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#### **Mass Digitalisation: Solution to United States**

by  
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#### **INTRODUCTION**

Change is not necessarily bad as we need to let go the conventional form of protection of copyright works under copyright laws. Digitalisation is creating digital objects from the tangible and fixed material using a scanner, camera or other electronic devices.<sup>1</sup> Mass digitalisation, on the other hand, is difficult to define, as there is no standard which is agreed upon to qualify a project large enough to constitute mass digitalisation.<sup>2</sup> With the emerging digitalisation of works, there is a need to reform the old Copyright laws, to encompass and deal with such growing technological advancement. In the process of digitalisation, it is important to respect the right of a copyright owner of the original work, right/permission to digitalise the content and make it available for others and interest of the users to use this digitalised material.<sup>3</sup> WIPO Copyright Treaty 1996 in its preamble states that *there is a need to maintain a balance between the rights of authors, and larger public interest, particularly education, research and access to information.*<sup>4</sup>

If the stakeholder was unable to be located and the digitalised work was orphan, then the revenue generated was to be distributed to a literacy-based charity.<sup>5</sup> Through this project, settlement project included making books more accessible for libraries, researchers, students and schools in return generating revenues and preserving old books.<sup>6</sup> However, this settlement agreement was not recognised by courts despite the benefits arising out of Google Books Project.



The courts emphasised that this project is likely to create a business arrangement where Google would retain the right to exploit the book through digitalisation without prior permission of the copyright owner. Further, the courts expressed their concern with respect to digitalisation and orphan works. They observed that it was the duty of the Congress to adopt copyright laws with the changes in the technology.<sup>7</sup> The Congress was entrusted with the duty to lay down terms and safeguard within which orphan works could be digitalised by the third party. In light of these concerns, the courts did not recognise the settlement and highlighted how it is best if left for Congress to decide.<sup>8</sup> Keeping in mind the same, the settlement excluded the digitalisation of orphan works and included only publishers that expressly allowed Google to go ahead with this project and digitalise their material for online users.<sup>9</sup>


Following this decision, in November 2013, the courts granted the fair use defence to Google.<sup>10</sup> They went through the four-factor test for fair use before arriving at this conclusion. It was observed that the books used were transformed by, into comprehensive word index for research and educational purpose. Such digitalised copies did not hamper the use of original books.<sup>11</sup> There was also a limit on the amount of text that was displayed while searching for the book.<sup>12</sup> The Google books did not impact the markets of the books as certain pages were blacklisted by Google

which as a result would prevent the user from accessing the entire book.<sup>13</sup> Therefore, it was concluded that Google Books provided significant public benefits and thus, their project would be a fair use of the books.<sup>14</sup> However, while analysing this case, the courts failed to address two important questions. First, whether mass digitalisation project in addition to the display of snippets would get this fair use protection? Second, in which manner were these orphan works to be treated in the context of mass digitalisation?

### **HATHI TRUST FUND CASE**

A consortium of colleges, universities and other non-profit organisations known as Hathi Trust were sued by Authors Guild along with other foreign authors in September 2011.<sup>15</sup> The Hathi Trust members permitted Google to scan and upload the digitalised copies of their collection in

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Hathi Trust Digital Library. Due to this, the general public was able to access the full text of the books with certain print disabilities which also helped in the preservation of the original copies.<sup>16</sup> The lower courts on the issues relating to digitalisation held that they would fall under the ambit of fair use. The work was considered vastly transformative and protected. On appeal, the Courts held that the function of Hathi Trust was not fair use and remanded the case for further consideration. They did not consider fair use as a well suitable tool to deal with all copyright infringement issues arising out of mass digitalisation. However, the courts observed that creation of a text database which was searchable with the limitation on printing the database, amounts to fair use but this was not the situation in the present case.<sup>17</sup> This case highlighted the need for the Congress to bring changes in the Copyright Laws to deal with issues of mass digitalisation.

