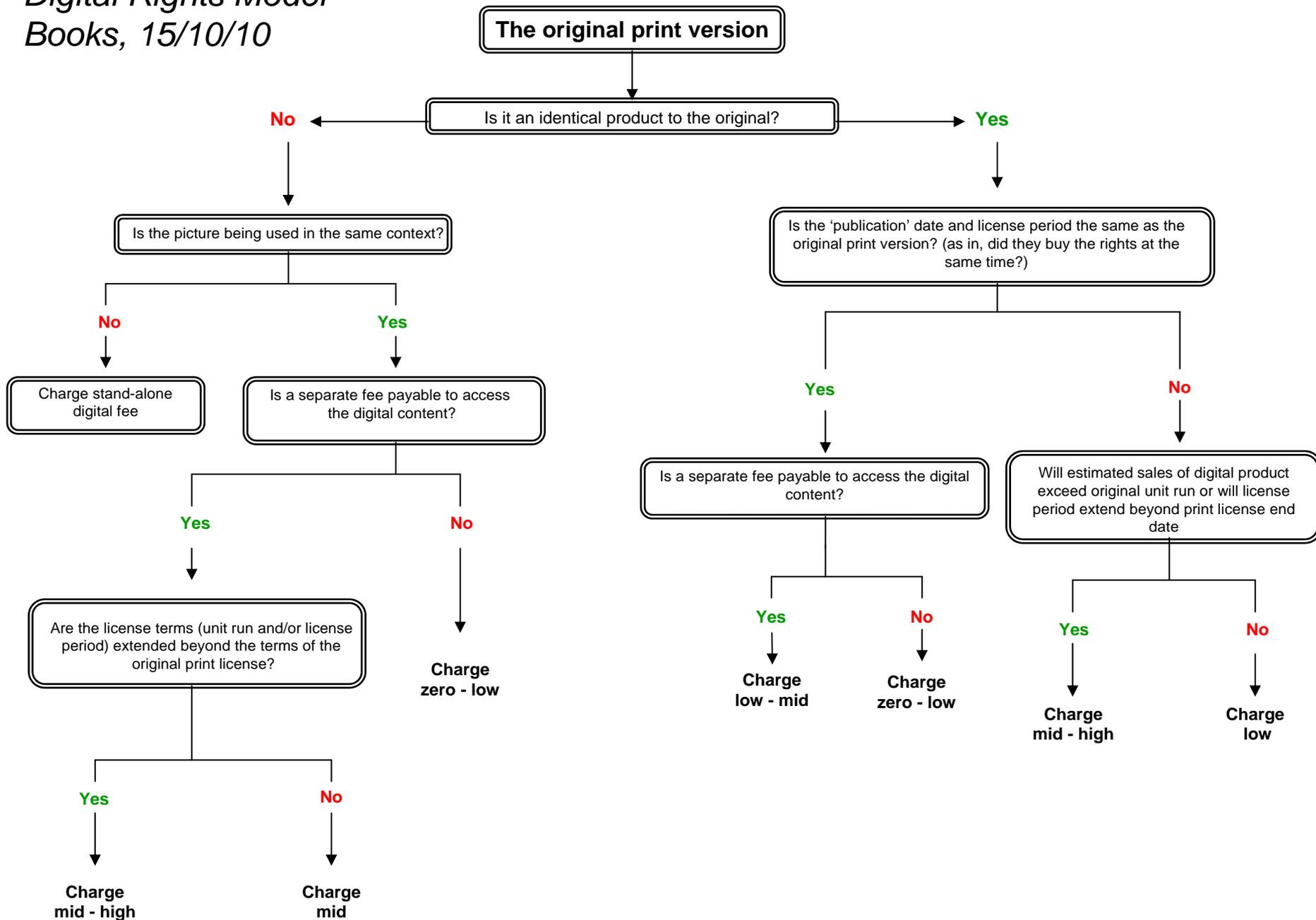


Digital Rights Model Books, 15/10/10



Background notes:

