Google Book Search, which reproduces some snippets from copyrighted books during searching process, might incur liability in the US. As Google Book Search is an good example of the new development of digital library projects, Australia also have to provide a satisfactory answer to this issue. This paper is to analyze the situation in Australia and propose a solution to the legal deficiency. The first part of this paper is to give a general picture of Google Book Search; The second part is to examine Google Book Search under the theory of copyright; Third, this paper will examine how the Australia will accommodate Google Book Search in its domestic law; And the fourth step is discuss the advantages and disadvantages of fair use and fair dealing in the context of Google Book Search; Finally, this paper is to propose a solution, compulsory licensing.

I. Google Book Search in the US

In December 2004, Google set up a two-part plan to digitalize the books of some libraries. The corporate mission of Google is “to organize the world's information and make it universally accessible and useful.”1 “Google Book Search is a book-finding tool, not a book-reading tool. We only show the full pages of books if the copyright holders have given us permission or if the book is out of copyright. Otherwise we show bibliographic information about the book plus at most a few sentences of your search term in context.”2 It is the snippets of the books that trigger the liability. Currently, in the US, two lawsuits, launched by members of the

Association of American Publishers and the Author’s Guild, are pending in the Southern District of New York.³

Regarding books which are lack of license of the copyright holders, Google only displays a few snippets of a few lines which contain the search term from a copyrighted book, and together with a brief introduction of the book taken from the book itself, and a title page. These unauthorized snippets reproduced from the text of the books raised a dispute about fair use, that is, whether these snippets can establish the fair use in the US. It is unclear that whether the Google Library Project will win the case in the US, where the fair use analysis is done on a case-by-case basis. The legal fate of the digital library is uncertain. Scholars who discussed about this case generated a variety of arguments in support of each side’s contentions.⁴

A final settlement was reached recently by Google, Author's Guide, and Association of American Publishers.⁵ This settlement does not presume to answer what fair use would have allowed. In this settlement, the copyright holders can claim their rights on the books and inserts in order to get the cash payments for books, or opt out on or before January 5, 2010, or opt out of the settlement on or before May 5, 2009. And “The Settlement benefits to the class include: (1) 63% of the revenues earned from Google’s sale of subscriptions to an electronic Books database, sale of online access to Books, advertising revenues, and other commercial uses. (2) US $34.5 million paid by Google to establish and maintain a

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⁵ Available at: http://www.googlebooksettlement.com/notice.html, last visited April 7th, 2009.
Book Rights Registry to collect revenues from Google and distribute those revenues to copyright owners. (3) The right of copyright owners to determine whether and to what extent Google may use their works. (4) File an objection or notice of intent to appear at the Fairness Hearing: Must be postmarked on or before May 5, 2009."6 On June 11th, 2009, the Court will hold a Fairness Hearing. “At or after the Fairness Hearing, the Court will decide whether to approve the Settlement and the motion for attorneys’ fees and expenses. If comments or objections have been received, the Court will consider them at that time.”7

While the agreement has been reached, the feasibility of this agreement has been questioned. The hard issue in this agreement is the creation of a registry to be operated by a non-profit corporation. 8

Google Book Search represents the new trend of digital library development, thus, the result of this case will have a profound influence on the digital copyright reform in the future. Therefore, this issue which the Australian Law can not stay out of also asks for a satisfactory answer in Australia. The following parts of this paper will examine how Australian Law will accommodate the digital library projects like Google Book Search.

II. The theories of the Copyright Law in Australia

In common law jurisdictions, the theories which justify copyright protection normally contain two main types of theories, one is utilitarian-based theory, the other is natural right theory. And the theory that may support the search tool of digital library is utilitarian-based theory, which employs the familiar utilitarian guideline, that is, lawmakers should shape the intellectual property rights to achieve the maximization of the net social welfare. Pursuit of the effects of

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7 Id.
intellectual property, it is generally seen, requires the lawmakers to strike on an optimized result of social benefits. William Landes’s and Richard Posner’s articles on copyright law built up this theory in this vein. 9 If works are not granted an exclusive right, the creators of works will be unable to recoup their time and effort devoted into creations, on the ground that the price of their works will depend on the cost of manufacturing and distributing the copies of their works. “Information is the essence of material progress.” 10 The initial devisors of the information ask for absolute protection while competitors with similar interests, consumers may lobby to end protection. On one hand, it is axiomatic that if information is not protected from being copied, there is thus no incentive to devise new information which can lead to material progress. On the other hand, “it is virtually impossible to create new information without working on the basis of previously known information. As stated above you need a wheel to invent a chariot.” 11 And the final purpose is to foster material progress which we as a society rely on the information for.

