

Abandoning Eden: The Google Print Library Project

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A. INTRODUCTION

No one who has travelled to Oxford, Cambridge, or Harvard would deny the quaint pleasure of visiting the small bookstores that nestle in the streets around these universities. Certainly, John Updike, writing in the *New York Times Book Review* acknowledged this fact whilst bemoaning the spectre of a digital library.¹ Barnes & Noble, Borders, and Kinokuniya may well have established themselves as large commercial bookstores, but they cannot replicate the atmosphere of their smaller counterparts. Similarly, Amazon and other online booksellers have little chance of coming close to the shops of the dreaming spires. But the experience of the Harvard Bookstore, which is by no means small, is not something that everybody has the chance to enjoy. As such, it was certainly fair that Siva Vaidhyanathan, writing in the *University of California Davis Law Review*, would criticize Updike's remarks as elitist.²

When it first appeared, the Google Print Library Project (GPLP) seemed a way to bring the elite experience to the masses. The notion of an online digital library hosting all the knowledge of mankind, accessible to all persons, seemed too good to be true—and it was. From the start, the

1 John Updike, "The End of Authorship" *New York Times (Sunday Book Review)* (25 June 2006), online: www.nytimes.com/2006/06/25/books/review/25updike.html.

2 Siva Vaidhyanathan, "Copyright, Creativity, Catalogs: The Googlization of Everything and the Future of Copyright" (2007) 40 U.C. Davis L. Rev. 1207. Vaidhyanathan ultimately concludes that there may be dangers in the GPLP for "public rights" under copyright.

project suffered from the interminable obstacles of copyright law. Google's attitude did not help. At the outset Google seemed to want to steamroll over authors and publishers by relying on a vague and poorly defined notion of fair use. Google soon changed its tack and became somewhat more consultative.³ Then the writs were issued by some publishers and authors. The GPLP quickly narrowed itself to become Google Book Search. Even then the legal problems remain.

But the lure of the GPLP still persists. Like an Eden of knowledge, it is an idea that is too powerful and attractive not to be considered. In some respects Google came to the idea first, abandoning it only when the legal realities became too obvious. Yet for policy-makers there is something in the whole GPLP that should be revisited. The democratic and egalitarian ideals of freedom of access to information demand that some policy be put in place to provide an online library for the citizenry. Every developed nation has public libraries that provide physical hard copies of books to their patrons. These libraries are limited only by geography and physical scope. Similarly, the National Library of Australia keeps a copy of every work published in Australia. In this context, the GPLP offered only a digital extension of the physical reality.

Regrettably, where the entry of copyright works onto the Internet has been accompanied and propelled by piracy, the GPLP was always going to be controversial. The spectre of Napster and Grokster created fears in the minds of most copyright owners. The possibility that e-books might be pirated due to the GPLP would have irked publishers. There have been endless debates and studies on whether peer-to-peer piracy actually costs money for the content industries. But it is impossible to go past the logical proposition that once a consumer has obtained a good for free they are hardly likely to go and pay for it. Accordingly, the content industries have adopted an ultra-conservative approach to Google and other digitization efforts. The piracy issue, along with the success of the copyright owners in seeking stronger copyright laws, has provided Google with a difficult environment in which to operate.⁴

3 In August 2005, Google announced that it would stop copying and offer an opt-out process.

4 For a discussion of the strengthening of copyright laws, see Neil Netanel, "Why Has Copyright Expanded? Analysis and Critique" in Fiona MacMillan, ed., *New Directions in Copyright Law*, vol. 6 (Cheltenham: Edward Elgar, 2007).

To succeed, Google needs strong copyright exceptions. In the US it has the possibility of the fair use doctrine.⁵ At best, this equitable doctrine is a last resort defence. Though many American commentators have viewed it as an affirmative right, it is in fact merely a defence under the US *Copyright Act*.⁶ In Australia, the UK, Canada, and other common law jurisdictions, Google would need to rely on the fair dealing provisions of the respective statutes. Put simply, the legal task facing the GPLP appeared, and still does appear, to be somewhat insurmountable.

There are still two questions that need to be answered. Firstly, can the Google Book Search Project (GBSP), in its current form, be deemed to be permissible under the fair use doctrine in the US and under the fair dealing laws of other common law nations, such as Australia? Secondly, could a government ever undertake a project like the original GPLP and remain compliant with its international obligations? In answering these two questions I have focused on the laws of the US and Australia.

