

# GOOGLE LIBRARY: BEYOND FAIR USE?

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## ABSTRACT

*Last December Google announced the formation of partnerships with select major libraries to begin digitizing and storing the libraries' collections online. Google aims to provide individuals with the ability to search the full text of these books from anywhere using the Google search engine. This project will greatly increase access to those works in the public domain, but what about the books still under copyright protection? This iBrief examines the copyright implications of this ambitious project and concludes that the project, as described, does infringe the rights of copyright holders. It further concludes that while such infringement is unlikely to be found to be a fair use, it may ultimately be in the copyright holders' best interests to acquiesce to Google's infringement.*

## INTRODUCTION

¶1 On December 14, 2004, Google announced partnerships with a handful of major libraries to make digital copies of their collections available online.<sup>2</sup> This project is neither Google's nor its library partners' first foray into digitization. In fact, some of the libraries Google is partnering with were already taking similar steps on their own, but Google's plan is certainly the most ambitious. Over the next decade,<sup>3</sup> Google plans to add over fifteen million library volumes<sup>4</sup> to its electronic index at an estimated cost of ten dollars per book, or \$150 million.<sup>5</sup> Google will

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<sup>2</sup> Google is partnering with The New York Public Library as well as the libraries at Harvard University, the University of Michigan, Stanford University and the University of Oxford. Press Release, Google, *Google Checks Out Library Books* (Dec. 14, 2004), at [http://www.google.com/press/pressrel/print\\_library.html](http://www.google.com/press/pressrel/print_library.html) (last visited Apr. 8, 2005) [hereinafter *Google Press Release*]; Google Library Project FAQs, Google, at <http://print.google.com/googleprint/library.html> (last visited Apr. 8, 2005) [hereinafter *Google Library FAQs*].

<sup>3</sup> John Sutherland, *All the World's Best Books at a Click*, SUNDAY TIMES (LONDON), Dec. 19, 2004, at News Review 4.

<sup>4</sup> John Markoff & Edward Wyatt, *Google is Adding Major Libraries to its Database*, N.Y. TIMES, Dec. 14, 2004, at A1.

<sup>5</sup> *Id.*; *The Next Great Library*, L.A. TIMES, Dec. 18, 2004, at B22.

provide the participating libraries with an electronic copy of the works they contributed to the project.<sup>6</sup> The project is an expansion of an existing Google program, Google Print, which allows publishers to submit their collections to Google to be scanned and entered into the Google search engine.<sup>7</sup> Unlike the Google Print program, which requires publishers to submit a copy of each book which will be dismantled and destroyed in digitization,<sup>8</sup> the library books will be returned to the libraries unharmed upon completion of the scanning process.<sup>9</sup> Once the text is scanned and entered into the system's index, Google's search engine examines the full text of the scanned works for compatibility with search terms and returns links to pertinent books, along with the typical website listings, for every user search.<sup>10</sup>

¶2 The search results will depend on the copyright status of the book. For works in the public domain, the user will have access to the entire text. For works under copyright protection, the user will see the bibliographic information as well as a few text "snippets" around the search term, unless the publisher has given Google permission to display more text.<sup>11</sup> Google equates viewing the displayed results of copyrighted works to the "experience of flipping through a book in a bookstore" or library.<sup>12</sup> To further protect the copyright holders, Google disables the user's print, save, cut and copy functions on the text display pages so that the user is limited to reading the information on the screen.<sup>13</sup> Alongside the text, there will be

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<sup>6</sup> Press Release, University of Michigan News Service, *Google/U-M Project Opens the way to Universal Access to Information* (Dec. 14, 2004), at <http://www.umich.edu/news/?Releases/2004/Dec04/library/index> (last visited Apr. 8, 2005). In contrast, Google Print does not give publishers electronic copies of the works they submit to Google to scan, this aspect is unique to the library program.

<sup>7</sup> Google Press Release, *supra* note 2; Google Print FAQs, Google, at [https://print.google.com/publisher/online\\_faq](https://print.google.com/publisher/online_faq) (last visited Apr. 8, 2005) [hereinafter *Google Print FAQs*].

<sup>8</sup> Google Print FAQs, *supra* note 7.

<sup>9</sup> See News Release, Stanford News Service, *Stanford and Google to make Library Books Available Online* (Dec. 14, 2004), at <http://www.stanford.edu/dept/news/pr/2004/pr-google-011205.html> (last visited Apr. 8, 2005) [hereinafter *Stanford Press Release*]; Adair Lara, 'Googleizing' Libraries Won't Replace Books, S.F. CHRONICLE, Dec. 18, 2004, at E1.

<sup>10</sup> Google Press Release, *supra* note 2; Stanford Press Release, *supra* note 9 ("create digital searchable pages").

<sup>11</sup> An example of what the results will look like is available at: <http://print.google.com/googleprint/screenshots.html> (last visited Apr. 8, 2005). See Google Print FAQs, *supra* note 7 (Publisher can give permission to display more through the Google Print program).

<sup>12</sup> Google Press Release, *supra* note 2; Google Library FAQs, *supra* note 2.

<sup>13</sup> Google Print FAQs, *supra* note 7.

links to “buy this book” from numerous vendors as well as advertisements specially targeted to the displayed text.<sup>14</sup>

¶3 There are numerous ramifications of this bold project, most of which are outside the scope of this iBrief.<sup>15</sup> The focus of this iBrief is the copyright implications of reproducing and displaying a portion of a digital copy of library books that are still under copyright protection. Although Google insists the undertaking will display all library materials “in keeping with copyright law,”<sup>16</sup> Google has not offered details on how it can reconcile the plan with current copyright law. In making the digital copy, Google is infringing on the reproduction right of the copyright holder and continues that infringement when it allows a portion of a copyrighted work to be displayed on a user’s computer screen without permission from that copyright holder. Without a significant change in interpretation of the law, it is unlikely that Google will be able to successfully claim its actions constitute fair use, and the project clearly does not qualify for protection under the Copyright Act’s library exemption.<sup>17</sup> This iBrief will discuss these issues in more detail as well as potential ways to resolve the conflict between the copyright holders and Google.

