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Yuri Hur

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NOTES & COMMENTS

TASINI V. NEW YORK TIMES: OWNERSHIP OF ELECTRONIC COPYRIGHTS RIGHTFULLY RETURNED TO AUTHORS

I. INTRODUCTION

Before the advent of electronic publication, a newspaper and a freelance author would negotiate for payment and publication with a simple oral agreement.¹ Upon such an arrangement, the freelance author gave up the copyright in the article in exchange for payment.² This agreement resulted in the newspaper printing a hard copy of the article.³ The arrangement also represented an agreement for the publication and reproduction of the article in an electronic database, such as LEXIS-NEXIS,⁴ or on a CD-ROM.^{5, 6} However, as a result of the court ruling in *Tasini v. New York Times Co. (Tasini III)*,⁷ a freelance author no longer

1. Sidney A. Rosenzweig, Comment, *Don't Put My Article Online!: Extending Copyright's New-Use Doctrine to the Electronic Publishing Media and Beyond*, 143 U. PA. L. REV. 899, 906 (1995) (noting the publishing industry historically did not use written contracts).

2. See generally *id.*

3. See *id.*

4. Mike McKee, *Appeals Court Sides with Writers in Copyright Fight*, THE RECORDER, Sept. 28, 1999, at 2. LEXIS-NEXIS is an on-line database containing legal and non-legal data. *Matthew Bender & Co. v. West Publ'g Co.*, 158 F.3d 693, 697 (2d Cir. 1998); *Tasini v. N.Y. Times Co.*, 972 F. Supp. 804, 806 (S.D.N.Y. 1997).

5. Rosenzweig, *supra* note 1, at 905. CD-ROM databases are compact discs with read-only memory. See *id.* Publishers use CD-ROM systems because they are an inexpensive way to reproduce and provide users with complete copies of the publisher's periodicals. *Id.* at 905 n.25. CD-ROM's have large storage capacity: they can store 600 million characters of text, 250,000 typewritten pages, or one nine-volume encyclopedia. *Id.*

6. See Rosenzweig, *supra* note 1, at 906.

7. *Tasini v. N.Y. Times Co.*, 206 F.3d 161 (2d Cir. 1999) [hereinafter *Tasini III*], and amended, Feb. 25, 2000, *rev'g* *Tasini v. N.Y. Times Co.*, 981 F. Supp. 841 (S.D.N.Y. 1997) [hereinafter *Tasini II*], *appeal docketed*, No. 97-9181 (2d Cir. Sept. 23, 1997), *denying reconsideration* *Tasini v. N.Y. Times Co.*, 972 F. Supp. 804 (S.D.N.Y. 1997) [hereinafter *Tasini I*].

automatically transfers the electronic copyrights in the article to a publisher unless a written contract specifies additional compensation or express consent for electronic publication.⁸

*Tasini v. New York Times Co. (Tasini I)*⁹ was the first case to merge copyright law with electronic publishing¹⁰ and media rights transfers.¹¹ Relying on § 201(c) of the Copyright Act of 1976¹² ("Copyright Act"), the district court found for the defendant publishers, recognizing the publishers' right to electronically publish the works of freelance authors.¹³ The court held the defendant publishers not liable for copyright infringement because the publishers' rights included the privilege to make electronic copies.¹⁴ The Copyright Act grants "the privilege of reproducing and distributing" individual works in "any revision of that collective work."¹⁵ The court interpreted this language to mean no infringement existed so long as the publishers reproduced the entire edition of the publication.¹⁶

In *Tasini v. New York Times Co. (Tasini II)*,¹⁷ the court denied the freelance authors' motion to reconsider *Tasini I*.¹⁸ However, in *Tasini III*, the Second Circuit rendered a decision that will reshape copyright protection in the modern electronic age.¹⁹ *Tasini III* settled the dispute

8. See 206 F.3d at 171; see also Calvin Reid, *Court Rules Against Publishers in Electronic Copyright Suit*, PUBLISHERS WKLY., Oct. 4, 1999, at 11.

9. 972 F. Supp. 804 (S.D.N.Y. 1997).

10. Electronic publishing can be described as utilizing computer-aided processes to furnish print publications such as books, newspapers and magazines in digital format. Alan J. Hartnick, *Checklist for Lawyers for Multimedia Matters*, N.Y. L.J., Oct. 8, 1993, at 5.

11. See Bill Alden, *Freelance Writers Lose 'On-Line' Suit*, N.Y. L.J., Aug. 14, 1997, at 1.

12. 17 U.S.C. § 201(c) (1994). The Act provides:

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.

13. *Tasini I*, 972 F. Supp. 804.

14. *Id.* at 816, 819–20; see also Alden, *supra* note 11.

15. § 201(c).

16. *Tasini I*, 972 F. Supp. at 821; see also Jeff Howe, *The Digital Rights Dilemma: National Writers Union Wins Landmark Decision for Freelancers—Maybe*, THE VILLAGE VOICE (Oct. 6–12, 1999), available at <http://www.villagevoice.com/issues/9940/howe.shtml>.