B. THE GOOGLE PRINT LIBRARY PROJECT

Google is an amazing commercial success. The company was created by two Stanford graduate students, Larry Page and Sergey Brin, in the mid-1990s and rapidly became a Silicon Valley success story. From the outset, Google's rise was marked by an unorthodox and daring approach to commercialization. The founders were reluctant to agree to an orthodox commercial figure as CEO, but eventually agreed to Eric Schmidt (former CEO

5 Academic opinion on the fair use defence and the GPLP is divided. Those who argue in favour of Google and fair use tend to consider only the online book search itself. See, for example, Melanie Constantino, "Fairly Used: Why Google's Book Project Should Prevail under the Fair Use Defense" (2006) 17 *Fordham I. P. Media & Ent. L.J.* 235; Thomas Wilhelm, "Google Book Search: Fair Use or Fairly Useful Infringement" (2006) 33 *Rutgers Computer & Tech. L.J.* 107; Emily Proskine, "Google's Technicolor Dreamcoat: A Copyright Analysis of the Google Book Search Library Project" (2006) 21 *Berkeley Tech. L.J.* 213. In contrast, those who argue against GPLP being defensible under fair use consider many of the steps in the overall process. See, for example, Steven Hetcher, "The Half-Fairness of Google's Plan to Make the World's Collection of Books Searchable" (2006) 13 *Mich. Telecomm. & Tech. L. Rev.* 1; Matt Williams, "Recent Second Circuit Opinions Indicate that Google's Library Project is not Transformative" (2007) 24 *Cardozo Arts & Ent. L.J.* 303; and Vaidhyanathan, above note 2 at 1229.

6 17 U.S.C. § 107 [*US Copyright Act*].

of Novell) taking the reins at Google.⁷ Even then the two founders retained the power to outvote the CEO. Whilst this might appear unremarkable now, it was certainly unorthodox when it was agreed to when Google was in its financing phase. Google is also reported to have taken the business model of a competitor.⁸ In doing so Google faced, but apparently avoided, legal liability. In short, Google has proved to be a risk taker.

In late 2004 Google declared that it was going to engage in a partnership with a number of universities and libraries to create the largest repository of written works in digital form.⁹ This was a bold step in the creation of the Google Print Project. There are currently two aspects to the Google Print Project. The first is termed the “Print Publishers Program,” or “Partners Program.” The Partners Program involves an agreement with publishers to digitize works and to share the revenues generated by advertising.¹⁰ Under the Partners Program a user can search the text of a book and view a page that contains a particular search term and a few surrounding pages.¹¹ Importantly, the Print Publishers Program requires the consent of the publisher before a book can be scanned and made searchable on Google.

The second aspect is the GPLP. In establishing the GPLP, Google went beyond the Partners Program and entered into agreements with large libraries. The university libraries that Google engaged with were those of Harvard University, Oxford University, Stanford University, the University of Michigan, and the New York Public Library. None of these libraries or universities is a small commercial entity. Each would presumably be sophisticated enough to understand the ramifications of being found liable for copyright infringement.¹² Yet each entity has agreed to be involved in the GPLP.

It is important to understand what exactly the universities have agreed to with Google. It would appear that the agreements that are in place are

7 See, further, David Vise & Mark Malseed, *The Google Story* (New York: Bantam Dell, 2006) at 103.

8 Hetcher, above note 5 at 13.

9 See, further, Barbara Quint, “Google and Research Libraries Launch Massive Digitization Project” *NewsBreaks* (20 December 2004), online: <http://newsbreaks.infotoday.com/nbreader.asp?ArticleID=16307>; and Google Book Search, “Legal Analysis,” online: <http://books.google.com/googlebooks/newsviews/legal.html>.

10 In this sense the GPLP is very similar to Grokster in that the revenue is generated from advertising.

11 For a more complete discussion of the Google Print Project, see further, Jonathan Band, “The Google Print Library Project: A Copyright Analysis,” online: www.policybandwidth.com/doc/googleprint.pdf.

12 Potentially, the universities would be liable as secondary infringers under US law.

for the searching and browsing of public domain texts in their entirety. No legal liability attaches to this activity. Thus far, it appears that Oxford, Harvard, and the New York Public Library have consented only to the copying of public domain works.¹³

Both Michigan and Stanford have agreed to allow the scanning of copyright-protected works. However, where the books are in copyright they have been provided to Google. The books have then been scanned by Google in their entirety. Google then gives a digital copy to the library. Google makes the digital copy searchable on its website. However, what the user sees when they do a search is only a few brief sentences around the text of the search term.

Given the facts as they appear, there are four acts of copying that potentially give rise to legal liability. The first is the act of the libraries in providing copyright works to Google for the purpose of scanning. The second is the scanning of the full text of the books. The third is Google's act of supplying the scanned work to the libraries. The fourth is the search of the book on Google's website.

For the most part, Google and its advocates have blithely stated that their activities are covered by fair use. Further, in response to criticisms by publishers, Google declared in late 2005 that it would delay scanning until November of that year in order to give time to publishers to decide if they wanted to opt out of the project.¹⁴ Google's opt-out policy runs directly in contradiction to the prevailing norms of copyright law. Normally Google, or any other potential user, would be required to approach the copyright owner or their collecting society for permission to copy their works.¹⁵ In late 2005 both the Association of American University Presses (AAUP) and the Authors Guild filed suits against Google.¹⁶

The litigation between Google and the Authors Guild is ongoing. The matter is presently being conducted before Judge Sprizzo of the District Court of the Southern District of New York. At the time of writing it appears that the matter may finally be decided in 2009.