If the purpose of the copyright law is to achieve maximize social benefits, definitely, the technology of Google should be promoted. First, the several snippets could hardly have bad effects on the market price of the books unless these snippets happen to be the essential part of a book. “By limiting the search results to a few sentences before and after the search term, the program will not conflict with the normal exploitation of works nor unreasonably prejudice the legitimate interests of rights holders.” 12 Second, there is no doubt that Google Book Search is of great help to researchers and gives education an edge. Third, Google Book Search could bring books to the attention of the public and may increase demand for books. 13 The trivial defect is that, given the right market

11 Id.
13 Id; Kelleher, K. “Who’s Afraid of Google? Everyone”, Wired Magazine, 13(12), 233, available at: http://www.wired.com/wired/archive/13.12/google.html, last visited April 8th, 2009. (Pat Schroeder, the President of the Association of American Publishers, noted that: “Google’s position essentially amounts to a license to steal, so long as it returns the loot upon a formal request by their victims.”); Wu, T., “Google
conditions, Google has the potential to be a monopolist. In a word, by allowing millions of authors to become searchable online, the project will offer the public a means to access vast amounts of information.

Examined by this theory of the copyright, Google Book Search is worth being promoted, but the outcome of the cases like Google Book Search could hardly be held in favor of the digital libraries.

III. Legal Application of Google Book Search in Australia

A. Substantial Taking

In order to assess the library projects, before deciding whether they fall into the categories of fair dealing, one thing which should be decided is that whether copying several snippets of one book constitutes an infringement.

Because the Google Book Search exactly copies the original sentences from one book without any changes, it is unnecessary for the courts to consider another over-lapped question, that is, whether sufficient similarity between the involved works can be established. The only issue to be considered here is that whether the defendant has substantially taken the plaintiff’s work.

The Copyright Act provides that “the copyright will only be infringed where an act is carried out in relation to a substantial part of” the copyrighted work. It follows

Print and the Other Culture War”, Slate, Oct. 17, 2005, available at: http://www.slate.com/id/2128094/, last visited March 31st, 2009. (However, Timothy Wu comments: “I believe that everyone who considers themselves an author or an author’s advocate should take a deep breath and, at least this time, praise Google Print. In the end, it is just a search, not a replacement product. We readers need help finding what exists, and we authors also need help being found. There is here, as anywhere, such a thing as too much control. It may be time for the offline media to learn something from online media – namely, the virtues of letting go.”)


that unless the exempts reproduce a substantial portion of a work, they will not trigger infringement.

The first question raised is that whether the amount of reproduction should be determined as each time of the searching or the total amount of all the searching activities on Google Book Search. Paul Ganley argued that under the UK law, “there is authority for the proposition that small but regular helpings of a work constitute a substantial part even though each individual helping does not”.\(^\text{17}\) Actually, the authority did not actually discuss this point. In *Newspaper Licensing Agency Ltd v. Marks & Spencer plc*,\(^\text{18}\) the court held that “the copying in question did not amount to the copying of a substantial part of the copyright work for the purposes of s. 16(3).” “None of the articles copied by MS constituted a substantial part of any published edition and the repeated copying of articles, when each individual article taken did not comprise a substantial part of any published edition, did not amount to the copying of a substantial part.” In my opinion, the Google Book Search technology is similar to the photocopy machines in the library. Regarding the photocopy machines in the library, if each user copies non-substantial part of one book, the library should not be liable for the total amount of all users' reproduction, for the reason that different users have different reproduction parts of books which can not build up a substantial part in one user’s view and cause no harm to the copyright owners. The amount of reproduction in Google Book Search should be the amount of each searching conduct, rather than total amount of the regular assistance of copying.

The second step is to examine whether each time these several sentences reproduced from one book constitute a substantial part of the copyrighted book or

\(^{16}\) S 14 Copyright Act 1968 (Cth).


\(^{18}\) [2001] Ch.257
not. In absence of definition that what a “substantial part” means in the Act, the courts have attempted to develop several tests to explain it.