17. 981 F. Supp. 841 (S.D.N.Y. 1997).

18. *Id.* at 842.

19. Jeffrey P. Weingart & Jill Westmoreland, *'Tasini' Case May Set Back Free-Lancers, Publishers: To Avoid Expense, Publishers May Remove Existing Works from Online Publications*, NAT'L L.J., Oct. 25, 1999, at C3.

regarding who owns the electronic copyrights in articles.²⁰ Specifically, the *Tasini III* court held a publisher cannot electronically reproduce the work of a freelance author²¹ unless the publisher provides the author with additional compensation for such reproduction.²²

Tasini III has broad implications for the media industry. Many publishers and media companies place articles on the Internet²³ and must now compensate authors for doing so, thereby increasing publication costs.²⁴ In addition, Internet publishing may fuel additional disputes between authors and publishers regarding electronic rights transfers.²⁵ Moreover, the *Tasini III* decision grants freelance musicians, photographers and artists the legal right to demand additional compensation for publishing their creations on electronic media.²⁶

Consequently, the *Tasini III* holding may force publishing companies to offer retroactive payments for electronic publishing rights to authors.²⁷ Alternatively, *Tasini III* may lead publishers to remove protected freelance works from electronic databases in order to avoid litigation, effectively causing large gaps in archival history.²⁸ As a result, publishers of electronic works now require authors to sign contracts allowing electronic

20. See *Tasini III*, 206 F.3d 161; see also Frances A. McMorris, *Free-Lancers' Permission Needed to Use Articles Electronically*, *Court Decides*, WALL ST. J., Sept. 28, 1999, at B15.

21. *Tasini III*, 206 F.3d at 171.

22. McMorris, *supra* note 20; see also *Tasini III*, 206 F.3d at 171.

23. CHRIS SHIPLEY & MATTHEW FISH, *HOW THE WORLD WIDE WEB WORKS* 6 (Ziff-Davis Press ed., 1996) (explaining the World Wide Web is "a system of protocols exchanged between a client (your computer) and a server (the host computer's application that delivers Web pages) in order [for] documents [to] be shared among computers on the network") (italics omitted).

24. See Howe, *supra* note 16. The *Tasini* suit was originally filed in 1993 before the explosion of the Internet. *Id.* By the time the case was reviewed by the federal court in 1997, the Internet had well replaced other electronic publishing formats. *Id.*; see also, Richard Raysman & Peter Brown, *Electronic Data Bases and Rights of Freelancers*, N.Y. L.J., Sept. 9, 1997, at 3.

25. Laurie A. Santelli, Comment, *New Battles Between Freelance Authors and Publishers in the Aftermath of Tasini v. N.Y. Times*, 7 J.L. & POL'Y 253, 255 (1998).

26. McMorris, *supra* note 20; see also *Tasini III*, 206 F.3d at 171.

27. Felicity Barringer, *Freelancers Win Appeal in Copyright Suit*, N.Y. TIMES, Sept. 28, 1999, at C7. Authors of editorial pieces, full-length magazine articles, photographs and graphics may receive retroactive payments. *Id.*

28. See *id.* Thousands of magazines and newspapers, which were originally published in the print medium, are currently available in electronic media. Eric P. Bergner, *A Decision That Will Live in Anonymity*, EDITOR & PUBLISHER, Dec. 18, 1999, at 38. Many authors may find their material removed from the preexisting databases because of the publishers and database companies' costs to identify and compensate freelance authors who have previously provided written materials. Weingart & Westmoreland, *supra* note 19. If so, readers would find once available articles and photographs impossible to retrieve. Bergner, *supra* note 28.

publication of their works on the Internet.²⁹ However, the contracts do not provide additional compensation for the Internet publication rights.³⁰ Today, the law remains unclear as to the recourse available to authors who sold works for publication only in print format, and later found their works archived in electronic databases without their express permission.³¹

This Note highlights the continuing struggle between freelance writers and publishers over compensation for the electronic publication of copyrighted material in light of *Tasini III*. Part II provides a background of copyright law and how it governs the relationship between freelance writers and publishers. Part III explains the factual backgrounds of *Tasini I*, *Tasini II*, and *Tasini III*. Part IV discusses the Second Circuit's analysis of the copyright and compensation problems in *Tasini III* and the current dispute over who retains electronic rights under the Copyright Act. Part IV also analyzes *Tasini III*'s holding that copyright law does not allow publishers to include works in electronic databases without the express permission of the author.³² Moreover, Part IV concurs with the *Tasini I* reversal and discusses *Tasini III*'s impact on the media industry by explaining how it will affect publishers and freelance authors. Part V concludes that *Tasini III* offers greater copyright protection to authors in the electronic media age, and also speculates that the battle between publishers and authors over electronic rights is not over.