13 Jonathan Band, Office for Information Technology Policy Brief, "The Google Library Project: The Copyright Debate" (January 2006), online: www.policybandwidth.com/doc/googlepaper.pdf.

14 Band, *ibid.* at 2.

15 Band points out that the costs of approaching the owners would likely be prohibitive; see *ibid.* at 11.

16 *The Authors Guild, Inc. v. Google, Inc.*, No. 05 CV 8136 (S.D.N.Y., filed September 20, 2005); *The McGraw-Hill Cos., Inc. et al. v. Google, Inc.*, No.05 CV 8881 (S.D.N.Y., filed October 19, 2005).

Google retains some support from the legal fraternity for its project. For example, prominent Internet commentators such as Jonathan Band, William Patry, and Professor Lessig have all expressed the view that the Google Project constitutes fair use. Similarly, Fred Von Lohmann of Electronic Frontiers Foundation has also provided support for Google.¹⁷ However, publishers and other industry groups have been openly critical of the way in which Google has conducted itself.¹⁸

The threat of liability and the worry of litigation must have unnerved Google. Tellingly, the GPLP was retitled as “Google Book Search.” Despite the renaming, the fundamentals of the project remain and the issue of liability is still unclear.

C. GOOGLE BOOK SEARCH AND FAIR USE

The fair use doctrine is Google’s primary line of defence.¹⁹ But the fair use question with respect to the GBSP is much more complex than it seems. There is the possibility that the fair use doctrine needs to be applied to each and every book individually. However, this can be discounted at the outset of any legal analysis as other fair use cases involving mass copying focused on the process rather than the individual works themselves. For example, the *Sony Corporation of America v. Universal City Studios, Inc.*²⁰ and *American Geophysical Union v. Texaco Inc.*²¹ cases both involved a number of copyrighted works being copied together. In both cases, the process of

17 Fred von Lohmann, “Authors Guide Sues Google” Electronic Frontier Foundation (20 September 2005), online: www.eff.org/deeplinks/2005/09/authors-guild-sues-google.

18 See, for example, Thomas Rubin, Associate General Counsel for Copyright, Trademark and Trade Secrets, Microsoft Corporation, “Searching for Principles: Online Services and Intellectual Property” (Speech to the Yale Club of New York, 6 March 2007) online: www.microsoft.com/presspass/exec/trubin/03-05-07AmericanPublishers.msp.

19 Vaidhyanathan, above note 2 at 1210, states that “Google is exploiting the instability of the copyright system in a digital age. It hopes to rest a huge, ambitious, potentially revolutionary project on the most rickety, least understood, most provincial, most contested perch among the few remaining public interest provisions of American copyright: fair use.” This very descriptive comment quite neatly summarizes the weakness in Google’s legal position.

20 464 U.S. 417 (1984) [*Sony*].

21 60 F.3d 913 (2d Cir. 1994) [*Texaco*].

copying was relevant, not whether the copying of each individual program constituted a fair use.

Leaving aside the question of process, it is useful to clarify the issue of the number of fair use tests that need to be applied. Google has asserted that its use of the copyright protected books is fair use. Indeed, Google's advocates focus their fair use argument on the copy that is ultimately made available to others.²² For example, noted Internet analyst Jonathan Band has analyzed Google's actions, and whilst acknowledging that there may be two processes that deserve fair use consideration, he focuses his analysis upon the excerpts that are made available to the user. Band's analysis does not engage deeply with the copy in Google's database or the digital copy that Google provides to the library.

There are still several different processes at play in the GBSP. Each of these needs to be considered in turn for there to be a comprehensive finding of fair use in either of the Google cases. Should Google actually fail with respect to any copying process, then the entire GBSP will be invalidated. Accordingly, the following acts require a fair use analysis: (i) the search of the books online on Google Book Search, (ii) the copying of books into Google's database, (iii) in the provision, by Google, of books in digital form to the libraries, and (iv) the supply of books to Google by the libraries.

D. APPLYING THE FAIR USE TEST

The fair use doctrine is contained in section 107 of the US *Copyright Act*.²³ There are four elements to the fair use test and the defendant need only prevail on a majority of the factors. The first factor is concerned with the purpose and character of the use. The second factor considers the nature of the copyrighted work. The third factor regards the amount and substantiality of the portion used. The fourth factor considers the potential for market harm by the use of the copyright works.

E. THE ONLINE GOOGLE BOOK SEARCH AND FAIR USE

The actual search conducted on Google's online Book Search stands a good chance of succeeding as a fair use. The user search on Google Book Search

22 See for example Band, above note 11. See also Lawrence Lessig, "Google Sued" (22 September 2005), online: http://lessig.org/blog/2005/09/google_sued.html.

23 *Supra* note 6, § 107.

is guided by the terms requested by the user and will reveal only a tiny portion of the book.

