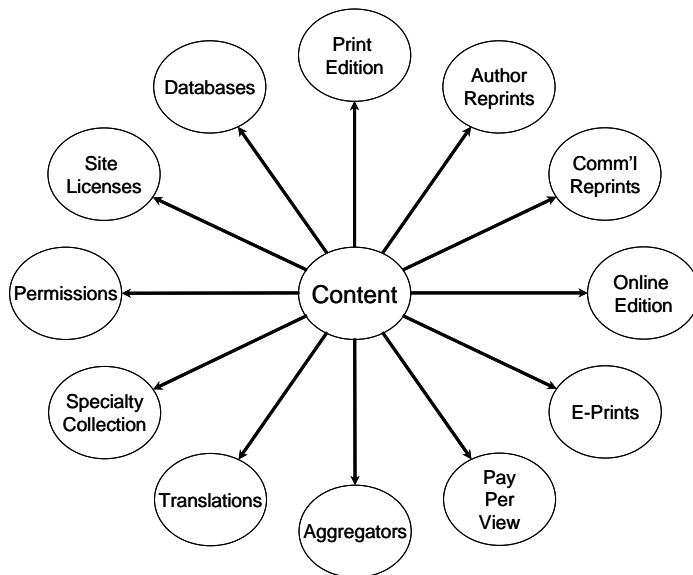




WHITE PAPER ON CONTENT LICENSING

Licensing of editorial content for dissemination through internet outlets can be an effective method of generating additional revenue and raising the profile of the publication. The licensing goal for Americas Quarterly should be to expand your distribution in terms of reach, revenues, and usage. At the same time careful planning and implementation of a digital rights strategy is essential to maintain a level of control over where and how content is presented and sold.

The definition of content licensing is as follows: a publication or part of a publication for which the copyright owner contracts with another organization to distribute to a target or ancillary audience for the purposes of expanding distribution, either on an exclusive or non-exclusive basis, usually in exchange for a royalty on sales.



Evolution of Licensing

A&I services

Index Medicus

Chemical Abstracts

Microfilm, microfiche

International editions

Abridged translations

Content aggregators

Scanning technology

Subscriptions

Document delivery

Author reprints

Commercial reprints

Electronic licenses to libraries, groups of libraries

A&I services → aggregators (linking to full text), content collections

Ovid

ProQuest (UMI)

BioOne

EBSCO Publishing

ALPSP

HighWire Open Collection

Marketing gateways

(Ingenta)

K-Port

SWoC

CrossRef/CrossSearch

GOOGLE

Content Distribution Channels Have Changed

Changing economic factors

- Dual publication costs: print and online
- Concentration of content among few commercial publishers
- Oligopoly pricing models (“big deal”)
- Increase in manuscript flow
- Higher prices
- Tight institutional budgets
- Open Access movement
- International “open” consortia

New technologies

- Internet/WWW
- Search engines
- CrossRef

New product development

- Content aggregators
- Marketing gateways
- Institutional/national repositories

New delivery options

- Library network
- Personal broadband
- PDA

An important channel development is the movement of companies toward developing multi-channel systems that reach the same or different markets, where some of these channel systems are in competition with each other.

Today, there are two prevailing models for digital distribution that are largely mutually exclusive.

Controlled Circulation Model

Under this approach content is made available only to subscribers who gain access through a password controlled website. Users may pay a subscription fee for access to a defined set of information from one or multiple sources, and/or they may pay for the content on a per-use or per article basis.

This approach is well suited to specialized content that is of real value to the final consumer. It maximizes retention of exclusivity and in some cases revenue, at the expense of maximizing readership and visibility.

Free-to-User Model

Under this approach, content is made easily and broadly available to users through open websites, which are usually advertising supported. The website may pay the content provider a flat or variable fee based on the type and amount of content used, and/or they may remit to the provider a share of the advertising revenue generated by the site, proportional to the content's contribution to the site.

This approach is well suited to maximizing the exposure and visibility of the content, It can also be useful for driving users back to the providers own website. The major drawback is that the provider loses control over where and how its content appears. Once content is posted to the web as free to the end user, it can easily be pirated and repackaged or resold.

Once a content provider starts down this path it is difficult to reverse course.

Variants

While the two approaches are largely incompatible, it is possible to make selected content available at no charge for promotional purposes while keeping the bulk of the content behind a password.

Content Licensing Action Steps

Make sure you have the right to license.

You must either own the copyright or the owner of the copyright must have given you the rights to license. While content produced by employees is considered to be owned by the employer, freelance contributions belong to the author unless otherwise agreed.

