthorized digitization. Opponents, in contrast, could argue that unauthorized digitization and indexing usurps markets that the rights holders are developing;<sup>68</sup> that viewing “snippets” of print books sometimes can substitute for purchases of them; and that rights holders should be free to determine whether, when, and how their print works are digitized.<sup>69</sup> The outcome of any findings by the court on this factor may hinge upon the degree of harm to their markets that plaintiffs must show. Some courts have required plaintiffs to show only that the markets in which they alleged harm are “likely to be developed,”<sup>70</sup> while others have required proof of actual losses in established markets.<sup>71</sup> The fact that a use is transformative can, however, outweigh even inhibition of or harm to plaintiffs’ markets.<sup>72</sup>

## **Proposed Settlement of the *Authors Guild* Litigation**

The parties to the *Authors Guild* class action suit have sought to settle their litigation over the Google Book Search Library Project since October 2008. They first announced a settlement agreement on October 28, 2008. However, this agreement prompted concerns about Google’s potential monopolization of book searching, the treatment of orphan works, protection of searchers’ privacy, and the rights of foreign authors, among other things. Responding to such concerns, the parties proposed a revised settlement agreement on November 13, 2009. Final approval of the revised agreement is pending. Because the suit is a class action, the judge must ensure that any settlement is “fair, reasonable, and adequate” for the class members before granting final approval.<sup>73</sup>

---

<sup>67</sup> See *Kelly*, 336 F.3d at 816.

<sup>68</sup> See Complaint, *supra* note 16, at ¶ 5 (noting that publishers were already making their print books available online in various ways, including a partnership with the search engine Yahoo!).

<sup>69</sup> Cf. *BMG Music v. Gonzalez*, 430 F.3d 888, 891 (7<sup>th</sup> Cir. 2005) (“Copyright law lets authors make their own decisions about how best to promote their works.”).

<sup>70</sup> See, e.g., *Bill Graham Archives, LLC v. Dorling Kindersley, Ltd.*, 386 F. Supp. 2d 324, 332 (S.D.N.Y. 2005).

<sup>71</sup> *Perfect 10, Inc.*, 487 F.3d at 725.

<sup>72</sup> See, e.g., *Campbell*, 510 U.S. at 591.

<sup>73</sup> Fed. R. Civ. P. 23(e). The court may reject a proposed settlement because of concerns not raised by class members or other parties to the agreement. See, e.g., *Muchnick v. Thompson Corp.*, 509 F.3d 116 (2d Cir. 2007) (quashing the proposed settlement agreement resolving the litigation in *Tasini v. New York Times* because some members of the proposed settlement class had not registered their works with the U.S. Copyright Office and so lacked standing to bring suit in federal court). The district court had previously approved the settlement, and no class member or party had raised this objection.

## The Proposed Settlement Agreement of October 2008

On October 28, 2008, Google and the rights holders announced a proposed settlement agreement.<sup>74</sup> Under this agreement, Google would have compensated rights holders for prior and future uses of their work.<sup>75</sup> Google would also have funded the establishment and initial operations of a not-for-profit entity, called the Registry, which would have represented rights holders in negotiating future uses of their content with Google.<sup>76</sup> Google, in turn, would have received a non-exclusive license<sup>77</sup> to (1) “Digitize all Books and Inserts” published before January 5, 2009, and (2) make certain uses of the digitized materials, including displaying “snippets” of them among its search results, subject to the terms of the agreement.<sup>78</sup> By allowing Google to digitize and display books, the agreement would have paved the way for Google to expand Google Book Search, selling subscriptions to institutions and electronic versions of books to individuals.<sup>79</sup> The agreement would also have created certain rights and responsibilities for libraries that allow Google to digitize their books,<sup>80</sup> as well as made certain provisions for subscribers and users of commercialized versions of Google’s Book Search database.<sup>81</sup>

The agreement was not to take effect until certain conditions were met, one of which was final court approval of the settlement agreement.<sup>82</sup> Although the court granted preliminary approval of the agreement on November 17, 2008,<sup>83</sup> the final fairness hearing on the settlement was postponed from June 11, 2009, to October 7, 2009,<sup>84</sup> and the parties eventually received permission to submit an amended version of the settlement agreement.<sup>85</sup>

<sup>74</sup> Authors Guild, Inc. v. Google Inc., Settlement Agreement, Case No. 05 CV 8136-JES (S.D.N.Y. Oct. 28, 2008).