1) Purpose and Character of the Use

The two primary considerations under the first factor are whether the use is of a commercial nature and whether it is transformative.²⁴ The Google Book Search exists to aid users in seeking out information. However, the use is commercial—at least from Google’s perspective.²⁵ Google’s business model in this instance is very similar to that of *Grokster*.²⁶ As in *Grokster*, the copyrighted works are the draw to lure in the consumers, whilst the service provider receives income from advertising. The commerciality is not overt, but in the context of Google Book Search it is sufficient to colour the purpose and the character of the use as being commercial in nature. In essence, Google is a commercial enterprise, and the purpose of the Book Search is fundamentally commercial.

Whereas the commercial nature of Google Book Search weighs against a finding of fair use there is still the possibility that the use might be found to be transformative. The notion of transformative use is now synonymous with fair use.²⁷ The transformative use argument can be dealt with on both a legal and factual level.

As a purely factual matter, the way in which Google deals with the literary works should not be construed as transformative. Google might deliver the works to the public in a way that is different from the way in which it is normally delivered, but this does not rise to the level of being transformative. To be transformative the treatment of the copyrighted work must be such as to greatly change the original so as to make a new work. Another way of putting this in the Google context is that the search must render to the user something that is very different from the ordinary text.

This is in accord with the facts in *Campbell v. Acuff-Rose Music, Inc.*,²⁸ in which the bass and rhythm progressions of Roy Orbison’s “Pretty Woman” were retained whilst the lyrics were greatly reworked and other elements

24 See, for example, *Campbell v. Acuff-Rose Music, Inc.*, below note 28.

25 *U.S. Copyright Act*, above note 6.

26 *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).

27 See Pierre N. Leval, “Toward a Fair Use Standard” (1990) 103 Harv. L. Rev. 1105. Leval’s paper is widely credited as providing the impetus for the transformative use analysis in *Campbell*, below note 28.

28 510 U.S. 569 (1994) [*Campbell*].

were introduced. In this instance, Google does not rework the text, nor does it introduce other elements. Google simply limits the portion of the text that can be viewed on the basis of a user-generated search. The clear distinction between Google and *Campbell* was that in the latter the end product was substantially different from the original. Where Google is concerned, the end product is not something that is mostly or wholly new—it is simply a reduced version of the original.

In the alternative, Google might try to run a legal argument based on the decision in *Kelly v. Arriba Soft*.²⁹ In *Kelly*, the Ninth Circuit Court held that reducing images to thumbnail size to assist in the Internet search process was a transformative use. The Ninth Circuit applied the facts in *Kelly* to the test for transformative works derived from *Campbell*:

The central purpose of [the first fair use factor] is to see . . . whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is transformative.³⁰

Arguably, the Ninth Circuit Court erred in its decision in *Kelly*.³¹ The test for transformative use stated by the Supreme Court in *Campbell*, if read strictly, requires that something new be added and that there is an alteration to the way in which the work is perceived. The facts in *Kelly* quite neatly fit the second part of this test. The reduction of the images to thumbnail size by Arriba Soft did alter the viewing of the work, making it functional in terms of the search, but not the aesthetic or entertainment value. But no new content was added. Similarly, with the Google Book Search the excerpts are provided for a different purpose because the book is not being read in a normal fashion. Indeed, the book cannot be read in its entirety. Again, however, no new content is added by Google.

It is difficult to say whether *Kelly* would actually be overturned.³² On a policy basis the decision is very useful because it protects Internet searches from copyright liability. *Kelly* has been followed on the issue of transforma-

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

30 Above note 28 at 579.

31 See, for example, Williams, above note 5. Vaidhyanathan, above note 2, also suggests that *Kelly* may have been wrongly decided.

32 See, further, Cameron Westin, "Is *Kelly* Shifting Under Google's Feet? New Ninth Circuit Impact on the Google Library Project Litigation" (2007) Duke L. & Tech. Rev. 2. Westin argues that the decisions in *Perfect 10 v. Google Inc., et al.*, 416 F. Supp. 2d 828 (C.D. Cal. 2006) [*Perfect 10*] and *Field v. Google, Inc.*, 412 F. Supp.

tive works by subsequent decisions such as *Perfect 10 v. Google*³³ and *Bill Graham Archives v. Dorling Kindersley Ltd.*,³⁴ which suggests that it might again be followed. However, in *Bill Graham Archives*, the defendant added new biographical materials along with the copyrighted images. In contrast, Google is not adding new content. That said, as *Bill Graham Archives* follows the *Kelly* decision it can also be said to support Google.

The transformative-works issue will be vital to Google's fair use case. Google must at least succeed with a finding of fair use in relation to the online book search itself to have any chance of succeeding in the wider fair use battle. On balance, as the law stands it would appear that this factor will favour Google because the facts in the present matter fall within the parameters of the *Kelly* decision.

