

LEGAL UPDATE

SUPREME COURT TO HEAR ARGUMENTS ON ELECTRONIC DATABASE COPYRIGHTS FOR FREELANCE JOURNALISTS

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I. INTRODUCTION

On November 6, 2000, the Supreme Court granted certiorari to *Tasini v. New York Times Co.*¹ The decision will determine whether authors of individual freelance articles have control over publishers' subsequent republication of their materials in digitally-archived formats, specifically electronic databases and CD-ROMs. The most recent *Tasini* decision held that such republications are not "revisions" under the meaning of section 201(c) of the Copyright Act of 1976 and therefore republications infringe the authors' copyrights in the individual articles.² This legal update addresses the state of the author-publisher relationship in light of the most recent *Tasini* ruling and briefly examines the ongoing debate surrounding the potential alternative outcomes of the Supreme Court's pending decision.

II. THE *TASINI* SAGA

A. *The Facts*

At the time the *Tasini* action was originally filed, publishers like *The New York Times* company were in the practice of regularly obtaining agreements from freelance authors to publish those authors' articles once in the publishers' printed periodicals.³ However, those publishers routinely contracted with owners of electronic databases and CD-ROM digital archives to republish their

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¹ 206 F.3d 161 (2d Cir. 2000), *cert. granted*, 69 U.S.L.W. 3312, 3312 (U.S. Nov. 6, 2000) (No. 00-201).

² *See* 206 F.3d at 168; 17 U.S.C. § 201(c) (1994).

³ *See Tasini v. New York Times Co.*, 972 F. Supp. 804, 807 (S.D.N.Y. 1997).

content on those databases and digital archives, without seeking additional permission from the freelance authors.⁴ Specifically, the defendant publishers named in the original *Tasini* suit had “entered into like agreements with Mead Data Central Corporation (then the owner of the Lexis/Nexis database) and University Microfilms International (UMI), marketer of the CD-ROMs *New York Times OnDisc* and *General Periodicals OnDisc*.”⁵ The owners of these electronic databases and CD-ROMs marketed their products to the public without sharing profits with the authors of the individual freelance articles, while the publishers received compensation for submitting their printed content for republication.⁶

B. *Tasini* I

In 1993 six freelance authors filed suit against several publishers and owners of electronic databases for copyright infringement.⁷ The authors claimed that the defendants infringed their copyrights by placing their individual freelance articles, which were previously published in traditional print publications, onto electronic databases and CD-ROM digital archives without additional permission.⁸

All parties conceded that the defendants’ published periodicals, in their traditional print form, constituted “collective works” under section 101 of the Copyright Act of 1976 (the Act).⁹ That is, *The New York Times* and periodicals are works “in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.”¹⁰ Accordingly, section 201(c) of the Act provides that a separate copyright exists in each individual contribution to a collective work and that such copyright is distinct from any copyright existing in the collective work as a whole.¹¹ Furthermore, section 201(c) explains that absent an express transfer of the copyright in the individual contribution, “the owner of the copyright in the collective work is presumed to have acquired[, after publication of that individual contribution,] only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in that same series.”¹² In other words, absent any express contractual agreements to the contrary, publishers like *The New York Times* own copyrights only in their periodicals as collective

⁴ See *id.* at 807-09.

⁵ Jeffrey P. Weingart et al., *‘Tasini’ Case May Set Back Free-Lancers*, NAT’L L. J., Oct. 25, 1999, C3, available in WL, Legalnp Database; see also *Tasini*, 972 F. Supp. at 808-09.

⁶ See *Tasini*, 972 F. Supp. at 807, 809.

⁷ See *id.* at 806. Authors Jonathan Tasini, Mary Kay Blakely, Barbara Garson, Margot Mifflin, Sonia Jaffe Robbins, and David S. Whitford were named as plaintiffs. See *id.* at 804. The New York Times Co., Newsday, Inc., Time, Inc., The Atlantic Monthly Co., Mead Data Central Corp., and University Microfilms, Inc. were named as defendants. See *id.*

⁸ See *id.* at 806.

⁹ See Copyright Act of 1976, 17 U.S.C. § 101 (1994).

¹⁰ *Id.*

¹¹ See 17 U.S.C. § 201(c); *Tasini*, 972 F. Supp. at 809.

¹² 17 U.S.C. § 201(c); see also *Tasini*, 972 F. Supp. at 809.

works and not in the individual articles, which, when amassed, comprise such periodicals.

The defendants urged that the pertinent digital technologies “merely generate ‘revisions of [the defendant publishers’] collective work[s,]” thereby affording them the privilege to reproduce the freelance authors’ articles without obtaining additional permission under section 201(c).¹³ The plaintiff authors alleged, among other things, that the relevant republications did not “revise” the defendant publishers’ periodicals within the meaning of section 201(c) and therefore infringed their copyrights.¹⁴ Thus, the question for the court was whether the applicable electronic reproductions of the authors’ articles “retain[ed] enough of [the publishers’] periodicals to be recognizable as versions of those periodicals.”¹⁵ That is, whether or not the electronic republications could fairly be categorized as “any revision” of the publishers’ collective works in which the individual articles appeared.