II. BACKGROUND OF COPYRIGHT LAW AND PUBLISHING

The Copyright Act of 1976 governs all laws relating to the publication of articles and other works as well as the legal rights of freelance authors and publishers.³³ The large number of people accessing information online³⁴ makes the relationship between various technologies and the

29. Beth J. Harpaz, *Court: Publishers Must Obtain Electronic Rights for Freelance Work*, ASSOCIATED PRESS NEWSWIRE (Sept. 29, 1999), available at <http://ap.pqarchiver.com>. Some publishers negotiate additional fees with big-name authors. *Id.* Some publishers will not sign a contract without electronic rights. Howe, *supra* note 16 (citing Ann Martin Moore, Director of Contracts and Permissions for Condé Nast). All-rights contracts are the norm with other publishers. *Id.* (citing Robin Bierstedt, Deputy General Counsel for Time Inc.).

30. Harpaz, *supra* note 29.

31. *See id.*

32. 206 F.3d at 171.

33. 17 U.S.C. §§ 101–1101 (1994). United States copyright law allows the creator of a work to control and license that work for economic gain. *See id.* § 106. Absent any agreement granting a particular right or bundle of rights, all rights belong to the original copyright owner. *See id.*

34. Ian C. Ballon, *Intellectual Property Protection and Related Third Party Liability*, in FIRST ANNUAL INTERNET LAW INSTITUTE 559, 565 (PLI Pats. Copyrights, Trademarks, & Literary Prop. Course, Handbook Series No. G-482, 1997).

Copyright Act crucial to understanding the current legal tension between freelance authors and publishers.³⁵

A. Background of Copyright Law

The need for copyright protection of authors' works began with the invention of the printing press, the process of mass production, and the copying of literary works.³⁶ The purpose underlying the adoption of copyright law was to balance the protection of authors' rights with the public's right to access, information, and knowledge.³⁷

Congress passed the Copyright Act³⁸ in order to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."³⁹ In passing the Copyright Act, Congress attempted "to afford greater encouragement to the production of literary works of lasting benefit to the world."⁴⁰ The advancement of new electronic technology challenges the delicate balance between the interests of authors and the interests of society.⁴¹

Some critics argue that existing copyright law will adapt to accommodate the new issues presented by electronic technology as it has adapted to other changes in history.⁴² They assert that copyright law has

35. See, e.g., *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 456 (1984) (holding that using newly-introduced technology to videotape television programs for future personal use does not constitute copyright infringement); *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 518 (9th Cir. 1993) (holding the copyright of an operating system is infringed when the operating system is loaded into RAM upon turning on a computer); *Triad Sys. Corp. v. Southeastern Express Co.*, 64 F.3d 1330, 1337 (9th Cir. 1995) (holding an organization's use of diagnostic software licensed to the organization's customer constituted copyright infringement).

36. *Sony Corp.*, 464 U.S. at 430 & n.12. Before the invention of the printing press, copyright protection was not needed because copying and mass producing authors' works was difficult. See Marshall Leaffer, *Protecting Authors' Rights in a Digital Age*, 27 U. TOL. L. REV. 1, 3 (1995).

37. See Santelli, *supra* note 25, at 258–59. The first copyright statute was England's Statute of Anne, enacted in 1710, which granted authors the exclusive right to copy their books for a fourteen year term. *Id.* at 257–58. At the end of the term, the copyright went to the public and was considered public domain. *Id.* at 258.

38. 17 U.S.C. §§ 101–1101 (1994).

39. See Santelli, *supra* note 25, at 258 (quoting U.S. CONST. art. I, § 8, cl. 8.).

40. *Washingtonian Publ'g Co. v. Pearson*, 306 U.S. 30, 36 (1939) (quoting Act of Mar. 3, 1891, ch. 565, 26 Stat. 1106).

41. See Santelli, *supra* note 25, at 259.

42. See Thomas K. Landry, *Columbia-VLA Journal of Law & the Arts Roundtable on Electronic Rights*, 20 COLUM.-VLA J.L. & ARTS 605, 649 (1996) (statement of Stephen B. Davis, Esq., Vice President of Strategic & Legal Affairs for the Corbis Corporation, who advocates that

adapted to the artistic media of photography, motion pictures, sound recordings, architecture and choreography.⁴³ However, other critics contend that copyright law will not adapt to electronic technologies, particularly publishing in new electronic media;⁴⁴ therefore, suggesting that contractual arrangements, criminal sanctions and technological restrictions should govern this medium.⁴⁵

1. Exclusive Rights

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression."⁴⁶ To be "original," the work must be an independent creation and cannot be copied from another source.⁴⁷ To be "tangible," the work must be concrete enough so as to be communicable.⁴⁸ Once the work is both original and tangible, the creator of the work can control and license it for economic benefit.⁴⁹ Additionally, once the work is fixed in a tangible medium, the author is granted a number of exclusive copyrights in the work such as the right to reproduce, distribute copies, create derivative works, publicly perform and display the work.⁵⁰ Furthermore, copyright immediately and automatically vests in the creator of the work.⁵¹ Thus, the creator becomes the copyright owner of the work.⁵²

The exclusive copyrights allow the copyright owner to maintain control over the different uses of the owner's work.⁵³ Each exclusive right

existing copyright law should help to form the legal framework for future electronic media copyright issues).