<sup>75</sup> *Id.* at ¶ 2.1(a) (providing that Google would pay 70% of the net revenue earned from uses of Google Book Search in the United States to rights holders); ¶ 2.1(b) (providing that Google would pay at least \$45 million into a “Settlement Fund,” whose proceeds would pay rights holders whose books or “inserts” were digitized prior to January 5, 2009).

<sup>76</sup> *Id.* at ¶ 2.1(c). Among other functions, the Registry could negotiate the terms of “New Revenue Models” (e.g., print-on-demand) with Google and negotiate pricing categories and percentages for sale of digitized materials to users.

<sup>77</sup> Because this license is non-exclusive, the Registry could license other entities to digitize, index, or display the works of rights holders. However, if the Registry were to enter into a similar agreement within 10 years of the settlement’s effective date, it must extend comparable economic and other terms to Google. *Id.* at ¶ 3.8(a).

<sup>78</sup> *Id.* at ¶ 3.1. Google’s rights to use books within their terms of copyright protection would hinge upon whether they were “commercially available,” or available “for sale new through one or more then-customary channels of trade in the United States.” *See id.* at ¶ 1.28. If a book is commercially available, Google could not make “display uses” without the copyright holders’ consent. *Id.* at ¶¶ 3.3-3.5. Conversely, if a book is not commercially available, Google could make “display uses” unless the rights holder objects. *Id.* This distinction between commercially available and non-commercially available books would significantly vary the legal protections of copyright law, which protects all works equally, regardless of their commercial availability, during their terms of copyright protection. *See* 17 U.S.C. § 106 and § 302.

<sup>79</sup> *See, e.g.*, Settlement Agreement, *supra* note 74, at ¶ 3.7.

<sup>80</sup> *Id.* at ¶ 7.2(f)(i)-(ii) and Article X.

<sup>81</sup> *See, e.g.*, James Grimmelmann, Principles and Recommendations for the Google Book Search Settlement, Nov. 8, 2008, available at [http://www.laboratorium.net/archive/2008/11/08/principles\\_and\\_recommendations\\_for\\_the\\_google\\_book](http://www.laboratorium.net/archive/2008/11/08/principles_and_recommendations_for_the_google_book) (noting the existence, as well as the potential inadequacy, of provisions regarding users).

<sup>82</sup> Settlement Agreement, *supra* note 74, at ¶ 1.49.

<sup>83</sup> Authors Guild, Inc. v. Google Inc., Order Granting Preliminary Settlement Approval, Case No. 05 CV 8136-JES (S.D.N.Y. Nov. 17, 2008).

<sup>84</sup> *See, e.g.*, Court Delays Google Book Search Settlement Hearing, Extends Opt-Out Period, 78 *Pat., Trademark & Copyright J.* 9 (May 1, 2009).

<sup>85</sup> *See, e.g.*, Anandashankar Mazumdar, DOJ Urges Rejection of Google Settlement; Plaintiffs Move to Adjourn Final (continued...)

## Opposition to the Proposed October 2008 Agreement

Commentators voiced numerous concerns about the proposed October 2008 agreement, some of which recurred in class members' objections and amicus briefs filed with the court. One major concern was that the settlement would have effectively granted Google an exclusive license to digitize the books covered by the agreement and display them to individual users and libraries.<sup>86</sup> The settlement stated that Google's digitization and display rights under the agreement were non-exclusive,<sup>87</sup> and nothing, under the settlement or otherwise, would have precluded another entity from undertaking a digitization and indexing project like Google Book Search.<sup>88</sup> However, some commentators worried that these factors might not prevent Google's effectively monopolizing the book-search field given that the settlement agreement (1) included a clause granting Google the right to any more favorable terms that the Registry negotiated with third-parties over the next 10 years<sup>89</sup> and (2) protected Google from the litigation risks likely to confront those initiating new book-digitization projects. Commentators feared that these factors could significantly diminish the willingness of potential competitors to enter the field and result in a monopolized market where consumers and libraries, in particular, are vulnerable to price increases.<sup>90</sup> On July 2, 2009, the U.S. Department of Justice confirmed that it was conducting an antitrust investigation into the Google settlement because of such concerns.<sup>91</sup> A coalition of potential Google competitors, including Microsoft, Amazon, and Yahoo, also formed to lobby against and otherwise oppose the settlement, in part because a "single organization should not control public access to the books."<sup>92</sup>

