

# FORUM

A BIMONTHLY REPORT ON RESEARCH LIBRARY ISSUES AND ACTIONS FROM ARL, CNI, AND SPARC

## ON ENSURING THAT INTELLECTUAL PROPERTY PUBLIC POLICY PROMOTES PROGRESS

by Peter McPherson, President, National Association of State Universities and Land-Grant Colleges

*To promote the Progress of Science and useful Arts....*  
—US Constitution, Article I, Section 8

The core mission of colleges and universities is to create and distribute knowledge in order to enrich and improve the lives of individuals and to strengthen society. Intellectual property law has become a major factor in how we are able to conduct that mission. Therefore, intellectual property and related issues must be a matter that we understand and focus upon.

The ability of public universities and others to carry out their mission is dependent upon the ability of our faculty and students to gain access to the knowledge, equipment, and techniques necessary to teach and research at the cutting edge of the disciplines and engage in the practice of those “arts.” Increasingly, our faculty and researchers have seen limits placed on their access to these critical resources. Restrictions that limit the ability of public universities to perform their missions make it difficult to fully implement the public good.

Copyright, patent, trade secrets, licensing, and other forms of intellectual property protection are part of the legal framework of our nation. Economic and cultural progress of societies is damaged if the incentive to invent, create, and improve the types of things protected by intellectual property is too weak. The legal basis for these protections is Article I, Section 8, Clause 8 of the United States Constitution: “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Rights to their respective Writings and Inventions.”

From the beginning, intellectual property law has required a balancing of needs. On one hand,

there was and is a wish to encourage the creation of intellectual property by giving to the creator a property right. I view this as a form of a temporary monopoly, not to be judgmental but for clarity. On the other hand, society is benefited by early and wide availability of knowledge. The question today is whether we have the right balance, and, if not, then what should be done about it.

Many argue that the balance in recent years has tilted in favor of this “temporary monopoly.” Copyright provisions have been strengthened and lengthened, patent law modified, and various court decisions rendered that affected our understanding of the laws. Further, the increased digitization of content generated by our institutions and others—and the use of that content by students, faculty, and researchers—has increased the challenges we face in teaching, learning, and discovery.

Several of the most important factors in shifting this balance are themselves borne of discovery—the genome, the Internet, zero marginal worldwide distribution costs, etc. These, of course, did not exist when the Constitution was framed and the first defining intellectual property laws were written. Together, relatively recent law revisions, court decisions, and discoveries have combined to create barriers to access that those teachers and researchers of an earlier era did not face and certainly were not anticipated by the framers of the Constitution.

A few examples suggest the scope of the problem:

- “Ownership” of surgical techniques makes teaching them or discovering ways to improve them difficult.
- Transition of scholarly journals to electronic form, driven in part by continual subscription

price increases and market concentration, where licensing governs distribution and concepts such as “first sale” disappear, has reduced the ability of scholars at poorly funded universities worldwide to teach existing knowledge and to build on it in their research.

- Challenges to the legitimate “fair use” of digitized content threatens to hinder the strategic utilization of Web-enabled teaching, whether it be through the use of e-reserves, hybrid teaching tools, or the provision of online courses and programs.
- Lengthened period of copyright ensures that many copyrights outlive their authors and authors’ families and sometimes the commercial existence of the original publisher. These materials become “orphan” works to which rights for reproduction are unavailable when scholars desire continued access to them.

Some of the problems, illustrated by these examples, were foreseen but perhaps not fully dealt with by drafters of some of our intellectual property laws. Fortunately for all of us, these statutes have been viewed as “living” documents where alterations and additions have been made to reflect the evolution of intellectual property concepts. For example, the Bayh-Dole Act provides for the seldom used “march-in” rights that permit federal research funders to bring the benefits of inventions to the public under certain conditions. The copyright laws similarly forbid authors employed by federal laboratories from granting exclusive copyright to their written works to scholarly journals, and it preserves the right of the federal government to make their works publicly available. That act also provides for “fair use” of portions of copyrighted material so that scholars and students can make use of them even if they do not own them.

Further, the last National Institutes of Health (NIH) appropriations bill included the requirement that scholarly journal articles arising out of NIH-funded work be made available publicly, for free, no later than one year after initial publication. This ensures that scholars and the general public have full access to this important work within a reasonable period of time.

Experience has also demonstrated that we do not need to rely exclusively on federal laws to deal with these important issues; individuals and organizations have found ways to make their intellectual property available for the common good. For example, some creators have used non-exclusive public licenses to ensure that scholars and the entire public may benefit from their creations. Others have lifted restrictions imposed by intellectual property protection to those in impoverished sections of the world. Still others have

decided that it is appropriate for the market to allocate their creations only to those who can afford them.

All of these historical elements and more recent developments point out that a “solution” to fully address some of the contemporary challenges we face in the intellectual property arena may be a combination of further legislation, public licenses, market-based allocation, or market-modification allocations.

It is not my goal to articulate exactly what might be done to right the balance, in other words to specify how to change the access restrictions that unwisely limit researchers and teachers. I do not have sufficient expertise to do so, and, in any case, it would probably be unwise to suggest a general solution when we as a community do not yet fully understand the scope and nuance of the problem.

I would ask, though, why do we find ourselves in the position of feeling that an imbalance has developed? Even as it is impacting our ability to fully perform our mission, why as a community are we really not sure what to do about it? I suggest the following:

The issues are so complex and interrelated that the subject has remained the domain of experts, mostly lawyers and some line executives who manage intellectual property.