One of the factors which the courts may consider is the quantitative criteria. There is no specific limitation of reproduction amount set up in Australia. One thing which can be assured is that reproduction of a small part of a work probably is not an infringement unless this part is important to the work.\textsuperscript{19} It means that copying only several sentences from a book might not constitute a substantial part of the book.

Rather than quantitative considerations, it seems that the judicial interpretation resulted in an emphasis on qualitative considerations. If it is recognised by the courts that several sentences is not enough to meet to the normal quantity requirement of the “substantial”, there is still possibilities that it will infringe the copyright provided that these several sentences may serve as an important part of a work or contain great efforts which went into its creation.\textsuperscript{20}

Originality of the part allegedly taken is one of the qualitative factors which are considered by the courts.\textsuperscript{21} In \textit{Klisser Bakeries v Harvest Bakers},\textsuperscript{22} one part which is copied is not a “substantial” part if that part contains no originality. But the court did not state that taking of a small part will necessarily infringe. To the opposite, it may mean that “there will be no infringement even if a large portion of a work is copied where the portion copied is not original”.\textsuperscript{23} And in \textit{Ladbroke (Football) Ltd v William Hill (Football) Ltd}, “in the context of copyright law, where emphasis is to be placed upon the 'originality' of the work's expression, the

\textsuperscript{20} Id.
\textsuperscript{21} \textit{Data Access Corporation v Powerflex Service Pty Ltd} (1999) 166 ALR 228.
\textsuperscript{22} \textit{Klisser Bakeries v Harvest Bakers} (1986) 5 IPR 33.
\textsuperscript{23} Australia Intellectual Property Law, supra note 19.
essential or material features of a work should be ascertained by considering the
originality of the part allegedly taken."²⁴

Another criteria is that whether the part taken is easily recognisable by the public.
In Hawkes and Son (London) v Paramount Film Service,²⁵ copying twenty
seconds of a four musical work was an infringement because “it would be
recognised by the public.”

In my opinion, these several sentences written by one author contain originality
which could be considered as a piece of small work in isolation, separated from
the book. Therefore, although “substantial taking” is a vague concept, copying
these sentences can be considered as a reproduction of the whole work where
copyright subsists. Moreover, normally speaking, based on the particular choice
of words and arrangement and expression, these several sentences are long
enough to be recognised by the public who have seen these sentences before.

Meanwhile, in the US, the reproduction of several sentences from the book
probably fails to invoke the de minimis copying defence. This argument asserted
by the Google is unlike to pass the “observability” test, that is, whether the copied
part is likely to be recognised by an average audience.²⁶ And it seems that
several sentences are already enough to make an average user likely recognise
these sentences if the user have read them before. Such recognition by an
average reader would bar the finding of a de minimis reproduction.²⁷

B. Fair Dealing Defences

The next stage is to examine whether Google Book Search can succeed in
invoking the fair dealing defence in Australia. It is suggested that copyright

²⁴ Ladbroke (Football) Ltd v William Hill (Football) Ltd [1964] 1 WLR 273.
²⁵ Hawkes & Son (London) Ltd v Paramount Film Service [1934] Ch 593.
²⁷ Manali Shah, Fair use and the Google Book Search Project: The Case for Creation Digital Libraries,
holders would have a very positive prospect of winning this type of claim under Australia law.

In May, 2005, one of the questions raised by the *Issues Paper on Fair Use and other Copyright Exceptions* was whether Australia should adopt an open-ended fair use defence of the US. However, the government decided not to adopt this open-ended exceptions, instead, introduced several new exceptions in exhaustive way. Rather than the open-ended, flexible and potentially adaptive fair use in the US, Australia chose to enact a number of detailed and specific exceptions usually designed together with particular institutions and purposes.

The Australian copyright law, however, is unable to lend countenance to unpredictability of these technologies. The digital tools that promote access to information are presumptively illegal as there is little chance that these operations of the tools can fall within the specifically-articulated and narrowly-crafted fail dealings.

The nature of activities conducted by the users of Google Book Search needs to be determined so that if their conducts constitute fair dealing, Google Book Search, which facilitates them to reproduce snippets of the books, might be exempted from liability.