A related concern focused upon the settlement's potential effects on "orphan works," or copyrighted works whose owners are difficult or impossible to identify or locate.<sup>93</sup> Some

(...continued)

Hearing, 78 *Pat., Trademark & Copyright J.* 631 (Sept. 25, 2009).

<sup>86</sup> See, e.g., James Gibson, Google's New Monopoly? How the Company Could Gain by Paying Millions in Copyright Fees, *Wash. Post*, Nov. 3, 2008, at A21 ("[S]ettling probably puts Google in a better position than it would have been in if it had won its case in court. ... Google's concession has made it more difficult for *anyone* to invoke fair use for book searches [and] [b]y settling the case, Google has made it much more difficult for others to compete with its Book Search service.").

<sup>87</sup> See, e.g., Settlement Agreement, *supra* note 74, at ¶ 3.1(a).

<sup>88</sup> See, e.g., Miguel Helft, Some Raise Alarms as Google Resurrects Out-of-Print Books, *New York Times*, Apr. 4, 2009, at A1 ("Nothing prevent[s] a potential rival from following in [Google's] footsteps—namely, by scanning books without explicit permission, waiting to be sued and working to secure a similar settlement."). Microsoft, for example, has explored offering book-search capabilities in the past. See Andrea L. Foster, Microsoft's Book-Search Project Has a Surprise Ending, *Chron. of Higher Educ.*, May 29, 2008, available at <http://chronicle.com/free/2008/05/3022n.htm>.

<sup>89</sup> See, e.g., Settlement Agreement, *supra* note 74, at ¶ 3.8(a) ("The Registry ... will extend economic and other terms to Google that, when taken as a whole, do not disfavor or disadvantage Google as compared to any other substantially similar authorizations granted to third parties by the Registry.").

<sup>90</sup> See, e.g., Laura G. Mirviss, Harvard-Google Online Book Deal at Risk, *The Harvard Crimson*, Oct. 30, 2008, available at <http://www.thecrimson.com/article.aspx?ref=524989> ("The settlement provides no assurance that the prices charged for access will be reasonable.").

<sup>91</sup> See, e.g., Letter to the Honorable Denny Chin, Re. The Authors Guild Inc., et al. v. Google, Inc., Civil No. 1:05-CV-8136, available at <http://pub.bna.com/ptcj/DOJLetterEtc.pdf>; Miguel Helft, U.S. Inquiry Is Confirmed into Google Books Deal, *N.Y. Times*, July 2, 2009, available at [http://www.nytimes.com/2009/07/03/technology/companies/03google.html?\\_r=1&ref=technology](http://www.nytimes.com/2009/07/03/technology/companies/03google.html?_r=1&ref=technology).

<sup>92</sup> Nathan Pollard, Opposition Group to Google Book Settlement Includes Big Names, Authors and Libraries, 78 *Pat., Trademark & Copyright J.* 539 (August 28, 2009).

<sup>93</sup> See, e.g., Anandashankar Mazumdar, Internet Archive Warns of Online Book Market Consolidation from Google Settlement, *Pat., Trademark & Copyright L. Daily*, Apr. 23, 2009. For more on orphan works generally, see CRS (continued...)