Freelance content – do you need to own copyright? Obviously, it is best if you own the copyright. However, often it is adequate to leave copyright in hands of non-employee author if you get broad license (e.g., perpetual, irrevocable worldwide right to reproduce, display, perform and create derivative works, as many times as you wish, in any media now existing or hereafter developed, with full rights to sublicense and permit further sublicensing)

Freelance authors typically insist on owning copyright to their works; photographers almost always do.

If you don't own the copyright you'll want the owner to agree to not use, or license others to use, content in a manner that you'd find objectionable. For example: exclusive use for you during "first use" window. No ability for owner to use or license others to use, in your competitive space (need to define). Remember that only owner can sue for infringement – so may need to put terms in contract putting obligation on owner to bring suit if you request (probably fair that it be at your expense unless objectionable use is due to owner violating an obligation). It's not copyright infringement if the owner licensed – or licenses – the other party.

Digitize and Archive Content

Determine how your content will be made available to the licensee. For example, FTP, RSS feed, password-protected web site, IP authentication.

Create a continuously updated database of articles and other content that is optimized for distribution through multiple digital channels and distributors. This involves tagging each article with keywords and other metadata that describe, for example, the type, subject, author, date, language of the content, etc.

This function can be handled wither by the originator of the content, through a combination of technology and human judgment, or it can be outsourced to third parties who manage and maintain content archives, such as ProQuest, or EBSCO Information Services.(Note: this is a difference division of EBSCO than the library group.)

An important element of this process is Search Engine Optimization, (SEO) which attempts to maximize the visibility of the content in Google and other searches.

Identify Target Markets and Channels

Identify the audiences for the content and then identify the channels through which those audiences are best served. (General public, business, educational, scientific, local, regional, national, international, etc) In most case there are likely to be multiple audiences and multiple channels in the following categories:

Broad databases (e.g., Nexis, Factiva, ProQuest, H.W. Wilson library reference) – these typically have usage-based fees, a standard contract with all content providers with no minimum revenue guarantees.

Specialized databases (e.g., Lexis, Thomson-Scientific, Muse, Questia, Newsbank). These may be more flexible in their contracts and possibly minimum guarantees.

Content syndicators (e.g., NewsEdge, YellowBrix, KeepMedia, LookSmart). Low usage-based fees, possible but low minimum guarantees.

Individual web sites with special interest in your content
Likely to be more flexible on contract terms and guarantees

Licensing Agents (Copyright Clearing House)

Publishers of Audio or Video works (Audible.com)

Negotiate Content Licenses with Redistribution Channels

Most content providers will require licensing agreements with multiple outlets, including competing outlets, in order to maximize revenue and/or exposure. Most redistributors prefer exclusive contracts with the provider, *but this is rarely advantageous unless there is a very substantial guaranteed minimum paid for exclusive rights*. Don't give unless essential to the deal. If you give, insist on minimum guarantee – or at minimum, the right to terminate on short notice if revenue or performance metrics are not achieved.

Don't license your intellectual property without an attorney preparing or reviewing the contract for you – no matter how straightforward you think the agreement looks. Contracts need to be carefully worded and reviewed to protect the content providers' rights. Standard contracts from distributors typically include very broad distribution rights and three to five year terms with automatic renewal. Given the rapidly changing nature of the digital world, these provisions are rarely of benefit to the content provider.

Contracts should limit the distribution rights in very specific and exclusionary terms. i.e. any use other than that specified in the contract is prohibited. Reseller contracts typically are worded that the content can be used in any form, even ones not yet known.

The contract should require attribution, preferably with the provider's logo and a link back to the provider's website. It should also specify regular reports on usage and royalty calculations.

In particular, contracts must be very specific in restricting or having the right to approve distribution through other distributors. Today there are many resellers who sell to other resellers, which can result in the content appearing in unexpected places, and in a reduced revenue share.

There are many variants on how content is packaged and paid for so a carefully controlled and coordinated approach is essential.

Examples of pricing

Flat fee for fixed number of content pieces (articles/photos/etc.)?

Fee based on licensee's revenue related to your content (e.g., pro rata slice of subscription fees earned by database licensee based on downloads of your content compared to total downloads; share of ad revenue earned by web site licensee on pages displaying your content)

Can you get a minimum guarantee?

Frequency of billing and any necessary reports from licensee underlying calculation of fee (the shorter the better)

Web addresses for some of the content licensing organizations mentioned in this document appear below.

<http://scientific.thomson.com/products/ssci>

<http://www.hwwilson.com>

<http://proquest.com>

<http://www.copyright.com>

<http://www.factiva.com>

<http://dialog.newsedge.com>

<http://www.yellowbrix.com>

There are some databases that are specific to education and academia that could be reviewed and approached for inclusion if deemed appropriate and if they work in concert with other licenses granted.