



7 April 2026

Date of Hearing: April 7, 2026  
House Bill HF 3698

From: Independent Book Publisher Association  
Dr. Kurt Brackob, Chair, Legislation and Standards Committee  
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The Independent Book Publishers Association respectfully submits the following testimony in opposition to Minnesota House Bill 3698 (HF 3698), which, if enacted, would violate our members' rights under federal copyright law and the United States Constitution by unconstitutionally regulating literary works by dictating licensing terms from copyright owners to libraries for eBook formats. The Independent Book Publishers Association is a national non-profit association of over 4,000 small and mid-sized publishers, as well as author-publishers, including members from the State of Minnesota. IBPA works to promote the rights and professional interests of our publisher members. Our membership would be directly impacted by HF 3698.

While the Independent Book Publishers Association and its membership would like nothing more than for all books to be available to libraries in every format, we strongly oppose the legislative initiative taken by the drafters of HF 3698 to achieve this otherwise laudable goal.

While many independent publishers have strong relationships with and license their works to libraries, HF 3698 would *require* that they offer licenses on "reasonable terms" to libraries in Minnesota. This would create an undue burden on small publishers across the nation who simply do not have the resources or sophistication to manage licensing at scale on a state-by-state basis.

The legislation makes no distinction between large publishers and distributors, such as Amazon, and small independent publishers and author-publishers. All of these publishers would be subject to potential violations of Minnesota law on unfair, abusive, or deceptive trade practice laws if they do not "offer to license" their electronic publications to libraries.

HF 3698 would represent a fundamental, unprecedented intrusion into the free exercise of copyright by both authors and publishers by restricting certain licensing terms for digital materials under the guise of unfair and deceptive trade practices. When the State dictates licensing terms for copyrighted materials it violates the free exercise of Copyright under 17 U.S.C. §106. Only Congress, not the State, has the right to regulate copyright. In a lengthy written opinion analyzing the similar proposed legislation in other states, dated August 30, 2021, Shira Perlmutter, Register of Copyrights and Director of the U.S. Copyright Office, stated, “we conclude that under current precedent, the state laws at issue are likely to be found preempted.”<sup>1</sup> Meaning that the state laws interfere with the authority of Congress and thus violate the Supremacy Clause of the U.S. Constitution.

As the court recognized in the case *AAP v. Frosh*, concerning similar legislation passed by the Maryland legislature, “[i]t is clear from the text and history of the Copyright Act that the balance of rights and exceptions is decided by Congress alone” and “[s]triking the balance between the critical functions of libraries and the importance of preserving the exclusive rights of copyright holders... is squarely in the province of Congress and not this Court or a state legislature.” States cannot avoid federal preemption by recasting restrictions on the exercise of copyrights as protections against unfair, deceptive, or unconscionable conduct, such as is the case with HF 3698. Absent an evidentiary record that clearly establishes actual fraud or misrepresentation, bills restricting price and licensing terms will be preempted by federal law. The reason for this is the supposed misconduct the state law aims to remedy is no more than the perception by the state that the licensee negotiated an unfavorable deal.

The Supremacy Clause is not the only constitutional concern raised by HF 3698. As the sale of electronic literary products by definition represents interstate commerce, this legislation would also directly violate article 1, section 8, clause 3 of the Constitution, which gives Congress the right to regulate interstate commerce. Imposing terms on publishers from the several states in their commercial relationship with the Minnesota libraries, and ultimately the State of Minnesota itself, interferes with interstate commerce which is the exclusive purview of the Congress of the United States.

HF 3698 would ultimately compel publishers to accept licenses they might otherwise choose not to or, tragically, to not offer their works to libraries at all. Under this proposed legislation, publishers would lose the ability to control to whom they license their works and on what terms, eviscerating their rights under 17 U.S.C. §106. The Supreme Court already decided this issue in its 1999 decision in *Orson, Inc. v. Miramax* expressly in which it ruled that states cannot infringe upon the rights of copyright holders: “The state may not mandate distribution and reproduction of a copyrighted work in the face of the exclusive rights to distribution granted under §106.” The law at issue in that case, just as HF 3698 would do, “direct[ed] a copyright holder to distribute and license against its will and interests.”<sup>2</sup>

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<sup>1</sup> Letter from Shira Perlmutter, Register of Copyrights and Dir., United States Copyright Office, to Sen. Thom Tillis, Ranking Member, Subcomm. on Intellectual Prop., United States Senate (Aug. 30, 2021), <https://copyright.gov/laws/hearings/2021-08-30-Response-to-Senator-Tillis-on-eBook-Licensing.pdf>.

<sup>2</sup> *Orson, Inc. v. Miramax Film Corp.*, 189 F.3d 377 (3d Cir. 1999).

It is the contention of the Independent Book Publishers Association that HF 3698 suffers from the same constitutional defects that led to the Federal court decision in the AAP v. Frosch case last year to swiftly strike down similar legislation enacted in Maryland, finding it “unconstitutional and unenforceable because it conflicts with and is preempted by the Copyright Act.” It held that the now-overturned Maryland law “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.”<sup>3</sup> Maryland declined to appeal this well-reasoned decision.

While we are sympathetic to the motivations underlying this legislation, a law that sweeps in thousands of small publishers and self-published authors who cannot manage distribution and licensing at scale is not the right approach and is in fundamental violation of federal copyright law. We concur with United States District Judge Deborah Boardman, who, in the AAP v. Frosch case, stated: “Libraries serve many critical functions in our democracy. They serve as a repository of knowledge — both old and new — and ensure access to that knowledge does not depend on wealth or ability. They also play a special role in documenting society’s evolution. Congress has underscored the significance of libraries and has accorded them a privileged status on at least one occasion, legislating an exception to the Copyright Act’s regime of exclusive rights that permits libraries to reproduce copyrighted material so it may be preserved in the public record across generations. See 17 U.S.C. § 108. Libraries face unique challenges as they sit at the intersection of public service and the private marketplace in an evolving society that is increasingly reliant on digital media. However, striking the balance between the critical functions of libraries and the importance of preserving the exclusive rights of copyright holders is squarely in the province of Congress and not this Court or a state legislature.”<sup>4</sup>

We respectfully oppose HF 3698 and ask that you reject it in light of the broader legal context and possible serious repercussions of this legislation for hardworking independent publishers and self-published authors already facing serious challenges in the current economic environment.

Respectfully submitted,

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<sup>3</sup> Ass'n of Am. Publishers, Inc. v. Frosh, No. DLB-21-3133, 2022 U.S. Dist. LEXIS 105406 (D. Md. June 13, 2022).

<sup>4</sup> United States District Court for the State of Maryland, Case 1:21-cv-03133-DLB Document 19 Filed 02/16/22, p. 27.