commentators worried that the settlement would grant Google a “unique lock”<sup>94</sup> on orphan works by making the Registry, which was to be created under the agreement, the effective trustee of rights in orphan books.<sup>95</sup> The Registry had already opted to deal with Google regarding these books, and some commentators were concerned that the absence of known or identifiable rights holders effectively meant that these books could not be further used without the agreement of the Registry and/or Google.<sup>96</sup> Commentators concerned about orphan works also suggested that the settlement agreement’s treatment of them constituted “a kind of legislation, stepping on congressional prerogatives.”<sup>97</sup> The 110<sup>th</sup> Congress considered, but did not enact, legislation that would have authorized use of orphan works under certain conditions.<sup>98</sup> Similar legislation may be introduced in the 111<sup>th</sup> Congress. Some commentators felt that any “changes” involving orphan works of the magnitude allegedly made in the settlement agreement ought to be made by Congress, not the federal courts.<sup>99</sup>

Yet other concerns centered upon the settlement agreement’s effects on public welfare, especially its provisions regarding public access and user privacy. Several library groups stated that, while they did not oppose the settlement, they were concerned that some provisions could “compromise fundamental library values such as equity of access to information, patron privacy, and intellectual freedom.”<sup>100</sup> These groups wanted the court to oversee the pricing of individual subscriptions and the selection of board members for the Registry to ensure that pricing is equitable and the Registry acts in the public interest. Other library groups expressed similar concerns regarding the restrictions on printing and networking imposed on the free subscriptions to Book Search that would be provided to public libraries under the settlement agreement.<sup>101</sup> Relatedly, privacy groups noted that the proposed agreement would allow or require Google to collect extensive information about users, but made few provisions for the protection of this information. As one group stated,

... [T]he settlement gives Google the potential, and in some instances the need, to collect substantial quantities of sensitive reader information. Google will also need to share some usage data with the Registry. Specifically, Google will share sales and subscription usage data for calculating and distributing payment to rights holders, market research data concerning various Preview options, and data pertaining to audits and security breaches. Some collection and sharing is of course necessary to effectuate the settlement, but the settlement does not—and should not—require sharing anything other than aggregate data.

---

(...continued)

Report RL33392, “Orphan Works” in *Copyright Law*, by Brian T. Yeh.

<sup>94</sup> Grimmelmann, *supra* note 81.

<sup>95</sup> See, e.g., Mazumdar, *supra* note 93.

<sup>96</sup> *Id.*

<sup>97</sup> See, e.g., Anandashankar Mazumdar, Google Books Settlement Prompts Questions about Effect on Readers, Libraries, Others, *Pat., Trademark & Copyright L. Daily*, Mar. 18, 2009 (quoting Marybeth Peters, Register of Copyrights).

<sup>98</sup> Orphan Works Act of 2008, H.R. 5889, 110<sup>th</sup> Cong. There was a similar bill in the Senate, but it did not include the notice requirements of the House bill. See Shawn Bentley Orphan Works Act of 2008, S. 2913, 110<sup>th</sup> Cong.

<sup>99</sup> See, e.g., Helft, *supra* note 88 (“They are doing an end run around the legislative process.”) (quoting Brewster Kahle, founder of the Internet Archive and the Open Content Alliance).

<sup>100</sup> American Library Association, Association of Research Libraries, and Association of College and Research Libraries, Google Library Project Settlement, July 29, 2009, available at <http://librarian.lishost.org/?p=2731>.

<sup>101</sup> Nathan Pollard, Urban Libraries Council Suggests Revisions to Google Book Search Settlement, 78 *Pat., Trademark & Copyright J.* 540 (August 28, 2008).

However, the settlement does not contain a broad restriction on the sharing of user data. The agreement does state that Google cannot be forced to disclose “confidential or personally identifiable information except as compelled by law or valid legal process” in the case of a security breach, but it does not address voluntary disclosure by Google. More generally, it also does not address Google’s collection, use, retention, and sharing of user data outside the specific context of a security breach. More formal privacy safeguards would ensure that readers maintain the privacy they have traditionally enjoyed, preserving the right to read anonymously and allowing readers to feel free to access and read books of any sensitive sort.<sup>102</sup>

