

NEW YORK TIMES CO. V. TASINI: STRIKING A BALANCE
BETWEEN THE RIGHTS OF A FREELANCE AUTHOR IN
THEIR INDIVIDUAL WORKS AND THE RIGHTS OF A
PUBLISHER IN ITS COLLECTIVE WORKS

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I. INTRODUCTION

In *New York Times Co. v. Tasini*,¹ the United States Supreme Court is presented with the narrow issue of whether under 17 U.S.C. § 201(c) of the Copyright Act of 1976, a publisher's privilege of reproduction and distribution of a freelance author's contribution to a periodical extends not only to printed documents, but also to the reproductions and distributions in electronic form as a "revision" of the original work. Therefore, the Supreme Court is charged with drawing a balance between the rights of a freelance author in their individual works and a publisher's rights in its collective works.

II. THE NATURE OF THE CASE

Plaintiffs in *New York Times Co. v. Tasini* are six freelance authors that sued defendants, The New York Times Co., Newsday, Inc., The Atlantic Monthly Co., Mead Data Central Corporation (LEXIS/NEXIS),² and University Microfilms, Inc., for copyright infringement of the contents of twenty-one periodical and newspaper articles for use in electronic databases.³ Plaintiffs claimed copyright rights in their individual articles, and defendants claimed copyright rights in the collection of the individual articles or collective works. Nearly all

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1. *Tasini v. New York Times Co.*, 206 F.3d 161 (2d Cir. 1999), *cert. granted*, No. 00-201.

2. LEXIS/NEXIS is the owner and operator of the online database NEXIS.

3. *Tasini v. New York Times Co.*, 972 F. Supp. 804, 806 (S.D.N.Y. 1997) [hereinafter *Tasini I*].

of the plaintiffs' submissions of the separately copyrightable articles to the publishers were without written contracts.⁴

Defendants used plaintiffs' contributions in three ways beyond the publication of the articles as part of the originally published work. Additionally, defendants sold the articles to LEXIS/NEXIS,⁵ New York Times On-Disc,⁶ and General Periodicals OnDisc⁷ for additional reproduction.⁸ Plaintiffs alleged that selling their articles for publication on these databases and CD-ROMs exceeded the "privilege" to reproduce and distribute works under 17 U.S.C. § 201 of the Copyright Act of 1976.⁹ Defendants claim that Section 201(c) provides a safe harbor for their activities because licensing the articles to database companies is a permissible "revision."¹⁰

III. 17 U.S.C. § 201 OF THE COPYRIGHT ACT OF 1976: OWNERSHIP OF COPYRIGHT

17 U.S.C. § 201 defines ownership of copyright in four situations relevant to the issues presented in *New York Times Co. v. Tasini*. First, Section 201(a) states that ownership in an original work fixed in a tangible media of expression vests initially with the author of that work.¹¹ Section 201(b) states that an employer or other person owns all copyright rights if the author of the work prepares it as a "work made for hire."¹²

4. *Id.* at 806-07. Only one author submitted an article to a magazine, *Sports Illustrated*, published by defendant *Time*, under a written contract. *Id.*

5. The defendant publishers delivered or transmitted electronic versions of the full text of the articles published in daily or weekly publications to electronic database providers, such as LEXIS/NEXIS. *Id.* at 808. In the early 1980s, publishers such as the New York Times Co. began selling the contents of publications to electronic database providers without compensating freelance authors for the sales. *Id.* at 807. Articles appearing on NEXIS are Boolean searchable and search results are viewable as individual articles or as a citation list. *Id.* at 808. An article that is part of a citation list includes the author, the origin of publication, and the number of words. *Id.*

6. New York Times On-Disc, distributed by defendant University Microfilms, Inc., is a CD-ROM product that displays articles without the photographs, captions, or columns of text, which is the same as the articles that are displayed on NEXIS. *Id.*

7. General Periodicals OnDisc displays articles from the *Sunday Magazine* and *Book Review* of the *New York Times*. *Id.* The OnDisc system is image-based, which means that the articles appear as they would in print complete with the layout of the original work. *Id.* at 808-09. Text-based discs, which are searchable, are sold with the image-based discs, which are not searchable. *Id.* at 809.