43. See Leaffer, *supra* note 36, at 5, 12.

44. See *id.*

45. *Id.*

46. 17 U.S.C. § 102(a) (1994). The work must be an independent creation to satisfy the originality requirement. Douglas J. Masson, *Fixation on Fixation: Why Imposing Old Copyright Law on New Technology Will Not Work*, 71 IND. L.J. 1049, 1053 (1996).

47. 17 U.S.C. § 102(a); Masson, *supra* note 46, at 1053; see also *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) (citing 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §§ 2.01 [A], [B] (1990) [hereinafter NIMMER & NIMMER]).

48. 17 U.S.C. §§ 101, 102(a) (1994 & Supp. IV 1999); see also 1 NIMMER & NIMMER, § 2.03[B][2], at 2-30.2, -30.4 (2000).

49. See Masson, *supra* note 46, at 1055 (noting the Constitution mandates economic incentives to further scientific progress); see also *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) (explaining copyright law has the immediate effect of securing a fair return for an author's labor but the ultimate goal is to stimulate artistic activity for the public good).

50. 17 U.S.C. § 106 (1994 & Supp. IV 1999).

51. See 17 U.S.C. §§ 101, 201(a) (1994 & Supp. IV 1999).

52. See *id.* § 201(a).

53. Mark A. Lemley, *Dealing with Overlapping Copyrights on the Internet*, 22 U. DAYTON L. REV. 547, 549 (1997). The exclusive rights granted to copyright owners include the right to: 1)

is both divisible and transferable.⁵⁴ However, these rights are not absolute and may be modified.⁵⁵ A transfer of any of these exclusive rights is valid if conveyed in writing and signed by the original copyright owner.⁵⁶ In addition, under the principle of unlimited alienability,⁵⁷ which allows an author to assign, license and waive any of the exploitative rights, when an author assigns the rights to another individual, that person becomes the new owner of each of the original author's rights.⁵⁸

Finally, the fair use doctrine⁵⁹ places limitations upon the exclusive rights of copyright owners by permitting the use of copyrighted works without the copyright owner's consent.⁶⁰ For example, the fair use doctrine protects the use of copyrighted material for "criticism, comment, news reporting, teaching[,] . . . scholarship, . . . [and] research."⁶¹ Additionally, library archival copying and the public display of privately owned copies are additional limitations on authors' exclusive copyrights.⁶²

reproduce and make copies of the work; 2) distribute copies; 3) create derivative works based on the work; 4) publicly perform the work; and 5) publicly display the work. § 106.

54. 17 U.S.C. § 201(d)(1) (1994). The owner of an exclusive right may transfer that right to another, but maintains ownership of any remaining exclusive rights. 17 U.S.C. § 201(d)(2) (1994). Any of the exclusive rights including the subdivision of rights may be transferred. *Id.* The exclusive rights granted in § 106 are commonly referred to as a "bundle of exclusive rights." *Stewart v. Abend*, 495 U.S. 207, 220 (1990) (stating that copyright owners have a "bundle of rights" in their work).

55. See Lemley, *supra* note 53, at 549. The ownership of a subdivision of exclusive rights is transferable. See § 201(d)(2); Lemley, *supra* note 53, at 570.

56. 17 U.S.C. § 204(a) (1994); see also 1 NIMMER & NIMMER, *supra* note 48, § 10.02 [B][5], at 10-24 to -25 (Many non-exclusive transfers may be written or orally implied.); *Imperial Residential Design, Inc. v. Palms Dev. Group, Inc.*, 29 F.3d 581, 583 (11th Cir. 1994).

57. Neil Netanel, *Alienability Restrictions and the Enhancement of Author Autonomy in United States and Continental Copyright Law*, 12 CARDOZO ARTS & ENT. L.J. 1, 1 (1994).

58. *Id.*; see also *Stewart*, 495 U.S. at 219-20 (holding an assignment of renewal rights in a copyright is void where the assignor dies during the first renewal period).

59. 17 U.S.C. § 107 (1994).

60. *Id.*; see also H.R. REP. NO. 94-1476, at 65-66 (1976).

61. § 107. The factors used to consider whether such use is within fair use include:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

Id.; see also *Religious Tech. Ctr. v. Netcom On-Line Communication Servs., Inc.*, 907 F. Supp. 1361, 1383 (N.D. Cal. 1995) (stating the fair use doctrine may be used as a defense to infringement).

62. 17 U.S.C. § 108 (1994 & Supp. IV 1999); Masson, *supra* note 46, at 1055.

