

THE IMPACT OF TASINI V. THE NEW YORK TIMES

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Tasini v. The New York Times, 972 F.Supp. 804, (S.D.N.Y.1997), reconsideration denied, 981 F.Supp. 841 (S.D.N.Y.1997), 1997 Copr.L.Dec. P27, 672, 43 U.S.P.Q.2d 1801, 25 Media L. Rep. 2057.

Tasini is factually parallel to the CARL litigation and they will both eventually be resolved — as well as real serious issues in copyright law — by the US Supreme Court.

Free-lance writers sued the New York Times and other publishers of collective works for placing their articles in electronic databases and on CD-ROMs without writer permission.

All those salaried staff writers are performing “work for hire” and the Gray Lady owns the copyright in toto.

Along with the New York Times, the distinguished list of defendants included Newsday, Time, The Atlantic Monthly, The MEAD Corporation (LEXIS/NEXIS) and UMI. NEXIS of course is the online, electronic, computer assisted text retrieval system. UMI produces “The New York Times OnDisc” which is like NEXIS.

Authors contracted verbally with the New York Times. They’d call an editor, pitch an idea, agree on a price and deadline. Likewise Sports Illustrated (Time, Inc.) except SI’s check contained the language “this check accepted as full payment for first-time publication rights to material.”

As you would guess, the “contracts” were a snarl. Sometimes the checks included “right to include in electronic library archives.” Sometimes, the authors crossed out that part; sometimes not.

Online NEXIS customers buy a package that permits access to the mainframe “libraries.” NEXIS does not imitate the full page layout of the original compilation. There are no photographs or captions. Rather, the customer conducts a Boolean search for individual articles which have citations to the author, date and page in the original compilation.

In the District Court, Defendants moved for Summary Judgment and won.

In a collective work, “a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.” 17 U.S.C. § 101. Publisher/author rights are found in 17 U.S.C. § 201(c).

Copyright ownership of an article begins with the author and is transferred to the

publisher by contract. Without an express agreement, the publisher acquires only the right to publish and distribute that article as (1) part of the collected work, (2) a revision of it, or (3) a later collective work in the same series.

Plaintiffs argued that the electronic format was not a revision of the collected work. Defendants argued they were. But first some other stuff of interest.

Written Evidence Needed — Oral Contracts Not Sufficient to Transfer Electronic Rights

Defendants Newsday and Time claimed their authors had expressly transferred electronic rights through cashing the checks with the one-line contractual agreement. The need for written evidence of such a transfer is found in § 204(a) of the Act. It requires “an instrument or conveyance, or a note or memorandum ... in writing and signed by the owner of rights conveyed ...”

“[A] writing memorializing the assignment of copyright interests ‘doesn’t have to be the Magna Carta; a one-line pro forma statement will do.’ However, the terms of any writing purporting to transfer copyright interests, even a one-line pro forma statement, must be clear.” *Papa’s-June Music, Inc. v. McLean*, 921 F.Supp. 1154, 1158-59 (S.D.N.Y.1996) (citing *Effects Associates, Inc. v. Cohen*, 908 F.2d 555, 557 (9th Cir.1990)).

Newsday had put the articles into electronic format before the authors received or cashed the checks. Basic contract law says the parties must have a meeting of the minds on all material elements of a contract. Newsday’s one line on the checks were not evidence of any mutual understanding as to rights. They did not validate any prior oral agreement.

Further, the one line was ambiguous in the case of permission to place in “electronic library archives.” Plaintiffs successfully argued that “electronic library archives” and a commercial database like NEXIS serve very different purposes. c.f. *American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 919 921 (2d Cir.1995). Also, Newsday admitted it maintained “electronic library archives” as a storage system without a commercial purpose.

Right of First Publication

Authors gave Time a right of first publication and nowhere in the agreement was there a limitation on the form of media. *Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150 (2d Cir.) and a series of related cases hold that the burden lies on the grantor to frame any exceptions when new technological uses exist. However, none of the cases deals with a contract containing a “first publication right.”

Our plaintiffs’ articles first appeared in print. Next they appeared in electronic form in NEXIS. First publication right cannot mean a right to publish “first” in each and

every format available. *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 564, 105 S.Ct. 2218, 2232, 85 L.Ed.2d 588 (1985). (“The right of first publication encompasses not only the choice whether to publish at all, but also the choices of when, where, and in what form first to publish a work.”)

So Is It a Revision Then?

201(c) allows publishers to reproduce an article “as part of ... any revision” of the collective work in which it initially appeared. They may not place them in new anthologies, entirely new magazines or other collective works. See *Quinto v. Legal Times of Washington, Inc.*, 506 F.Supp. 554 (D.D.C.1981) (law school newspaper could not authorize a separate newspaper to reprint an article).

Plaintiffs used the analogy of a revised Encyclopedia to insist that revisions must be minor. In the closest thing I’ve ever seen to a judicial quip, the Court pointed out that the Copyright Act of 1976 was a “revision” of the 1909 Act and yet completely changed copyright law.