8. *Id.* at 808-09.

9. *Id.* at 809.

10. 17 U.S.C. § 201(c) (1994 & Supp. IV 1998) grants the author of a collective work, absent a written agreement, the privilege to reproduce or distribute "the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series."

11. 17 U.S.C. § 201(a) (1994 & Supp. IV 1998).

12. 17 U.S.C. § 201(b) (1994 & Supp. IV 1998). The Copyright Act defines a "work made for hire" as:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, . . . as a compilation, . . . if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

17 U.S.C. § 101 (1994 & Supp. IV 1998).

An express written instrument is required in order to transfer title in a work made for hire.¹³

Further, Section 201(c) states that a copyright vests with the author of a contribution to a collective work.¹⁴ The author of the collective work acquires a copyright that is distinct from the copyright acquired by an author of a contribution to the collective work.¹⁵ Absent an express transfer of copyright between the authors of the collective work and the underlying contributions, the owner of the copyright in the collective work acquires limited privileges of reproduction and distribution.¹⁶ The author of the collective work's privileges extend to "reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series."¹⁷ The provision of Section 201(c) at issue in *Tasini* is "any revision of that collective work." Unfortunately, the Copyright Act does not define the term "revision."¹⁸

The legislative history of Section 201(c) provides minimal guidance for interpretation of the "any revision" provision of Section 201(c). In pertinent part, the legislative history of Section 201(c) states that:

13. 17 U.S.C. § 201(b) (1994 & Supp. IV 1998). Section 201(b) states that: [i]n the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

Id.

14. 17 U.S.C. § 201(c) (1994 & Supp. IV 1998). "A 'collective work' is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." 17 U.S.C. § 101 (1994 & Supp. IV 1998). A "collective work" is a form of a compilation. *Id.* A "compilation" is "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." *Id.*

15. 17 U.S.C. § 103(b) (1994 & Supp. IV 1998). Section 103(b) states:

The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

Id.

16. 17 U.S.C. § 201(c) (1994 & Supp. IV 1998). The full text of Section 201(c) states:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired 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 the same series.

Id.

17. *Id.*

18. See MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY 1003 (10th ed. 1995) (defining "revision" as "an amended, improved, or up-to-date version of a work"). See also *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 743, 748 n.14 (1989) (stating that the 1976 Copyright Act was almost a complete revision of the then existing copyright law and "was the product of two decades of negotiation by representatives of creators and copyright-using industries, supervised by the Copyright Office and, to a lesser extent, by Congress" that requires "strict adherence to the language and structure of the Act").

Under the language of this clause a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work.¹⁹

The legislative history only provides limited examples of permissible revisions under Section 201(c).

Last, Section 201(d) sets forth the parameters for the transfer of copyright ownership.²⁰ Section 201(d) addresses situations where the express transfer of rights occurs, which is unlike the situations Section 201(c) is intended to cover.

IV. THE FEDERAL DISTRICT COURT DECISION

In *Tasini I*, the United States District Court for the Southern District of New York granted defendants' motion for summary judgment holding that defendants' "privilege" in collective works, under Section 201(c), extends to reproductions and distributions of collective works on computer databases such as NEXIS.²¹

In *Tasini I*, the District Court held that nothing in Section 201(c) limits the media in which the right of reproduction and distribution extends.²² According to the District Court, the publishers were free to reproduce and distribute the individual contributions as part of a revision of the collection, even though the revised versions no longer included the

19. H.R. REP. NO. 94-1476, at 122-23 (1976).

20. 17 U.S.C. § 201(d) (1994 & Supp. IV 1998). Section 201(d) provides the following: Transfer of Ownership.

(1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.

(2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by Section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

Id.

21. *Tasini I*, 972 F. Supp. 804 (S.D.N.Y. 1997).