#### I. PRIMA FACIE CASE OF COPYRIGHT INFRINGEMENT

¶4 For books, copyright law reserves certain separate and exclusive rights to copyright holders and their licensees. These include the right to make and distribute copies<sup>18</sup> of a work; the right to “prepare derivative

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<sup>14</sup> Google Press Release, *supra* note 2; Markoff & Wyatt, *supra* note 4; *but see* Hiawatha Bray, *Google to Index Works at Harvard, Other Major Libraries*, THE BOSTON GLOBE, Dec. 14, 2004, at A1 (“For now, Google won’t display ads alongside the search results for a particular book”).

<sup>15</sup> Such issues include: concern over what will become of traditional libraries and what new roles they should assume; issues of the future and integrity of the digital medium and the usefulness of converting books to a temporarily relevant format; issues pertaining to who is best suited to the role of gatekeeper for these digital collections; how Google will determine exactly which books are still subject to copyright protection and who the relevant copyright owner is (publisher or author). While all valid and interesting issues, they are outside the scope of this iBrief.

<sup>16</sup> Google Press Release, *supra* note 2.

<sup>17</sup> *See* 17 U.S.C. § 101–108 (2000).

<sup>18</sup> While this term is plural, it is interpreted to include the singular as well. DAVID NIMMER, NIMMER ON COPYRIGHT § 8.02(d) (Matthew Bender & Co. ed. Lexis 2004) [hereinafter *Nimmer*]; 1 U.S.C. § 1 (1951) (unless implied or stated otherwise, “words importing the plural include the singular”); H.R. REP. NO. 94-1476, at 61 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5675 (“The references to “copies or phonorecords,” although in the plural, are intended here and throughout the bill to include the singular.”).

works based upon the copyrighted work;” and the right to display and perform the work publicly.<sup>19</sup> To prove infringement, a copyright holder only needs to show: (1) ownership of the copyright in the work and (2) that original elements of the work were copied.<sup>20</sup> A copy does not need to be in the same medium as the original, as long as it is fixed and communicable to others.<sup>21</sup> If these elements are met, infringement has occurred and liability can only be negated if the infringer can offer a valid defense. The next two sections will address relevant defenses.

¶5 Assuming, *arguendo*, that Google is simply making a digital copy of the works that are still covered by copyright protection, and not subsequently posting the work to its index, would that action be enough to constitute copyright infringement? This question is essential to determining whether Google’s actual actions constitute infringement. Without this initial finding of an infringement, the rest of the inquiry is irrelevant; a fair use defense is unnecessary where infringement has not occurred.

¶6 Some case law supports the notion that when a copyright is infringed for “insubstantial purposes,” i.e. when infringement is *de minimis*, a cause of action for infringement is unsupported.<sup>22</sup> For instance, one court found *de minimis* copying when a copy was made but not used.<sup>23</sup> There is no clear line as to where the standard of *de minimis* applies and what level of use of a copy will exceed that standard, but the hurdle is likely minimal.<sup>24</sup> One commentator looking at the *de minimis* jurisprudence determined that it is a “defense [that] should be limited largely to its role in determining substantial similarity or fair use.”<sup>25</sup> Generally it is found “only if the

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<sup>19</sup> 17 U.S.C. § 106 (2000).

<sup>20</sup> *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 361 (1991).

<sup>21</sup> The definition of a copy is sufficiently elastic to allow for new technologies. 17 U.S.C. § 101 (2002) (“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”).

<sup>22</sup> *Nimmer*, *supra* note 18, at § 8.01(G); *see also* *Ringgold v. Black Entm’t Television, Inc.*, 126 F.3d 70, 74-77 (2d Cir. 1997) (discussion of uses of *de minimis*).

<sup>23</sup> *See Knickerbocker Toy Co., Inc. v. Azrak-Hamway Int’l, Inc.*, 668 F.2d 699, (2d Cir. 1982).

<sup>24</sup> *See Nimmer*, *supra* note 18, at § 8.01(G); Deborah F. Buckman, Annotation, *Application of “De Minimis Non Curat Lex” to Copyright Infringement Claims*, 150 A.L.R. FED. 661 (2004).

<sup>25</sup> *Nimmer*, *supra* note 18, at §8.01(G). Neither substantial similarity nor fair use, as they relate to the concept of *de minimis*, is in question here. Substantial similarity is determined by Google’s admission that it is copying the works. Fair use is generally not available when a work is copied in its entirety. *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 109 (2d Cir. 1998).

average audience would not recognize the appropriation”<sup>26</sup> and is applied to “small and usually insignificant portion[s]” of the copyrighted work.<sup>27</sup> In short, the *de minimis* principle generally applies only in matters so trifling the law does not deal with their disposal.<sup>28</sup>

¶7 Here, Google’s digitization of the library collections constitutes a prima facie case of copyright infringement. Google has announced that it will copy the entirety of the library texts involved, some of which are still under copyright protection.<sup>29</sup> The fact that the copy is digital rather than in the form of a paper book is irrelevant.<sup>30</sup> By copying the entirety of a copyrighted work, Google is without question copying the original expression protected by the copyright. This copying is enough to establish a prima facie case of infringement. While Google could argue that the project falls under the *de minimis* jurisprudence if the work is never searched and is merely kept on its server, the sheer volume of copied work reasons against a *de minimis* finding. It appears that only a valid defense would keep this infringement from being actionable.