### **MODEL ADOPTED IN OTHER JURISDICTIONS:**

The Nordic Countries dealt with the issue of mass digitalisation through the introduction of Extended Collective Licensing. They provide for an Extended Collective Licensing (hereinafter referred as ECL) for digitalisation, broadcasting, and reproduction for the purposes of education and research, for use by library, archives and museums and for internal use by business and other organisations.<sup>18</sup> As per this system, the copyright owners negotiate with the user's terms that are binding on all members of the group such as all textbook publishers. This is not binding on the owners who have expressly opted out of this mechanism.<sup>19</sup> A Collective Management Organization (hereinafter referred as CMO) is then appointed on behalf of the government who collects the licensing fee which is further distributed among all the copyright owners. This mechanism aims at social benefit even though the cost of obtaining the right/permission is very high when applied individually. This is different from compulsory licensing as the parties negotiate the terms instead of the government.

The ECL model was rejected by the European Union<sup>20</sup> because the negotiated terms for use of certain books extended to all copyright owners who were not even a part of the collecting society.<sup>21</sup> In addition to this, there

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were difficulties in ascertaining the licensing rates of copyrighted work, libraries and

institutions using a large amount of orphan works that were forced to pay the licensing fee without determining the market value of the orphan works.<sup>22</sup> The EU finally chose an exception-based model in 2012 wherein the orphan works would be made available for limited use such as by libraries, education institutions and museums, film or public broadcasting service organisations.<sup>23</sup> This model excluded photographs unless they were included in other forms of works. EU did not consider ECL as the right approach, only while dealing with the orphan works and this was a binding practice on all EU members.

France addressed the issue of digitalisation by passing a law in February 2012. This law made it easy to digitalise books that were published before January 1<sup>st</sup>, 2001 which are not commercially sold for profit or made available digitally.<sup>24</sup> The books classified as out-of-commerce books are recorded in the French National Library. The author is given 6 months to object to such treatment of his book, failure of which will authorise CMO to license the reproduction of the books in digital format.<sup>25</sup>

Like France, Germany in 2013 adopted the Extended Collective Licensing model with the limitation that it is likely to affect only out-of-commerce works that were published before January 1996.<sup>26</sup> Such work is permitted for use, by specific users such as libraries, educational institutions. They are not to be used for commercial or profit-making purposes. This model allows the copyright owner to opt out within 6 weeks, failure of which will give the right to digitalise the specific work for specific use. Even the United Kingdom in 2013 passed the ECL model which authorised CMO's to negotiate and license the certain use of copyright protected works and gave the copyright owner the right to opt out of this model.<sup>27</sup>

### **SOLUTIONS TO MASS DIGITALISATION**

Mass digitalisation paves way for complex policies both in the form of opportunities and risks. For example, in the Google Books Litigation case,

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the project of mass digitalisation undertaken by Google facilitated research and access to older books that were falling apart in the library.<sup>28</sup> The courts observed that *"breathing life into millions of works that are now effectively dormant, allowing users to search the text of millions of books at no cost and enhancing the accessibility of such works for the disabled and others, are worthy objectives."*<sup>29</sup>

The opportunities created through mass digitalisation was also recognised by the European Commission as it helped them to make the cultural heritage of Europe, accessible publicly on a large scale, which would not have been possible otherwise.<sup>30</sup> However, despite these opportunities, mass digitalisation comes with the risk wherein, the copyright owner must opt out on his own so as to exclude his work from being mass digitalised.<sup>31</sup>

In light of these competing interests, the need of the hour is to come up with a solution to balance the right of the copyright owner on one hand and the public benefit involved through mass digitalisation on the other hand. To deal with these questions, non-legislative and legislative solutions can be used. Non-legislative solutions would include fair use, as used in the *Google Books Litigation case*. However, the only drawback with this solution was that this case did not elaborate as to how fair use was to be extended in cases where the copyright owner couldn't be located i.e., orphan works. Further, it did not discuss the solution and compensation to be granted, in matters where there was wider dissemination of work without the permission of the copyright owner. Lastly, a transformative factor in the fair use test tends to overlap

with the copyright owner's right in his derivative work and hence, is not suitable to deal with all matters with respect to digitalisation. Fair use cannot be used in all cases, as there will be uncertainty about the varied kind of uses and mass digitalisation that is taking place. Other non-legislative solutions include voluntary agreement. However, the transaction cost to negotiate with every copyright owner will be very high which makes this solution less suitable too. Therefore, non-legislative solutions are less likely to resolve all uncertainties arising out of mass digitalisation. This emphasises the need for a legislative tool to deal with digitalisation.



