

The Fair Use Defense in Response to Copyright Infringement Challenges to the Google Books Settlement

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I. INTRODUCTION

Google Books presents, in its website, a list of frequently asked questions on the question of whether the scanning of the books by Google and presenting snippets or full views of books through Google Books constitutes copyright infringement.¹ Not surprisingly, Google claims that its use does not constitute copyright infringement and argues that it constitutes fair use. In sum, Google claims that they have carefully designed Google Books to make sure that the use of books is fair and fully consistent with the law.²

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Cite as 54 ATENEO L.J. 991 (2010).

1. See Google Books, available at <http://books.google.com> (last accessed Feb. 10, 2010).
2. Google, Perspectives — Facts & Fiction, available at <http://books.google.com/googlebooks/facts.html> (last accessed Feb. 10, 2010).

Ultimately, current copyright law provides that the use of copyrighted material by Google Books is consistent with fair use. This Essay presents a detailed legal analysis on why the author considers this to be the case.

II. THE FAIR USE DEFENSE

Google's strongest defense in the suit is the fair use exception in the Copyright Act.³ The Statute provides:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.⁴

There are two relevant cases crucial to Google. These are recent cases from the United States Court of Appeals, Ninth Circuit, that bolster Google's fair use argument: *Kelly v. Arriba Soft Corporation*⁵ and *Perfect 10, Inc. v. Amazon.com, Inc.*⁶

In *Kelly*, Arriba Soft operated a search engine by using spiders to crawl the internet to copy images from various websites without the express authorization of the website owners.⁷ When Kelly discovered that some of his images appeared on the Arriba search database, he sued Arriba Soft for

3. Copyright Act of 1976 [Copyright Act], 17 U.S.C. §§ 101-810 (1976).

4. *Id.* § 107.

5. *Kelly v. Arriba Soft Corporation*, 336 F.3d 811 (9th Cir. 2003).

6. *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701 (9th Cir. 2007) [hereinafter *Amazon*].

7. *Kelly*, 336 F.3d at 815-16.

copyright infringement.⁸ The lower court found that Arriba's actions fell under the fair use exception and the Ninth Circuit affirmed.⁹

Meanwhile, in *Perfect 10, Inc.*, the infringement suit in the district court arose from Perfect 10's website which provided erotic photographs.¹⁰ Google, among other websites, was sued because Perfect 10's photographs were copied and displayed without their express authorization.¹¹ Google copied the photographs onto its search database.¹² Whenever a user would search the Internet for photos, some of the Perfect 10 photos would appear as thumbnails.¹³ At this juncture, *Perfect 10, Inc.*, would seem on all fours with *Kelly* and fair use should be found in favor of Google. The district court, however, held that Google's actions were not entitled to the fair use exception.¹⁴

An additional feature offered by the search results page on Google would probably explain the difference. Google also linked to the sites which contained the photos in their original form and size.¹⁵ It also offered the AdSense service — where, if a website were an AdSense partner, Google would have ads on that particular website — thereby causing more bases to reject Google's claim to fair use because Google profited from the AdSense service, which strongly suggests the commercial character of Google's activities.¹⁶

Furthermore, Perfect 10 had licensed some of its photos to another entity called Fonestarz.¹⁷ Through Fonestarz, cellular phone users can download thumbnails of Perfect 10 onto their cellular phones.¹⁸ However, since Google already provides thumbnails of Perfect 10 photos on its website, users could instead download from Google, rather than from

8. *Id.* at 815.

9. *Id.* at 822.

10. *Perfect 10, Inc. v. Google, Inc.*, 416 F. Supp. 2d 828 (C.D. Cal. 2006) [hereinafter *Google*] (This was reversed as to the rejection of Google's fair use defense in *Amazon*).

11. *Id.* at 834-36.

12. *Id.* at 832.

13. *Id.* at 835-36.

14. *Id.* at 862.

15. *Id.* at 847.

16. *Google*, 416 F. Supp. 2d at 855-56.

17. *Id.* at 833.

18. *Id.*

Fonestarz. This was viewed by the lower court to have a detrimental effect on Perfect 10's potential market for licensed images.¹⁹

The District Court found that the additional AdSense feature weighed against Google under the first factor and the Fonestarz license from Perfect 10 also weighed against Google under the fourth factor.²⁰

At the Ninth Circuit on appeal of Perfect 10, the fair use rejection was reversed.²¹ The Ninth Circuit found that there was no evidence that the thumbnails on Google's search results page substituted for the Fonestarz licensed thumbnails.²² The Ninth Circuit also did not find sufficient evidence that Google derived substantial commercial benefit from the AdSense service.²³ These two matters being unsupported by evidence, essentially, there was no longer a difference from *Kelly*, and so Google was found to be entitled to the fair use exception.

