

DATABASE INFORMATION REUSE MANY FACETED PROBLEM: PRICING, CONTRACTS, ENFORCEMENT, PLANNING ALL ISSUES

Whether this meeting will be remembered as a landmark or a footnote will depend entirely on what actions the database producers take together with the online vendors over the next two years." That remark, coming from a database producer, sums up the feelings of many of the attendees of the fall 1980 ASIDIC meeting held in Atlanta September 21-23.

The meeting started off with an educational seminar on Sunday that covered the historical and legal aspects of publishing and looked at the technology of reusing and repackaging computer-readable database materials. The main meeting explored various parts of the theme, "The Repackaging and Reuse of Information" through a panel presentation and discussion group sessions and reports.

SEMINAR INTEREST, ATTENDANCE HIGH

In a Sunday pre-meeting seminar, historical and technological aspects of publishing and the prospect of new methods of repackaging and reuse of information were presented for attendees.

Arthur Levine, of the law firm Spencer & Kaye in Washington, and Joseph Kuney, Vice President of Informatics, traced the copyright history and the development of the new copyright law now in effect. The relationships between authors, publishers and users, and information products or services were outlined and examined. The great impact of the computerization of information publishing and distribution on the industry and the market was a central theme of the session.

The foundations for the concept of "the value of information," disassociated from costs involved in preparing and delivering that information, evolved in the mid-sixties when the downturn in scientific research funding and university support took hold. The rise of reliable and inexpensive photocopying and the accompanying conflicts between publishers and the library communities over fair use were highlighted.

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Levine focused on the main considerations of the copyright law and pointed out the issues of greatest interest to information producers and users. The question of the copyright of compilations of abstracts and their further use was raised. Court cases have not yet begun to clarify some of the salient questions of the new law.

Peter Schipma, presenting work being done at IITRI, told how computer readable files of cancer information are processed and reused to produce publications for government agencies. Details of how minicomputers can segment, process, and prepare files for photocomposition and printing were presented.

REUSE, REPACKAGING ISSUES MANY

Chaired by Melvin S. Day, Director of the National Technical Information Service (NTIS), the panel of speakers gave a varied group of observations and ideas of how repackaging and reuse of information should be functioning in the information industry.

Art Elias emphasized that he spoke personally and not for his firm, BIOSIS. He pointed up the problem of fitting information products or services into the traditional consumer purchase model where the buyer pays once and then has full and unrestricted use right to whatever is purchased. This fits a product model but information is viewed more as a service and complications arise because purchase does not traditionally convey unlimited use right and certainly not reuse or repackaging rights.

According to Elias, with information products or services, three elements concern the publisher or producer: 1) Cost recovery; 2) Damages; and 3) Profitability. The way information services or products are priced, the purchaser returns only a portion of the cost of production to the publisher/producer. With multiple channels of distribution carrying different formats or versions of an information product, care must be taken to recognize the need to cover costs while dealing with price sensitivity in the market. Product or services are damaged, economically speaking, when used or consumed in most instances.

Information, however, is regenerable and does not lose utility passing from producer to user. In some cases, utility acceleration actually occurs. Profitability must be planned for. With traditional abstracting and indexing publishing having up to a 75% labor content, and computerized databases following traditional publishing in the production phases, proper conceptualization of the reuse market, with accompanying pricing policies, is a must for a firm's long term viability. Information should be viewed as a service with full pricing being applied when the sale takes place without relying on some aftermarket pricing or royalty pass through in effect according to Elias.

Peter Chenery, of the North Carolina Technology Research Center, spoke as a representative of consumers of information services. He admonished producers of information services to realize that there is price sensitivity indeed in the market and that elasticity of demand is more real than some have imagined. Chenery pointed out that reuse is good for information and that producers should welcome the concept. Further use of any information service or product should be anticipated and planned for.

