\$125 Million Settlement in Authors Guild v. Google

A message from Roy Blount Jr.:

A couple months after I became Authors Guild president in 2006, we met with Google to propose a settlement to our class-action lawsuit. The Guild had sued Google in September 2005, after Google struck deals with major university libraries to scan and copy millions of books in their collections. Many of these were older books in the public domain, but millions of others were still under copyright protection. Nick Taylor, then the president of the Guild, saw Google's scanning as "a plain and brazen violation of copyright law." Google countered that its digitizing of these books represented a "fair use" of the material. Our position was: The hell you say. Of such disagreements, lawsuits are made.

Our proposal to Google back in May 2006 was simple: while we don't approve of your unauthorized scanning of our books and displaying snippets for profit, if you're willing to do something far more ambitious and useful, and you're willing to cut authors in for their fair share, then it would be our pleasure to work with you.

We're happy to report that our proposal found a receptive audience at Google and at Association of American Publishers and the several publishing houses that had filed a separate lawsuit in October 2005 against Google. Reaching final agreement turned out to be not so simple, but today, after nearly two and a half years of negotiations, we're joining with Google and the AAP and those publishers to announce the settlement of Authors Guild v. Google.

The settlement, which must be approved by a federal judge before it takes effect, includes money for now and the prospect of money for later. There'll be at least \$45 million for authors and publishers whose in-copyright books and other copyrighted texts have been scanned without permission. If your book was scanned and you own all the rights, you'll get a small share of this, at least \$60, depending on how many rightsholders file claims.

Far more interesting for most of us -- and the ambitious part of our proposal -- is the prospect for future revenues. Rightsholders will receive a share of revenues from institutional subscriptions to the collection of books made available through Google Book Search

under the settlement, as well as from sales of online consumer access to the books. They will also be paid for printouts at public libraries, as well as for other uses.

The payments will flow through the Book Rights Registry, a new independent entity that can be thought of as the writers' equivalent of ASCAP. Much as ASCAP tracks the uses of songs and collects royalties for songwriters and musicians, the Registry will serve the interests of authors and others who own the rights to books appearing online as a result of this settlement. The Registry will be controlled by a board of authors and publishers; as part of the settlement, Google will pay \$34.5 million to get the Registry up and running, notify rightsholders of the settlement, and process claims.

Readers are also big winners under the settlement of Authors Guild v. Google. Readers will be able to browse from their own computers an enormous collection of books. We hope this will encourage some readers to buy full online access to some of the books. Readers wanting to view books online in their entirety for free need only reacquaint themselves with their participating local public library: every public library building is entitled to a free, view-only license to the collection. College students working on term papers will be able to point their computers to resources other than Wikipedia, if they're so inclined: students at subscribing institutions will be able to read and print out any books in the collection.

We expect that millions of out-of-print books (and many in-print books) will be available through Google Book Search to readers, but we don't know how many, since that depends partly on you. Participating rightsholders can choose to pull their books from this service with reasonable notice at any time and will retain substantial control over Google's presentation and pricing of their books.

As with any class action, individual class members remain free to opt out of the settlement.

There are many, many more details, but I'll leave those to the official notice. There's also an official press release, edited to within an inch of its life and the settlement agreement itself. They're linked below; be my guest.

Roy Blount Jr. President Authors Guild

October 28, 2008

<u>Press Release</u> <u>Class Notice</u> <u>Settlement Agreement</u>

[Note: all of these links will go to our Authors Guild v. Google Settlement Resource Page on our website.]

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