In the UK, fair dealing is not an infringement if it is for the purposes of “non-commercial research or private study” or “criticism, review or reporting current events”. Paul Ganley argued that “Google probably satisfies these criteria because the ultimate users of Google Book Search use it for a wide variety of different purposes,” but Google is unlikely to satisfy the terms “non-commercial purpose” related to research and private study as Google gains profits from the Book Search project. Regarding this issue, fair dealing is not deemed to be

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29 Paul Ganley, supra note 17.
non-commercial use in other jurisdictions. On one hand, the Copyright Act in the
United Kingdom has been amended to limit this type of defence to "[r]esearch for
a non-commercial purpose". 30 On the other hand, in Canada, “research or private
study” 31 covers research activities of lawyers for profit business. 32 And in New
Zealand, a fair dealing for research could include research with a “commercial
end in view”. 33 In Australia, under Section 40, Copyright Act 1968 (Cth), fair
dealing carried out for the purpose of “research” and “study” is not an infringement

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31 Copyright Act 1985 (Canada) s 29.
33 Television New Zealand v Newsmonitor Services Ltd (1993) 27 IPR 441
of copyright. It has always been in disputes whether this fair dealing defence extends to commercial research or study.

Google Book Search is used for a hugely varied number of ultimate purposes of users. Some of these purposes could fall squarely within the scope of fair dealing, some may lie on the borderline between fair dealing and non-fair dealing, and others fall outside no matter whether the law allows commercial research and study or not.

And the technology of Google Book Search fails to distinguish and classify the purposes of users, therefore, there is no doubt that some of the usage of Google Book Search would not fall within the categories of fair dealing in Australia as

34 s 40 Copyright Act 1968 (Cth) provides that
“Fair dealing for purpose of research or study
(1) A fair dealing with a literary, dramatic, musical or artistic work, or with an adaptation of a literary, dramatic or musical work, for the purpose of research or study does not constitute an infringement of the copyright in the work.
(1A) A fair dealing with a literary work (other than lecture notes) does not constitute an infringement of the copyright in the work if it is for the purpose of, or associated with, an approved course of study or research by an enrolled external student of an educational institution.
(1B) In subsection (1A) the expression lecture notes means any literary work produced for the purpose of the course of study or research by a person lecturing or teaching in or in connection with the course of study or research.
(2) For the purposes of this Act, the matters to which regard shall be had, in determining whether a dealing with a literary, dramatic, musical or artistic work or with an adaptation of a literary, dramatic or musical work, being a dealing by way of reproducing the whole or a part of the work or adaptation, constitutes a fair dealing with the work or adaptation for the purpose of research or study include:
(a) the purpose and character of the dealing;
(b) the nature of the work or adaptation;
(c) the possibility of obtaining the work or adaptation within a reasonable time at an ordinary commercial price;
(d) the effect of the dealing upon the potential market for, or value of, the work or adaptation; and
(e) in a case where part only of the work or adaptation is reproduced—the amount and substantiality of the part copied taken in relation to the whole work or adaptation.
(3) Notwithstanding subsection (2), a dealing with a literary, dramatic or musical work, or with an adaptation of such a work, being a dealing by way of the reproducing, for the purposes of research or study:
(a) if the work or adaptation comprises an article in a periodical publication—of the whole or a part of that work or adaptation; or
(b) in any other case—of not more than a reasonable portion of the work or adaptation; shall be taken to be a fair dealing with that work or adaptation for the purpose of research or study.
(4) Subsection (3) does not apply to a dealing by way of reproducing the whole or a part of an article in a periodical publication if another article in that publication, being an article dealing with a different subject matter, is also reproduced.”

some users’ purposes do not belonged to stipulated purposes in the Australian Copyright Act.

Moreover, In Australia, there is no such protection as being capable of substantial non-infringing use, thus, the Google Book Search is liable for some of its usage. In the US, the technology which is capable of substantial non-infringing use should not be liable for the infringement conducted by its users, although this principle established in the *Sony* has been challenged in some recent cases, e.g. *Grokster*.  

Another issue is whether the courts in Australia are authorised to determine a type of conduct fair use outside the scope of specified purposes. It is possible that certain non-statutory defences, such as public interests and public policy, may be invoked to an action for copyright infringement. But it should still be admitted that the scope of this non-statutory exception in Australia is far more limited than the one in the US.

The courts have developed some equitable defences, such as the laches, and acquiescence and delay, obscene work and “unclear hand”. But it seems that there is little chance that the significance of the google book search falls within the scope of the public interests or public policy. The extent of this alleged defence is extremely limited and invoked with great discretion, the social benefits provided by Google Book Search seem to be far not enough to justify a exemption based on precedents which discussed about the public interests and public policy.

