

EBF CONTRIBUTION TO THE PUBLIC CONSULTATION ON CONTENT ONLINE

The European Booksellers Federation

The European Booksellers Federation (EBF) has in membership the national Booksellers' Associations from most Member States of the European Union, and Associate Members from the candidate countries.

Through its members - who, in turn, represent most individual bookshops in Europe - EBF represents more than 25,000 individual Small and Medium Enterprises.

Public Consultation on Content Online

EBF welcomes the opportunity to express its views and concerns in the context of the Public Consultation on Content Online in the Single Market.

EBF shares the view of the Commission when it maintains that civil society has to address new challenges and that successful answers to these challenges are keys to growth and jobs in Europe. Booksellers are themselves entrepreneurs who have been steadily contributing to job creation in the EU, and they are therefore extremely sensitive to the issue of job creation and economic growth.

This is why EBF would like to draw the Commission's attention to some important risks and dangers related to the Content Online Initiative.

The Present Model

In the present model, there are many steps that need to be taken to bring the author's work to the reader.



Authors and publishers protect their 'creative' work through copyright; booksellers are responsible for the selection, the stocking, the promotion and the fulfilment. All 'parties' in the supply chain currently obtain a return on the investment for their involvement in getting the book produced and supplied to the reader.

THE EFFECTS OF DIGITISATION ON THE BOOK TRADE

1. Digitisation will change substantially the value chain:

- Authors will find it much easier to bypass the bookseller - and maybe the publisher - and approach consumers directly
- Libraries will be able to provide far more content which was previously paid for, free to consumers
- Search engines will be able to obtain and provide much more free information that was previously paid for.

Developments are moving apace. Google, Amazon, Microsoft and others are all moving quickly to digitise as much content as possible. More importantly, individual publishers - who hold the rights to their authors' works - are creating electronic libraries of their own works.

In the not too distant future, we envisage a new e-book reader being introduced into the market which will overcome problems of the past with poor quality screens, and e-books will come of age in the consumer book market.

Some of the readers available



2. Digitisation will raise economic and social problems: No return on investment and high risk of massive loss of jobs in the book chain

On the surface, the provision of free content (which was previously paid for) and the bypassing of intermediaries in the supply chain, might look rather attractive to the European Commission and to the consumer and give the impression that it would allow many citizens to have free online access to masterpieces of Europe's literary heritage. This is a short-sighted view and we foresee considerable problems.

The crucial question is: who will bother to write, publish or sell a book in the future if books are easily downloadable for free on line, either in the European Digital Library or from the web site of search engines? The dual belonging of book trade stakeholders to a cultural and economic reality should not be forgotten.

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EBF understands that the Commission's intention is to implement the Lisbon strategy and facilitate job creation in the knowledge society. Is the Commission aware that the Content Online initiative is likely to destroy more jobs than it is likely to create and even the raison d'être of the book supply chain? We believe that this seismic shift in the book trade may well result in the closure of many bricks and mortar shops and that closures will lead to job losses and unemployment.

3. Digitisation will raise Rights Issues

EBF believes that of the millions of titles currently in the market, approximately 10% are in copyright; 15% out of copyright; and with the rest (75%) the position is uncertain. Establishing the true position with these *Orphan Works* would be extremely difficult and costly, and in some cases impossible. Even if the book is still in copyright as determined by the time period set by national copyright legislation, the rights may have reverted during that period. Also, there may have been separate rights on illustrations and photographs that are not transferable. As a result, the offer online may well be heterogeneous and unstructured.

Some organisations, other than the rights' holders, have carried out substantial digitisation programmes in the past and have scanned text in without seeking clear permission beforehand from the rights' holder. Any continuation of this practice will seriously undermine copyright.

4. Digitisation will raise Security and Piracy Issues

We also believe that once a book has been digitised, it can be copied illegally if there is a demand for that book, whatever the encryption measures previously adopted. One only has to consider the experiences in the music industry (the sharing of files on the Napster model) to see how easily digital files can be shared without any payment to the copyright owner

5. Digitisation will generate costs related to the implementation of new business models

Digitisation will inevitably put pressure on the printed book, the core product of stockholding booksellers: A bookseller only has to see a reduction in sales of around 4% brought about by digitisation, and the business is under financial pressure.

We believe that very many booksellers are ready to embrace these changes and develop new business models and many of them are currently developing e-book and e-content strategies to complement the selling of printed books. But new skills, new technologies and new materials will be required and are very expensive. It is therefore essential that fair trade conditions are respected.

6. Digitisation will have a negative effect on readers

Any demise of the bricks and mortar bookshop will have a detrimental effect on the cultural life of Europe: the risk of disorganizing the book market and of confusing customers is real. The quantity of books accessible online is likely to be an issue for most consumers. Who will advise and guide customers when faced with a huge potential offer online?

Booksellers are often at the centre of cultural life within their communities. If the bookshop goes out of business, the community will suffer. Consumers in these communities will no longer have a shop window showing the wide range of titles available from different publishers. The ability to see before buying will be gone.

Consumers in countries with minority languages will definitely suffer. Digitisation will make it easier for dominant languages to disseminate their culture electronically.

CONCLUSION: NECESSITY OF CONDUCTING AN IMPACT ASSESSMENT

Bookselling is not just about selling the latest blockbuster. It is about mid-list, backlist, rare books, remainder books, and used/ second-hand books. All books have a market and all books have a price.

If we remove this fine balance in search of '*free digital information for all*' we run the real risk of bringing the whole publishing chain down.

Authors will not earn and will have no incentive or reward. Publishers, similarly, will have no incentive or reward. Booksellers will be out of business if consumers no longer pay but get content free.

For all these reasons, EBF urges the Commission services to conduct an impact assessment before carrying out any digitisation process in Europe, as well as to conduct a full consultation of all stakeholders in the book chain, including authors, publishers, booksellers, and wholesalers/distributors.

While booksellers are ready to embrace the positive aspects of digitisation and to adapt their business models accordingly, they would be strongly opposed to any initiative which would jeopardize the *raison d'être* of writing, publishing and selling a book.

In the short term, consumers might think they are benefiting because of lower prices, but the supply of creativity will soon dry up and so too the effective promotion of books within society.

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