## II. THE LIBRARY EXEMPTION

¶8 The Copyright Act provides libraries and archives an explicit exemption from liability for copyright infringement under certain, designated circumstances.<sup>31</sup> For a library copy to be non-infringing it must: (1) be a single copy (2) made by a library or archive or by employees of such acting within the scope of their employment, (3) not be associated with any commercial purpose, (4) be copied from a collection that is open to the public or at least all researchers, and (5) include a notice of copyright.<sup>32</sup> This exemption is limited to copies of unpublished works for archival purposes, out-of-print works, or replacements for damaged and lost works.<sup>33</sup> Even if all of these conditions are met, the library or archive can still only make no more than three copies.<sup>34</sup> An additional section of the Act allows a library to make copies for users, at their request under very limited

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<sup>26</sup> *Newton v. Diamond*, 388 F.3d 1189, 1193 (9th Cir. 2003).

<sup>27</sup> *Warner Bros. Inc. v. Am. Broad. Cos., Inc.*, 720 F.2d 231, 242 (2d Cir. 1983); see Buckman, *supra* note 24, at 2a.

<sup>28</sup> J. Pierre N. Leval, *Nimmer Lecture: Fair Use Rescued*, 44 UCLA L. REV. 1449, 1457-58 (June 1997).

<sup>29</sup> Google Press Release, *supra* note 2; Google Library FAQs, *supra* note 2.

<sup>30</sup> See 17 U.S.C. § 101 (2000).

<sup>31</sup> 17 U.S.C. § 108 (2000).

<sup>32</sup> *Id.*, H.R. REP. NO. 94-1476, at 74 (1976), reprinted in 1976 U.S.C.C.A.N 5659 at 5688.

<sup>33</sup> 17 U.S.C. § 108(b) – (e) (2000); H.R. REP. NO. 94-1476, at 75-76.

<sup>34</sup> 17 U.S.C. § 108(b) – (e).

circumstances, such as when only a small portion of an available, copyrighted work is requested.<sup>35</sup>

¶9 The exemption's legislative history clarifies the meaning and intent of some of these constraints. Pertinent to Google's project is the requirement that the copy be made by the library/archive itself or one of its employees. The history shows 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 itself."<sup>36</sup> The legislative history also makes clear that the statute would not excuse infringement liability if there was a "commercial motive behind the actual making or distributing of copies, if multiple copies were made or distributed, or if the photocopying activities were 'systematic' in the sense that their aim was to substitute for subscriptions or purchases."<sup>37</sup> The systematic copying bar precludes an individual from requesting different parts of a copyrighted work over a period of time in order to eventually obtain the entirety of the work, even if for the purpose of personal study.<sup>38</sup> Additionally, even libraries are not exempt from this "systematic" copy restriction in the arrangement of interlibrary loans and copies.<sup>39</sup> These clarifications serve to amplify the fact that the legislative intent in writing this exception into copyright law was not to provide permission to libraries and archives to violate the rights of authors and others that create original works, but rather to try and reach a balance between the needs of libraries and scholars and the rights of the copyright holders.<sup>40</sup>

¶10 In 1998, the Act was updated to reflect the innovations in digital technology. Congress was concerned about the implications of having digital copies accessible on the internet and how that would affect the copyright holders' rights.<sup>41</sup> To address this concern, the Senate clarified that "digital libraries and archives that exist only in the virtual (rather than physical) sense on . . . the Internet" do not fall under the library exemption.<sup>42</sup> Moreover, digital copies may not be accessed outside the premises of the library.<sup>43</sup>

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<sup>35</sup> 17 U.S.C. § 108(d).

<sup>36</sup> H.R. REP. NO. 94-1476 at 74.

<sup>37</sup> *Id.* at 75.

<sup>38</sup> Nimmer, *supra* note 18, at § 8.03(E)(2)(f)(i).

<sup>39</sup> 17 U.S.C. § 108(g)(2).

<sup>40</sup> See Nimmer, *supra* note 18, at § 8.03; S. REP. NO. 105-109 (1998) (Digital Millennium Copyright Act).

<sup>41</sup> See S. REP. NO. 105-109 (1998) (DMCA).

<sup>42</sup> *Id.* (internal quotations omitted).

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

¶11 Google's library digitization program does not appear to meet the rigid requirements of the library exemption. The biggest hurdle for Google with respect to this exemption is the fact that Google is a for-profit company with a commercial purpose behind its library; the searches will generate revenue from the advertisements next to the displayed book pages. Even if this obvious commercial interest did not exist, Google is still a for-profit company starting the library to help its business. Taken by itself, Google's for-profit nature should be enough of a commercial tie to disqualify the Google library from the exemption.<sup>44</sup> Even if Google was merely digitizing the collections of the library for the library and not intending to make the collection available from its site, the commercial nature of Google's business would preclude this project from qualifying for the exemption.<sup>45</sup>

¶12 The second major problem for Google is the systematic nature of its copying. The statute's prohibition against permitting photocopies to substitute for a subscription or purchase easily applies to Google.<sup>46</sup> Google's plan to copy library volumes without paying the copyright holders for the right to do so (i.e. not obtaining a license), allows Google to access information without having to purchase copies. Even interlibrary loans are prohibited when done in "such aggregate quantities as to substitute" for purchasing a copy of the loaned material.<sup>47</sup> Google's intention is, at a minimum, comparable to that of a library taking advantage of interlibrary loans to supplement its collection. If the libraries were not offering their material to Google, the company would have to pay to acquire it and thereby acknowledge the rights of the copyright holder.