Still, the original work must be recognizable. Change the original selection and arrangement and you have created a new work. Significant original aspects of the collective work must be preserved. Otherwise, the publisher is exploiting the component parts.

Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991). holds that little originality is required to trigger copyright protection to a compilation. However, great care must be given in preserving the original selection or arrangement in the revision.

What Original Characteristics Must Be Preserved?

More than a “certain percentage” of the original work must be copied. Of course you’re saying, “How much?” And you guessed it. The Court doesn’t say. But it doesn’t matter because...

The NY Times selects “all the news that’s fit to print.” This editorial determination is a task with a more than ample element of creativity to provide copyright protection. This selectivity is preserved in feeding the articles into the database. And all of the articles are fed into the database. Not just a “certain percentage.” NEXIS does no selection of its own that might create a separate collective work.

Plaintiffs argued that the articles were immersed in a sea of countless articles from other periodicals. The Court found this solved by the highlighted connection—publication, issue, and page number—between an article and the hardcopy periodical where it first appeared. This tagging of the articles made the original selection evident.

Plaintiffs analogized this to chopping up a car engine and selling its individual parts.

They said the compilation was disassembled to create value in each article. They described the car as a wrecked car, I guess meaning it had no more value as a collective work.

The Court noted that much of the value of an article—its credibility—is derived from it appearing in a particular periodical—indeed in its being published at all. In other words, the car is not wrecked?

Much originality—photographs, captions and page lay-out is indeed lost when you pour articles in NEXIS. Remember, though, a revision is a changed version. It only must be recognizable as a version of the original.

Originality in a compilation exists in (1) selection and (2) arrangement. In a revision one of these will be changed or entirely lost. The NEXIS format loses arrangement but keeps selection.

The Court reasoned that NEXIS and CD-ROMs serve the same purpose as a hardcopy newspaper. By using electronic format, they permit access with a new efficiency. A newspaper may be read on a bus, or it may end up in the stacks of a library. Researchers may dredge up the Jan. 1, 1999 edition of the NY Times from the stacks or from a CD-ROM, but it's still the Jan. 1, 1999 NY Times.

Much ado about nothing? Even if authors tried to haggle about electronic rights, they'd be given the same contract price. So they really lost nothing. Written contracts with authors with authors surrendering electronic rights will clear up any confusion in the future.

But then came the reversal by the Second Circuit.

Tasini v. The New York Times et al On Appeal (read the opinion at www.tourolaw.edu/2ndCircuit/September99/97-9181.html)

Rights in Collective Works:

Collective works are bundles of articles that have sufficient originality for copyright due to selection and arrangement. The publishers first put out the print issue and then licensed the articles to electronic database providers like Nexis. Articles could be retrieved individually or in any combination of what was in the database. 17 U.S.C. §201(c) gives the owner of the collective work the right to reproduce the articles in revisions of the work. The issue before the Court was whether the databases were revisions as intended by the Copyright Act.

A “revision of that collective work” means a revision of a particular edition of a specific periodical.

As publishers cannot sell a hardcopy of an article along with selling the collective work, there is no reason for them to be able to sell the articles individually through

NEXIS. The database has many, many articles from many, many periodicals. This big electronic mess of articles cannot be a revision of each edition that's dumped into it.

Publisher's copyright is derived from it being an original work of authorship due to selection, coordination and arrangement of the preexisting materials. Feist at 349. Admittedly, the minimal creativity of Feist is an extremely low standard and easily achieved. Nonetheless, NEXIS obliterates what made the collective work copyrightable. And neither NY Times nor NEXIS attempts to make the buyer retrieve a facsimile of the original collective work. The Times contract in fact forbids "facsimile reproductions."

So Now What?

At the District Court level, the publishers successfully argued that the articles were fed into NEXIS in their entirety. There was not a second selection. Which would make them still part of the original collective work.

A revision is a change, but the original work is still recognizable. The tagging of the articles by issue, date, page etc. prevented them from being lost in an electronic sea. Selection was retained, while part of the layout arrangement was lost.

The Appellate Court said, no, it was lost in the sea because you could not retrieve a facsimile.

Looking at this from a business perspective, did NY Times et al realize their copyright claim was dubious? And if so, did they just decide to bull ahead because they didn't want a rival to seize a dominant market share in selling electronic archives to libraries?

Whatever the case, libraries are stuck in limbo with a huge amount of unusable electronic material. And they dare not give students access even if they are relying on warranties from publishers as to copyright. Tort lawyers are the new American kings and they are no respecters of public education. One of their obvious strategems would be to drag big academic libraries into class action suits, force them to cross-claim against publishers, and wear them down with legal defense costs.

So we're left waiting to see if the Supreme Court reverses again. And if not, there is going to be a big mess of data that will never be in electronic form due to the confusion of the authors' contracts.