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36 *Sony Corporation v Universal City Studios* 464 USC 417 (1984, S.C).
38 *Collier Constructions Pty Ltd v Foskett Pty Ltd* (1990) 19 IPR 44.
39 Jill McKeough, supra note 37.
IV. Fair Use or Fair Dealing?

As discussed above, the practice of Google Book Search should be promoted at least that Google can pay some licensing fees to the copyright holders, such as authors and publishers. Compared with the unclear fate of Google Book Search in the US, Google is deemed to be prohibited from showing the snippets of books after searching. It could be foreseen that if Google fails to reach a settlement with authors and publishers in Australia, the project would be frustrated and could hardly survive.

Furthermore, not only Google Book Search, but also technologies which improve access to the information, do not have space to develop in Australia. This leads to one question which has been long in disputes and remains unsolved, that is, whether Australia should introduce the flexible concept of fair use in the US.

In Australia, the recent re-consideration of US fair use style was launched after the advent of the Australia-US Free Trade Agreement (AUSFTA), although it was not the first time that the government considered whether the copyright law should adopt the fair use exceptions or not. On May 5th, 2005, the Australian government released an issues paper “Fair Use and Other Copyright Exceptions - An examination of fair use, fair dealing and other exceptions in the Digital Age” to seek public opinions. The advantages and disadvantages of adopting fair use could be summarized as follows:

On one hand, the primary motivation of this issue paper is a response to the implementation of the AUSFTA. As the copyright protection has been enhanced by the AUSFTA, the public domain and other public rights were definitely

narrowed, the traditional balance of copyright was broken. In order to rebuild this balance, the Australian government attempted to extend the scope of the public rights by extending one type of public right, fair dealing into a broader definition of fair use. 42

Furthermore, besides this consideration of the AUSFTA, one of the most obvious advantages is that the flexibility of fair use can encompass inventions of new technologies which bring social benefits to the public. As the issue paper state that “in the past, the policy balance between incentives to engage in creative activity and maintaining access to copyright works has been placed under pressure by new technology - such as the photocopying machine or the video-cassette recorder – that enabled copyright works to be easily and cheaply copied. The use of these technologies had the potential to reduce revenues to authors and producers, which would threaten the future supply of creative works. However, the effectiveness of the copyright law ultimately was preserved. This was due in part to new laws that strengthened the legal remedies of copyright owners against unauthorised use while also recognising legitimate user interests. Amendments in 1980 introduced a detailed system of permissible copying under fair dealing provisions and statutory licences that implemented Government policy on the use of photocopy technology… The rapid developments in digital technologies pose a much bigger challenge for copyright law.” As a result of the rapid response to the new technology which the fair use defences have, the introduction of fair use defences is worth consideration.

On the other hand, the arguments against fair use pointed out some disadvantages. One is that although the particular rights of owners were extended and strengthened by the AUSFTA, it would still be wrong if “fair use” was regarded as general fix-all provisions to rebuild the imbalance between copyright

42 Supra note 40.
owners and users. For example, neither the extension of the copyright terms nor the introduction of the technology protection measures (TPMs) which control access to the copyrighted works, is directly related and addressed by fair use defence, because the enhancement of the copyright protection operates in a context which differs from the context of the fair use.

Another view of contentions against fair use is that the uncertainties caused by the fair use might make fair use turn out to be a very cumbersome concept and overcome the benefits of flexibility. Melissa de Zwart hold a negative opinion on this issue, and argued that “given the uncertainty outcome in Grokster, the answer to this is, currently, no.”

Last but not the least, fair use defences in the US may fail to pass the requirement of Berne convention.

In my opinion, although the fair use belongs to another area which departs from the ones of the terms of copyright and TPMs, the expansion of public right scope does have certain positive effects in re-archiving the balance of copyright. But fair use laws should not be adopted without full consideration of what they bring to enhance existing Australian law, for the reason that the Australian exceptions “were adopted for different historical and policy reasons. Each provision represents an assessment by Parliament of the need and desirability for the public or specified persons to be able to use copyright material, notwithstanding the impact of the measure on the economic interests of the copyright owners.”

Moreover, because of the uncertainties brought by fair use, during these two

44 Id.
46 De Zwart, Melissa, supra note 43.
48 Issues paper, Id.
years, the issue how to improve fair use remains in disputes in the US. In short, Australia has not yet been well prepared to adopt fair use exceptions.