¶13 Finally, the legislative history makes clear that only physical libraries, not websites, are allowed to make digital copies.<sup>48</sup> Coupling this limitation with the taint of Google's commercial nature, it becomes apparent that its library digitization program will not qualify for this exemption. However, nothing in the library exemption precludes a finding of fair use with regards to an infringing copy. Although not protected by the library exemption, Google's library project is not necessarily unlawful. In order to determine its lawfulness, a full fair use analysis must be undertaken.

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<sup>44</sup> See 17 U.S.C. § 108(a)(1) (2000).

<sup>45</sup> See H.R. REP. NO. 94-1476 (1976), reprinted in 1976 U.S.C.C.A.N. 5659.

<sup>46</sup> See *id.*

<sup>47</sup> 17 U.S.C. § 108(g)(2).

<sup>48</sup> See S. REP. NO. 105-109 (1998) (DMCA).

### III. FAIR USE ANALYSIS

¶14 Fair use is an affirmative defense to what would otherwise be an infringing act, such as reproducing a copyrighted work.<sup>49</sup> The defense attempts to balance the “inherent tension” in the purpose and implementation of copyright law.<sup>50</sup> On the one hand, the encouragement of new creative works requires creators retain the ability to profit from their labors while the advancement of science and knowledge demands broad public access to prior works.<sup>51</sup> Fair use allows “others than the owner of the copyright” to use, without permission, copyrighted work when “reasonable”<sup>52</sup> to promote “science and the useful arts.”<sup>53</sup>

¶15 There is no bright line rule to distinguish what is reasonable fair use from what is actionable infringement.<sup>54</sup> The statute provides a list of examples of fair use, including “teaching . . . , scholarship, or research,” but the list is not exhaustive. Instead a court is to “apply an equitable rule of reason” by weighing four non-exclusive statutory factors, none of which are singularly determinative, to decide if a use is a “fair use.”<sup>55</sup> The four factors are: (1) “the purpose and character of the use”, (2) “the nature of the copyrighted work”, (3) “the amount and substantiality of the portion used” and (4) “the effect of the use on the potential market.”<sup>56</sup> This balancing was best described when the Supreme Court explained that “[a]lthough copying to promote a scholarly endeavor certainly has a stronger claim to fair use than copying to avoid interrupting a poker game, the question is not simply two-dimensional.”<sup>57</sup> This case-by-case analysis facilitates the balancing of two opposing interests, but fails to offer clear precedent. Rather, each ruling is fact specific. The remainder of this section will address each of the four factors in turn and apply each factor to Google’s library digitization project.

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<sup>49</sup> 17 U.S.C. § 107 (2000); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994); *Harper & Row Publ., Inc. v. Nation Enter.*, 471 U.S. 539, 561 (1985).

<sup>50</sup> *Campbell*, 510 U.S. at 575.

<sup>51</sup> *Id.*; *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 477-78 (1984) (Blackmun, J., dissenting).

<sup>52</sup> *Harper & Row*, 471 U.S. at 549.

<sup>53</sup> U.S. CONST. art. 1, § 8, cl. 8; *Harper & Row*, 471 U.S. at 549.

<sup>54</sup> *Campbell*, 510 U.S. at 577; *Sony*, 464 U.S. at 448, n.31.

<sup>55</sup> *Sony*, 464 U.S. at 448-50.

<sup>56</sup> 17 U.S.C. § 107 (2000).

<sup>57</sup> *Sony*, 464 U.S. at 455, n.40.



A. *Purpose and character of the use*

¶16 The first factor of a fair use analysis is the purpose and character of the potential infringer's use of the copyrighted work.<sup>58</sup> The statute specifically states that this part of the analysis should take into consideration whether the use was "of a commercial nature or is for nonprofit educational purposes."<sup>59</sup> If the use is for commercial purposes, a presumption weighs against fair use.<sup>60</sup> In a practical sense, however, the Court has found that commerciality is not very helpful in determining fair use because "most secondary uses of copyrighted material, including nearly all the uses listed in the statutory preamble [as fair use examples], are commercial."<sup>61</sup> If commerciality alone precluded fair use, it would be difficult to find any otherwise infringing use that could be deemed fair.<sup>62</sup>

¶17 Accordingly, the crux of this inquiry is not whether the motive of the use is only commercial but whether the use allows the user to "profit from exploitation of the copyrighted material without paying the customary price for it."<sup>63</sup> An assessment of commerciality must include an examination of the degree of the exploitation.<sup>64</sup> Exploitative, while not officially defined, relates to how much profit potential is being taken away from a copyright holder<sup>65</sup> and how necessary the infringing use is to the user's ability to profit.<sup>66</sup> For example, copying a television show so that one can watch it later is not commercial and supports a finding of fair use.<sup>67</sup> Making a low quality "thumbnail" copy of an image for display by a website search engine is not "highly exploitive" and accordingly "weighs only slightly" against fair use.<sup>68</sup> But copying a small number of words that comprise the "heart" of an unpublished book to "scoop" its publication in a headline magazine story is exploitative, commercial and weighs strongly against fair use.<sup>69</sup>

¶18 The commercial aspect of the character of the use is offset by whether or not the use is transformative.<sup>70</sup> A transformative use that adds to or changes the copyrighted work to give it "new expression, meaning or

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<sup>58</sup> 17 U.S.C. § 107(1).

<sup>59</sup> *Id.*

<sup>60</sup> *Harper & Row*, 471 U.S. at 562 (1985) (citing *Sony* 464 U.S. at 451).

