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THE GOOGLE BOOKS CASE – HERE'S THE SKINNY



BY: STEVE CHANG

I'm sure many of us have fond memories of the venerable library card catalog: the musty smell, the tiny wooden drawers and their endless deck of equally tiny, yellowed cards on which someone laboriously typed the Dewey Decimal code, bibliographic information and a short, textual summary of a book. But ever since the opening scene in the 1984 classic "Ghostbusters," library researchers have tirelessly sought to develop a way to catalog books in a way that isn't susceptible to ruination by the drawer-emptying, card-throwing tendencies of a ghost librarian¹.

In 2004, Google Inc. announced its solution. Google had entered into agreements with several major research libraries to scan the full text of millions of books in those libraries, to catalog the books electronically and allow users to run full-text keyword searches through those millions of books. However, the announcement troubled several authors and owners of copyright — should Google be permitted to make copies of their works, without permission? In 2005, The Authors Guild, Inc. and several individual authors filed suit against Google to challenge Google's plan. In late 2013, the U.S. District Court for the Southern District of New York ruled in Google's favor on summary judgment² and held that Google's actions were fair use. This article provides a summary of the issues involved, the reasoning behind the decision and the takeaways from the case.

¹ If you happened to miss this classic hit, it opens with a scene in which a ghost librarian slimes and scatters the contents of a library's card catalog, and ends with making you either want, or hate, marshmallows.

² *Authors Guild, Inc. v. Google, Inc.*, 954 F.Supp.2d 282 (S.D.N.Y. 2013).

IN A NUTSHELL, WHAT'S THE DISPUTE?

The parties do not dispute that Google is making copies of the books. The issue in dispute is whether that copying is protected under the Fair Use Doctrine.

WHAT'S FAIR USE, REALLY?

Fair use basically means there are certain situations in which copying is excused under the Copyright Laws. The Fair Use Doctrine is codified in 17 U.S.C. § 107 (the Copyright Act), and specifically states that "the fair use of a copyrighted work ... for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright." The Act goes on to list four key factors that a court should consider when evaluating a claim of fair use:

"In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:

- 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."

Classic examples of situations where the Fair Use Doctrine has applied include: news reporters copying portions of a work for purposes of news reporting and criticism;³ users of VCRs recording television programs for later viewing;⁴ artists copying work, but transforming it to make new works,⁵ and in parody situations.⁶

WHAT DID THE COURT DECIDE, AND WHY?

On summary judgment, Judge Denny Chin considered a variety of factors, and ultimately concluded that Google's actions were fair use. The court considered the four factors enumerated above, but even before doing so, the court pointed out several aspects that tilted in Google's favor.

First, the court noted that Google took quite a few measures to ensure that users⁷ could not simply obtain a free copy of books by searching for them. Search results only showed users a "snippet" view of the search result in context. To counter users who may try to gather an entire book a snippet at a time, Google's search intentionally excluded 10 percent of the pages of a book from the snippet view, and intentionally excluded one snippet on each page so that the particular snippet would not be shown. Furthermore, works that had smaller chunks, such as dictionaries, cookbooks and books of haiku, were excluded from snippet view altogether.

Second, the court noted how beneficial Google Books is to scholarly research. The court pointed out that Google Books helps librarians find sources, facilitates interlibrary lending and is used in at least one education curriculum. The court also noted that Google's index allowed a new type of research — "data mining" — in which searchers could examine things like word frequencies and historical changes in grammar usage patterns in ways that simply were not feasible before the Google Books project.

The court also found that Google Books expands access to books (e.g., text-to-speech conversion allows access to the blind), helps preserve books (e.g., many of the scanned books were out-of-print texts that would be difficult to find otherwise), and also helps authors and publishers because the search results take users to links where the books can be purchased.