Repackaging and reuse of information services has been happening for a long time, according to Chenery. Earlier projects of current awareness services provided at first for free and then for increasing prices clearly showed that information seeking occurs with price sensitivity and source satisfaction, as opposed to optimization, commonly practiced by users.

The most frequent reuse and repackaging demands at Chenery's location come for the editing and deduping of online search results for clients, multiple copies of search output for multiple users, recording of search results to facilitate faster receipt of results of online searches, and the delivery of search results to a customer's terminal at sites away from his operation.

Lois Granick, Director of PsycINFO and Executive Editor of Psychological Abstracts at the American Psychological Association, told attendees, "Our economic concerns are real.

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Current pricing practices by both database producers and distributors, evolved over years of attempts to predict a very uncertain and new market, are currently aimed at an 'end user' - one who wants the information for his/her own uses. In this context, the market must constantly expand. In practice, from the database producers point of view, this 'end user' has been a very rare bird -- getting rarer rather than more common."

Granick says that the key to continued success and financial viability for database producers is the growth in the numbers of the information centers and brokers that draw the real end users to themselves and who act as value added search experts. Since most information delivery from databases goes via intermediaries, the original end user pricing model needs to be rethought.

Library journal subscription rates are very often set at a higher level to reflect the reuse that libraries inherently encourage. This assumed multiple use pattern of pricing should perhaps be reviewed for applicability for database pricing.

One great hinderance to clear feedback for database producers is the adversary relationship, "among and between the members of the information chain." Each member of the chain must have a true concern for the economic stability of the other members in order to create a climate of trust and establish the ways to gain meaningful information and feedback about all parts of the marketplace.

Granick said that database producers should consider developing a two tier pricing method for their products and services, just as publishers now do with many journals. "Brokers should welcome the openness and freedom that a regularized, normalized situation would produce. Eventually, they might feel secure enough to enter into communication with the suppliers of their 'raw material' and participate in the feedback process, thereby enhancing both databases and delivery systems.," said Granick.

With the advent and promise of full text electronic publishing and dissemination systems, is the librarian an information finder or an

information distributor? This was a main part of the message that Bill Koch, of the American Institute of Physics presented to attendees.

The author is at one end of the information chain with the user at the other end. The intermediate members - the editor, the database producer and the database disseminator - who take the information from author to user are all parts of publishing and dissemination. The role of the library has always been to find information. Increasingly it should be thought of as a distribution point or publishing point.

Koch sees this concept as good and healthy. "Libraries are in the republishing business, and we want to encourage this position," he said. He encourages a fresh and ongoing examination of the roles of the members in the information chain to find the best long term relationships and payment procedures for everyone.

George Malanga, VP of ISI, described three types of databases; numeric, full text, and bibliographic. Numeric files are easy to pirate or steal, according to Malanga. Transferring data from a numeric file in one computer to a new or existing file in another computer is common and is accomplished as easily, legally or illegally. Revenue of over \$300,000,000 per year makes this market lucrative. Some piracy occurs but most people comply with usage contracts and restrictions and give definite value added and repackaging to a product to get their reward.

There is very little prospect for success in stealing full text files. Dow Jones or the New York Times could easily trace their materials and the computer resources necessary to achieve piracy of this magnitude make the risk and expense greater than the rewards.

Small parts of bibliographic files are probably susceptible to theft each year. It would be uneconomic to steal large portions of bibliographic files. Malanga says that the market for any one file discourages the risks of capturing it.

According to Malanga, fear of getting caught in contract violation is the usual reason for people to adhere to usage contracts. Also, a good many people have a good nature and

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will play by the rules of usage spelled out in contracts.

Cathy Shenton, now heading up Petroleum and Chemical Information Services for SDC, and formerly with Exxon Research & Engineering Co., gave an insight from a database user's and an online service vendor's perspective.

Reuse of online search results violates current contracts and therefore is illegal which, by definitions long observed in society, is wrong. Through illustrations of current online user practices contrasted with the copyright law and the database usage contracts administered through the online service companies, Shenton posed clearly the major operational problems and some possible solution considerations for database producers and publishers.

