



The European Booksellers Federation is a non-commercial umbrella organisation representing national Booksellers' Associations in the EU and EEA.

Through its Member Associations, EBF speaks on behalf of more than 25,000 individual booksellers.

Depending on the country, booksellers represented include independent booksellers, chains, internet retailers and other cultural or general outlets selling books.

1. Before commenting on the Google settlement, I would like to briefly explain, for the sake of clarity, what booksellers do to make books available to European readers.

The bookselling scene has changed greatly in recent decades and the variety of channels through which customers can buy books has expanded: in addition to classical brick and mortar bookstores, which still play a key cultural and social role, customers now have access to online retailers, to a wide range of book clubs and other direct sales channels.

Format-wise, the choice has exploded:

Classical printed books have been followed by audio-books, and digital books are now becoming a reality.

EBF welcomes these innovations and encourages its members to embrace the technological changes which make it possible for books to be - more than ever in the past – available in different formats and through different channels.

This technological revolution generates both challenges and opportunities along with the potential for new business models in the business. It also stimulates new behaviour on the part of European book consumers.

Booksellers, by selling digital books and electronic readers, have an opportunity to complement their range and offer a larger choice of products to all kinds of customers, of all ages.

Partnership agreements with aggregators allow booksellers to become downloading points, and to offer books in digital format for electronic reading devices.

And why not, maybe booksellers could also become digital partners of Google in the not too distant future?

POD (Print On Demand) is another revolutionary technological progress which allows booksellers to print books in a few minutes, in their shop and on the customer's demand, on a single unit basis, where those devices are available.



## 2. What is EBF's position regarding the Google settlement

### We see 3 main issues

First, booksellers fully support copyright. Although the Google settlement does not concern booksellers directly, as they are not right holders, it does affect the way books are made available, and as book providers to customers booksellers have a responsibility towards readers.

#### 2.1. Monopolistic position & unfair competition

The problem is that the settlement gives Google and only Google the privilege of becoming the world's de facto digital bookseller instead of encouraging a plurality of service providers. The fundamental principles of fair competition in a market economy, which, as everyone knows, are strongly supported by the European Commission, are not respected.

Any other book-scanning project coming from the book industry would be at a huge disadvantage as they would have to negotiate their position with a competitor who has already scanned 10 million books ahead of everybody else, without asking for permission and without taking account of the rights situation.

More importantly, with the settlement, Google becomes the only company with a the right to copy, display or sell digital versions of orphan works!

EBF welcomes fair and healthy competition, from any digital operator in the market place. The more competitors there are, the better it is for European consumers. Therefore EBF questions the Google settlement which would give Google a de facto monopolistic position as THE digital bookseller

#### 2.2. Less choice for European readers and price fixing cartel

The Google settlement means that Google will unilaterally decide what should digitized, what will be put on line, and at what price it will be sold. Basically, Google will determine the digital offer available to readers, and how much they will pay for it.

We have read contradictory information about the role of the book registry and its capacity to impose the selling price agreed by right holders, and we fear that if Google imposes its prices, this will inevitably lead to higher prices for consumers.

#### 2.3. Threat to the entire book industry

The settlement changes the rights that authors and publishers have over their texts and as such it automatically affects business models in the book supply-chain. This means that in spite of the fact that the Google project is to sell digital books (for the moment at least) and not paper books, its monopolistic position as a digital bookseller would inevitably have a consequence on the profitability of the entire book chain, printed books included, and would jeopardize the good health of the book industry.



The pace of change from print format to digital format in the book industry is indeed very unclear: will 20% of printed products move to digital format by 2020? Will 80% still be in print format? Which publishing house or bookseller can afford to lose 20% of its turnover for the benefit of Google?

Therefore EBF is of the opinion that all of us have a duty of care for the entire industry, both in print and digital format. Online reality is part of the present & the future but it is NOT the only future and we have to make sure that European consumers still have the choice, by 2020, to buy books in the format which best suits them, digital, audio or printed format.

Similarly, European readers should be able to choose to buy online, with Google or other operators or to enter a brick and mortar bookshop and get guidance and advice from booksellers who play a vital social and cultural role in their community.

I am afraid that my conclusion is that the Google settlement raises more serious concerns than it proposes solutions.

Digitizing a significant part of the entire world's cultural heritage and making it available online? Fairy tale or nightmare?

What if copyright is not handled properly, without even mentioning the potential piracy issues?

What would happen if the excellent production & distribution system of the book chain was threatened? Who would bother to write, publish or sell books?

European readers need:

- Access to books in the format of their choice
- Access to sales channels of their choice
- Healthy competition between all types of operators
- A strong & creative book sector & industry, supported by copyright

Ensuring that these requirements are met will guarantee proper access to our unique European cultural heritage.

Fran Dubruille

Director

[eurobooks@skynet.be](mailto:eurobooks@skynet.be)

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European Booksellers Federation, 10 rue de la science, 1000 Brussels, Belgium 3

[www.ebf-eu.org](http://www.ebf-eu.org) - [eurobooks@skynet.be](mailto:eurobooks@skynet.be)

Tel +32 2 223 49 40 – Fax + 32 2 223 49 38

