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IN-HOUSE COUNSEL Venerable tomes go digital

William J. Bowe, Encyclopaedia Britannica

By William C. Smith
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Name and title: William J. Bowe, executive vice president, general counsel and secretary

Age: 61

Door to door to the Web: William J. Bowe advises and represents Encyclopaedia Britannica Inc. (EB), publisher of the Merriam-Webster dictionary as well as the English-speaking world's oldest and best-known encyclopedia. As EB's general counsel since 1986, Bowe has helped plan this 236-year-old firm's transition from the printed page to the Internet age.

"When I got here, the company was a one-trick pony," recalled Bowe. EB marketed its marquee product the old-fashioned way, door-to-door and library-by-library, with most customers buying the 32-volume encyclopedia on the installment plan. Back then, the majority of EB's 1,000 employees worked in direct sales or financing.

The advent of the Internet and CD-ROM technology made it both possible and necessary to shift from exclusively hard copy to digital text. "It was possible because online and CD-ROM delivery is far less expensive than the direct selling of print encyclopedias, which had a very large and costly administrative apparatus," said Bowe. "It was necessary because electronic competition was putting downward pressure on pricing."

It was also painful. In shifting away from print, EB phased out its direct-selling operations, ultimately laying off hundreds of sales and administrative workers. Bowe helped to plan and implement the downsizing, first in the United States and then worldwide.

"We wanted to be as fair as we could be under the circumstances, both because it was the right thing to do and also because we wanted to minimize the possibility of costly litigation," he said. The planning paid off. The company had to fend off scattered suits by laid-off employees in Puerto Rico and Europe, but had no layoff-related suits in the United States proper, he said.

"For all the disruptions, there have been astounding payoffs," said Bowe. Before the restructuring, EB's direct sales moved about 100,000 volumes annually. Now, double that number subscribe to EB's subscription-based Web site, Britannica.com, and hundreds of thousands more have bought the 44-million word encyclopedia on single CD-ROMs. Another 16 million can access the encyclopedia online through licensing agreements with schools, libraries and other institutional customers. EB still sells its 32-volume print set, on its site.

EB now has about 300 U.S. employees, most at its Chicago headquarters, and another 100 worldwide. The company is privately held by Encyclopaedia Britannica Holdings S.A., a Luxembourg corporation owned by Swiss investor Jacob Safra, who also serves as EB's chairman. EB does not report annual revenue or sales figures.

Law office: Bowe oversees two part-time attorneys: former Jones Day associate Cyri Carifa, and Maridee Quanbeck, who handles international matters and legal work of subsidiary Merriam-Webster. The lawyers are assisted by paralegal Carmen Pagan.

Word defender: EB has been "luckier than a lot of companies" in avoiding lawsuits, said Bowe. Most litigation involves protection of the copyrighted text and trademarked titles of its encyclopedia and dictionaries.

In 1991, EB subsidiary Merriam-Webster filed a trademark and trade dress infringement suit against Random House for its publication of *Webster's College Dictionary*. Although Noah Webster's surname had long ago fallen into the public domain, the plaintiff claimed that the competing dictionary copied *Webster's Ninth New Collegiate Dictionary* in its title and book jacket design and color.

After a four-week trial, the federal district court in New York entered a \$4 million judgment against Random House, based on the jury's finding that the trade dress infringement was intentional and malicious. The judgment was reversed on appeal, with the 2d U.S. Circuit Court of Appeals ruling that there was no likelihood of confusion or dilution. *Merriam-Webster Inc. v. Random House Inc.*, 35 F.3d 65 (2d Cir. 1994). Despite the reversal, Bowe believes that the suit sent a "strong message of deterrence . . . to others that might have been thinking about trying to trade on our intellectual property."

However, the case has not deterred digital pirates in East Asia from producing knockoffs of the CD-ROM of the encyclopedia and cybersquatters trying to profit from EB's trademarks. Realizing that a single company cannot combat this pervasive problem, Bowe has become involved in industry groups such as the International Anti-Counterfeiting Coalition (which he chaired in the mid-1990s) to push for IP protection in China and other offending countries.

Principal outside counsel: Bowe often calls on the Chicago office of Jones Day for corporate and litigation matters. He splits intellectual property work between Chicago boutique Pattishall, McAuliffe, Newbury, Hilliard & Geraldson and Washington's Dickstein Shapiro Morin & Oshinsky.

Chicago law: Bowe was born and raised in Chicago, where his trial lawyer father William J. Bowe Sr. and uncle Augustine J. Bowe were law partners and pioneering workers' compensation practitioners.

He graduated from Yale University in 1964 with a B.A. in political science, and received a J.D. in 1967 from the University of Chicago Law School. After a one-year stint as an associate at Chicago's Ross & Hardies, he enlisted in the U.S. Army, following the steps of his World War I veteran father. Bowe served as a counterintelligence analyst in the Army Operations Center in the Pentagon, as well as a counter-sabotage advisor to the Antiballistic Missile Development Directorate.

Bowe traded his khakis for pinstripes in 1971, signing on with Chicago's Roan & Grossman. In 1979, he went in-house as vice president for legal and corporate affairs at The Bradford Exchange, a multinational direct marketing company in Niles, Ill. Bowe was lured south to Nashville, Tenn., when United Press International hired him in 1984 to establish its in-house law office. He advised the financially ailing news wire company to declare bankruptcy, and helped to supervise UPI's Chapter 11 reorganization.

He has served as Encyclopaedia Britannica's general counsel since 1986.

Personal: Bowe and wife, Cathy, live in the Chicago suburb of Northbrook, Ill., where they raised sons Andrew, 23, and Patrick, 18, a Bradley University student.

Last book and movie: *Dark Star Safari: Overland From Cairo to Cape Town*, by Paul Theroux, and *Master and Commander*.