Understanding Rights Reversion

Hands-On Exercise: Scenario #1

# Part 1

Cindy Cylindrical wrote a math textbook, *Count, Compare & Calculate*, which she published with Parabola Press ten years ago. Since then, sales of *CCC* have slowed, but the textbook is still selling a handful of copies each year. Realizing that the cost of textbooks is really adding up for her students, Cindy would like to revert rights so that she can make her book available online as a low-cost pdf download.



**Publishing Agreement** between Parabola Press (“Publisher”) and Cindy Cylindrical (“Author”) for *Count, Compare & Calculate* (the “Work”)

**Grant of Rights:** Author herebygrants Publisher worldwide, exclusive rights to the Workin all electronic and print formats for the life of copyright.

Does Cindy need to revert rights or come to another agreement with her publisher to make her book available as a low-cost pdf download? Why or why not?

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# Part 2

Cindy reviews her contract and sees she gave Parabola Press all of the exclusive rights to *Count, Compare & Calculate* for the life of copyright. This means she will need to revert rights or otherwise get permission from Parabola before she can make *CCC* available as a low-cost download. Cindy digs deeper and finds that her contract has a reversion clause.



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| --- | --- |
| **Discontinuance Clause:** If sales of the Work fall below 50 copies per year, Author may request rights back from Publisher in writing. If Publisher fails to bring sales above 50 copies within 6 months, Publisher will revert rights to Author.  | **Royalty Statement***Count, Compare & Calculate***Sales:** 2019: 100 copies2018: 125 copies2017: 300 copies2016: 1500 copies2015: 2000 copies |

Is Cindy eligible to exercise her reversion clause? Why or why not?

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If not, how can Cindy make a case for reversion?

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# Part 3

Because her reversion clause is triggered when sales fall below 50 copies per year and her book sold 100 copies this year, Cindy concludes that she is not eligible to exercise her reversion clause. Knowing that there is often more than one way to get to a solution, she makes a case for reversion by pointing to the rapidly declining sales of *CCC*. Cindy notes that, based on sales history as shown in her royalty statements, it appears that the book appears to have outlived the prime of its commercial life. Despite these arguments, Cindy’s publisher declines to revert rights.



*Dear Cindy,*

*Thank you for your letter requesting your rights back. While we recognize that sales of CCC have declined dramatically in recent years, based on our sales projections, we anticipate that we will still be able to realize another $1000 in revenue over the next five years. As you know, we’re a small press and depend on every bit of revenue, no matter how small! For this reason, we are unable to revert rights to you at this time.*

What other options can Cindy explore with Parabola Press?

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# Conclusion

Cindy knows this doesn’t have to be a zero-sum game and there must be other angles she can pursue. There’s no one right answer, and you may have come up with other options for Cindy, but here are some options she can consider:

* + - Cindy notes from Parabola’s letter that it expects to make $1000 over the next five years and she wonders if they might accept this as a lump sum to revert rights. She doesn’t want to pay this sum out of pocket, but she knows she can put together a successful crowdfunding campaign to cover these costs. If Cindy decides to go this route, her next step is to explain to Parabola Press how this arrangement doesn’t hurt its bottom line, and, if Parabola agrees, get to work setting up a crowdfunding campaign.
		- Cindy calculates that the cost to produce the book in paperback or as an e-book will cut Parabola’s production costs, allowing it to release lower-cost versions of *CCC* while keeping the same profit margins. If Cindy decides to pursue this option, Cindy can explain this math to Parabola Press and appeal for it to make a low-cost paperback or e-book version available. She can bolster her case by pointing out that the current price is hurting sales because it is unaffordable for her students.
		- Cindy knows several colleagues who have released open access versions of their books alongside print copies without harming sales. Using this evidence, Cindy might opt to ask Parabola Press to release an open access version of *CCC* online, while still offering print versions for sale.
		- Cindy recognizes a hyperbolic decline when she sees one, and she estimates that *CCC* will sell fewer than 50 copies in two years’ time. Given this, Cindy might opt to wait two years and reevaluate whether her reversion clause is triggered at that point.

[[1]](#footnote-1).

1. . **Authors Alliance is grateful to Arcadia—a charitable fund of Lisbet Rausing**

**and Peter Baldwin—for a grant that supported the creation of these materials.** [↑](#footnote-ref-1)