But the flexibility of fair use should not be ignored in the digital environment. In particular, based on the Google Book Search situation, my paper will focus on one important feature of fair use, “transformative” feature. My paper is going to argue that technology with transformative feature should not be destroyed by limited exceptions of copyright law.

The meaning of “transformative” was established in *Campbell v. Acuff Rose Music Inc.*, where the Supreme Court held that: “[t]he central purpose of this investigation is to see...whether the new work merely 'supersede[s] the objects' of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is ‘transformative’.” Of course, the transformative feature is not the only factor to evaluate fair use which should be determined together with other factors.

In the US, the open-ended exceptions have shown its capability to embrace the newly-emerged technology. One of the leading examples is image search engines. The search engines, which fall into the category of Online Service Providers, are able to invoke fair use defence to protect themselves from being liable for their service. For example, when internet users input the words to search pictures, an image search engine shows thumbnail pictures in its website which is in reduced size compared with the original pictures. In this situation, the search engine operator frames, in users’ search results, in-line linked full-size images of copyrighted photographs that are stored on third parties’ websites. Some of the photographs in the search results are copyrighted works. And the dispute is whether these reduced-size pictures reproduced from the original one constitute

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49 Kevin A. Goldman, supra note 45.
51 *Kelly v. Arriba Soft Corp.*, 336 F. 3d 811 (9th Cir. 2007).
fair use. The court held that operator’s use of works was highly transformative, and had entirely different function, therefore, was fair use. 52

Search engine provides significant benefits to the public by incorporating original works into new works, namely, an electronic reference tool, and to the extent that operator’s use is commercial could be superseded by the transformative use of the tools in the fair use defence. Therefore, because of the transformative nature, there is no presumption of market harm, and any potential harm to owner’s market is hypothetical. And market substitution is at least less certain, and market harm may not be so readily inferred.

The earlier relevant case Kelly v. Arriba Soft Corp53 and another latter case Perfect 10, Inc. v. Amazon.com, Inc.54 are both sentenced by Ninth Circuit, rather than the Supreme Court. These two cases appear to support the practice of Google Book Search to some extent, but have been questioned that whether the Ninth Circuit has correctly applied the law. For instance, some argued that after Campbell, some lower courts treated the transformative use standard as a new bright-line rule, and turned the term “transformative” into “a synonym for fair, and labeled non-transformative use that they thought to be fair transformative in order to justify their holdings. This distortion of the term is visible in Kelly v. Arriba Soft Corp.”55 But this does not necessarily mean that the application of fair use in Kelly is incorrect under Campbell,56 instead, it means that it is uncertain that whether these cases sentenced by Ninth Circuit will apply to Google Book Search.

Although the actual situations in these cases are not exactly the same and might lead to different results, there is a striking similarity that all the technologies in these cases improve the access to the information and promote the transmission
of information which can be seen as a progress in the human development. These technologies, always accompanied with transformative feature, deserve a legal tolerance for their operations.

The most insurance way against liability is to secure a license from the copyright owners. However, if these technologies fail to do so, the law should reserve some space for them to breathe.

V. A Possible Solution

As discussed above, fair use, as a broad concept, is capable of offering breathing space for technology development. But it is too troublesome to serve as a perfect concept for digital development, and the conditions in Australia have not been developed well enough to introduce fair use. My paper is going to propose a compromised solution, that is, a new type of compulsory licensing.

It has been suggested that certain exemptions could be enacted to cover the digital technology development. And there are two approaches to achieve this.

The first approach suggested by Paul Ganley is to modify the existing exception.

In the UK, there is one exception to the reproduction right for "transient" and "incidental" reproduction which provides that “copyright in a literary work, other than a computer program or a database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable - (a) a transmission of the work in a network between third parties by an intermediary; or (b) a lawful use of the work; and which has no independent economic significance"

57 Paul Ganley, supra note 17.
And in Australia, there are similar exceptions, “temporary reproductions made in the course of communication” and “temporary reproductions of works as part of a technical process of use”. In these two types of exceptions, temporary reproduction of a copyrighted work is produced as part of the technical process of making or receiving a communication or incidentally made as a necessary part of a technical process of using a copy of a copyrighted work, and if the ultimate activities are not infringing, these temporary copies should be permitted.

Paul Ganley argued that the word “temporary” should be replaced by the word “intermediary”.