2) The Nature of the Copyrighted Work

The books that Google is copying from the libraries are both works of fiction and non-fiction. Whilst fictional works are closer to the core of copyright,³⁵ it should also be recognized that works of non-fiction often call upon substantial intellectual endeavour on the part of their authors. However, US copyright law has generally recognized that "the scope of fair use is greater with respect to factual than non-factual works."³⁶ It would appear that Google would be well-placed to succeed in relation to the second factor. Yet, it is worth noting the *obiter* remarks of the Supreme Court in *Feist Publications, Inc. v. Rural Telecommunications Service Company*.³⁷ The Supreme Court stated:

In *Harper & Row*, for example, we explained that President Ford could not prevent others from copying bare historical facts from his autobiog-

1106 (D. Nev. 2006) can be read so as to suggest that the *Kelly* standard is being abandoned.

33 *Perfect 10, ibid.* at 849.

34 448 F.3d 605 (2d Cir. 2006) [*Bill Graham Archives*].

35 See, for example, Justice Souter in *Campbell*, above note 28 at 586. With regard to the second factor, Justice Souter noted the difference between fictional and factual works, stating that "[t]his factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied."

36 *New Era Publications International v. Carol Publishing Group*, 904 F.2d 152 at 157 (2d Cir. 1990), Feinberg J. See also *Feist Publications, Inc. v. Rural Telephone Service Company*, below note 37.

37 499 U.S. 340 (1991) [*Feist*].

raphy, but that he could prevent others from copying his “subjective descriptions and portraits of public figures . . . This inevitably means that the copyright in a factual compilation is thin.”³⁸

This would suggest that, where a work of non-fiction required a great deal of subjective interpretation and analysis, the second factor (see section D above) might begin to weigh in favour of the author. At the same time it should be noted that in *Feist*, the Supreme Court decisively rejected the sweat of the brow doctrine.³⁹ This would preclude any reliance on the hard work and research that is often required to produce an academic or instructional text as a basis of denying fair use. Accordingly, this factor may favour Google.

3) The Amount and Substantiality of the Portion Used

The Google Book Search delivers only a small excerpt of a much larger text. As the Google searches are user-driven, it cannot be said that Google is delivering the creative heart of the work to the reader in every instance. In this regard, it is possible to distinguish the Google Book Search from the potentially unfavourable authority of *Harper & Row, Publishers, Inc. v. Nation Enterprises*.⁴⁰ In *Harper & Row* the defendants took portions of former US President Gerald Ford’s unpublished autobiography and published them in an article in *The Nation* magazine. The fact that the portions selected were “among the most powerful passages in the book”⁴¹ weighed against a finding of fair use. Further, Judge Learned Hand noted in *Sheldon v. Metro-Goldwyn Pictures Corp.* that, “no plagiarist can excuse the wrong by showing how much of his work he did not pirate.”⁴²

This is potentially awkward authority for Google. However, the facts in this instance favour Google. As the search is directed by the user, Google is not responsible for selecting the actual portion that is shown. Google can direct how much of the portion is made available, but once the full text is in the Google database the portion that is retrieved depends upon the particular search term. In this regard, provided that Google consistently delivers only a small portion of the copyrighted work, the third factor should favour Google.

38 *Ibid.* at para. 17.

39 *Ibid.* at para. 44.

40 471 U.S. 539 (1985) [*Harper & Row*].

41 *Ibid.* at 565, O’Connor J.

42 81 F.2d 49 at 56 (2d Cir. 1931).

4) Market Harm

The issue of market harm will require that Google resolve contradictory authorities. On the one hand, there is the Second Circuit Court decision in *Salinger v. Random House Inc.*,⁴³ which held that the publication of letters was not a fair use because it detracted from the ability of the author to sell his letters to the public.⁴⁴ In *Salinger*, the famous author J.D. Salinger had given his letters to the libraries of Harvard, Princeton, and the University of Texas. His biographer accessed the letters there and ultimately quoted them, in part, in a book. Salinger had vowed not to publish the letters. But the Second Circuit found that this statement did not diminish his right to change his mind.⁴⁵ In essence, the Second Circuit Court sought to preserve the potential market for Salinger's letters. The court followed a similar line of reasoning in the *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.* case.⁴⁶ In *Castle Rock* the publication of a *Seinfeld* trivia book was held not to be fair use because it infringed on the "creative and economic choice" of the copyright owner.⁴⁷ In that case the court again focused on the potential market available for the copyright owner.

To counter the adverse authorities of *Salinger* and *Castle Rock*, Google might again seek to rely on *Kelly*. The facts in the present matter are similar to those in *Kelly*, in that the excerpts are a reduction of the actual book just as the thumbnail images were a reduction of the full-size picture. Accordingly, if a reader wishes to read the book in its entirety they will need to either purchase a copy or borrow it from a library.