The district court initially agreed that the electronic databases and CD-ROMs usually failed to preserve the original arrangement of materials in the periodicals.¹⁶ For example, the electronic republications did not include accompanying pictures, maps, and obituaries found in the original print publications.¹⁷ However, in granting summary judgment for the defendants, the court reasoned that “[b]y retaining the publisher defendants’ original selection of articles . . . electronic defendants have managed to retain one of the few defining original elements of the publishers’ collective works.”¹⁸ Thus, according to the district court, electronic databases, constituted “any revision” of those newspapers and magazines for purposes of section 201(c) because they carried “recognizable versions of the publishers’ newspapers and magazines.”¹⁹

Though doubtless of little consolation to the authors, the district court approached its holding with a modicum of caution.²⁰ The court explained that section 201(c) would still apply in preventing the exploitation of individual articles by publishers, noting that “*The New York Times*, for instance, cannot sell a freelance article to be included in *Sports Illustrated*. . . . A magazine publisher cannot rework a featured article into a full-length book. . . . And publishers cannot create television or film versions of individual freelance contributions to their periodicals.”²¹ While recognizing that its holding

¹³ *Tasini*, 972 F. Supp. at 809; *see also* 17 U.S.C. § 201(c).

¹⁴ *See Tasini*, 972 F. Supp. at 809. Specifically, the authors alleged that the owners of electronic databases and CD-ROMs directly infringed the authors’ copyrights, making the publishers contributory infringers to the extent that they cooperated with the owners of the electronic databases and CD-ROMs in creating the allegedly infringing works. *See id.* at 809 n.3.

¹⁵ *Tasini*, 972 F. Supp. at 824.

¹⁶ *See id.* at 825.

¹⁷ *See id.*

¹⁸ *Id.*

¹⁹ *Id.*; *see also* Copyright Act of 1976, 17 U.S.C. § 201(c) (1994).

²⁰ *See* Clare Ann Fitzgerald, *Freelance Journalism After Tasini*, LEGAL INTELLIGENCER, Feb. 3, 2000, available in WL, Legalnp Database.

²¹ *Tasini*, 972 F. Supp. at 826.

effectively deprived freelance authors of receiving any compensation for extensive distribution of their articles on electronic databases, the district court nonetheless concluded that “plaintiffs’ real complaint lies in the fact that modern technology has created a situation in which revision rights are much more valuable than anticipated as of the time that the specific terms of the Copyright Act were being negotiated.”²² In other words, according to the district court, the authors were simply frustrated that they had no legal ability to reap rewards not statutorily granted to them. Significantly, the district court did not specifically hold that section 201(c) affirmatively authorized the electronic republication of freelance authors’ articles, but that the provision did allow electronic database archiving of *previously published* collective works.²³ The crux of the court’s decision turned on its determination that these electronic republications constituted “revisions.”²⁴

C. Tasini II

On appeal, the Second Circuit reversed, essentially treating the matter as one of statutory construction.²⁵ The court noted that the electronic databases at issue could “hardly be deemed a ‘revision’ of each edition of every periodical it contains. . . . [the publisher does] almost nothing to preserve the copyrightable aspects of the publisher’s collective works. . . .”²⁶ The Second Circuit disagreed with the district court’s assertion that the electronic databases preserved copyrightable elements of the publishers’ collective works.²⁷ The court opined that in reproducing the publishers’ collective works in the electronic databases, the selection, coordination, and arrangement of the preexisting collection are lost, thereby depriving it of “revision” status.²⁸ In fact, the court noted that:

[I]t is significant that neither the publishers nor NEXIS [a defendant database owner] evince any intent to compel, or even to permit, an end user to retrieve an individual work only in connection with other works from the edition in which it ran. Quite the contrary, the *New York Times* actually *forbids* NEXIS from producing “facsimile republications” of particular editions.²⁹

In other words, according to the Second Circuit, users accessing electronic

²² *Id.* at 827.

²³ *See id.*; *see also* Jonathan Bick, *High Court’s Review Shows Internet Rights May Be Unique*, N.J. L.J., Nov. 20, 2000, at 32, 32, *available in* WL, Legalnp Database.

²⁴ *See Tasini*, 972 F. Supp. at 825.

²⁵ *See Tasini v. New York Times Co.*, 206 F.3d 161, 166-67 (2d Cir. 1999).

²⁶ *Id.* at 168.

²⁷ *See id.*

²⁸ *See id.* 168-69.