III. APPLYING THE FOUR FACTOR TEST

The four factors will be discussed as to Google Books Search. The *Kelly* and *Perfect 10, Inc.*, decisions will be analogized and applied as necessary.

A. Purpose and Character of the Use

Under the first fair use factor, Google has to show that the purpose and character of the use is more transformative than mere copying.²⁴ It must also overcome its nature as a commercial entity by showing that its use of the books in Google Books Search transforms, creates a different purpose, and proliferates expression that curtails copyright holders' exploitation of their limited rights as authors of their works.²⁵

Google Books Search may very well have a commercial benefit and purpose, but to liken it to the commercial activities both in *Kelly* and *Perfect 10* would show that the use was transformative *despite* its incidental commercial nature.²⁶

Kelly held that Arriba's actions fell under fair use, yet affirmed that Arriba's use was for commercial purposes. The court believed that the

19. *Id.* at 859, 862.

20. *Id.* at 862.

21. *See Amazon*, 487 F.3d 701.

22. *Id.* at 723-25.

23. *Id.* at 741-42.

24. *Id.* at 737-38.

25. *Id.*

26. *Id.* at 741.

commercial use was more “incidental and less exploitative in nature than more traditional types of commercial use.”²⁷

Arriba Soft merely had a database of thumbnails. In the same way, Google has a database of the books it had scanned so far, making this database searchable by users through search terms. Arriba Soft does not make the thumbnail database available for commercial purposes *per se*, it needed the database to operate its main source of business — the search engine.²⁸ Likewise, Google may indeed be a commercial entity²⁹ but it does not profit directly from the searchable database of scanned books. Google seeks to operate a search engine for books.³⁰

Further, *Kelly* also characterized Arriba Soft’s use as *transformative*.³¹ The thumbnails and search results did not supersede the object of the original photos, but added a purpose or different character.³² *Kelly* emphasized that the Arriba search engine functions as a tool to help index and improve access to images on the internet.³³ Google Books Search is similar. It is a tool to improve access to books on the internet.

The U.S. Court of Appeals also held that Google’s actions in *Perfect 10, Inc.* constituted fair use.³⁴ In discussing the first factor, it said that Google’s use of the thumbnails was highly transformative.³⁵ One could notice a shift in the Ninth Circuit’s view of what is *transformative*. It highlighted the transformative use in both *Kelly* and *Perfect 10, Inc.* Under this view, to *transform* a work does not necessitate that the work itself be modified or changed, such as by transforming the lyrics of a song to create a parody.³⁶ This view by the Ninth Circuit seems to suggest that a work is also *transformed* without changing the work itself but by creating a new purpose or feature that was not contemplated or originally intended by the copyright

27. *Kelly*, 336 F.3d at 818.

28. *Id.*

29. *See Field v. Google, Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006).

30. *Id.* at 1120.

31. *Kelly*, 336 F.3d at 818.

32. *Id.*

33. *Id.*

34. *Amazon*, 487 F.3d at 744-45.

35. *Id.* at 724.

36. *See generally Campbell v. Acuff-Rose Music, Incorporated*, 510 U.S. 569, 114 S.Ct. 1164 (1994) (This held that changing some words of Roy Orbison’s *Pretty Woman* into “hairy woman or bald headed woman” is transformative); *see also Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792 (9th Cir. 2003) (This held that the use of Barbie dolls in various poses in a kitchen setup puts the dolls in a different context and thus transforms them into a new creation).

holder. In *Kelly*, the use of thumbnails in an image search service was transformative. In *Perfect 10, Inc.* the use of thumbnails in a search results page was also transformative. In both cases, the defendant was operating a “service” apart from the main business of the copyright holders. “Arriba’s use of the images serve[d] a different function than Kelly’s use — improving access to information on the [I]nternet versus artistic expression.”³⁷ Arriba Soft operated an image search service; Google operated a search page. “A search engine transforms the image into a pointer directing a user to a source of information.”³⁸ Thus, Google can argue that Google Books Search is also a transformative use. True, Google copied (and will copy) millions of books in their entirety, some only in little portions, but the purpose of Google Books Search is to allow people from all over the world to find a book with just a few keystrokes and a click of a mouse button. This strongly appears to be *transformative*, based on the new standard set by the Ninth Circuit in *Kelly* and *Perfect 10, Inc.* “A search engine may be more transformative than a parody, because it provides an entirely new use for the original work, while a parody has the same entertainment purpose as the original work.”³⁹

B. Nature of the Copyrighted Work

Under the second fair use factor, defendants are more successful if the works are thinly protected by copyright and not highly creative.

