

COPYRIGHT RESTRICTIONS ON THE PARALLEL IMPORATION OF BOOKS

Submission from Wild & Woolley / Fast Books and Pat Woolley, director, Books & Writers Network Pty Ltd

Wild & Woolley is one of Australia's oldest independent small publishers (established 1974). We believe the current copyright law rules for books are in the best interest of all Australians.

- In the best interests of Australian writers: to restrict cheap remaindering of their overseas editions, to support their Australian publishers' promotional efforts and back up the marketing plans which provide Australia-wide distribution, entries into book prizes, review copies for newspapers and magazines.
- In the best interests of Australian publishers, large and small, who since the early 1990s have had certainty in the rights in which they invest.
- In the best interests of Australian readers, who live in large cities or small, rural or remote communities, who benefit from the growing and exciting development of Australian publishing and Australian culture, with guaranteed local supply and local promotion of overseas-published books, who use the internet and purchase their single copies direct as allowed by law, and thereby have nearly immediate access to the wide world of books, in English and other languages.
- In the best interests of Australia's well-established and highly sophisticated short run digital print companies who have developed a successful, local small-base manufacturing industry that serves Australia and the Pacific region, from regional centres in Victoria and South Australia.
- In the best interests of all booksellers. They have the wide world of books, mostly in local stock, from which they can pick and choose, sell or return, taking no risks.
- In the best interests of journalists, whose reviews appear in newspapers, magazines, on radio and tv, and on the internet, and who earn income from the words they write.

Between 1974 and 1991, Wild & Woolley published original Australian titles for the Australian market. We exported as many books as we could, either directly to booksellers (under the old direct sack book post rate) or by copyright reproduction licence to enable their release in overseas editions. For a time, our imprint was “Wild & Woolley, Sydney & Eugene” because we had found a small distributor in Oregon to hold stocks of our titles.

The business grew and in 1978, we established our own in-house distribution service called AllBooks Distribution, handling titles from publishers in the UK, the US, Canada, New Zealand, Scotland, Ireland, etc.

We also distributed a number of Australian publishers including Outback Press, Makar Press, Sisters Publishing, Horan Wall & Walker, Hale & Iremonger, Rigmorole, Nostrilia Press and Island Press.

We represented about 60 publishers and held stocks of each book in print. In 1986, computers were just coming into use. Bar codes were still in the future. Computer stock control was on the horizon.

In 1990, we had irrefutable evidence that one of our major customers was importing books in which we had the exclusive Australian licence. We had purchased the stocks from California, we had spent considerable amounts of money publicising the titles and authors, we had supplied review copies at no costs to the media, and our sales representatives called monthly to check supplies and restock titles.

The evidence came to us because we were asked to load our stockholding data onto the bookseller’s new computer system. They had just put in a computerised stock control system. And there, on the computer, Wild & Woolley was shown as the last preferred supplier: two US wholesalers were ranked over us, because buying books from them would cost less.

That bookseller sold the books at the same price. They made a greater margin on the books which they imported illegally than they made on the books which they bought from us. They didn’t lower the prices to their customers. The books weren’t cheaper. They ripped off their customers.

They ripped us off, too. Because we had made the investment in stock, we had a warehouse stacked with small and large quantities of books, we had full time staff, cars, and overheads, and we paid Australian tax.

Of course I took legal advice but the fee to mount and run a case, which might have included flying the author (a practical impossibility because he was a well known, undependable drunk) to Australia to give evidence, was more than I could risk.

Instead, I shut down AllBooks Distribution.

The most popular books from the publishers whom we represented continued to be imported by booksellers who bought from US wholesalers, but the wide range of backlist from each publisher was no longer accessible to the Australian reader, except on special order, at a higher price and a very long lead time.

If the 30 day rule had been law at that time, that sequence of events - which was a pure breach of copyright but one which we could not afford to enforce - would not have occurred.