After extolling those virtues, the court went on to specifically address the four factors. Regarding the purpose and character of use, the court noted that Google's use was highly transformative, in that Google's scans of the books created an important tool for research that does not supplant the books. The court acknowledged that Google is a for-profit enterprise, but noted that Google doesn't sell the scans, does not run advertisements on the pages with the snippets and does not directly benefit from any commercialization of the books that it scanned. Google makes money indirectly since Google Books users, while on the site, may well use other Google tools with advertising revenue, but the court cited several prior cases in which fair use was found despite some commercial benefit being bestowed on the defendant. The court found that the first factor strongly favored a finding of fair use.

Regarding the nature of the work, the court noted that all of the books were published and available to the public and that the majority of the books (93 percent) were non-fiction (works of non-fiction generally receive lesser copyright protection since facts themselves are not copyrightable). The court found that the second factor favored a finding of fair use.

Regarding the amount and substantiality of the portion used, the court acknowledged that Google's copying was verbatim and complete, but emphasized that Google limited the amount of text displayed in response to a search and noted that the complete copying was needed to provide the Google Books functionality. On the balance, the court found that the third factor slightly weighed against a finding of fair use.

³ See, e.g., *Religious Technology Center v. Pagliarini*, 908 F.Supp. 1353 (E.D. Va. 1995) (*the Washington Post* newspaper quoted brief portions of Church of Scientology texts in an article, and its use was deemed a fair use); and *Italian Book Corp. v. American Broadcasting Co.*, 458 F.Supp. 65 (S.D.N.Y. 1978) (a television film crew covering a festival recorded a band playing a portion of a copyrighted song, and the film was replayed during the news broadcast — the unauthorized reproduction of the song portion in this case was deemed fair use).

⁴ See *Sony Corp. v. Universal City Studios.*, 464 U.S. 417 (1984) (home videotaping was deemed fair use).

⁵ See, e.g., *Campbell v. Acuff-Rose Music*, 510 U.S. 569 (1994) (rap group 2 Live Crew sampled portions of the song "Pretty Woman," but transformed the small part copied to create a new work that was deemed fair use).

⁶ See, e.g., *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1998) (a movie company superimposed head of actor Leslie Nielsen on a photo of a naked pregnant woman, parodying a famous magazine cover photograph).

⁷ The participating libraries were entitled to receive full digital copies of the books that the libraries provided to Google, but others only got a "snippet" view.

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As for the effect of the use on the potential market or value, the court disagreed with the plaintiffs, finding that it would be unlikely for anyone to try and piece together a full copy of a book one snippet at a time (and in view of the fact that some snippets and pages would simply never be found by such a user). The court found that a reasonable fact-finder could only find that Google Books enhances the sales of books, since the tool publicizes the books and provides convenient links to retailers selling the books. The court found that the fourth factor strongly weighed in favor of a finding of fair use.

Given the weighing above, the court concluded that Google Books is a fair use of the copyrighted books that it scanned.

WHAT'S NEXT?

The Authors Guild Inc. and the individual authors appealed the decision at the end of 2013, and the appeal is working its way through the Court of Appeals for the Second Circuit.

WHAT DID I MISS (TAKEAWAYS)?

Here are the big picture takeaways from the case thus far:

- Google Books' full-text scanning of millions of books to provide full-text search capability was deemed a fair use.
- Google Books helped its cause by 1) taking steps to prevent users from getting a free copy of the book through its searches, 2) avoiding direct profits from the use of the copied works, 3) providing links to help users purchase the books that were found in the search, and 4) providing a tool that offers many benefits to the research community.
- The case is currently under appeal at the Court of Appeals for the Second Circuit.
- There's a ghost librarian in the movie "Ghostbusters." ■

SAVE THE DATE!

BANNER & WITCOFF'S CORPORATE INTELLECTUAL PROPERTY SEMINAR

Please save Friday, Sept. 19, 2014, for Banner & Witcoff's Corporate IP Seminar at the University of Chicago Gleacher Center. We will host morning and afternoon sessions with topics selected to help you protect your corporation's IP assets.

If there are topics or questions you would like addressed during the seminar, please send them to us at event@bannerwitcoff.com. We look forward to seeing you in the fall!

FRIDAY, SEPT. 19, 2014
8:30 A.M.-4:30 P.M.
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CHICAGO, IL

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