<sup>61</sup> *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 109 (2d Cir. 1998).

<sup>62</sup> *See Campbell*, 510 U.S. at 584.

<sup>63</sup> *Harper & Row*, 471 U.S. at 562.

<sup>64</sup> *See Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818 (9th Cir. 2003).

<sup>65</sup> *See Harper & Row*, 471 U.S. at 562-63.

<sup>66</sup> *See Kelly*, 336 F.3d at 818.

<sup>67</sup> *Sony*, 464 U.S. at 450-51.

<sup>68</sup> *Kelly*, 336 F.3d at 818.

<sup>69</sup> *See Harper & Row*, 471 U.S. at 562-63.

<sup>70</sup> *Campbell*, 510 U.S. at 579.

message” generally furthers the purpose of copyright protection, to “promote science and the arts;”<sup>71</sup> while a use that merely supersedes the original is not transformative.<sup>72</sup> As a result, the more transformative the work is, the more the balance will be shifted towards fair use.<sup>73</sup> Transformative use requires more than a mere shift of format or different purpose.<sup>74</sup> Rather, a transformation must create something new.<sup>75</sup> For example, a parody is transformative,<sup>76</sup> but retransmitting a radio show over a phone line so advertisers can ensure their commercials are broadcast is not.<sup>77</sup>

¶19 Here, the commercial factor weighs against Google since Google is copying the books in order to enhance the value of its service to consumers and will be selling advertising space next to the copyrighted works. However, it is difficult to distinguish this from the thumbnail images that were deemed commercial but only slightly tipped the balance against fair use.<sup>78</sup> Both use the copies in a search engine database and neither uses the copy to promote their service.<sup>79</sup> It seems likely that the commercial aspect of Google’s use of the copyrighted books would be analyzed in much the same way and would be found to be of minimal significance in the overall fair use analysis.

¶20 The question then becomes whether the public service that Google is offering by digitizing all of these books and making them searchable online will outweigh its commercial exploitation of the works. Merely copying a book into a digital format would not be deemed transformative because all that Google is changing is the medium (print to digital).<sup>80</sup> However, the fact that the text of the book is then searchable could be considered transformative because Google is adding something that is

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<sup>71</sup> *Id.* at 579; *See also* *Williams & Wilkins v. U.S.*, 487 F.2d 1345, 1354 (Ct. Cl. 1973), *aff’d*, 420 U.S. 376 (1975) (finding that “in general, the law gives copying for scientific purposes a wide scope” and since the instant case involved a non-profit institution seeking only to advance medical knowledge that supported a finding of fair use until the legislature acted.).

<sup>72</sup> *Kelly*, 336 F.3d at 818.

<sup>73</sup> *Campbell*, 510 U.S. at 579.

<sup>74</sup> *Infinity Broad. Corp.*, 150 F.3d at 108.

<sup>75</sup> *Campbell*, 510 U.S. at 579.

<sup>76</sup> *Id.*

<sup>77</sup> *Kirkwood*, 150 F.3d at 109.

<sup>78</sup> *See Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818 (9th Cir. 2003).

<sup>79</sup> *See id.* The website in *Kelly* was not attempting to sell the images, whereas Google’s shopping site, Froogle, will be a link from which one can buy the copyrighted work. This distinction seems immaterial though since Froogle only provides links to other outlets and is not really a retailer of the books, let alone the copies.

<sup>80</sup> *See Kirkwood*, 150 F.3d at 108, n.2.

unavailable in the print version. Being able to search the text allows for much more specific inquiries by a user than can be accomplished using a card catalog or even an index of a particular work. This extra functionality promotes the key copyright interests of “science and the useful arts”<sup>81</sup> by giving researchers easier, more valuable access to large numbers of works. Additionally, this service “do[es] not supplant the need for originals”<sup>82</sup> because the entirety of the work will not be available to a Google user; the user will still have to find the original at the library or purchase it after determining the work’s relevance to the user’s research. The Google library does “benefit the public by enhancing information gathering techniques on the internet.”<sup>83</sup>

¶21 However, there is still a distinction between adding “new expression” and adding new or different functionality. New expression is what is required for a use to be transformative.<sup>84</sup> Thus, while the Google library may be new and useful, it is not necessarily transformative. Accordingly, as in the “thumbnails” case,<sup>85</sup> an analysis of the first factor weighs slightly against Google.

### *B. Nature of the copyrighted work*

¶22 The second factor in a fair use analysis is the nature of the copyrighted work that is potentially infringed.<sup>86</sup> The more creative the expression embodied in a work, the more likely a copy will not be fair use<sup>87</sup> since the copyright system is meant to provide a monopoly to authors to provide “incentive to create.”<sup>88</sup> Correspondingly, copying factual works, including factual elements of creative works, is more likely to be fair use.<sup>89</sup> Another important characteristic is whether the work is published.<sup>90</sup> An unpublished work is less likely to be subject to fair use.<sup>91</sup> Other elements factor into this analysis depending on the particular circumstances, such as in parody, where even pure creative uses can be fair.<sup>92</sup>

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<sup>81</sup> U.S. CONST. art. I, § 8, cl. 8; *Williams & Wilkins v. U.S.*, 487 F.2d 1345, 1352 (Ct. Cl. 1973), *aff’d*, 420 U.S. 376 (1975).

<sup>82</sup> *See Kelly*, 336 F.3d at 820.

<sup>83</sup> *Id.*

<sup>84</sup> *Kirkwood*, 150 F.3d at 108.

<sup>85</sup> *Kelly*, 336 F.3d 811.

<sup>86</sup> 17 U.S.C. § 107(2) (2000).