A challenge to the settlement class itself was also reportedly filed by an attorney and author who alleged that the settlement represented “an abuse of the class-action process” because the settlement class was broad and the named plaintiffs did not adequately represent all class members.<sup>103</sup> This challenge also alleged that the proposed settlement did not adequately compensate authors,<sup>104</sup> a concern which was also raised by writers groups.<sup>105</sup> One writers group noted that “of the \$125 million offered by Google, only \$45 million [was] for writers,” an amount allegedly “way short of the amount needed to compensate authors of millions of books.”<sup>106</sup> This group also claimed that the settlement was “grossly unfair” to authors because it required them to “opt out” of Google’s proposed uses of their works and interfered in their relationships with publishers.<sup>107</sup>

### Support for the Proposed October 2008 Agreement

Supporters of the proposed October 2008 agreement disputed many of the previous claims, as well as noted potential benefits of the project. Some supporters claimed that, far from being anticompetitive, the settlement was pro-competitive because it “would make it easier for competitors to enter the book search market by resolving uncertainty over intellectual property rights, allowing competitors to follow in Google’s footsteps.”<sup>108</sup> Such claims may get some support from a reported partnership between the University of Michigan and Amazon’s subsidiary BookSurge, under which 400,000 titles owned by the university will be made available through

---

<sup>102</sup> Center for Democracy and Technology, Privacy Recommendations for the Google Book Search Settlement, July 27, 2009, available at [http://cdt.org/copyright/20090727\\_GoogleRecs.pdf](http://cdt.org/copyright/20090727_GoogleRecs.pdf). CDT filed an amicus brief with the court on September 4, 2009, expressing similar concerns. See *Authors Guild v. Google, Inc.*: Brief Amicus Curiae of the Center for Democracy and Technology in Support of the Approval of the Settlement and Protection of Reader Privacy, available at <http://www.cdt.org/copyright/CDT-GoogleAmicusFinal.pdf>

<sup>103</sup> Miguel Helft & Motoko Rich, Lawyer and Author Adds His Objections to Settling the Google Book Lawsuit, *New York Times*, Aug. 18, 2009, available at <http://www.nytimes.com/2009/08/19/technology/internet/19google.html>. Some commentators have described this challenge as the “most fundamental challenge to the settlement yet.” See *id.* (quoting James Grimmelmann, associate professor at the Institute for Information Law and Policy at New York Law School). The U.S. Department of Justice raised similar concerns that the proposed settlement “exceed[s] the proper bounds of a class action settlement” in its February 4, 2010, statement of interest to the court considering final approval of the agreement. See *Authors Guild v. Google Inc.*, Statement, No. 05-8136 (S.D.N.Y. Feb. 4, 2010).

<sup>104</sup> Helft & Rich, *supra* note 103.

<sup>105</sup> See, e.g., National Writers Union Opposes Settlement of Google Books Dispute, 78 *Pat., Trademark & Copyright J.* 515 (Aug. 21, 2009).

<sup>106</sup> *Id.*

<sup>107</sup> *Id.*

<sup>108</sup> See, e.g., Nathan Pollard & Christine You, Benefits of Google Book Deal Praised, But Orphan Works Impact Still in Doubt, 14 *Electronic Commerce & Law Report* 1184 (Aug. 19, 2009).



print-on-demand.<sup>109</sup> Although the university created the digital versions of some titles itself, others were produced by Google as part of its Library Project and will be offered through an alleged Google competitor. Other supporters similarly noted that many alleged orphan works are not, in fact, orphans and the settlement will prompt their owners to identify themselves, or reveal that the works are in the public domain.<sup>110</sup> Relatedly, they noted that the agreement would not create an “orphan works monopoly,” as some critics feared, because the “scanned books naturally remain in libraries throughout the country, and competitors can use them according to copyright law.”<sup>111</sup>

Other supporters noted that the agreement may help “solve disparities in resources available to minorities, the disabled, and the impoverished” by “remov[ing] some of the physical obstacles we have had to acquiring knowledge.”<sup>112</sup> Advocates for the persons with visual disabilities asserted that the agreement would “allow blind people to have access to millions of books for the first time in history,”<sup>113</sup> while various civil rights leaders claimed it could democratize knowledge, transform education, and resolve differences in access to information between minority and other communities.<sup>114</sup> The European Union’s Telecoms and Information Society Commissioner, Viviane Reding, also reportedly voiced support for the agreement.<sup>115</sup> Reding reportedly asked EU member states to “back similar arrangements in the European Union”; called for an overhaul of EU copyright laws to help expand digitization of orphan works; and stated that “[i]t is good to see that new business models are evolving that could allow bringing more content to an increasing number of consumers.”<sup>116</sup>