The bookseller would, by force of copyright law, know they could not avoid buying local stock if that stock was available. Any breach would be clear and unambiguous.

If the 30 day rule had been in force at that time, I wouldn't have shut down AllBooks. I would have kept it operating and then, it could have offered distribution to the authors who were part of my next venture, a business which the Sydney Morning Herald called "a revolutionary way to publish books" (1991).

FAST BOOKS IN PRINT

When I closed AllBooks Distribution because of illegal but financially unenforceable copyright breaches, I founded a new division of Wild & Woolley. Called Fast Books in Print, one of its aims was to replace imports with on-demand short run local printings.

We bought an enormous photocopier which I called a 'thermal belt transfer reprographic system', a perfect binder and a guillotine. Between 1990 and today, Fast Books produced more 'titles' than even the most successful Australian publishers. But each title is in small quantities of 50, 100, or 200 copies. In thirteen years, Fast Books became very successful and led the way in providing short run

prints for self publishing writers. We printed on Australian made paper, although the machines were manufactured in America or Japan.

Fast Books was the forerunner of digital print manufacturers MacPhersons and PMP (Griffin Press) (in Australia) and Lightning Source (in England and the US).

KEY CONSIDERATIONS

If Australia becomes an 'open market' for books, all relevant groups including authors, publishers, printers, distributors, retailers, consumers, libraries and educational institutions, will be severely affected. No one will be better off. All will be worse off. Even those who are loudest in proposing an open market will find that they'll delete the 10% of books that don't sell well enough to make their higher profits, then the next cut will be to cut 10% of what's left. Until there's nothing. Profit isn't the only thing to achieve in a business.

The 30 day and 90 day rules restrict illegal activities. They do not restrict competition. Any bookseller can charge whatever she or he chooses for a book. The Australian publisher suggests a retail price - more out of tradition than anything - so that the book review or advertisement appears with a price, and the bookseller's discount - another tradition - depends on volume purchases and trading terms.

I have substantial knowledge of the ways that the US controls its book industry. Over four years (1986-1990) I operated a wholesale source for Australian books. Called Australia In Print Inc Pty Ltd, each week it airfreighted between 250 and 1000 kgs of books direct to American booksellers, wholesalers and library suppliers. The manufacturing clause in the US copyright act was no longer valid law, but the US customs department that stamped all our documents didn't know this. Each shipment had to be accompanied by extensive paperwork verifying and certifying that each and every author whose book was included in the consignment was not a US citizen. There were more than 3000 Australian authors, from more than 70 publishers. 3000 certifications. Lots of paperwork. Every week.

For many years, one particular international treaty provided substantially more benefit to American and British publishers than it provided to Australian publishers. The treaty covers international book post. As far as I am aware, the treaty is still

afoot, but because of changes to the way that books are packed (now in parcels that weigh less) and transported (by air, no longer by ship), it is now fairly irrelevant. However, for decades American and British publishers profited from its implementation.

The treaty provided that the postal charge for books sent from one participating country to another was to be the same. This was called direct sack book post and consisted of bagged boxes of books, to a maximum of 30 kg, at about US\$1 per kg or US\$30 per bag.

The cost to Australia is in the fine print. A US or UK publisher paid (the equivalent of) US\$30 to post a sack of books to The Black Stump Bookshop in Australia. US/UK port to Australian port costs about the same whichever way the bag goes. But a highly populated country like the US, or a geographically small country like the UK, has much lower internal tranship costs and these are absorbed by each country. We Australians 'absorbed' a higher final delivery cost for US and UK books to The Black Stump and Beyond, than those countries 'absorbed' for our own exported books. The treaty disadvantaged Australia.

Intellectual property is magic stuff. It's impossible to predict its value. As Australia loses business to offshore manufacturers and service providers with lower labour force costs, we clever ones must re-skill those in Australia who will lose their jobs. We must keep 'growing' our intellectual property - our manuscripts grow to be books and films and television and spinoffs and merchandise and who knows what else in times to come.