

Parallel Importation Submission

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THIS SUBMISSION IS NOT IN CONFIDENCE

People do not buy shoes that do not fit. Why should people have to buy books that do not suit them?

RHYW believes that all readers should be able to buy books in their format of choice at a fair price on publication date, and that publishers and authors should be paid for all editions of a book sold.

To facilitate these goals, RHYW has developed technologies that allow new editions of a book to be generated automatically from an XML master. large type, superlarge type, special print formats for people with learning difficulties like dyslexia, personalized print formats, Braille, DAISY, audio, electronic and e-book formats.

Physical editions are printed on demand after an edition of a book has been ordered. The RHYW system can format books for printing on individual printing machines, which allows RHYW to set up a broad geographic network of print shops worldwide to print books close to the purchaser. This will reduce the cost of the book, allow a much larger range of books to be exported and reduce greenhouse gases in book transportation. RHYW can also print shelf ready books for libraries – the library name, catalogue number, Dewey Number etc must appear on the cover before the book can go on a library bookshelf – reducing costs and delivery times. In addition, librarian can select the format of the book that best suits their readership.

There are 2 broad categories of consumers representing a large percentage of the population who will benefit from these initiatives:

Category 1 – those who are unable to read standard format books because of

1. illness which effects their vision/eye control (MS, Diabetes, macular degeneration, stroke etc.)
2. visual handicap (blindness, low vision)
3. other handicaps (e.g. Cerebral Palsy) – 1+2+3 = 5+% of population
4. learning differences (e.g. dyslexia - lots of research shows that large print benefits dyslexics and students who are labeled reluctant readers) – 15+% population
5. People studying English as a second language who have difficulty with the non phonetic nature of English

This category of readers spans all ages but skews towards older people as age related issues and diseases are the fastest growing category segment of the visually impaired market. For validation of this see the number of vision related product on the market – magnifiers etc, and catalogs and web-sites directed to this demographic.

Category 2 – readers who prefer large print because it makes reading easier – they do not consider themselves handicapped – they prefer large print – this is the market that Thorndike, Doubleday large Print etc and other large print providers serve and have served for many, many years. Proven market, growing as population ages, and poorly served as only a small percentage of books are available in large print.

The new technologies currently being commercialized are likely to radically change the publishing industry. Literacy is likely to rise because many readers who cannot now read books will be able to read the new formats. Electronic editions of books will become increasingly important, and is likely to accelerate when books can be read comfortably on mobile phones. Distribution of physical books can be done without large and risky print run commitments. More titles will be published. Backlist titles will be made available for sale and out of print will become a thing of the past. Out of print books will be brought back into print. There will be multiple niche markets, based both on subject and also on format – e.g. large print for the baby boomers. There will be more and more opportunities to market books using the internet as the book business becomes more internet orientated. Understanding how to promote books using Google Adwords, YouTube, and Search Engine Optimization may become more important than publicity in the NY Times. As these changes remove many obstacles to export, these changes are likely to assist Australian publishers, authors and IP creators to export their materials.

A profitable publishing industry in Australia is much more likely to make the necessary investment to make books available to all readers in any format, to improve national literacy – they have a big incentive to have a literate population to buy their books – and to start experimenting with the new business models offered by the new technologies. It is probable that with the right incentives, the Australian Publishing Industry could transform and grow.

Profitable titles will be targeted by the parallel importers. The question for those who find reading standard editions difficult or impossible is whether the publishing industry will be able to afford the required investment if the revenues from the most profitable titles are reduced by parallel importation.

Key issues

1. How will parallel importation of books impact the availability of books in non standard formats?

Publishers are currently being sued under the Disability Discrimination Act (DDA) and it is likely that these organizations will be found to have a duty to the reading disabled. The likely importers are the large book chains and the discounters. They are likely to import bestselling books that are being remaindered in another jurisdiction. Are these organizations likely to make the books they import available to people in non standard formats? I think this is highly unlikely and that if the parallel importation of books is allowed, then the DDA should be amended to make it clear that making these formats available is required if a significant number of books are imported. Why should publishers be bound by the DDA and not the parallel importers?

2. Will books cost less?

Which Books? The cost of bestsellers will depend on the price that the retailers will charge for these books. Some may be cheaper, some may be the same price and others may be more expensive. It is almost certainly the case that the standard editions of books which are not bestsellers will have to increase in price because the publisher costs per unit of revenue will rise due to a fall in revenue. Non standard editions are unlikely to be offered in many cases and where they are offered, are likely to be offered at a significantly higher price. If fewer books are available locally, then Amazon and other websites overseas will benefit, as will UPS and other couriers. The environment will suffer. Carbon taxes may increase shipping costs. When added together, the cost of all editions of all books may actually rise.

3. Will parallel importation of books improve literacy?

Parallel importation will adversely affect literacy if the range of formats is restricted by parallel importation of formats, and it seems unlikely that importers will want to be involved in anything other than selling a book unless they are forced to do so by legislation.