2. Collective and Derivative Works

The distinction between “derivative works” and “collective works”⁶³ is imperative to understanding *Tasini III* and copyright law in general. Section 101 states, “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.”⁶⁴ Collective works are a subset of “compilations” that are “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.”⁶⁵ Compilations are more expansive than collective works because they may include non-copyrightable works such as facts or hard data.⁶⁶ Collective works are formed exclusively with the use of preexisting copyrightable works.⁶⁷ Moreover, collective works simply combine prior works without altering them in any fashion.⁶⁸

In essence, collective works represent a dual copyright: one in the individual contributions and the other in the compilation that protects the editing arrangement and the coordination and selection of the underlying materials.⁶⁹ Thus, newspapers or magazines are both compilations and collective works because they consist of copyrighted works by freelance writers and photographers, as well as an arrangement, coordination and selection of these copyrighted materials.⁷⁰

Derivative works are similar to collective works in that they use preexisting copyrighted works to create new works.⁷¹ However, derivative works differ from collective works and compilations in that derivative works include an original contribution to one or more of the preexisting works, transforming or adapting the material to form a new work.⁷² Only

63. 17 U.S.C. § 101 (1994 & Supp. IV 1999).

64. *Id.*

65. *Id.*

66. *See id.*

67. 1 NIMMER & NIMMER, *supra* note 48, § 3.02, at 3-7; *see also* § 101.

68. 1 NIMMER & NIMMER, *supra* note 48, § 3.02, at 3-5.

69. *See id.* § 3.04[A], at 3-18 (stating the copyright protection afforded to an owner of a derivative or collective work extends only to those elements original to that owner).

70. § 101.

71. 1 NIMMER & NIMMER, *supra* note 48, § 3.02, at 3-7; *see also* 17 U.S.C. § 101.

72. 1 NIMMER & NIMMER, *supra* note 48, § 3.02-.03, at 3-5, -9; *see also* *Paramount Pictures Corp. v. Video Broad. Sys., Inc.*, 724 F. Supp. 808, 821 (D. Kan. 1989).

the elements of a collective work or derivative work that reflect an original contribution by the compiler or editor warrant copyright protection.⁷³

B. Publishing and Freelance Authors

A freelance author owns the written work, including all rights granted by the Copyright Act.⁷⁴ Therefore, freelancers have the exclusive right to reproduce, change, sell, display and perform their works in public.⁷⁵ Before the advent of computer-based electronic publishing, freelance authors typically exercised their right to sell by contracting for a one-time print publication in exchange for a flat fee.⁷⁶ They negotiated additional fees with the publishers as needed for translations, reprints and other modifications of their work.⁷⁷ Freelancers argued that the sale of their one-time print rights did not include the right to reproduce and distribute the work in electronic mediums.⁷⁸ Freelancers did not want to transfer rights that would add to the income of the already profitable publishing industry;⁷⁹ additionally, they desired compensation for additional reproductions of their work in electronic database mediums.⁸⁰

Freelance authors differ from "work made for hire"⁸¹ employees, in that freelancers write on a periodic basis for magazines and newspapers and

73. *Silverman v. CBS, Inc.*, 879 F.2d 40, 49–50 (2d Cir. 1989); 1 NIMMER & NIMMER, *supra* note 48, § 3.04[A], at 3–18. Although the amount of originality needed for a compilation is low, the editing, arranging or transforming must be more than a "minimal contribution." 1 NIMMER & NIMMER, *supra* note 48, § 3.03, at 3–10; *see also*, *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348 (1991) (citing 1 NIMMER & NIMMER, *supra* note 48, § 3.03).

74. *See* John B. Kennedy & Shoshana R. Dweck, *Publishers, Authors Battle over Electronic Rights: Debate over Allocation of Rights and Money Sparks Lawsuits and Birth of the Authors' Registry*, NAT'L L.J., Oct. 28, 1996, at C17.

75. *See id.*

76. *Id.*

77. *Id.*

78. Steve Lohr, *Freelancers Lose Test Case on Electronic Publishing*, N.Y. TIMES, Aug. 14, 1997, at D18 (discussing *Tasini I*, 972 F. Supp. at 811).

79. *See* Julius J. Marke, *Protection of Electronic Publication Rights*, N.Y. L.J., Jan. 17, 1995, at 5. For example, a publisher can make a profit by sublicensing a magazine to on-line databases. *Id.* Users pay a fee to the on-line database each time they access an article. *Id.* If the user accesses an article contained in the publisher's magazine, then the "publisher receives a royalty of up to 50 percent of the user's fees." *Id.*

80. *See* Lohr, *supra* note 78 (discussing *Tasini I*, 972 F. Supp. at 807–09).