<sup>87</sup> *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586 (1994).

<sup>88</sup> *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 479-480 (1984) (Blackmun, J., dissenting).

<sup>89</sup> *Harper & Row Publ., Inc. v. Nation Enter.*, 471 U.S. 539, 563 (1985).

<sup>90</sup> *Id.* at 564.

<sup>91</sup> *Id.*

<sup>92</sup> *Campbell*, 510 U.S. at 586-87.

¶23 Here, Google is making exact copies of works, some of which will blend fact and creative expression, and some of which will be pure creative expression. Google fails to show some accepted fair use reason, such as parody, for the copies. Accordingly, this factor will weigh against Google.

### *C. Amount and substantiality of the portion used*

¶24 The third fair use factor is the amount and substantiality of the portion of the copyrighted work used in relation to the entirety of the copyrighted work and the purpose of the copy.<sup>93</sup> Even making a copy that is not significant in terms of size might preclude fair use if the copy substantively captures the essence of the work.<sup>94</sup> At one end of the fair use spectrum, copying an entire work generally precludes a finding of fair use.<sup>95</sup> Usually when a “user reproduces an entire work and uses it for its original purpose, with no added benefit to the public, the doctrine of fair use” is inapplicable.<sup>96</sup> However, under the right circumstances a copy of an entire creative work might still be fair use. For example, making a copy of a television program for home viewing at a later time entails copying the entirety of a creative work but has been found to be fair use.<sup>97</sup> This factor is especially relevant when analyzed in context with the other factors, for it can indicate likelihood of market harm under the fourth factor or lack of transformative character under the first factor.<sup>98</sup>

¶25 In Google’s case, examination of the amount and substantiality seems to weigh against a finding of fair use. Google is copying books in their entirety, which would normally preclude fair use unless mitigating circumstances were found.<sup>99</sup> Even though Google is only displaying a small portion of the work to users, the research system requires the copy of the original in its entirety to be functional. When viewed together with the first factor (the purpose of the project) the copying of entire works is required in order for the service to be valuable. Copying the entirety of works is also what allows the project to potentially be deemed transformative, from a text one reads to a text one searches. In viewing Google’s work in this light, this factor weighs in favor of fair use. However, this weight is offset by the potential harm implied by looking at this factor together with the fourth factor as set forth below. The interplay of this factor with factors one and

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<sup>93</sup> 17 U.S.C. § 107(3) (2000); *Campbell*, 510 U.S. at 586.

<sup>94</sup> *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 109 (2d Cir. 1998); *See Harper & Row Publ., Inc.*, 471 U.S. at 564-65.

<sup>95</sup> *Kirkwood*, 150 F.3d at 109.

<sup>96</sup> *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 480 (1984) (Blackmun, J. dissenting).

<sup>97</sup> *Id.* at 449-51.

<sup>98</sup> *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 587 (1994).

<sup>99</sup> *See Sony*, 464 U.S. at 449-50.

four balances out and results in this factor neither strongly supporting nor denying fair use.

*D. Effect of use upon the potential market*

¶26 The fourth factor is generally considered the “single most important” in a fair use analysis.<sup>100</sup> This factor relates to the effect that the potentially infringing use has on the prospective market for, or value of, the copyrighted work.<sup>101</sup> The markets considered are those currently in existence, as well as any potential markets for the original or derivative works that a creator might “develop or license others to develop.”<sup>102</sup> This does not include all imaginable derivative markets; rather it encompasses only those which a creator might foreseeably enter.

¶27 A use that substitutes for the original is not fair use because it harms the market for the original: users turn to the substitute instead of the original.<sup>103</sup> This factor does not just encompass loss of value; even if use causes the copyright owner to gain, this factor can still weigh against fair use. For example, if an unknown song is used in a movie without permission and the movie makes the song a hit, even though the copyright owner in the song gains commercial advantage because of the use, the use is still unfair.<sup>104</sup> Additionally, courts will examine the impact that “unrestricted and widespread conduct of the sort engaged in by” the potential infringer would have on the market for the original or its derivatives.<sup>105</sup> Basically, the pertinent question is not just what the impact of Google’s project on the market is, but what would the impact on the market be if there were thousands of websites performing the same service.

¶28 One particularly instructive example for Google’s project is MP3.COM.<sup>106</sup> MP3.COM purchased compact discs and reproduced them into a digital format (mp3 file) and then stored the files in an online database. The company’s non-paying subscribers were allowed to access any music that they could prove they owned or that they agreed to purchase.<sup>107</sup> When sued for infringement by a number of record companies,

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<sup>100</sup> Harper & Row Publ., Inc. v. Nation Enter., 471 U.S. 539, 566 (1985). See also Princeton Univ. Press v. Michigan Document Servs., Inc., 99 F.3d 1381, 1385 (6th Cir. 1996) (stating that the fourth factor is “*primus inter pares*,” first among equals).

<sup>101</sup> 17 U.S.C. § 107(4) (2000); Harper & Row, 471 U.S. at 566.

<sup>102</sup> Campbell, 510 U.S. at 590-92.

<sup>103</sup> See Kelly v. Arriba Soft Corp., 336 F.3d 811, 821 (9th Cir. 2003).

<sup>104</sup> Campbell, 510 U.S. at 591, n.21.

<sup>105</sup> Id. at 590.

<sup>106</sup> UMG Recordings, Inc. v. MP3.COM, Inc., 92 F.Supp. 2d 349, 350 (S.D.N.Y. 2000).

<sup>107</sup> Id.

