

Fair Use in Theory and Practice: Reflections on Its History and the Google Case

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It is probably the height of folly for someone like myself, with no formal legal training, to address a group of attorneys on an area of the law that Justice Story once famously described as “metaphysics.” But perhaps it may be seen as appropriate if I tell you that I was trained in philosophy, so am not daunted by metaphysics, and I work in a business that has been described by one of its own eminent practitioners as a type of folly. As a former director of Yale University Press once said, “We publish the smallest editions at the greatest cost, and on these we place the highest prices, and then we try to market them to people who can least afford them. This is madness.”

My perspective on copyright naturally reflects the experience of trying to survive in such a perilous enterprise, which exists with one foot in the commercial marketplace and the other in the academic community, creating for us a condition of chronic schizophrenia. We are dedicated to serving the mission of disseminating scholarship, but are required (under current conditions anyway) to rely on income from sales to pay most of our bills. Because we operate so close to the margin, our sector of publishing is especially vulnerable to expansive interpretations of “fair use.”

There is a lot of confusion about “fair use,” as we can see from the many conflicting perspectives that have been brought to bear in public discussion of Google’s Library Project so far, but it is easy to understand why such confusion exists. As one of those who witnessed the process of Congressional politics playing itself out in the revision of copyright law that resulted in the 1976 Act, and one who even had an opportunity to

testify before a Senate subcommittee on the issue of “fair use,” I agree completely with my esteemed colleague Leon Seltzer, former director of Stanford University Press (and a bone fide lawyer), who said in his 1978 Harvard book *Exemptions and Fair Use in Copyright*: “[A]most the entire attention of Congress with respect to fair use was devoted to one aspect of the technical problem of photocopying, and the complex issues having in general to do with fair use were focused solely on the resolution of a single case—educational copying of copyrighted works. That is, instead of facing squarely the primary question ‘What do we mean by fair use?’ or the secondary question ‘How does the advent of the new technologies affect the conceptualization, and therefore the application, of the fair use doctrine?’ Congress dealt with fair use on a tertiary level: ‘How do we fashion a fair-use statute so as to solve, by means of a compromise, a particular and expressly formulated exemption from copyright, the photocopying reproduction of copyrighted works for educational purposes?’” (pp. 21-22) In Seltzer’s estimation, Congress by so doing sowed the seed for rampant confusion later: “it has failed to articulate a coherent rationale for copyright, it has failed to define fair use, it has introduced confusions between fair use and exempted use, and it has in the end tossed the fair use question, now thoroughly enmeshed in contradictions, back to the courts.” (pp. 16-17)

Among other things, of course, Congress for the first time ever imported the notion of intrinsic use of a work through reproduction into the conceptual ambit of “fair use.” As Kenneth Crews explains in his 1993 Chicago book *Copyright, Fair Use, and the Challenge for Universities*, “three subtle, but important, changes in Section 107 emerged during congressional reviews and hearings: fair use was expressly applied to the reproduction of materials; it permitted multiple copies for classroom use; and the nonprofit character of a use became an explicit factor in the fair use equation.” (p. 32) As Crews also points out, “despite its denials, Congress was unquestionably changing the law.” (p. 33) Its denials were disingenuous, to say the least, for as Seltzer notes, “In the special Copyright Revision study on fair use prepared by the Copyright Office for Congress [by Alan Latman in 1958], not a single case cited holds that straightforward reproduction of a copyrighted work for its own sake constitutes fair use.” (p. 24). That

very issue was thrust upon Congress to resolve, of course, by the suit that STM journal publisher Williams & Wilkins had brought against the National Library of Medicine and the National Institutes of Health, which resulted in an evenly split 4-4 Supreme Court decision in 1975 upholding the 4-3 ruling by the Court of Claims finding the photocopying by these government agencies to be “fair use”—which one of the dissenting justices described as “the Dred Scott decision of copyright law.” Alan Latman was the plaintiff’s attorney, by the way.

This, in brief, is the origin of the conceptual confusion that has plagued “fair use” jurisprudence ever since. “Fair use” was thenceforth deployed to justify two very different kinds of activities. To highlight their differences, let’s call them “creative” fair use and “quantitative” fair use. “Creative” fair use embodies the core original meaning of the concept as it was developed to allow for an author to build upon the work of earlier authors, through comment and criticism, in a “value-added” process that involves reproduction of copyrighted work just to the extent needed to fulfill this purpose. “Quantitative” fair use came into play when photocopying began to proliferate in the 1960s and some felt the need to defend the making of multiple copies, in a purely duplicative process that is no more than a form of parasitical publishing, as though it were somehow analogous to the activity of “creative” fair use. It has taken on added significance in the era of digital copying, which makes possible duplication on an even more massive scale and with no degradation of quality from the original work.