However, I think this exception is quite difficult to assist Google even if the word is replaced. As discussed above, I argued that several snippets taken from books could not satisfy the meaning of “non-substantial” taking, while Paul Ganley noted that each reproduction of small segments would constitute a lawful use although he admitted that in the case of Google Book Search, this issue is not clear cut. Therefore, infringing uses should be excluded from this exception. Moreover, in

58 “43A Temporary reproductions made in the course of communication
(1) The copyright in a work, or an adaptation of a work, is not infringed by making a temporary reproduction of the work or adaptation as part of the technical process of making or receiving a communication.
(2) Subsection (1) does not apply in relation to the making of a temporary reproduction of a work, or an adaptation of a work, as part of the technical process of making a communication if the making of the communication is an infringement of copyright.

43B Temporary reproductions of works as part of a technical process of use
(1) Subject to subsection (2), the copyright in a work is not infringe by the making of a temporary reproduction of the work if the reproduction is incidentally made as a necessary part of a technical process of using a copy of the work.
(2) Subsection (1) does not apply to:
(a) the making of a temporary reproduction of a work if the reproduction is made from:
(i) an infringing copy of the work; or
(ii) a copy of the work where the copy is made in another country and would be an infringing copy of the work if the person who made the copy had done so in Australia; or
(b) the making of a temporary reproduction of a work as a necessary part of a technical process of using a copy of the work if that use constitutes an infringement of the copyright in the work.
(3) Subsection (1) does not apply to any subsequent use of a temporary reproduction of a work other than as a part of the technical process in which the temporary reproduction was made.”

59 Paul Ganley, supra note 17.
my view, this legislation purpose of this exception is to be applied to ultimate activities which are deemed to be lawful. Unfortunately, it is difficult to say that some of users' activities are non-infringing under the existing law.

The second approach is to fashion a new exception, so-called “fair dealing for information purpose”.60 This exception has been proposed in the UK to exempt internet users from being liable for their personal information purpose. As Australia shares a similar legal system with the UK, it is worth consideration of enacting this type of exception in Australia.

The new exception has been proposed as follows:
“(1) Fair dealing with a work by any person for informational purposes does not infringe any copyright in the work provided it is accompanied by a sufficient acknowledgement and provided that the work has been made available to the public.”
“(2) For the purposes of sub-section (1) an informational purpose means copying or communicating to the public the essential attributes of the work in question including its subject matter, format and structure and any other elements that may be necessary given the nature of the work in question and provided that these elements are copied or communicated to the public in a non-exploitative manner.”61

And this paper suggested that a compulsory licensing with same conditions set up above could be introduced instead of a fair dealing exception. This suggested exception does not require that third parties are operating for non-commercial aims. And the operation model of Google Book Search is to earn commercial profits. In the current settlement between the Google Book Search and the copyright holders in the US, Google will pay certain licensing fees to the copyright holders in order to achieve win-win situation. It is reasonable for the copyright

60 Id.
61 Id.
holders to collect licensing fees from this because Google does make use of the copyrighted content to run a new business model. Provided that the situation that whether Google is liable or not is unclear in the US, it is not a wise choice if Australia goes beyond the fair use of the US. And compulsory licensing fees, to some extent, can prevent Google from free-riding on the investment of the copyright holders and complement some insufficient repayment of creators.62

Moreover, the negative consequence that no settlement can be achieved will be avoided as this type of cooperation are facilitated and required by compulsory licensing. But the implementation mechanism still needs further discussion, for instance, how to set up the reasonable amount of licensing fees or how to divide the incomes among the copyright holders.

VI. Conclusion

Under the theory of copyright protection, Google Book Search deserves to be promoted because of its social benefits. While the legal fate of Google Book Search is unclear in the US, Google has a very negative prospect of winning this kind of cases in Australia. However, technologies which improve access to the information require the law to reserve some space for them to survive. In Australia, as the fair use is still too troublesome to be introduced, a type of compulsory licensing could be enacted to solve this problem.

62 Garrett, P. (2005), Currency House: Arts and Public Life, October 20th, 2005, available at: http://www.petergarrett.com.au/c.asp?id=95. (“Undeniably, artists have been poorly compensated for their creative endeavours”. As Australian musician and politician Peter Garrett stated: “The best that the majority of working contemporary artists can hope for is a paltry, uneven return for their creative effort.”)