22. *Id.* at 816. The District Court in *Tasini I* also held that the display right is implicated from and incidental to the right to reproduce. *Id.* at 816-17. The District Court reasoned that the Copyright Act of 1976, as a media neutral statute, contemplated that copies of works may come in the form of computer terminal displays. *Id.* at 816. See 17 U.S.C. § 101 (1994 & Supp. IV 1998) (stating that "Copies are material objects . . . in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."). See also 17 U.S.C. § 102 (stating in part that "original works of authorship fixed in any tangible medium of expression, now known or later developed"). Case law also supports a media neutral application of Section 201(c). See, e.g., *Sony Corp. v. Am. v. Universal City Studios*, 464 U.S. 417, 432 (1984) (citing *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975)).

arrangement and coordination of the articles.²³ Further, the District Court held that the publishers' selection of the articles provided sufficient copyrightable subject matter for the original publication to be considered a collective work and that the electronic versions submitted to the databases retained this subject matter.²⁴

Last, the District Court considered and dismissed plaintiffs' argument that freelance authors are left without copyright protection if the defendants were to prevail.²⁵ The District Court ruled that although electronic databases may have caused a windfall for publishers, by enacting Section 201(c) of the Copyright Act of 1976, Congress only dealt with the problems specific to that time frame. Within the Copyright Act of 1976, Congress addressed the problem of magazines selling articles among themselves and the television adaptation of stories through Section 201(c).²⁶ The District Court stated that if Congress agrees with plaintiffs that Section 201(c) has created an unintended publisher windfall, it would be free to revise the provision to correct the alleged wrong.²⁷

V. THE SECOND CIRCUIT REVERSAL OF THE FEDERAL DISTRICT COURT DECISION

In *Tasini II*, the Court of Appeals for the Second Circuit analyzed the case contrary to the District Court and reversed the decision.²⁸ The Second Circuit held that Section 201(c) did not permit the defendant publishers "to license individually copyrighted works for inclusion in the electronic databases."²⁹ The Second Circuit construed the statute to

23. *Id.* at 822. See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991) (holding that a collective work is copyrightable because of the selection, arrangement, or coordination of materials in the work). The District Court also held that the database providers sufficiently connected the individual contributions to a collective work through identifying the author, publication, issue, and page number on the contribution when accessed in the database. *Tasini I*, 972 F. Supp. at 824. This identification on the contributions tags the "articles in such a way that the publisher defendants' original selection remains evident online." *Id.*

24. *Id.* at 823-24.

25. *Id.* at 826.

26. *Id.* at 826-27.

27. *Id.* at 827.

28. *Tasini v. New York Times Co.*, 206 F.3d 161, 165, 171 (2d Cir. 1999) [hereinafter *Tasini II*].

29. *Id.* at 165.

provide a more limited grant of reproduction and distribution privileges under the "any revision" provision than the District Court.³⁰

In *Tasini II*, the Second Circuit focused its inquiry on the nature of the work that results from the original collective work and whether the new work retains the subject matter (selection, arrangement, or coordination of the individual contributions) that made the original collective work copyrightable.³¹ According to the Second Circuit, "some of the paper's content, and most of its arrangement are lost," on electronic databases such as NEXIS.³² This transformation of the original collective work, along with placing the once collectively associated contributions among millions of other articles, no longer includes the arrangement and coordination of articles, headings, advertising, and photographs that made the original collection copyrightable.³³ The Second Circuit ruled that the collection of works on an electronic database is at best a new collective work or anthology, which is not a permissible revision under Section 201(c).³⁴

VI. CONCLUSION AND CONSIDERATIONS FOR THE UNITED STATES SUPREME COURT

In deciding the main issue on appeal, the United States Supreme Court has to examine several difficult issues and its decision may affect the dissemination and distribution of information worldwide.