## The Revised Settlement Agreement of November 2009

In response to these and other concerns, the parties proposed a revised settlement agreement on November 13, 2009.<sup>117</sup> While many provisions of the revised agreement are identical to those in the October 2008 agreement, the revised agreement would make several key changes. Among other things, it would

---

<sup>109</sup> See, e.g., Josh Hadro, Michigan Deal a New Twist on Access to Scanned Book Content: The Effort Marks Another Repurposing of Digital Editions Scanned In-house and by Google, *Library Journal*, July 23, 2009, available at <http://www.libraryjournal.com/article/CA6672693.html>.

<sup>110</sup> See, e.g., Nathan Pollard, Social Justice IP Panel Says Google Book Settlement Will “Level the Playing Field,” 78 *Pat., Trademark & Copyright J.* 408 (July 31, 2009).

<sup>111</sup> See, e.g., Pollard & You, *supra* note 108 (quoting Ed Black, President of the Computer & Communications Industry Association).

<sup>112</sup> See, e.g., Pollard, *supra* note 110.

<sup>113</sup> *Id.* (quoting Charles S. Brown, advisor to the president, National Association of the Blind).

<sup>114</sup> *Id.* (quoting Lateef Mtima, Professor of Law, Howard University; Wade Henderson, President, Leadership Conference on Civil Rights; and Brent A. Wilkes, National Executive Director, League of United Latin American Citizens).

<sup>115</sup> See, e.g., Joe Kirwin, EU Commissioner Endorses Google Digital Book Settlement with U.S. Publishers, *Pat., Trademark & Copyright L. Daily*, Aug. 31, 2009.

<sup>116</sup> *Id.*

<sup>117</sup> See Revised Settlement Agreement, *supra* note 20.

- remove many foreign rights holders from the settlement class by redefining “book” to include only non-U.S. works registered with the U.S. Copyright Office or published in Canada, Australia, or the United Kingdom;<sup>118</sup>
- remove the provision granting Google the right to any more favorable terms that the Registry negotiates with third-parties over the next 10 years;<sup>119</sup>
- explicitly recognize rights holders’ right to authorize, through the Registry or otherwise, any third party to use their copyrighted content “in any way, including ways provided for under this Amended Settlement Agreement”;<sup>120</sup>
- appoint an independent fiduciary to represent rights holders who have not claimed their works and authorize the fiduciary to spend part of the revenue derived from unclaimed works in searching for their rights holders;<sup>121</sup>
- extend the date for rights holders to request “removal” of their works from the books database to April 5, 2011;<sup>122</sup>
- allow rights holders to direct the Registry to make their books available at no charge pursuant to one of several standard licenses (e.g., Creative Commons licenses) or similar contractual permissions for use authorized by the Registry;<sup>123</sup>
- allow the Registry, in its discretion, to authorize more than one free terminal per public library;<sup>124</sup> and
- specify that Google will not provide personally identifiable information about users to the Registry “other than as required by law or valid legal process.”<sup>125</sup>

The revised settlement agreement prompts many of the same concerns that the October 2008 agreement prompted. Among other things, critics worry that the revised settlement still gives Google and/or the Registry effective control over orphan works; could have anticompetitive effects; fails to protect users’ privacy; and does not adequately promote “fundamental library

---

<sup>118</sup> *Id.* at ¶ 1.19. A published work is a “United States work,” as defined under the Copyright Act, only when it is (1) first published in the United States; (2) simultaneously published in the United States and another treaty party whose law grants a term of copyright protection that is the same as or longer than the term provided in the United States; (3) simultaneously published in the United States and a foreign nation that is not a treaty party; or (4) published in a foreign nation that is not a treaty party and all the authors of the work are nationals, domiciliaries, habitual residents, or, in the case of audiovisual works, headquartered in the United States. *See* 17 U.S.C. § 101.