The application of the same term to these quite different activities is unfortunate because it can all too easily mislead people into thinking that the two types of fair use are equally essential to the advancement of scholarship. They are not. “Creative” fair use is indisputably necessary for scholarship to flourish. “Quantitative” fair use merely offers a “free ride” for users who like the convenience of having more copies immediately available and who want to avoid contributing to the costs of original publication. Judge Jon Newman, in writing the majority opinion in the Second Circuit’s decision in the landmark *Texaco* case, made this very distinction: “We would seriously question whether the fair use analysis that has developed with respect to works of authorship alleged to use

portions of copyrighted material is precisely applicable to copies produced by mechanical means. The traditional fair use analysis, now codified in section 107, developed in an effort to adjust the competing interests of the authors—the author of the original copyrighted work and the author of the secondary work that ‘copies’ a portion of the original work in the course of producing what is claimed to be a new work. Mechanical ‘copying’ of an entire document, made readily feasible by the advent of xerography..., is obviously an activity entirely different from creating a work of authorship. Whatever social utility copying of this sort achieves, it is not concerned with creative authorship.”

The perspective that university presses take on fair use reflects this duality in the concept as it is currently deployed. Our mission, as an integral part of higher education, is to serve the interests of scholars in producing and disseminating their work. To fulfill this mission, we fully support “creative” fair use (though we probably have not been aggressive enough in exploring its limits, as with the use of film stills, for instance). But we consider “quantitative” fair use in many of the ways it is being deployed today (as in e-reserves) to be severely threatening to our ability to carry out our mission because it undercuts the economic basis of our operation—and we therefore question whether these applications of it can properly be construed as fair use at all. We also question whether the long-term interests of scholarship are not being sacrificed to the short-term advantages gained from a too aggressive pursuit of “quantitative” fair use. Does it make any sense for universities to subsidize their faculty’s and students’ use of copyrighted materials by aggressively invoking “quantitative” fair use at the cost of undercutting their own presses, which are assigned the task of publishing much of the most valuable scholarship that emanates from higher education? For university presses, then, the key tension in fair use—indeed, what challenges its very coherence—lies in this contrast between the “creative” and “quantitative” applications of the concept.

A number of efforts have been made to restore coherence to fair use. One of the most notable was undertaken by Pierre Leval, a judge on the appeals court of the Second Circuit (where the Google case is being tried), in his 1990 *Harvard Law Review* article “Toward a Fair Use Standard.” Frustrated by the reversals of his own opinions in two

cases involving fair use of unpublished works (*Salinger* and *New Era*), and admitting that judges like him “have repeatedly adjudicated upon ad hoc perceptions of justice without a permanent framework” (p. 1105), Leval sought an understanding of fair use “as a rational, integral part of copyright, whose observance is necessary to achieve the objectives of that law.” (p. 1107). He located it in the “utilitarian message” (p. 1108) found in the 1710 Statute of Anne’s reference to “the Encouragement of Learning” as the goal of copyright and reflected in our own Constitution’s articulation of the purpose of copyright “to promote the Progress of Science and useful Arts.” Thus “copyright law embodies a recognition that creative intellectual activity is vital to the well-being of society” (p. 1109), and “recognition of the function of fair use as integral to copyright’s objectives leads to a coherent and useful set of principles. Briefly stated, the use must be of a character that serves the copyright objective of stimulating productive thought and public instruction without excessively diminishing the incentives for creativity. One must assess each of the issues that arise in considering a fair use defense in the light of the governing purpose of copyright law.” (p. 1110) For Leval, this approach led to viewing “transformative” use as the key to any fair use analysis, whether the use at issue “is of the transformative type that advances knowledge and the progress of the arts or whether it merely repackages, free riding on another’s creations.... Factor One is the soul of fair use.” (p. 1116) This approach accords very well with the view that university presses have of fair use, where any “social utility” that pure copying without value added may have should be clearly subordinate to the primary objective of “creative” use and considered justified only where it does not interfere, in a more than *de minimis* fashion, with the fundamental right of the copyright owner to “reproduce” and “distribute” the work.