One issue that the Supreme Court may impact is the balance between permissible and privileged reproductions or distributions and impermissible ones. Publisher uses of a contribution that is taken from

30. *Id.* at 166-68. The Second Circuit read the "any revision" provision of Section 201(c) in view of the two other provisions of the statute, which are to use the contribution in that particular work and to use the contribution in a later collective work of the same series. *See* *General Elec. Co. v. Occupational Safety & Health Review Comm'n*, 583 F.2d 61, 64-65 (2d Cir. 1978) (discussing that a court may construe the meaning of one term in the context of other terms surrounding it). The Second Circuit read the "any revision" provision to lie between the privilege to use the contribution in that particular collective work and the privilege to use the contribution in a later collective work in the same series. *Tasini II*, 206 F.3d at 166-68. The legislative history of Section 201(c) supported the Second Circuit's reasoning that "collective work in the same series" meant, for example, a new edition of an encyclopedia or later issue of a magazine. *Id.* at 167. *See* H.R. REP. NO. 94-1476, at 122-23 (1976). The Second Circuit held that converting the original work to electronic form removed the copyrightable aspects of the work so that the version submitted to the database companies was the equivalent to "a new anthology or an entirely different magazine or other collective work." *Id.* at 167. *See* H.R. REP. NO. 94-1476, at 122-23 (1976).

31. *Tasini II*, 206 F.3d at 168-69. *See* 17 U.S.C. § 101 (1994 & Supp. IV 1998) (defining the copyrightable subject matter of a compilation as the selection, arrangement, or coordination of preexisting materials, individual contribution, such that the resulting work, a collective work, constitutes an original work of authorship). *See also* *Feist Publ'ns, Inc.*, 499 U.S. at 349.

32. *Tasini II*, 206 F.3d at 168-69. *See* *Ryan v. Carl Corp.*, 23 F. Supp. 2d 1146 (N.D. Cal. 1998), in which the District Court for the Northern District of California refused to extend the Section 201(c) reproduction and distribution privilege to sales of photocopies of individual articles that had originally appeared as contributions in a collective work of the publisher.

33. *Id.*

34. *Id.*

an original collective work include a wide variety of permutations. For example, a publisher may use a contribution from the original collective work on its own web site. The contribution may be used along with all or some of the other collective works used in the original collective work to provide up to the minute information. The contribution may be included in a searchable web site archive that only retrieves one article at a time. Similar to microfilm or microfiche, a publisher may provide copies of the collective work in its full form for scanning and distribution on a CD-ROM. In this situation, the publisher may only include part of the original collective work for scanning.

These examples show only a few of the different changes to the original collective works that result in different new collective works that may or may not be permissible. Where the Supreme Court decides to draw the line between privileged and non-privileged reproductions and distributions under Section 201(c) may greatly impact information technology.

Another potentially significant result of the Supreme Court's decision in *New York Times Co. v. Tasini* are the remedies that may ultimately be provided to the plaintiffs should the Second Circuit decision be affirmed or the plaintiffs prevail at trial. If the Supreme Court affirms the Second Circuit decision or overturns the decision but still remands the case to the District Court, the plaintiff may seek equitable remedies for the copyright infringements. If plaintiffs are successful in obtaining an injunction that retrospectively precludes, for example, LEXIS/NEXIS from including infringed contributions, such databases may ultimately lose much of their utility.³⁵ The database companies may have to remove years of compiled contributions that fail to qualify for privileged status under Section 201(c).³⁶ Although the decision would be limited to this case, a potential for widespread litigation looms under this scenario. Decisions that grant equitable remedies, such as injunctions, could create large gaps of information on the electronic databases or web sites that may take years to close.

Therefore, the Supreme Court must properly strike a balance between the rights of a freelance author in the electronic form of their individual works and a publisher's rights to reproduce and distribute its collective works. A decision either for freelance authors or publishers will have significant impact on individual property rights and the dissemination of information in a technology driven world.

35. See *Chevron Oil Co. v. Huson*, 404 U.S. 97 (1971) (discussing the three factors a court must consider when determining if prospective relief is appropriate in a civil case).

36. However, publishers still have equitable defenses, such as laches, waiver, or estoppel, to infringement claims, which may bar a plaintiff from suit.