- The Model is not designed for digital only pricing – that is one of the final options but will be addressed separately. You can expect that model, being worked on soon, to be able to apply to all editorial.
- The Model is for books only – a similar version will be produced for other editorial, but it's too complicated to combine both; the two will have much common ground but also peculiarities specific to each sector.
- The Model is an area where we're trying to establish middle ground between libraries and publishers and where it is in both parties' interests to see digital publishing thrive. There is absolutely no reason why this should be confrontational; our aim is to work with publishers to establish a Digital Rights protocol.
- The Model can't be relevant to all. Larger libraries with subscription/combined agreements are likely to have already bundled in full digital rights
 - Also some publishers will only want a single overall agreement covering all digital use.
- It's intended to provide a framework for those libraries looking to clear new digital rights on top of existing print rights on a book by book or client by client basis.
- **KEY POINT** – This is not a manual to be followed to the letter which will spit out the exact correct price at the end. **So please use as a guide not a manual.** If the next question doesn't make sense because a publisher has given you an unexpected answer, don't ask it.
- It aims to provide a framework for you to ask relevant questions of publishers approaching you for digital rights and suggests a range of pricing options that you may want to consider based on the answers to those questions.
- It is not trying to cover every conceivable angle – we didn't want it to look like Queen Victoria's family tree!
- You know your clients and your pictures. If you think a client will pay for a digital use don't not charge them because the chart tells you not to; and vice versa.
- The conclusions are based on combined experience/judgement of those on the Rights Group, the BAPLA Executive and larger members plus feedback from publishers. We certainly don't claim to have all answers or get everything right.
- **KEY POINT** - Publishers don't have all answers either.
- Advantage of combined licence – protects against publications going digital only and then clients wanting to just pay the 30% of print fee they currently get charged for additional digital rights; also makes whole process more streamlined which publishers want; and gives libraries a chance to raise their standard fees to cover the digital usage. Even if fees remain the same it's important to clarify that digital rights are not being provided for free.
- It's an evolving Model and will be reviewed on a very regular basis. Things will change if everyone gets a better idea of what digital products will sell and how much revenue they'll generate. Eventually technology will allow tracking of views and downloads – that already exists but it's not implemented.

Basic questions to ask a client about digital rights:

Some of these essential questions are included in the model, and every client really should be in a position to answer when they're clearing digital rights.

- i. Is the picture being licensed for digital use retrospectively?
- ii. Which, or how many electronic formats will be produced (or are 'all format' rights required)?
- iii. Is the product identical to the print product?
- iv. Is the picture being used more times than in the original product?
- v. Is there a separate fee charged for accessing the electronic version?
- vi. Is there a limit on the unit run, or license period?

The following points expand on the specific questions in the model itself:

- Price range of low-mid-high assumed to be from 0 – 50% of original print fee but some may be able to get more than this so should adjust the range accordingly.
- It only applies to pictures re-used digitally from original print versions; ideas on stand-alone digital pricing to come.
- Definition of '**identical product**' – essentially means 'is this a digital product that is the same to all intents & purposes as the print version, just delivered in a different medium (like an identical e-book) or is it a new product that may be re-using some or all of the content from the print original but is being sold as something that offers the consumer a different experience (like an interactive ipad app)'.
- '**Same context**' – to stop clients thinking because they have digital rights they can use the image for anything they want.
- '**Separate fee payable to access content?**' – differentiate between use on a free to view website and an ipad app or e-book you will be charged for. Will the publisher be making additional revenue? 'separate' fee to exclude examples like educational publishers who include digital products with the print book all under same price.
- '**Are the license terms being extended?**' – will depend on how each library defines its licenses; some with print run, some territory, some time period, some a combination of all 3. Again, the question is intended to discover whether the publisher expects to make additional revenue from the digital product(s) and if so how much.
- **Zero** in the price range does not mean free – it just means digital use to be included in the original print rate. If product goes digital only then this rate still applies.
- **Retrospective licensing** – producing digital versions of existing print titles, is something publishers seem to accept they should pay a decent additional % for – and again pricing will be determined by whether they're expecting to sell more through digital versions or whether they're just replacing print copies that have already been paid for with a digital version.
- For new titles requiring digital and print license it's important to get the client to specify some form of limitation – whether that's a print run that includes an estimate of expected e-book sales or a set time period when the e-book will be available to download – just because rights are digital doesn't mean they're given in perpetuity.
- We feel at this stage it is too early to ask if a digital product will carry advertising thus increasing revenue and raising picture price – as it is too early for clients to be certain about level of revenue from this source – but it should be kept open to regular review and become a consideration when more data is available.