Leval had made no attempt to apply his preferred approach to the Supreme Court’s ruling in the *Sony* case because, focusing as it did on an intrinsic use, *Sony* did not make sense in Leval’s terms as vindication of a creative use. Nor, as Lloyd Weinreb pointed out in his rejoinder to Leval’s article, did it make sense in terms of the standard four-factor analysis. As Weinreb observed, “Justice Stevens’ arguments in favor of fair use, purportedly applying the four statutory factors, are hopelessly inadequate.” (pp. 1153-

1154) But another analysis that sought a principled basis for “fair use” in the Constitutional language was provided by L. Ray Patterson in his 1987 *Vanderbilt Law Review* article “Free Speech, Copyright and Fair Use,” and his main argument, which features a distinction between use of a work and use of the copyright in a work and depends on viewing copyright as a regulatory rather than proprietary concept, made the results in both *Sony* and *Harper & Row v. the Nation* seem perfectly reasonable. In the *Sony* decision, as he explained, the Court “portrays copyright as a regulatory concept, utilizes the distinction between use of the copyright and use of the work, treats the fair use doctrine as a fair competitive use doctrine, and implicitly acknowledges that the copyright clause incorporates free speech values. By taping copyrighted programs off-the-air for personal in-home use, the individual makes use of the work, not of the copyright.” Similarly, in *Harper & Row*, “without articulating the point, the Court used the distinction between the use of the copyright and the use of the work. The defendant was a competitor who used the copyright, not the work.” In Patterson’s opinion, “*Sony* and *Harper & Row* are more sound in their results than in their reasoning. The split decisions in both cases indicate that the results were achieved more by intuition than by an understanding of sound copyright principles.” (p. 65) Despite their different ways of applying the Constitutional mandate to an understanding of “fair use,” then, Leval and Patterson both agree that, as Leval put it, judicial “decisions are not governed by consistent principles, but seem rather to result from intuitive reactions to individual fact patterns.” (p. 1107) Small wonder, then, that “earlier decisions provide little basis for predicting later ones” and “reversals and divided courts are commonplace.” (pp. 1106-1107). It is for this reason that Georgia Harper, in her recent paper “Google This: The Bottom Line,” can very justifiably argue that what is at stake in any dispute about fair use is really an assessment of “overall social utility,” and that the explanation of a court’s decision in terms of the four factors is really so much window-dressing for a decision reached on other grounds.

Patterson, in a later work co-authored with Stanley W. Lindberg titled *The Nature of Copyright: The Law of Users’ Rights* (1991), which I and Ohio State legal historian Michael Les Benedict reviewed in manuscript for the University of Georgia Press,

elaborated on his theory distinguishing use of a work from use of a copyright and postulated two types of what he called “users’ rights,” of which “fair use” in his sense of “fair competitive use” is one. The other, which he dubbed “personal use,” he defined as follows: “An individual’s use of a copyrighted work for his or her own private use is a personal use, not subject to fair-use restraints. Such use includes use by copying, provided that the copy is neither for public distribution or sale to others nor a functional substitute for a copyrighted work currently available on the market at a reasonable price.” (p. 194) Although “personal use” is a highly controversial concept, I do have some sympathy for it, for a very simple reason well articulated by Jessica Litman in her 2001 book *Digital Copyright*, where she observed in her concluding chapter: “The less workable a law is, the more problematic it is to enforce. The harder it is to explain the law to the people it is supposed to restrict, the harder it will be to explain to the prosecutors, judges, and juries charged with applying it. The more burdensome the law makes it to obey proscriptions, and the more draconian the penalties for failing, the more distasteful it will be to enforce. The more people the law seeks to constrain, the more futile it can be to enforce it only sporadically. Finally, the less the law’s choices strike the people it affects as legitimate, the less they will feel as if breaking that law is doing anything wrong. In other words, if a law is bad enough, large numbers of people will fail to comply with it, whether they should or not.” (p. 195) I think she has this exactly right. Moreover, since Congress botched the job of making any coherent sense of “fair use” in drafting the 1976 Act, as Seltzer demonstrates, and since judges ever afterward have made their decisions in an ad hoc manner lacking any consistent set of principles to guide them, as Leval and Patterson allege, we desperately need a theory of “fair use” that is readily communicable to the multitude of citizens we are asking to abide by copyright law.