81. 17 U.S.C. § 101 (1994 & Supp. IV 1999). The Copyright Act defines "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 part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a

specialize in a particular subject or area, whereas work made for hire employees work consistently for one publisher.⁸² According to a 1995 study, freelance authors earned an average of \$7,500 per year from their work,⁸³ and were often not entitled to the health insurance or pension benefits that full-time employees typically enjoyed.⁸⁴ Moreover, their print use fees have declined in the last fifteen years.⁸⁵ The independent and unique nature of freelancing makes it difficult to organize freelance authors into any kind of union.⁸⁶ Therefore, they lack the bargaining power to negotiate contracts with publishers.⁸⁷

In contrast, writers employed as in-house authors for a publication create "works made for hire."⁸⁸ The Copyright Act defines a work made for hire as one "prepared by an employee within the scope of his or her employment."⁸⁹ Under the Copyright Act, employer-publishers obtain copyrights in their employees' work product if it satisfies the requirements of a work made for hire.⁹⁰ Thus, publishers retain the copyrights for articles written by in-house employees unless the employee explicitly retains the copyrights of the work in the contract.⁹¹

written instrument signed by them that the work shall be considered a work made for hire.

Id.

82. See Mary Voboril, *Writes and Wrongs: Freelancers Are Struggling Against Low Pay, Deadbeat Publishers and Ownership of Electric Rights*, NEWSDAY, Feb. 21, 1994, at 23, available at 1994 WL7420368; see also § 101.

83. Nancy Duvergne Smith, *You Better Work*, AM. WRITER, Spring 1995, at 4.

84. See *id.* at 6. Some authors view these benefits as tradeoffs for giving up the copyrights in their work product. See Christina Ianzito, *Who Owns That Online Story?*, 36 COLUM. JOURNALISM REV., May/Jun. 1997, at 15.

85. *Tasini vs. The New York Times: What's at Stake for the Public?*, National Writers Union, at <http://www.nwu.org/tvt/tvtpubl.htm> (last modified Aug. 14, 1997).

86. Matt McAllester, *Life in Cyberspace: Contract Threatens Free-Lancers' Right to Resell Articles*, NEWSDAY, Mar. 30, 1997, at A43, available at 1997 WL2688768.

87. See *id.*

88. See § 101.

89. *Id.*; see also *supra* note 81 (defining a work made for hire).

90. 17 U.S.C. § 201(b) (1994).

91. 1 NIMMER & NIMMER, *supra* note 48, § 5.03[B][1][b][i], at 5-31. Section 201(b) of the Copyright Act grants the employer copyrights in the work product of its employees. 17 U.S.C. § 201(b). A freelance writer generally contracts specific pieces of work to publishers, keeping the copyright in his or her work, while the publishers only receive the rights which have been explicitly agreed upon in the contract. See, e.g., *Tasini I*, 972 F. Supp. at 807.

C. *Electronic Publishing: CD-ROMs, Electronic Databases and On-line Services*

CD-ROMS have gained popularity as an inexpensive⁹² way to store large amounts of data.⁹³ Digital Video Discs ("DVDs") are becoming increasingly available,⁹⁴ and can store between seven and thirteen times more information than a standard CD-ROM.⁹⁵ Although this new technology broadens opportunities for electronic media,⁹⁶ it also creates a greater need for electronic copyrights.

Similar to CD-ROMs, computer databases store vast amounts of information in digital format.⁹⁷ Database companies, such as Reed Elsevier's LEXIS-NEXIS,⁹⁸ provide users with information contained in their electronic databases via remote access.⁹⁹ On-line database companies not only provide access to their databases, but "provide access to a variety of other electronic services, such as Internet access, informational services, software, and interactive newspapers and magazines."¹⁰⁰ Thus, the

92. It costs approximately two dollars to manufacture a CD-ROM. John DeFeo, *Focus on CD-ROMs: The Future of CD-ROM Publishing*, LAW TECH. PROD. NEWS, July 1997, at 42, available at 7/97 LTPN 42 (discussing the key benefits of CD-ROM technology and its influence on legal research).

93. Fara Daun, *The Content Shop: Toward an Economic Legal Structure for Clearing and Licensing Multimedia Content*, 30 LOY. L.A. L. REV. 215, 223 (1996) (citing Erik Holsinger, *Multimedia 101*, COMPUTER CURRENTS, May 1996, at 26, 33). A standard CD-ROM can hold 650 megabytes of data, which is 464 times larger than a standard floppy disk. *Id.*

94. See Rorie Sherman, *Paradigm Shift: Here Comes the DVDs*, LAW TECH. PROD. NEWS, Feb. 1997, at 34 (discussing DVD-ROMs, the successor to CD-ROMS, and describing the important role DVD technology will play in the future of storing and presenting digital data), available at 2/97 LTPN 34.

95. *Id.*

96. *Id.* (noting DVD-ROM drives are now available for personal computers, and illustrating how DVD technology permits grandeur multimedia presentations then ever before).