Shenton pointed out three levels of reuse of online search results. First, electronically storing and then reformatting and editing search results from which a single copy of a search is finally produced, with the original results being erased. This practice, recognized in earlier days by the manual cutting and pasting of search results, is, when involving electronic storage and manipulation, in clear violation of usage contracts and, thus, the law.

Internal reformatting and multiple reproduction of a search, by computer or photocopy techniques, is the second level of reuse. It is clearly in violation of contracts. The third level of reuse is commercial pirating, where search results are captured, edited, reformatted and sold for gain. "...'resale' may not even mean the external selling of information... I define resale to include the machine readable copying of a portion of an online file for later access."

Shenton offered several methods of dealing with reuse problems. First, she proposes that online vendors and database producers place more efforts in the area of education of users as to their rights of use of online files. Editors of online journals should also practice prudent editorial control and be careful not to encourage or condone illegal practices.

She suggests that an effort be made to develop some standard form for granting permis-

sions to users for reuse of online search results. Cooperation between all elements in the information production, delivery and usage chain should be included in this effort. She pointed out that ASIDIC might well be a uniquely equitable forum for exploring and encouraging this avenue.

Shenton made it clear that the rights of the online services need to be considered and remembered in the solution to the reuse problem. She said, "...any permissions involving remuneration to the online database supplier should include corresponding fee schedules for the online vendors. ... these services also lose money each time information is copied or reused."

DISCUSSION GROUPS REQUEST FURTHER STUDY, REPORT

Following several hours of discussion group review of the panelist's presentations, and a general review of the theme of the meeting, all three discussion groups asked that the ASIDIC president appoint an ad hoc working group or committee to study the issues involved and to make a report at the ASIDIC meeting in New Orleans in March, 1981.

Greg Payne, the discussion leader of one group, reported that the group would like to recommend a starting point for database producers to consider in pricing reuse of search results. These are: That one machine readable result can be retained, edited and reformatted for no additional fee. The right to make multiple copies of searches and electronic files for internal use (within an organization) only be granted for a standard additional fee. The third case represents use and retention of search results for external use or resale. This type of usage should be covered by a special contract between producer and user for each instance.

Payne's discussion group also recommended that all parties involved be encouraged to seek pricing methods for online database usage other than the current and traditional connect hour or wall clock method.

Another discussion group, headed by Harry Allcock, felt that ASIDIC could or should develop and promote a mechanism for equitable

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reuse of data with remuneration to the producer and distributor. Some appropriate method for government reuse of information services should also be devised since the government is one of the largest information users in any market.

Upon completion of the meeting, one database supplier instructed their attorneys to begin reviewing all existing information usage contracts with an eye on the rationalization and coordination of that producer's practices toward its online distributors and users.

What long term impact this meeting will have on reuse and repackaging practices in the bibliographic database market will be interesting to follow. Whether this meeting will be recognized as a landmark or a footnote will take some time to decide.

ASIDIC EXECUTIVE COMMITTEE UNDER WILDE'S SECOND TERM

The 1980-81 ASIDIC Executive Committee has two new members. Paul Zurkowski, the founder and president of the Information Industry Association, was elected to a two year term during the Atlanta meeting. Elected for one year, to fill the spot of Herb Nobles who was retiring, was David Grooms of NTIS.

Dan Wilde was re-elected President for another term. Kay Durkin will continue to function as Secretary/Treasurer. Margaret Park is the other member of the Executive Committee.

SMITH HEADS REUSE STUDY COMMITTEE: MARCH REPORT DUE

Ron Smith, past president of ASIDIC, has been appointed by ASIDIC president Dan Wilde, to head the ad hoc committee to explore the issues of repackaging and reuse of information raised by the speakers and discussion groups during the fall 1980 meeting in Atlanta.

Smith, along with the members of the committee he has selected (unavailable to the newsletter at press time), will report a summary of their findings during the meeting in

New Orleans, March 29-31, 1981.