Litman herself proposes a solution that she readily admits to be “radical,” namely, “stop defining copyright in terms of reproduction” and instead “start by recasting copyright as an exclusive right of commercial exploitation,” relying on the commonly understood “distinction between commercial and noncommercial behavior.” (p. 180) This seems also to be the underlying rationale for the licenses offered through Larry Lessig’s brainchild,

Creative Commons, which make much of this distinction. Alas, this distinction is not so intuitively clear as its proponents seem to think. I can illustrate the problem very simply by reference to our own business. Can a university press, as a nonprofit enterprise embedded within an educational institution, take advantage of a Creative Commons’s licensed work for “noncommercial” uses even though we sell our publications in the “commercial” marketplace the same way for-profit publishers do—and though we even, occasionally, pay royalties to our authors! Who is to say whether this is a “commercial” or “noncommercial” use? Similarly, although it may strike L. Ray Patterson as a “noncompetitive” use, hence not “commercial,” the copying done for coursepacks and e-reserves (which is treated as such by the policy he helped draft for the University of Georgia system drawing from the ideas in his 1991 book and which even Kenneth Crews, pp. 118-119, views as pushing the envelope) surely does supplant the market for the publications of university presses, as our declining sales of paperbacks attest, and so cannot qualify either as “personal” (on the second prong of his definition) or as “fair use” (because this copying does indeed constitute a “use of the copyright”—i.e., the right to distribute—in his own terms).

While I am not prepared to accept Litman’s radical solution, or Patterson’s application of his theoretical principles, I do think it should be possible to devise an adequate theory of fair use that (1) gives pride of place to “creative” or “transformative” use as “the soul of fair use” because it best exemplifies the underlying Constitutional rationale for copyright, as Leval argues, (2) nevertheless reserves a residual place for “personal use” as construed by Patterson in terms of its being a use of the work rather than a use of the copyright (or else just as a *de minimis* use, as Leval evidently would prefer to construe it—see his footnote 52 on p. 1116—such as the limited single copying done under the exemption in Section 108(d) for the purpose of “private study, scholarship, or research,” which is consonant with the basic Constitutional objective of copyright and which publishers first accepted in the 1935 “Gentlemen’s Agreement” with the library community), and (3), by so doing, satisfies the dire need for an explanation of fair use that is readily communicable and easily understood by the general public (not to mention “prosecutors, judges, and juries”!) as called for by Litman. I know this is a promissory note, and the

details of such a theory would need to be worked out from the bare sketch I have provided here. But I am confident it can be done—and perhaps some member of this audience will want to accept the challenge and take on this assignment!

Now, having laid out this background and at least adumbrated a theory of fair use, I can tackle the immediate issue of the alleged fairness of the Google Library Project. Let no one mistake the criticisms I am about to make as any sign of a lack of enthusiasm for the Google Print Program as a whole. On the contrary, Penn State University Press was an early enthusiast for the Print Publisher Program, and we remain so today. Just look at the case study about our Press that Google itself has posted and you'll understand why. We believe that there is considerable “social utility” in this ambitious undertaking and applaud Google for its vision of making all the world's knowledge readily available to everyone who has access to a computer with an Internet connection. If, as Georgia Harper surmises, the judges in this case simply apply a basic cost-benefit analysis to the Library Project and then cloak their assessment in the legal garb of the four factors, they may well find this to be “fair use” because they will accept Google's arguments about its obvious “social utility” at face value—which many commentators in the popular press have already done. But I do not believe the Library Project to be fair use, despite its “social utility,” because I don't think it can be defended on any of the theories of fair use I have outlined above.

Forget about the “snippets.” They are not the heart of this case, in spite of all the attention they have received in the popular press. Rather, the real crux is the making of digital copies of each copyrighted work, one that Google will keep itself, the other that it will give to the participating library that provided the work to be scanned. I do not see how, in the terms set forth in Leval's article, this copying can in any way be considered “creative” or “transformative.” (Judge Leval will have the opportunity to apply his own theory himself if this case gets to the appeals level, where he now resides.) It is, as Judge Newman said, merely “mechanical” in nature and multiplies the number of copies of the work available. Yes, it has “social utility,” but so too did Texaco's copying, which Judge Newman (and Judge Leval before him in the district court) nevertheless found not to be

fair use. At best, it might be seen as an intermediary form of copying that allows other useful activities to be pursued for the public benefit. In this sense, it may be construed as facilitating the production of a kind of super-index. (The copyright status of an index is an interesting question in itself. Is it an entirely new work, an “original” creation that merely “quotes” from the primary work, or is it rather a “derivative” work that requires permission from the copyright owner to prepare? Or maybe it is a form of “compilation” of data deserving, because of its minimal “originality,” of only a “thin” form of copyright protection, if any at all? Is it most like an abstract, and are abstracts “derivative” works? Probably Patterson would say it is a “use of the work” rather than a “use of the copyright,” thus outside the scope of copyright.)