97. See Ballon, *supra* note 34, at 567. Databases are collections of information in digital format that may be remotely accessed. *Id.*

98. At the time the suit was filed, the LEXIS-NEXIS service was owned by Mead Data Central Corp. *Tasini I*, 972 F. Supp. at 806. It is currently owned and operated by Reed Elsevier, Inc., of London. Frank J. Cavaliere, *Legal Research on the Web*, 42 PRAC. LAW. 63, 66 (1996). NEXIS is a subset of LEXIS-NEXIS that retrieves articles from "newspapers, newsletters, magazines, and wire services—including *The New York Times*, *Newsday*, and *Sports Illustrated*." *Tasini I*, 972 F. Supp. at 806.

99. See *id.* at 808. Customers can access the NEXIS database on-line by choosing from libraries of publications and inputting specific search criteria. See *id.* Each search produces a list of articles that meet the selected criteria, wherein each article is identified by its author and title. See *id.* Customers can then choose to view the full text of any article retrieved on the list. See *id.*

100. See Michael Spink, *Authors Stripped of Their Electronic Rights in Tasini v. N.Y. Times Co.*, 32 J. MARSHALL L. REV. 409, 417 n.54 (1999). For example, CompuServe, Inc., offers "on-line information services, and in 1996 had over 5.2 million subscribers." *Id.* at 417 n.54 (citing May Liang, *Intellectual Property and the National Information Infrastructure*, in

increasing access to computer databases creates the necessity for governing law.

D. Copyright Law and Electronic Publication

The advent of electronic publication raises many questions regarding the application of copyright owners' rights to electronic forms of their written work and the transmission of their work over the Internet.¹⁰¹ Essentially, all electronic publications consist of computer files that permanently store information.¹⁰² These computer files are separately copyrightable because they are sufficiently permanent to be communicated and represent original works of authorship.¹⁰³ The electronic submission of copyrighted material implicates the right of reproduction because a digital copy is made.¹⁰⁴ The public availability of the work on the Internet also implicates the right of distribution.¹⁰⁵

The ramifications of the rights to publicly perform and display components of a digital transmission are not clearly defined.¹⁰⁶ If the contract between a freelancer and publisher expressly conveys to either party the right to republish the work in electronic media, there is no copyright problem. However, the issues in *Tasini* arise only with respect to contracts that pre-date electronic media or are ambiguous as to which party retains the digital rights to the work.¹⁰⁷

COMPUTER SOFTWARE & THE INTERNET 245, 250-60 (PLI Pats., Copyrights, Trademarks, & Literary Prop. Course, Handbook Series No. G4-3953, 1995)). It "offers nearly 2000 database and information services." *Id.* (citing CompuServe Annual Stockholder Report). It also publishes over 10,000 new stories from several news wires daily. *See id.* (citing Liang, *supra* note 100, at 250).

101. *See* Pamela Samuelson, *Some New Kinds of Authorship Made Possible by Computers and Some Intellectual Property Questions They Raise*, 53 U. PITT. L. REV. 685 (1992) (discussing how electronic forms of text are altering the way we perceive authorship); *see also* Maureen O'Rourke, *Proprietary Rights in Digital Data: The Future of Copyright and Contract Law in a Networked World*, 41 FED. B. NEWS & J. 511, 512-14 (1994) (discussing why digital data can satisfy the Copyright Acts' requirements).

102. *See Tasini I*, 972 F. Supp. at 808.

103. *See* *Tandy Corp. v. Pers. Micro Computers, Inc.*, 524 F. Supp. 171, 173 (N.D. Cal. 1981) (holding a computer program is subject to copyright as a work of authorship); *see also* *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1246-48 (3d Cir. 1983) (suggesting the legislative history of the Copyright Act considered computer programs literary works).

104. *See* Jane C. Ginsburg, *Putting Cars on the "Information Superhighway": Authors, Exploiters, and Copyright in Cyberspace*, 95 COLUM. L. REV. 1466, 1476 (1995).

105. *See id.* at 1481-83.

106. *See id.* at 1479-81.

107. *Id.*

III. TASINI V. NEW YORK TIMES

A. Background

In *Tasini v. New York Times (Tasini III)*,¹⁰⁸ the Second Circuit examined the rights of freelancers. Specifically, the court discussed the rights of freelancers who sell their copyrighted works on a pay-per-work basis to print publishers, who in turn use the works in electronic medium without the author's permission.¹⁰⁹ The plaintiffs, Jonathan Tasini ("Tasini") and other freelancers,¹¹⁰ filed suit against New York Times Co., Newsday Inc., Time Inc., The Atlantic Monthly Co., University Microfilms Inc.¹¹¹ and Mead Data Central Corp.¹¹² The plaintiffs alleged that by including their works on electronic databases and CD-ROMs without the author's express permission or further compensation to those authors, the publishers violated the Copyright Act.¹¹³ The plaintiffs argued in *Tasini I* that they sold the defendant publishers the right to publish their works only in print form.¹¹⁴ The plaintiffs believed they retained the right to control secondary use of their works and sought to financially benefit from the proceeds that the publishers earned from the on-line use of their writings.¹¹⁵

Each of the plaintiffs had a separate agreement to sell their copyrighted work to the defendants.¹¹⁶ The authors who sold their articles

108. 206 F.3d 161 (2d Cir. 2000).