In *Kelly*, the court said of the second factor — works that are creative in nature are closer to the core of intended copyright protection and published works are more likely to qualify as fair use because the first appearance of the artist’s expression has already occurred.⁴⁰ The second factor weighed in favor of *Kelly*. *Perfect 10, Inc.* referred to *Kelly*. The District Court found that the images were creative and published; so in the same light, the second factor weighed in favor of *Perfect 10*.⁴¹ The Ninth Circuit cautioned however that this factor weighed only *slightly* in favor of *Perfect 10*.⁴² Because the right to first publication is exhausted after the copyright holder makes a one-time choice of when, where, and the medium of publication,⁴³ *Perfect 10* was considered to have exploited the commercially valuable right of first publication by putting its images on the internet for paid subscribers, and

37. *Amazon*, 487 F.3d at 721 (citing *Kelly*, 336 F.3d at 819).

38. *Id.*

39. *Id.*

40. *Kelly*, 336 F.3d at 820.

41. *Google*, 416 F. Supp. 2d at 850.

42. *Amazon*, 487 F.3d at 723.

43. *Id.*

therefore no longer entitled to the enhanced protection for an unpublished work.⁴⁴

Because Google Books Search involves published works, this factor would most likely weigh against Google, but a distinction must be made between published creative works on one hand and published non-fiction works on the other. As to published creative works, there is probably a higher level of protection but there is thinner copyright protection for non-fiction works.

C. Amount of the Work Copied

The third factor asks whether the amount and substantiality of the portion used in relation to the copyrighted work as a whole are reasonable in relation to the purpose of the copying.⁴⁵

The *Kelly* Court observed that Arriba Soft copied the images entirely. *Kelly* recognized that “while wholesale copying does not preclude fair use per se, copying an entire work militates against a finding of fair use”⁴⁶ but found that such copying was necessary to “allow users to recognize the image and decide whether to pursue more information about the image or the originating website.”⁴⁷ *Kelly* held that this factor does not weigh in favor of either party.⁴⁸ *Perfect 10, Inc.* also held that this factor favored neither party,⁴⁹ emphasizing that they decided that way in *Kelly* because if only a portion of the image was copied, it would pose a difficulty in identifying the image.⁵⁰

Google Book Search is a state of the art book search tool, and may be likened to a virtual bookstore where users can look at the basic information about a book, and browse some of a book’s pages and decide whether to purchase the book.⁵¹ It is necessary for Google Books to copy the book, even in its entirety, because it is the only possible way for the search function by use of search terms to work. Google Books will only provide full copies for download if the book is in the public domain. For copyright protected works, the limited view and the snippet view merely provide the

44. *Id.*

45. *Id.* at 724 (citing *Campbell*, 510 U.S. at 586).

46. *Kelly*, 336 F.3d at 820.

47. *Id.* at 821.

48. *Id.*

49. *Amazon*, 487 F.3d at 724.

50. *Id.*

51. See generally Luc Vincent, Google Book Search: Document Understanding on a Massive Scale, available at http://www.icdar2007.org/ICDAR2007_Key_Note_LVincent.pdf (last accessed Feb. 10, 2010).

words or pages surrounding the user's search terms. Similar to the situation in *Kelly* and *Perfect 10, Inc.* Google Books can only operate its normal search engine functions if they copy the books in its entirety. Otherwise, a search through the use of key words would be inaccurate. It is also beneficial to users if they are given a complete and accurate description and presentation of the book. It is akin to being able to flip through a book in an actual bookstore, but slightly better. The user can quickly find out if the information or feature he is looking for is in the book. This "slightly better" status does not mean that it hurts the rights of a copyright holder; the factors are weighed together and not independent of each other.