ASIDIC FINANCES GOLDEN: 1981 FORECAST VERY GOOD

ASIDIC is resting on a solid financial base and is managing its affairs very well according to the Treasurer's report given at the business meeting in Atlanta. With reserves of about \$16,000, the 1981 ASIDIC budget will have revenue and expenses of about \$13,250. There is little probability that the reserve funds of the organization will be touched for any 1981 expenditures.

Each ASIDIC meeting is planned to be at least a break even event. Membership dues, very low due to the volunteer nature of the organization, sustain the workings of the committees and the administration of the secretariat based at the University of Georgia in Athens.

1981 expenses for committees are scheduled to be about \$4,000. The secretariat expenses will be about \$2,900. Together with a contingency fund of only \$350, the rest of the expenses are attributed to the meetings. According to the budget, no special projects are slated for 1981.

GOVERNMENT'S INFORMATION ROLE

NEW ORLEANS MEETING THEME

The Spring, 1981 meeting of ASIDIC will take place at the Monteleone Hotel in New Orleans March 29-31. The theme of the meeting will be, "Government's Role in the Information Transfer Chain."

According to the advance notice for the meeting sent out by the ASIDIC Secretariat, "The government is both a major producer and user of information in general and machine-readable databases in particular. Private organizations within the information industry see this growing prominence of government as direct competition to their own activities while government agencies consider their role as being no different than that of any other producer/user of information."

The spring meeting will offer a forum for

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discussion of the issues involved in this important area. Speakers and discussion sessions will afford all attendees an opportunity to explore and make known all points of view about how the ubiquitous "government" does and "should" act or behave in the information marketplace.

Details of the meeting, along with registration and hotel reservation information and forms will be included in the next issue of this newsletter that will be mailed the first week in February.

ALEXANDRIA SITE OF FALL '81 ASIDIC MEETING: THEME PENDING

The Fall 1981 ASIDIC meeting will take place September 13-15 at the Old Town Holiday Inn in Alexandria, Virginia. The topic of the program and meeting arrangements will be announced early in 1981 and at the spring meeting of ASIDIC in New Orleans.

'STRATEGIES FOR CHANGE' NFAIS MARCH MEETING THEME

The 23rd Annual Conference of the National Federation of Abstracting and Indexing Services (NFAIS), will take place at the Crystal City Marriott Hotel in Arlington, Virginia March 3-4, 1981.

Carrying out the theme, "Strategies for Change," the program will feature a group of expert speakers from the information community. Included among the confirmed speakers will be Donald King, Derek Barlow, Seldon Terrant, Barbara Hyland, Charles Bourne, Henry Kissman, Ted Brandhorst, Robert Johansen, Victor Rosenberg, Tefko Saracevic, Takashi Yamakawa, Walter Morgan, Peter Schipma, and Susan Martin.

Russell J. Rowlett, Jr., well known to ASIDIC members and a long time editor and executive at Chemical Abstracts, will deliver the annual Miles Conrad Memorial Lecture during the Wednesday morning session of the meeting.

Registration details can be obtained directly from the NFAIS headquarters at 112 South 16th Street, Philadelphia, PA 19102 (215) 563-2406.

ICSU AB ECON SEMINAR SET FOR ATLANTA IN MAY

"Economics of Secondary Information" is the theme of an upcoming seminar presented by the International Council of Scientific Unions Abstracting Board (ICSU AB). The sessions will take place May 28-29 at the Atlanta Hilton Hotel.

The seminar sessions will have a two-part structure. Experts will first discuss a major component of basic economic theory, and then show where and how secondary information fits. Session topics include commodity theory, international market forces and characteristics, international marketing, and price theory. A special panel of experts has been arranged to conclude the seminar with a forecast for secondary information products and services.

For full details of the meeting, contact NFAIS at 112 South 16th Street, 11th floor, Philadelphia, PA 19102. (215) 563-2406.