²⁹ *Id.* at 169. The Second Circuit reiterated the ruling in *Ryan v. Carl Corp.*, 23 F. Supp. 2d 1146, 1150 (N.D. Cal. 1998) (noting that Congress enacted section 201(c) to expand authors’ rights, not constrain them). *Ryan* held that defendants photocopying plaintiffs’ articles for document retrieval service was not privileged under section 201(c), opining that to call such activity a “revision” would be “more strained than even a flexible interpretation can withstand.” *Ryan*, 23 F. Supp. 2d at 1150.

databases effectively request and retrieve individual articles piecemeal rather than as part of a collective whole. Since the copyrights in individual articles belong only to their authors, they may not be reproduced without the authors' permission. Therefore, electronic reproductions at issue constituted infringement.³⁰

III. CERTIORARI GRANTED: POTENTIAL IMPACT OF THE FINAL DECISION

A. *Immediate Aftermath*

While interested parties await the Supreme Court's decision, litigation has already begun under the Second Circuit's interpretation. In response to the Second Circuit's ruling, many publishers have attempted to require freelance authors to sign "all rights" contracts that relinquish all future publication rights in applicable works "in any medium or format, now known or later developed, for no additional fee."³¹ Further, several publishers have tried to supplement all-rights contracts with "retroactive rights" contracts, which absolve the publishers of any copyright liability for past republication of the authors' article(s) in electronic databases or other media.³² In response, freelance authors have filed lawsuits addressing alleged impropriety of rights-limiting contracts³³ and seeking compensation for allegedly infringing practices of major research databases.³⁴

B. *Implications for Public at Large*

In their main brief submitted to the Supreme Court, *The New York Times* emphasizes, among other things, the potentially devastating consequences of

³⁰ See *Tasini*, 206 F.3d at 169. The court similarly applied its holding to the applicable instances of republication on defendants' CD-ROMs. See *id.* While the court recognized that the CD-ROMs contained information from only one publisher, and in some cases included some image-based (as opposed to only text-based) files, it nonetheless refused to classify them as "revisions" under section 201(c). See *id.* Put simply, the court found that "no more of the [publishers'] original selection and arrangement is evident or retained in [the CD-ROMs] than is retained in [the electronic databases,] . . ." and that such CD-ROMs are "at best 'new antholog[ies]' or different collective works . . ." that do not afford publishers a republication privilege under section 201(c). *Id.*

³¹ Emily M. Bass, *Free-lancers Ride Again*, LEGAL TIMES, Oct. 16, 2000, available in WL, Legalnp Database; see also *Tasini*, 206 F.3d at 169.

³² See Bass, *supra* note 31.

³³ See *id.* (discussing a suit alleging that the *Boston Globe's* contract with freelance writers "constitutes a deceptive and unfair practice under Massachusetts law").

³⁴ See *id.* Two infringement class actions were consolidated in the United States District Court for the Southern District of New York. See *In re Literary Works in Elec. Databases Copyright Litig.*, No. M-21-90-GBD, 2001 U.S. Dist. LEXIS 2047, at *1 (S.D.N.Y. Feb. 27, 2001). The consolidated cases were *Posner v. Gale Group, Inc.* and *Authors Guild v. Dialog Corp.*, both of which sought to represent all U.S. authors who have registered their copyrights with the United States Copyright Office and whose works have been accessed or downloaded from one of the databases, and *Laney v. Dow Jones & Co.*, which sought to represent all freelancer writers worldwide whose works are carried in the databases without their permission. See *id.* at 1-2.

upholding the Second Circuit's *Tasini* decision.³⁵ Lawrence Tribe, counsel of record for the petitioners, argues that affirming the Second Circuit's decision would set "a national rule requiring the destruction of decades' worth of articles currently stored in electronic archives."³⁶ Indeed, a retrospective ruling leading to lawsuits from authors seeking compensation for electronic publication of their works over many years could lead to the voluntary shutdown of electronic databases altogether.³⁷ Since many libraries nationwide have replaced their hard copies with electronic storage, such a result could ultimately lead to a widespread loss of scholarship.³⁸ In sum, *The New York Times* and its publishing brethren contend that should the Second Circuit's decision stand, the very interests that the Copyright Act seeks to protect could be foiled, thus restricting public access to the vast body of information contained within the electronic databases and CD-ROMs.³⁹

It remains to be seen whether the Court will merely affirm the Second Circuit's holding or use the opportunity to establish separate copyrights for traditional print and electronic publications. Should the Supreme Court take the former route, courts will inevitably have to decide who should be compensated for past infringements, set proper compensation and determine how such digital rights should be handled in the future.⁴⁰ If, however, the Court upholds the district court's decision, disgruntled freelance authors may advance a flurry of class actions seeking compensation for decades of newly infringing electronic publication of their works.

³⁵ See Brief for Petitioner at 1-3, *New York Times Co. v. Tasini*, 69 U.S.L.W. 3312 (U.S. Nov. 6, 2001) (No. 00-201); see also Tony Mauro, *Copyright Suit May Reshape Regulations for a Digital Age*, RECORDER, Oct. 30, 2000, at 2, 2, available in WL, Legalnp Database.

³⁶ Mauro, *supra* note 35.

³⁷ See *id.*

³⁸ See Fitzgerald, *supra* note 20.

³⁹ See U.S. CONST. art. I, § 8, cl. 8. This clause, the empowering language of the Copyright Act of 1976, grants Congress the power to "promote the Progress and Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." *Id.*

⁴⁰ See Bass, *supra* note 31.