But whatever it is that Google produces, the digital copies themselves are still that, just copies, and they may well serve to supplant the market for the original work, in two ways. First, the digital copy that Google retains is subject to no controls other than those that Google chooses itself to apply; there is no contractual agreement between Google and the copyright owner that imposes any responsibility on Google for ensuring its security. Hence a copyright owner has no recourse against Google if the security is breached and the digital copy is stolen, to be used potentially for widespread piracy. Second, and equally important, the digital copy that is supplied to the library becomes available for whatever uses the library itself may consider “fair,” which nowadays may well mean deposit in an e-reserve system that functions as a coursepack-producing facility. This happens entirely outside of, and as a complete substitute for, a commercial transaction of the kind that publishers like our Press have long been undertaking through such companies as netLibrary and ebrary. The library’s digital copy directly supplants a sale of an e-book to the library by the publisher or by an agent of the publisher. Moreover, the library’s use of its digital copy is constrained by no license with the publisher, which is thus left with no legal recourse for any abuse except to sue for copyright infringement—not an option readily available to a university press, I assure you, and not a real option in any event against a library like Michigan’s that can claim immunity under the Eleventh Amendment.

In terms of the four factors, the digital copying of books by Google to operate its Library Project for the public good—just like the socially useful copying of journal articles by Texaco’s researchers—nevertheless serves the “commercial” aims of the company as a whole and is not “transformative” in any sense akin to what has traditionally been understood “to promote the progress of science”; it catches in its indiscriminating grasp works that cover the spectrum from highly expressive to purely factual; the amount copied is the entire book; and the effect on the market is both potentially (through the possibility of hacking) and actually (through the displacement of sales that could readily be anticipated via normal commercial channels in existence today) harmful to the copyright owner. Even in Patterson’s terms, this is a use of the copyright, not a use of the work, and it is competitive with the established market for the copyrighted work in digital form; and by no stretch of the imagination can this be considered a “personal use” analogous to viewing a taped movie in the privacy of one’s own home. And even Litman should have to admit that there is here an “exploitation” of the commercial market where it is the copyright owner’s right to conduct a sale, which multiplied by potentially hundreds of titles (and many thousands for larger publishers) located within the collections of participating libraries is hardly negligible.

Besides the four factors of fair use proper, what else strikes publishers as “unfair” about the Library Project? Initially, Google did not allow publishers like us who had signed up many titles for the Publisher Program to exclude them from the Library Project, arguing that this would be impractical and inefficient because the copying was being done “by the truckload.” So, in spite of a license already in place, Google asserted the right to make a digital copy of every one of these licensed works, too. Under vigorous protest from us and other publishers, Google recently relented and provided a mechanism on its web site whereby a participating Print publisher could, with one click, exclude all of its licensed titles. But Google did so with wording that made it impossible for a press like ours to comply with the procedure: “Under penalty of perjury I certify that I am the copyright holder for these titles.” Our marketing director, who manages our account with Google, has no authority himself to so certify, and the Press in any event is not itself the copyright holder, the University is, and some books we only distribute or co-publish (for museums,

historical societies, etc.) and cannot claim to own at all. Even more recently, at our urging, Google obliged by changing the wording to read: “I certify that I am the owner of these books or authorized by the owner to exclude these books.” Google has made much of how “easy” it is (in the words of its general counsel David Drummond) for publishers to “opt out” any books from the Library Project at any time. But this is no trivial matter for a press the size of ours, or indeed for a publisher of any size, in the absence of any knowledge about what the collections of the participating libraries contain, and Google—again until very recently—refused to provide that information, thus posing for us the daunting task of researching the rights for every title on our backlist not already licensed through the Publisher Program. Google could have generated a lot more good will towards itself and this Project if it had been much more cooperative in these respects from the outset. Instead, it seemed more intent on waging a publicity campaign in the general media to win public sympathy for its Project than on working with publishers to implement the Project in a manner that could have served everyone’s interests. What, finally, disappointed me the most was the possibility I saw for Google to play a leading role, with the high visibility of this Library Project, in bringing parties together to resolve the thorny issue of “orphan works,” which the Copyright Office started investigating before Google announced this initiative. Since so many of the copyrighted works in the participating libraries’ collections are likely to fall into this category, Google had a golden opportunity to work with both publisher and user groups toward crafting legislation that Congress can consider to make this vexing problem disappear—to the public benefit of all!