The publishers might argue that Google's actions prevent them from offering a product that is similar to the Google Book Search. This would be an arguable form of market harm. The publishers would have the necessary raw ingredients in terms of the copyright ownership of the books. However, for the publishers to offer a product that is actually similar to the

43 811 F.2d 90 (2d Cir. 1987) [*Salinger*].

44 *Ibid.*

45 *Ibid.* at para. 31.

46 150 F.3d 132 (2d Cir. 1998) [*Castle Rock*].

47 *Ibid.* at para. 38. Judge Walker stated, "Unlike parody, criticism, scholarship, news reporting, or other transformative uses, The SAT substitutes for a derivative market that a television program copyright owner such as Castle Rock 'would in general develop or license others to develop.' *Campbell*, 510 U.S. at 592. Because The SAT borrows exclusively from *Seinfeld* and not from any other television or entertainment programs, The SAT is likely to fill a market niche that Castle Rock would in general develop."

Google Book Search they would need to have Google's search function. As the publisher's do not have this capacity they might struggle to make out a market-harm argument. That said, this does not preclude the possibility that the publishers could have entered into a joint venture with another search engine company. Google's actions will likely have rendered this possibility null.

On balance, it would appear that Google will prevail with regard to the above four factors by a 3:1 margin in relation to fair use and the online book search. However, this margin should not disguise the fact that the fair use argument is reasonably evenly balanced.

F. THE COPYING OF BOOKS INTO GOOGLE'S DATABASE AND FAIR USE

Any fair use analysis of the copying of the books in their entirety is going to necessarily be coloured by the overall purpose of Google Book Search. As such, this is a very different type of fair use analysis.⁴⁸

1) The Purpose and Character of the Use

The purpose of copying the book in its entirety into Google's database is to assist with the Google Book Search. Google will argue that this is a necessary step in the process of providing the Book Search service.⁴⁹ Jonathan Band, in his analysis of the GPLP, points out that the copying of the entire book is actually very similar to Google's ordinary search process.⁵⁰ Unless Google is able to copy materials, its search process, online or in the Book Search, cannot function properly. However, as Professor Hechter notes in his analysis of Google's intermediate copying, in Google's regular searches the materials are already online, whereas in this instance Google is required to digitize works that were not previously available electronically.⁵¹ This is what makes Google so different to the facts in *Kelly*. The process at play in Google is one of analog to digital to online. Google is in effect exercising the copyright owner's right to decide whether the work should be digitized and available online.

48 In most fair use cases there are not three concurrent fair use tests running.

49 The type of copying at hand here is intermediate copying. See *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992).

50 Band, above note 11.

51 Hetcher, above note 5 at 49.

A further consideration is that while the copying in this instance is not commercial *per se*, the overall process is commercial.⁵² This will become a very difficult argument for Google. Logically, Google cannot seek the protection of the overall purpose when it suits for fair use reasons, and disavow it when it does not. For example, in this instance the copying of the book is not transformative because nothing is added and there is no new purpose.⁵³ Google cannot look to the transformative nature of the online search to cover the intermediate copy. Overall this factor must be decided against Google.

2) The Nature of the Copyrighted Work

This factor will again be subject to the same considerations as in the prior fair use analysis. It is likely that this might just marginally favour Google. However, this conclusion again rests on the possibility that a court might not give due weight to the depth of analytic work present in an academic text.

3) The Amount and Substantiality of the Portion Used

In this instance Google is copying the entire book. It has previously been held in the seminal case of *Sony* that the copying of a work in its entirety will not preclude a finding of fair use.⁵⁴ However, in *Sony* the copying of works in their entirety was permissible provided that works were not kept as library copies. In the present case the books are permanently stored in Google's database. Whilst the copying may be functionally necessary, the legal analysis must favour the copyright owners.

4) Market Harm

It would have been possible for Google to have purchased the books from the publishers. However, the cost of this would no doubt have been exorbitant. That said, there is clearly an available market. For example, Harper Collins has announced that it intended to digitize all of the 25,000 books in its catalogue.

Ultimately, the copyright owners would win the fair use argument in relation to Google's database on a 3:1 basis.

52 The intermediate step is still a necessary precondition for commerciality.

53 In contrast, in *Billy Graham Archives* new content in the form of biographical analysis was added.

54 Above note 20 at para. 46.

G. THE LIBRARY COPY AND FAIR USE

1) The Purpose and Character of the Use

This is an outright commercial exchange between Google and the libraries. Google is getting the vital raw materials that it needs in order to run a commercial project. In return, the libraries are getting something that would have cost them money to do themselves or to purchase from elsewhere. This factor favours the copyright owners.

2) The Nature of the Copyrighted Work

The reasoning in this instance is unchanged from the other fair use analyses. This might slightly favour Google.

3) The Amount and Substantiality of the Portion Used

As above, the book is provided in its entirety by Google. Furthermore, it is provided as a library copy. While the libraries do have some archival powers under section 108 of the US *Copyright Act*,⁵⁵ this is unlikely to cover this instance. This factor will favour the copyright owners.

