

Books Follow Music and Videos Into the Ownership/Distribution Battle

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A U.S. court ruling has strengthened the property rights of copyright holders with regard to the digital format. However, the struggle between content owners, publishers and e-book distributors will become more complex and far-reaching than the fight over digital music and will take longer to resolve.

NEWS ANALYSIS

Event

On 10 July 2001, U.S. District Court Judge Sidney Stein issued a preliminary ruling in a copyright infringement case that contracts granting rights to publish books in printed form do not automatically include the right to publish in digital form. Publishing giant Random House has sued e-book distributor RosettaBooks for selling digital versions of works that Random House publishes.

Analysis

This case pertains to older books — published before the Internet but still under copyright — that their publishers assert an exclusive right to, regardless of whether they appear in printed or digital form. If they follow this ruling, the U.S. courts will likely maintain a distinction between digital and traditional formats. In other words, content owners maintain their "digital copyrights" unless they sell or give them away explicitly, such as in a publishing contract. This ruling will therefore strengthen the hand of content owners in the face of an Internet environment that favors easy access and free content. The book industry simply follows the music and video industries into the intense battle over copyright protection, epitomized by the record companies' lawsuit against Napster.

Without proper protection, the distribution of e-content will violate the content owners' right to protect their property. The music and video industries have begun to renegotiate their contracts to accommodate the e-content form of their products. Perhaps more importantly, publishers have moved aggressively in the courts against e-content distribution Web sites and anyone else they believe has violated their copyrights because the easy, universal access possible with the Web could quickly undermine their business models. The threat will not recede, nor will all parties start to settle their differences until digital rights management (DRM) becomes widely available to provide persistent control and security of the content. With DRM, the user receives only the privileges that the document sender allows (e.g., view, print, copy or save), and this capability can manage access to content during a defined process. Unfortunately, in 2001, DRM vendors have only just begun deploying applications, launching prototype e-book services and building new business models. Content providers will likely not become fully informed about DRM's capabilities until 2003. The DRM market will not mature until at least 2004.

Content owners looking at the consumer market as a new channel to deliver their e-content should build pilot systems that will allow them to understand the consumers' propensity to accept the purchase and control of e-content. This acceptance is critical to developing viable e-content strategies.

Analytical Source: Alan Weintraub, Integrated Document & Output Management

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