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Second Circuit Upholds the Fair Use Rights of University Libraries To Digitize Their Collections To Make Them More Accessible for Uses that Promote Learning

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In a victory for educational institutions seeking to advance knowledge by expanding access to the content of books, the U.S. Court of Appeals for the Second Circuit yesterday upheld the creation and operation of the HathiTrust Digital Library (the HDL) against a copyright challenge brought by the Authors Guild.^[1] HathiTrust, a consortium of leading universities led by the University of Michigan, Cornell University, the University of California, the University of Indiana, and the University of Wisconsin, worked with Google to digitize more than 10 million books. HathiTrust makes the digitized content available to the public for keyword searching and text “mining” but does not permit the general public to review the underlying text of that content. It also provides enhanced access to the digitized works to the print disabled, including those with impaired vision and others who have trouble reading physical copies of books. Publishers and publisher representatives challenged these practices as copyright infringement.

In the district court, the late Judge Harold Baer had recognized the enormous social value of the HDL and granted summary judgment in HathiTrust’s favor, observing:

“I cannot imagine a definition of fair use that would not encompass the transformative uses made by [the HDL] and would require that I terminate this invaluable contribution to the progress of science and cultivation of the arts that at the same time effectuates the ideals

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espoused by the [Americans With Disabilities Act of 1990] ...”^[2]

The Second Circuit largely affirmed Judge Baer. The Court of Appeals found that keyword searching – which generates a list of occurrences of the search terms with the page number of the work where the terms are found but does not permit the searcher to review the underlying work – is “a quintessentially transformative use” that does not adversely impact the market value for the underlying work.^[3] Similarly, it found that providing access to the HDL for the print disabled, while not transformative, was a use identified as fair by both Congress and the Supreme Court and that this use would not harm the market for the underlying original works because there was no significant market for works accessible to print-disabled persons.^[4]

The Court of Appeals reserved judgment on a third function of the HDL, preservation of the digitized works to protect against loss of physical copies by the member institutions. The court suggested that the plaintiffs did not have standing to bring an infringement claim and ordered the district court to consider this issue.^[5]

Importantly, the Second Circuit’s opinion rebuts claims that the primary purpose of copyright law is to serve authors rather than to advance learning and knowledge by increasing the availability and accessibility of copyrighted works to the public. The court stated that “the overriding purpose of copyright is ‘[t]o promote the Progress of Science and useful Arts’” and to encourage learning, not to confer absolute rights on copyright owners and recognized that:^[6]

our law recognizes that copyright is “not an inevitable, divine, or natural right that confers on authors the absolute ownership of their creations. It is designed rather to stimulate activity and progress in the arts for the intellectual enrichment of the public.”^[7]

The Second Circuit’s opinion also sheds light on the fair use analysis. For example, the opinion embraces the concept that a particular use of a work can be “transformative,” and therefore more likely to be fair use, even if the work itself is not transformed.^[8] Moreover, the opinion makes clear that a use need not be “transformative” to be a fair use.^[9] Notably, the court also emphasized that the only type of market harm that is pertinent to the fair use analysis is “market harm that results because the secondary use serves as a substitute for the original work” and that “harm caused by transformative uses does not count because such uses, by definition, do not serve as substitutes for the original work.”^[10]

The Second Circuit’s recognition of copyright’s core goal of fostering the spread of knowledge and promoting access to copyrighted works, and its particular application of the fair use doctrine are likely to have ramifications beyond the context of the HathiTrust Digital Library. The opinion should open the door to carefully managed digitization projects that will greatly expand the ways that the public and scholars are able to use copyrighted works to advance knowledge and learning, which Judge Baer described as an “invaluable contribution to the progress of science and cultivation of the arts.”^[11]

Bruce G. Joseph and Karyn K. Ablin, partners in Wiley Rein's Copyright Practice Group, authored an *amicus* brief on behalf of a number of university associations, including the Association of American Universities and the American Council on Education.

[1] *Authors Guild, Inc. v. HathiTrust*, No. 12 ?4547 ?cv, slip op. (2d Cir. June 10, 2014), *available at* <http://www.ca2.uscourts.gov/decisions>.

[2] *Id.* at 10-11 (quoting *Authors Guild, Inc. v. HathiTrust*, 902 F. Supp. 2d 445, 460-64 (S.D.N.Y. 2012) (alterations in original)).

[3] *Id.* at 18, 22.

[4] *Id.* at 26-31.

[5] *Id.* at 31-32.

[6] *Id.* at 13-14.

[7] *Id.* at 14 (quoting Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990)).

[8] *Id.* at 16-17.

[9] *Id.* at 28.

[10] *Id.* at 17, 22-23.

[11] *Id.* at 10-11 (quoting *Authors Guild, Inc. v. HathiTrust*, 902 F. Supp. 2d 445, 460-64 (S.D.N.Y. 2012) (alterations in original)).