MP3.COM maintained that the impact of its service would be positive since the service promoted purchase and ownership of the music.<sup>108</sup> The court rejected this argument on the premise that the record companies had the right to grant or withhold a license to perform such a service.<sup>109</sup> The fact that “plaintiffs have not shown that such licensing is traditional, reasonable, or likely to be developed” is irrelevant.<sup>110</sup> The licensing market “directly derives” from the exclusive rights granted to a copyright holder and the copyright holder has the right to “curb the development of such a derivative market by refusing to license a copyrighted work or by doing so only on terms the copyright owner finds acceptable.”<sup>111</sup>

¶29 In so construing this factor, the court reserved a broad right to the copyright holder. In contrast, the United States Court of Appeals for the Ninth Circuit in *Kelly v. Arriba Soft Corp.* held that making and using lower resolution thumbnail copies of copyrighted digital images does not infringe a copyright owner’s potential to license its images.<sup>112</sup> Since the images were still only available in a useful, high quality form from the copyright owner and the copyright owner had the ability to license those quality images, the court did not find infringement.<sup>113</sup> The potential market to license use of the low quality derivative thumbnail images was not acknowledged by the court.<sup>114</sup>

¶30 In analyzing Google’s case, this broad right to license other uses reserved to the copyright holder presents a tricky problem. MP3.COM did not produce a general public good by allowing a user to access her music collection from any computer. Google’s digital library is arguably much more beneficial to society. At the same time, there could be a valuable licensing right for a copyright holder that Google is potentially infringing. By digitizing these libraries, Google is preempting the copyright holders from licensing their books to a search engine(s) for inclusion in such a searchable index. This right is potentially valuable if Google, Yahoo, MSN, and other search engines all determine they need to provide this kind of access to their users; licensing the digital, searchable copy from the

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<sup>108</sup> *Id.* at 352.

<sup>109</sup> *Id.*

<sup>110</sup> *Id.* (internal quotations omitted).

<sup>111</sup> *Id.* at 592.

<sup>112</sup> *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 821 (9th Cir. 2003).

<sup>113</sup> *Id.* at 821-22 (“Arriba’s use of Kelly’s images would not harm Kelly’s ability to sell or license his full size images. Arriba does not sell or license its thumbnails to other parties. . . . There would be no way to view, create, or sell a clear, full-sized image without going to Kelly’s web sites. Therefore, Arriba’s creation and use of the thumbnails does not harm the market for the value of Kelly’s images.”).

<sup>114</sup> *See id.*

copyright holders should be the only way to provide it. Google is also taking away the copyright holder's ability to control access to her work. The copyright holder, for example a large publishing house, might plan to establish a similar online library and use its exclusive library to draw internet users to its site, whereupon the publisher would then be able to sell advertisement space or perhaps would just be the exclusive online retailer for its works. Google is preempting this right without providing any consideration and that would cut against fair use.

¶31 However, since Google's potentially infringed market is speculative; a court just may choose not to acknowledge it, as was done in *Kelly*. Whether or not a court would believe that a potential market exists is impossible to predict. While the court in *MP3.COM* saw the infringed market, the court in *Sony* did not see the potential market that the video tape recorder (VTR) might be infringing.<sup>115</sup> While this distinction rests somewhat on the commercial nature of the MP3.COM business and the non-commercial nature of making home videos, Google's project, like the thumbnail images, is somewhere in between. Google is not selling a product and is not relying on the digital library to make a profit, yet what the search engine is providing extends well beyond personal use and the project will generate advertising revenue from searches of the digitized pages, which, unlike the thumbnail images, renders the licensing opportunity more apparent. Additionally, most of the larger copyright holders that Google would be infringing the rights of have already voluntarily signed up for the similar Google Print program.<sup>116</sup> This fact negates the notion that a commercial harm is occurring, but the presence of a commercial harm is not determinative for this factor. Also, Google Print has one key difference from Google's library project: Google Print allows publishers to share in the advertising revenue earned from their works.<sup>117</sup> This quality could be seen as a substantial difference which equates to a voluntary licensing for consideration as opposed to Google's taking through the library digitization program.

¶32 Due to the combination of the incredible breadth of Google's project and the number of copyright holders potentially harmed by the project, with the fact that Google is a for-profit company that will generate advertisement revenue from this venture, it appears that the project is

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<sup>115</sup> *MP3.COM*, 92 F.Supp. 2d at 352; *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 456 (1984).

<sup>116</sup> Barbara Quint, *Google Print Expands Access to Books with Digitization Offer to All Publishers*, INFOTODAY.COM (Oct. 6, 2004), at <http://www.infoday.com/newsbreaks/nb041006-1.shtml> (last visited Apr. 8, 2005).

<sup>117</sup> Google Print FAQs, *supra* note 7.

commercial and affects a potential licensing right of the copyright holders. As such, this factor would weigh against a finding of fair use.

### CONCLUSION

¶33 Even an analysis of the four fair use factors fails to predict a ruling on Google's library digitization project with any certainty. With no factor strongly supporting Google and the last factor, which is usually the most important, weighing against the project, the commercial motive, market usurpation and extensive scope of the project would likely outweigh the public benefits and push a court's analysis over into a finding of unfair use. However, it is possible that if a court battle were to ensue over this project, that it could be deemed a fair use. Past decisions dealing with fair use in hotly contested situations involving equally innovative technology have come down on the side of expanding the rights of the public over those of the copyright holders.<sup>118</sup> In *Sony*, even though the copyright holders were painting a doom and gloom picture of the future, as the right holders would be apt to do here, the court was able to see past their vision and recognize the benefits of allowing the potential infringement of the VTR.<sup>119</sup> The copyright holders quickly came to realize that what the court had done was in their best interests, as well.