4) Market Harm

An actual market for digitization exists because the publishers can sell e-books. There would also presumably be operators willing to scan and digitize the books with a licence to do so from the copyright owners. As such, Google has usurped a market of the copyright owners. This finding will favour the copyright owners.

In summary, the copyright owners would prevail under a fair use analysis in relation to the libraries copy on 3:1 basis.

H. FAIR USE

It does Google little good to win the fair use argument in relation to the online search but to lose it in relation to the database and the library copies. A defeat anywhere in the process renders the GBSP a legal impossibility. As can be seen from the analysis above, Google cannot prevail because ultim-

55 Above note 6, § 108.

ately the steps it needs to undertake in order to provide the Google Book Search are not covered by fair use.

I. LIBRARIES' LIABILITY

Should Google be found to be liable for copyright infringement then the libraries would be liable under US copyright law as secondary infringers. There would be no need to engage in a legal analysis beyond the orthodox doctrines of secondary infringement. As such, the libraries could be cast as contributory or vicarious infringers. Contributory infringement requires (i) direct infringement by a primary infringer, (ii) knowledge of the infringement, and (iii) material contribution.⁵⁶ Similarly, vicarious liability requires (i) direct infringement, (ii) financial benefit, and (iii) the right and ability to supervise the infringing conduct.⁵⁷ It would be very simple to make out an argument for contributory infringement. Google is clearly a direct infringer, the libraries have actual and constructive knowledge, and, by providing the books, they have made a material contribution. Vicarious liability might be more difficult to make out because the libraries, depending on the licence agreements, most likely do not have the right or ability to supervise Google.

J. GOOGLE BOOK SEARCH AND FAIR DEALING

In the remote chance that Google obtains some type of fair use clearance in the US,, there would still be the question of whether the Google Book Search can be validly available in Australia. Fortunately for Google, in this instance it need only be concerned with the online Book Search itself. As all the copying leading up to the book being available on the Internet takes place in either the UK or the US, the Australian analysis needs only to be concerned with the online Google Book Search process itself.⁵⁸

Under Australian law, a dealing is considered fair if it is covered by one of the fair dealing exceptions in the *Copyright Act 1968*.⁵⁹ As the books are works, the appropriate part of the *Copyright Act* would be Part III, which

56 See *Metro-Goldwyn-Mayer Studios Inc., v. Grokster Ltd.*, 380 F.3d 1154 (9th Cir. 2004) [*Grokster*]. In *Grokster*, Thomas J. of the 9th Circuit identified the elements of contributory infringement but found that they could not apply to Grokster's peer-to-peer operation. On appeal the Supreme Court demurred upon this point, above note 26.

57 *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259 (9th Cir. 1996).

58 There is no indication as far as the author is aware that any Australian libraries are seeking to be a part of the Google Book Search process.

59 *Copyright Act 1968* (Cth.) [*Copyright Act*].

applies to literary works and other works. Under Part III, Google might be able to rely on section 40, which relates to fair dealing in relation to research or study.⁶⁰ The difficulty that Google would encounter under section 40 pertains to the authority in *De Garis v. Neville Jeffress Pidler Pty Ltd.*⁶¹

De Garis is problematic because in that case the Federal Court held that the benefit of the fair dealing exception would be available only to the user and not to an intermediary. Unfortunately, Google, as an intermediary, would not be entitled to the defence. However, *De Garis* is well and truly out of date as an authority because it precedes the emergence of the Internet and Australia's *Digital Agenda Amendment Act* copyright reforms.⁶² The greatest benefit of the Internet is its functionality, and, importantly, the process of disintermediation, which allows so many transactions to take place online. It is possible that the High Court might reconsider *De Garis* if the appropriate case came along. However, as the law stands Google cannot succeed under the fair dealing exception.

K. AN EDEN OF KNOWLEDGE

If Google cannot succeed under the laws of the US or Australia, then it might be possible that a government could seek to do what Google cannot. In a sense, this is quite logical as it is usually one of the general functions of a government at a local or state level to provide library services. In doing so, a government might seek to go beyond the parameters of the Google Book Search and actually return to the notion of an online library.

On a policy level, the GPLP has some attractive features.⁶³ First, it removes private wealth, geography, and educational attainment as barriers to

60 *Ibid.*, s. 40.

61 (1990), 18 I.P.R. 292 [*De Garis*]. In *De Garis*, Beaumont J. noted that whilst the retrieval of material by Jeffress might have been complicated, it still did not mean that the purpose of Jeffress was that of research. Jeffress supplied photocopies of material for purely commercial reasons. Beaumont J. stated at 298 that, "The relevant purpose required by s. 40(1) is that of Jeffress, not that of its customer. That is to say, even if a customer were engaged in research, this would not assist Jeffress."

62 In 2000 Australia passed the *Copyright Amendment (Digital Agenda) Act 2000* (Cth.) in order to bring the *Copyright Act*, above note 59, into the digital era.