D. *Effect on Potential Market*

The fourth and final factor looks at the effect of the use on the potential market for or the value of the copyrighted work. It also requires courts to "consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant ... would result in a substantially adverse impact on the potential market for the original."⁵²

In holding that the fourth factor weighed in favor of Arriba Soft, the *Kelly* court enumerated the potential markets related to Kelly's images: the market for traffic towards his website where Kelly sells advertising space; the market for licensing Kelly's images to other websites; and the market for stock photo database companies who ultimately sell the images for sale.⁵³ The court said that the Arriba Soft thumbnails do not hurt the market for Kelly's images or the value of Kelly's images.⁵⁴ In fact, Arriba Soft improves traffic to Kelly's website by displaying the thumbnails.⁵⁵ Further, "thumbnails would not be a substitute for the full-sized images because the thumbnails lose their clarity when enlarged. If a user wanted to view or download a quality image, he or she would have to visit Kelly's website."⁵⁶

52. *Kelly*, 336 F.3d at 821 (citing M. NIMMER & D. NIMMER, NIMMER ON COPYRIGHT § 13.05 (A) (4) (1993 ed.)).

53. *Id.*

54. *Id.*

55. *Id.*

56. *Id.* The court, however, cautions in a footnote —

We do not suggest that the inferior display quality of a reproduction is in any way dispositive or will always assist an alleged infringer in demonstrating fair use.

Id.

The court limited the scope to that case and said,

[I]t is extremely unlikely that users would download thumbnails for display purposes, as the quality full-size versions are easily accessible

Kelly also held that Arriba's thumbnails will not harm Kelly's ability to license his full-sized images, because anyone who would try to sell enlarged versions of the thumbnails from Arriba would not be successful because of the low-resolution of the thumbnails.⁵⁷

Perfect 10, Inc. relied on *Kelly* in its discussion of the fourth factor. It also added that since the use for the images from Perfect 10's website is transformative, the presumption of market harm is not readily inferred because market substitution is unlikely.⁵⁸ *Kelly* did not discuss anything regarding the potential market for reduced-sized images. *Perfect 10, Inc.* discussed this because of the licensed thumbnails to Fonestarz. While the District Court held that users who could download the thumbnails from Google's search results page and transfer them onto their cellular phones are less likely to buy from Fonestarz, the Ninth Circuit said that the potential harm to Perfect 10's market remains hypothetical as there is no evidence to support the District Court's reasoning.⁵⁹

Google Books would probably not harm the market for books because it only provides a limited or snippet view of copyright protected works. It is highly unlikely for a user to refrain from purchasing a book because it obtained a very limited portion of the book through the Google Books Search. Google Books would benefit rather than deter users from purchasing the books itself. It would also increase potential sales of the books, by pointing the users toward the book, through the use of search terms provided by a specific Google Books Search user — similar to how the Arriba Soft search engine directed users to Kelly's website, or how Google's search engine directed users to the linked source for the original website for the data in its search results page. Further, Google does not sell copies of the books. Instead, it directs users to various third party websites or entities where the books can be purchased. This shows that Google Books might even provide a benefit to the copyright holders by promoting sales of the book. Google Books' different levels of partnerships with the copyright holders and publishers ensure that a full view of the book will only be made available if the publisher or copyright holder gives Google Books their consent. Without that consent, Google Books can only provide limited views and snippet views, which hardly hurts the market or the potential market for the books themselves as well as the licensing of any rights to these

from Kelly's web sites ... in the unique context of photographic images, the quality of the reproduction may matter more than in other fields of creative endeavor. The appearance of photographic images accounts for virtually their entire aesthetic value.

Kelly, 336 F.3d at 821.

57. *Id.* at 821-22.

58. *Amazon*, 487 F.3d at 724 (citing *Campbell*, 510 U.S. at 591).

59. *Id.* at 724-25.

books. Finally, as discussed under the first factor which is often analyzed in relation to the fourth factor, the use is highly transformative; thus, there is lower likelihood of market substitution.

IV. CONCLUSION

In sum, the proponent believes that the Google Books Search *is* fair use. As already mentioned, Google Books Search is what it purports to be — a search engine. In the digital world, this is the counterpart of an index, or a card catalog with only a few enhanced features. Hardly is there anything objectionable to easing research methods and improving the sophistication of how book buyers peruse a book prior to actual purchase.

However, note must be taken that this opinion is only for the purpose of discussion, considering that the settlement has been preliminarily approved,⁶⁰ and there need be no fair use determination in the courts.

60. See Google Books Settlement Agreement, *available at* <http://books.google.com/googlebooks/agreement/> (last accessed Feb. 10, 2010).