¶34 Betting on a favorable reading of the law, as in *Sony*, is a risky proposition for both Google and the copyright holders, and accordingly is not the ideal course for either. Litigation such as this is costly and extremely time-consuming. The *Sony* litigation took at least five years<sup>120</sup> – about as long as Google plans to spend to digitize half of the fifteen million volumes it currently plans to make available online. While, as one scholar points out, Google might have the money to take this chance on litigation and appears to be willing to do so,<sup>121</sup> in a climate of such rapid technological change, the final outcome of the litigation might be irrelevant by the time it is reached as a new challenge or opportunity might be pushing the boundaries of fair use in some other novel way. Litigation will also potentially encourage others who are not as well endowed, or simply more

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<sup>118</sup> See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

<sup>119</sup> See *id.*; see Brief for Respondents, *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984) (No.81-1687). See generally Matthew W. Bower, Note, *Replaying the Betamax case for the new digital VCRs: Introducing TIVO to fair use*, 20 CARDOZO ARTS & ENT. L.J. 417, 417-419 (2002).

<sup>120</sup> The district court decision in *Sony* came down five years before the Supreme Court decision. *Universal City Studios, Inc. v. Sony Corp. of Am.*, 480 F.Supp. 429 (C.D. Cal. 1979).

<sup>121</sup> Lawrence Lessig, *Commentary; Let a Thousand Googles Bloom; Copyright Reform is Vital to the Spread of Culture and Information*, L.A. TIMES, Jan. 12, 2005, at B11.



risk averse, to wait-and-see rather than commencing similar, competing projects which might lead to further public benefits. With some publishing companies already beginning to grumble that Google's project might "run afoul of copyright laws,"<sup>122</sup> it seems that litigation might be inevitable, but it is not the best option for resolving whether it is in the interests of "science and the useful arts"<sup>123</sup> to allow projects similar to Google's library digitization or to stymie such projects so that copyright holders might protect their own turf.

¶35 Rather than give a court the chance to make this ruling and potentially delay the implementation of this project, Google could actively try to recruit copyright holders into partnering with it. There is some suggestion that many copyright holders would willingly sign up for such a partnership.<sup>124</sup> While the list of publishers signed on to Google Print appears to be extensive,<sup>125</sup> experience with new technology has shown that the affected industry is generally slow to adopt change, even when that change turns out to be in best interests of the industry.<sup>126</sup> Google's digital library has the possibility of generating revenue (through advertisements which Google could share with copyright holders) and sales (through increased exposure for copyrighted works) for the copyright holders, but does not threaten to harm the copyright holders since Google is not replacing a service that anyone currently pays for; the project is replacing a trip to the library. Even with these apparent positive attributes to Google's project, the reluctance of copyright holders to adopt innovations in the past suggests that at least some of them would be unwilling to voluntarily sign onto this project as well. Unfortunately, all the pitfalls of litigation discussed above will be present if just one publisher holds out and refuses to

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<sup>122</sup> Jeffrey R. Young, *Publishing Groups say Google's Book-Scanning Effort may Violate Copyrights*, CHRONICLE OF HIGHER EDUC., Feb. 18, 2005, at 35.

<sup>123</sup> U.S. CONST. art. I § 8 cl. 8.

<sup>124</sup> Young, *supra* note 122.

<sup>125</sup> Quint, *supra* note 116.

<sup>126</sup> The *Sony* case is illustrative of this point. It took a Supreme Court decision to force the copyright holders in film and television shows to stop fighting the new VTR technology and to embrace the ways that they could profit from it. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984). Even the current battles over the online sharing of music are starting to become profitable with pay services, such as iTunes, willing to pay "substantial fees to obtain the rights" to sell copyrighted music to its consumers. APPLE COMPUTER, INC., 2004 FORM 10-K at 50 (2004). And recording companies are starting to realize that there are many opportunities to profit in the digital marketplace as well. *See EMI GROUP PLC, 2004 INTERIM REPORT* at 3 (2004) ("the legitimate digital music marketplace continues to make significant progress and I [EMI's Chairman] am very encouraged to report that EMI's digital revenues more than quadrupled . . . in the first half").

agree to the project or to settle with Google. This makes the likelihood of successfully forging voluntary partnerships with all the copyright holders unlikely.<sup>127</sup>

¶36 The only other real alternative is to re-examine and revise the copyright law itself. Copyright law developed in response to technological change, specifically the development of the printing press, and as innovations have occurred, “Congress . . . has fashioned the new rules that new technology made necessary.”<sup>128</sup> One commentator suggests this is what is needed now as well; that Google’s project should be an impetus to “[c]lean up the copyright system.”<sup>129</sup> While this, like litigation, would also be a time consuming undertaking, it would allow a permanent policy change so that future beneficial projects by private parties would not face the uncertain legal status that Google’s project seems to face.<sup>130</sup>

¶37 Whichever approach is eventually employed – litigation, negotiation or legal reform – one hopes that valuable projects such as Google’s that “enable a wide range of creative work to be efficiently built on by others”<sup>131</sup> will not be hampered but rather enabled by the outcome. One thing is clear in looking at the Google library digitization; it is a project that excites people with its possibilities, a result that seems to fit in well with the spirit of innovation that the copyright laws are meant to protect, and not something the law or its application should obstruct.

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<sup>127</sup> This also assumes that all the copyright holders can be identified and contacted which is a significant assumption that is unlikely to be realized in practice. See Lessig, *supra* note 121.

<sup>128</sup> *Sony*, 464 U.S. at 430.

<sup>129</sup> Lessig, *supra* note 121.

<sup>130</sup> *Id.*

<sup>131</sup> *Id.*