63 It begs the question of whether an exception should be made to allow the Print Library Project. For example, Proskine, above note 5 at 233–39 argues in favour of a legislative exception to assist Google. However, the obvious weakness would be that such a step would clearly favour a powerful company, and there would be no such exception for its rivals or smaller operators.

accessing information. This is not to say that there are no barriers to access the Google Library—one must still own a computer and have access to the Internet. But the Google Library clearly goes some way to levelling the playing field and allowing everybody to access written works. This would not be an insignificant achievement. For example, the Australian Government is still struggling to achieve equity in the education sector, and Internet and educational access in rural and remote Australia is still very much an ongoing public policy concern. So from this perspective the GPLP would help to solve some wider and more pressing concerns by allowing those in rural areas with Internet facilities to access materials that might otherwise be geographically remote.

Second, the Google Library offers a way to preserve, in digital form, almost every published work written by mankind. This is a concern that goes well beyond the narrow, economic confines of copyright law. An electronic repository of all the written works of human civilization is not a minor concern. Arguably, it is something that must be done at some stage. Otherwise all human knowledge will remain fragmented and there will be the danger that knowledge will be lost.

Third, libraries are already publicly available anyway. While publicly funded, libraries are free for their individual users. A digital library would merely supply an online service that is already physically available. The key differences would be non-rivalry in consumption and the absence of geographical boundaries.

As desirable as this sounds, any government that chose to supply an online library, or even something akin to the Google Book Search, would need to amend its copyright laws. In reality, such a process would be long, drawn-out, and contentious.⁶⁴ More importantly, the government would face serious obstacles in relation to its international obligations.

L. THE THREE-STEP TEST

The most difficult obligation, the one that would likely defeat any digital library, is the three-step test. The three-step test, which emerged from article 9(2) of the *Berne Convention for the Protection of Literary and Artistic Works*,⁶⁵

64 See, for example, Kimberlee Weatherall, “Of Copyright Bureaucracies and Incoherence: Stepping Back from Australia’s Recent Copyright Reforms” (2007) 31(3) *Melbourne U.L. Rev.* 967.

65 9 September 1886, as revised at Paris on 24 July 1971 and amended in 1979, S. Treaty Doc. No. 99-27 (1986) [The 1979 amended version does not appear in U.N.T.S. or I.L.M.] [*Berne Convention*].

can now also be found in the *Agreement on the Trade-Related Aspects of Intellectual Property Rights*,⁶⁶ the *WIPO Copyright Treaty*,⁶⁷ and the *WIPO Performances and Phonograms Treaty*.⁶⁸ For Australia, the three-step test is also contained in the *Australia-United States Free Trade Agreement*.⁶⁹ Even more remarkably, the Australian legislature decided in late 2006 to include the three-step test within the *Copyright Act*.⁷⁰

The three-step test requires that exceptions to copyright owners' rights be limited to certain special cases that do not conflict with the normal exploitation of the work, and that do not unreasonably prejudice the legitimate interests of the author. The narrowness of the three-step test will likely preclude the GPLP, or any national imitator, from emerging. The problem is that if a nation, such as Australia, Canada, or the UK, ever tries to create a digital online library it would face the prospect of challenge by one of its trading partners.

Given the proliferation of the three-step test at an international level, it is now possible that the standard has become a part of customary international law. The continued application of the three-step test in relation to copyright exceptions in free trade agreements, and, in Australia's case, in domestic law, suggests that a customary rule has emerged or is emerging. This is a significant development for policy-makers because it binds their hands in terms of the policy schemes that they can develop. The danger for any nation is that if they act inconsistently with their international-trade-law commitments they may be subject to retaliation under the rules of the World Trade Organization or under other free trade agreements to which they may be a party.

M. CONCLUSION

Google's affirmative defence of fair use is incredibly flimsy and is unlikely to withstand challenge. Likewise, the question of whether Australian copyright law will ever accommodate anything as ambitious and challenging as the GPLP warrants a simple answer from a legal perspective—any lawyer with a fair degree of knowledge of the *Copyright Act* would have to respond

66 15 April 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299; 33 I.L.M. 1197 (1994) [*TRIPS*].

67 20 December 1996, S. Treaty Doc. No. 105-17 (1997); 36 I.L.M. 65 (1997).

68 20 December 1996, S. Treaty Doc. No. 105-17 (1997); 36 I.L.M. 76 (1997).

69 Department of Foreign Affairs and Trade, *Australia-United States Free Trade Agreement*, online: www.dfat.gov.au/trade/negotiations/us_fta/final-text.

70 Above note 59, s. 200AB.

in the negative. Further, a negative answer would necessarily follow any question of whether a nation could provide an online library and still satisfy its treaty obligations. Yet copyright law has never been strictly about black-letter law to the exclusion of all other considerations. Those public policy concerns that underpin the laws of copyright make the Google question somewhat compelling. Indeed, Google might likely be defeated, but it has asked a question worth answering.