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### **RECOMMENDATIONS**

Various international conventions and treaties such as Berne Conventions, TRIPS agreement, WIPO Copyright Treaty lay down a three-part test:

- The use should be limited to specific cases,
- It should not hamper the normal exploitation of the work and
- It should not prejudice the right of the copyright owner.

Therefore, there is a need for a legislative framework within which all matters of mass digitalisation can be dealt with. There is a need of a set of guidelines to deal with all kinds of activities of digitalisation.<sup>32</sup> The Congress in order to fulfil their constitutional and international obligation, should introduce a model wherein, there is licensing either voluntary or statutory to encourage and facilitate digitalisation project thereby, promoting the progress of art, without dissuading the incentive of the copyright owner.

Keeping in mind the ECL model adopted by other countries and the treaty obligation, through this paper, I would like to recommend a set of guidelines along with a list of factors that must be considered while dealing with mass digitalisation and copyright laws. Extended Licensing can be adopted where the government would be authorised to negotiate with the copyright owners for a particular category of works for specific uses and users. This model has been used by Nordic countries, where it is limited to certain types of works and users such as education, scientific, research or internal use of an organisation. Further, it would be different from compulsory licensing as the royalties and license rates would be governed by the private entities and not the government. This mechanism would also uphold the freedom to contract of the copyright owners.<sup>33</sup>

This mechanism can limit digitalisation to certain kinds of works namely: literary, pictorial/graphic and photographs. It is important to ensure that a Books Rights Registry is maintained so as to distribute the royalties to the various stakeholders.<sup>34</sup> In addition to this, the digitalisation should display short excerpts while responding to online search by the user and there should be a restriction in the printing of the searched results.<sup>35</sup> While limiting the use to these specific categories of work it is important



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to ensure that it does not cover unpublished and orphan work as the administrative cost, of locating the owner, will supersede the benefit that would arise through its

digitalisation.<sup>36</sup> Lastly, it is important to maintain an opt-out provision where in copyright owners can object from the digitalisation of their works. This has been adopted by the Nordic countries in their ECL model.<sup>37</sup> This way both the interest of the copyright owner can be maintained as well as the public interest involved through such technological advancement. The approach adopted in the *Google Books and Hathi Trust case* was similar to this model of ECL. With government supervision, ECL can be successful in striking the balance as it has been successful in countries like France, United Kingdom and Germany and Nordic Countries.

## CONCLUSION

I would like to conclude this paper by emphasising that there is a responsibility on the Congress and not the Court, to introduce legislative changes to deal with issues of mass digitalisation as “*fair use*” cannot encompass all matters of mass digitalisation. The model recommended through this paper by analysing the model adopted by other jurisdiction could help the Congress in introducing a solution to this problem. Thereby, fulfilling their constitutional and international obligation, to keep their Copyright laws in compliance with the growing technological advancement.

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<sup>1</sup> ‘Fundamental Principles of Digitalisation of Documentary Heritage’ (UNESCO) <[www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CI/CI/pdf/mow/digitization\\_guidelines\\_for\\_web.pdf](http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CI/CI/pdf/mow/digitization_guidelines_for_web.pdf)> accessed 15 August 2016.

<sup>2</sup> United States Copyright Office, ‘Orphan Works and Mass Digitalisation: A Report of the Register of Copyrights’ (June 2015) 72 <<http://www.copyright.gov/orphan/reports/orphan-works2015.pdf>> accessed 15 August 2016.

<sup>3</sup> ‘Fundamental Principles of Digitalisation of Documentary Heritage’ (UNESCO) <[www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CI/CI/pdf/mow/digitization\\_guidelines\\_for\\_web.pdf](http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CI/CI/pdf/mow/digitization_guidelines_for_web.pdf)> accessed 15 August 2016.

<sup>4</sup> WIPO Copyright Treaty 1996; Lionel Bently, Uma Suthersanen & Paul Torremans (ed), *Global Copyright: Three Hundred Years Since the Statute of Anne, From 1709 to Cyberspace* (Edward Elgar Publishing Limited 2010) 171.

<sup>5</sup> Bently (n 4) 671.

<sup>6</sup> Bently (n 4) 666, 670.

<sup>7</sup> *Sony Corp of America v. Universal City Studios Inc*, 1984 SCC OnLine US SC 14 : 78 L Ed 2d 574 : 464 US 417, 429, 430-431 (1984).