University leadership rarely has real expertise in this area. Moreover, these issues rarely are the most pressing problems before university leadership. Perhaps for those reasons, university leadership has not made the effort to pull together a comprehensive and broadly supported view on how intellectual property law impacts our core mission, and, of course, has not developed a broadly supported plan to deal with it.

Various private sector interests have a primary mission to protect or advance certain intellectual property. The measurable monies at stake for those parties produce a focus of effort in Washington. This is in contrast to the generally more diffuse financial and other interests of the academic community and, thereby, the comparative lack of focus. This is the way public policy decisions play out in Washington and perhaps always have.

To address these issues, I recommend that the academy develop a comprehensive set of positions on intellectual property. The positions should be supportive of our core mission of creating and distributing knowledge. The process of developing a set of positions needs to involve the academic library community and university-based technology commercialization officers and intellectual property experts. These groups have thought the most about the issues. But it can not be these professionals alone because their legitimate differing perspectives will make it too hard for them to come up with broadly agreed

upon positions. Presidents and provosts, and perhaps associations of these academic leaders, must play a major role in order to push matters along to get agreement. Of equal importance, senior academic leadership is critical to getting something done once there is agreement on a comprehensive set of positions. NASULGC is certainly willing to help, but it is important that several other groups be deeply involved. Further, any effort in this area must take into account the excellent work done by others. Over the past half dozen or more years, a number of thoughtful people and organizations have examined many of these issues in great detail, including the President's Council of Advisors on Science and Technology (PCAST), the National Academies, and the Council on Competitiveness. A university effort should be informed by that work, not re-create it.

As the process moves forward to develop a comprehensive set of positions, concrete plans need to be made for an adequately funded structure to advance this agenda in Washington and across the country. Staffing should not be large but must include significant expertise in intellectual property, academic policy, and operations and economics. This is a several-year effort as the issues will continue to evolve.

In conclusion, there appears to be an imbalance in the application of intellectual property rules that is impacting our core mission of creating and distributing knowledge. Accordingly, the academic community should find a way to agree on a comprehensive set of positions and develop a structure to support advancing those positions in Washington.

*Adapted from a presentation at the Association of Research Libraries Membership Meeting, May 2008.*

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## HOW FAIR USE PREVAILED IN THE HARRY POTTER CASE

by Jonathan Band<sup>1</sup>

In a highly publicized decision issued on September 8, 2008, US District Court Judge Robert Patterson ruled that Steven Vander Ark's *Harry Potter Lexicon* infringed J. K. Rowling's copyright.<sup>2</sup> Although J. K. Rowling prevailed in the litigation, the big winner actually was fair use.

The *Lexicon* is a hard-copy A-to-Z encyclopedia of the characters, spells, creatures, places, events, and magical items in the series. (Rowling did not challenge the online version of the *Lexicon*.) Judge Patterson found that the *Lexicon's* purpose was transformative under the first fair-use factor—the purpose and character of the use. Judge Patterson concluded that the *Lexicon* was a reference guide intended to make “information about

the intricate world of Harry Potter readily accessible to readers”:

To fulfill this function, the *Lexicon* identifies more than 2,400 elements from the Harry Potter world, extracts and synthesizes fictional facts related to each element from all seven novels, and presents that information in a format that allows readers to access it quickly as they make their way through the series.

The court further noted:

[t]he utility of the *Lexicon*, as a reference guide to a multi-volume work of fantasy literature, demonstrates a productive use for a different purpose than the original works. The *Lexicon* makes the elaborate imaginary world of Harry Potter searchable, item by item, and gives readers a complete picture of each item that cannot be gleaned by reading the voluminous series, since the material related to each item is scattered over thousands of pages of complex narrative and plot.

Judge Patterson observed that “the demand for and usefulness of this type of reference guide” was demonstrated by the existence of similar companion works for other series, such as the *Chronicles of Narnia*. The judge also found that J. K. Rowling herself admitted to consulting an online version of the *Lexicon*, as did the producer of the film version of the fifth novel. Judge Patterson took care to distinguish the *Lexicon's* “function as a reference guide” from the trivia book on the *Seinfeld* TV series at issue in *Castle Rock Entertainment Inc. v. Carol Publishing Group Inc.*, 150 F.3d 132 (2d Cir. 1998). While the trivia book simply entertained *Seinfeld* fans, the *Lexicon* sought to “aid the reader or student of Harry Potter by providing references about elements encountered in the series.”

Judge Patterson held that the *Lexicon* was transformative even though it did not contain significant commentary or analysis. Providing “an alphabetized catalogue of elements from the Harry Potter world” was sufficient basis for rendering the *Lexicon* transformative.

Considering the fourth fair-use factor, the effect of the use on the potential market for the work, Judge Patterson rejected J. K. Rowling's argument that the *Lexicon* would impair the market for an encyclopedia she planned to write. Judge Patterson ruled that “the market for reference guides to the Harry Potter works is not exclusively hers to exploit or license, no matter the commercial success attributable to the popularity of the original works.” Judge Patterson added that “[t]he market for reference guides does not become derivative simply because the copyright holder seeks to produce or license one.”

When looking at the broader implications of the case, Judge Patterson stated that “[i]n striking the balance between the property rights of original authors and the