<sup>119</sup> Additionally, Google will be able to take advantage of any future legislative changes, such as legislation allowing use of orphan works, that puts Google at a competitive disadvantage only if a “third party is actually taking advantage of such law(s) in connection with services that competitively disadvantage Google in its provision of any such Google Products and Services.” Revised Settlement Agreement, *supra* note 20, at ¶ 3.8.

<sup>120</sup> *Id.* at ¶ 2.4.

<sup>121</sup> *Id.* at ¶ 6.2(b)(iii).

<sup>122</sup> *Id.* at ¶ 1.126(a). On December 14, 2009, Google distributed a supplemental notice to authors, publishers, and other book rights holders which clarified that right holders who wish to have their books removed from the Google Books database have until March 9, 2012, to give notice. The deadline under the revised settlement agreement had been April 5, 2011. However, even under the supplemental notice, the deadline for removal of libraries’ digital copies remains April 5, 2011. *See Supplemental Notice to Authors, Publishers and Other Book Rightsholders about the Google Book Settlement*, Dec. 14, 2009, available at <http://www.googlebooksettlement.com/Supplemental-Notice.pdf>.

<sup>123</sup> *Id.* at ¶ 4.2(a)(i).

<sup>124</sup> *Id.* at ¶ 4.8(a)(i)(3).

<sup>125</sup> *Id.* at ¶ 6.6(f).

values.”<sup>126</sup> However, while some commentators claim that the changes are “more cosmetic than substantial,”<sup>127</sup> others suggest that the changes might be substantive enough to “dampen large segments of the opposition” to the agreement and potentially increase the likelihood of its approval.<sup>128</sup>

The court granted preliminary approval of this revised agreement on November 19, 2009, and denied a request by Amazon.com Inc. to reconsider its preliminary approval of the revised settlement on December 1, 2009.<sup>129</sup> A final fairness hearing on the revised agreement was held on February 18, 2010,<sup>130</sup> although the court has not yet announced its decision regarding approval. Class members had until January 28, 2010, to opt into, opt out of, or object to the revised settlement.<sup>131</sup>

## Current Status of the ASMP Litigation

To date, there have been no reported developments in the *American Society of Media Photographers* class action since its filing on April 7, 2010.

## Author Contact Information

Kate M. Manuel  
Legislative Attorney  
kmanuel@crs.loc.gov, 7-4477

## Acknowledgments

Robin Jeweler, Legislative Attorney, original author of RS22356 *The Google Book Search Project: Is Online Indexing a Fair Use Under Copyright Law?*

---

<sup>126</sup> See, e.g., Norman Oder, Revised Google Settlement Offers Minor Changes on Antitrust Issue, No Response on Library Pricing, *Library Journal*, Nov. 14, 2009, available at <http://www.libraryjournal.com/article/CA6707181.html?desc=topstory>; John Timmer, Google Book Settlement Revised, Criticized, *Ars Technica*, Nov. 16, 2009, available at <http://arstechnica.com/media/news/2009/11/google-offers-revised-book-settlement-but-critics-unappeased.ars>.

<sup>127</sup> Timmer, *supra* note 126.

<sup>128</sup> Anandashankar Mazumdar, Revised Google Book Search Settlement Proposals Removes Foreign Works from Mix, *Pat., Trademark, & Copyright L. Daily*, Nov. 17, 2009 (quoting James Grimmelman, Associate Professor at New York Law School).

<sup>129</sup> Authors Guild, Inc. v. Google Inc., Case No. 05 CV 8136(DC) (S.D.N.Y. Dec. 1, 2009). See also Chad Bray, Judge Rejects Amazon Complaint Over Google Books Deal, *The Wall Street J.*, Dec. 2, 2009, available at <http://online.wsj.com/article/SB10001424052748704107104574572552709829012.html>.

<sup>130</sup> Authors Guild, Inc. v. Google Inc., Preliminary Approval of Proposed Settlement Agreement, Case No. 05 CV 8136(DC) (S.D.N.Y. Nov. 19, 2009).

<sup>131</sup> *Id.* Objections may be made only to amended settlement terms, not to any provisions of the original agreement that were not changed in the revised agreement.