<sup>8</sup> *Ibid* 678.

<sup>9</sup> *United States* (n 2) 16.

<sup>10</sup> *Authors Guild Inc v. Google Inc*, 954 F Supp 2d 282 (SDNY 2013).

<sup>11</sup> *Ibid* 292.

<sup>12</sup> *Ibid* 292-293.

<sup>13</sup> *Ibid*.

<sup>14</sup> *Ibid* 291.

<sup>15</sup> *Authors Guild Inc v. Hathi Trust*, 902 F Supp 2d 445 (SDNY 2012).

<sup>16</sup> *Ibid* 455-456.

<sup>17</sup> *Authors Guild Inc v. Hathi Trust*, 755 F 3d 87 (2nd Cir 2014).

<sup>18</sup> John Axhamn and Lucie Guibault, *Cross-Border Extended Collective Licensing: A Solution To Online Dissemination of Europeâs Cultural Heritage?* (2008) 29, 43 <<http://www.ivir.nl/publicaties/download/292>>

accessed 15 August 2016.

<sup>19</sup> Daniel Gervais, *Collective Management of Copyright and Related Rights* (7th edn, 2010) 21-22.

<sup>20</sup> European Commission 'Impact Assessment on the Cross-Border Online Access to Orphan Works', COM (2011) 289 final (24 May 2011) <[http://ec.europa.eu/governance/impact/ia\\_carried\\_out/doc/ia\\_2011/sec\\_2011\\_0615\\_en.pdf](http://ec.europa.eu/governance/impact/ia_carried_out/doc/ia_2011/sec_2011_0615_en.pdf)> accessed 15 August 2016.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> 'Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012: Certain Permitted Uses of Orphan Works', (L 299/5) OJEC 8 <<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012L0028>> accessed 15 August 2016.

<sup>24</sup> Veraliah, 'French Parliament Passed Law on Out of Commerce Works', (IFRRO, 1 February 2012) <[www.ifrro.org/content/french-parliament-passed-law-out-commerce-works-22nd-february-2012](http://www.ifrro.org/content/french-parliament-passed-law-out-commerce-works-22nd-february-2012)> accessed August 2016.

<sup>25</sup> Law 2012-287, art 134-2, 134-3.

<sup>26</sup> Gesetz, *Law on the Administration of Copyright and Neighboring Rights*, (WIPO) <[https://www.vgwort.de/fileadmin/pdf/allgemeine\\_pdf/out\\_of\\_commerce\\_law\\_2013.pdf](https://www.vgwort.de/fileadmin/pdf/allgemeine_pdf/out_of_commerce_law_2013.pdf)> accessed 15 August 2016.

<sup>27</sup> Enterprises and Regulatory Reform Act, 2013, s. 77(3) and 116(b).

<sup>28</sup> *Google II* (n 10) 287-88.

<sup>29</sup> Statement of Interest of United States of America Regarding Proposed Amended Settlement Agreement at 2, *Authors Guild Inc v. Google Inc*, No. 05 Civ 8136 (SDNY Feb 4, 2010) ECF No. 922 ("US Statement of Interest") 1.

<sup>30</sup> 'Key Principles of the Digitalisation and Making Available of Out-of-Commerce Works', (MoU, 20 September 2011) <[http://ec.europa.eu/internal\\_market/copyright/docs/copyright-info/20110920-mou\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/copyright-info/20110920-mou_en.pdf)> accessed 15 August 2016.

<sup>31</sup> MPAA, Comments Submitted in Response to US Copyright Office's Feb 10, 2014 Notice of Inquiry at 4-5 (20 May 2014).

<sup>32</sup> Axhamn (n 18) 101.

<sup>33</sup> David R Hansen, *Orphan Works: Mapping the Possible Solution Spaces* 17 (Berkeley Digital Library Copyright Project No. 2, 2012).

<sup>34</sup> Bently (n 4) 671-72.

<sup>35</sup> 'Cross Ref Text and Data Mining' <<http://www.crossref.org/tdm/index.html>> accessed 15 August 2016.

<sup>36</sup> Janice T Pilch, Janice T Pilch TR (11 March 2014) 270:12-18.

<sup>37</sup> EK ECL Regulations, SI 2014/2588, art 16(4).

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