109. *See id.*

110. Other plaintiffs included: Mary Kay Blakely, Barbara Garson, Margot Mifflin, Sonia Jaffe Robbins, and David S. Whitford. *See Tasini I*, 972 F. Supp. at 804. Twelve of the twenty-one articles, written by the plaintiffs Tasini, Mifflin, and Blakely, appeared in *The New York Times*; eight articles, written by plaintiffs Tasini, Garson, Whitford, and Robbins, appeared in *Newsday*; and one article, written by the plaintiff Whitford, appeared in *Sports Illustrated*. *See id.* at 806.

111. University Microfilms, Inc. ("UMI") makes and markets two CD-ROM products, "*The New York Times OnDisc*," which is text-based and searchable, and "*General Periodicals OnDisc*," which provides both the text and the images from the original periodicals. *Id.*

112. Mead Data Central Corp. owned and operated the electronic NEXIS database at that time. *Tasini III*, 206 F.3d at 164–65.

113. *See id.* at 163. Jonathan Tasini, the named plaintiff, is the President of National Writers Union. Harpaz, *supra* note 29. The National Writers Union is a New York-based trade and advocacy association seeking to improve the working conditions of freelancers. *See About the National Writers Union*, at <http://www.nwu.org/nwuinfl.htm> (last modified Sept. 11, 2000). The organization has about 6,500 members. *See id.*

114. *See Howe*, *supra* note 16.

115. Tasini et al vs The New York Times et al *and the Future of Copyright*, at <http://www.nwu.org/tvt/tvtcopyr.htm> (last modified Sept. 27, 1999).

116. *See Tasini I*, 972 F. Supp. at 806.

to *The New York Times* did so by oral agreement.¹¹⁷ These oral agreements addressed the topics and lengths of the articles that were to be published, the deadlines for submission, and the authors' fees.¹¹⁸ The agreements did not, however, specifically address which author's rights would be transferred to the publishers.¹¹⁹ Similarly, the plaintiffs' copyright assignments to *Newsday* were orally agreed upon, but *Newsday* paid the authors with checks that included an endorsement.¹²⁰ The endorsement stated that upon cashing the check, the publishers would retain the right to include the works in their electronic library archives.¹²¹

David Whitford, the plaintiff who submitted an article to *Sports Illustrated*,¹²² was the only author who had a written express contract with the publisher.¹²³ Whitford's contract stated that *Sports Illustrated* would have the exclusive first right to publish his article, the non-exclusive right to republish it in other publications, and the licensing rights, provided the publisher gave additional compensation to the author.¹²⁴ However, the contract did not contain any language clearly allocating electronic publication rights to *Sports Illustrated*.¹²⁵ Whitford alleged he did not intend to grant electronic rights to the publisher when he signed the contract.¹²⁶

Controversy arose when the periodical publisher defendants sold the contents of their periodicals to the electronic publisher defendants Mead Data Central Corp.¹²⁷ and UMI¹²⁸ for inclusion in CD-ROM products.¹²⁹

117. *See id.* at 807.

118. *See id.*

119. *See id.*

120. *See id.*

121. *See id.* The *Newsday* checks contained the following endorsement: "Signature required. Check void if this endorsement altered. This check accepted as full payment for first-time publication rights (or all rights, if agreement is for all rights) to material . . . and for the right to include such material in electronic library archives." *Id.* The freelancer, Jonathan Tasini, was the only plaintiff who crossed out the endorsement before cashing any *Newsday* checks. *See id.*

122. *Sports Illustrated* is published by Time, Inc. *Tasini I* 972 F. Supp. at 806.

123. *See id.* at 807.

124. *Id.*

125. *See id.* The contract provided *Sports Illustrated* in part:

(c) the right to republish the Story or any portions thereof in or in connection with the Magazine or in other publications published by The Time Inc. Magazine Company, its parent, subsidiaries or affiliates, provided that [the author] shall be paid the then prevailing rates of the publication in which the Story is republished.

Id.

126. *See Tasini I*, 972 F. Supp. at 807.

127. *Id.* Mead Data Central Corp. owns and operates NEXIS. *See supra* text accompanying note 98.

128. University Microfilms International ("UMI") markets "CD-ROM database products." *Tasini I*, 972 F. Supp. at 807.

The periodical publisher defendants transmitted computer files containing the full text of all articles appearing in each edition of the publisher's periodicals to the electronic publishers.¹³⁰ In addition, the publications the electronic publishers used differed from the print versions.¹³¹ For example, NEXIS stored the publications in computer files that only contained the text of the articles, the authors' names, the publications, a summary of the articles, the issue and the page on which the article appeared.¹³² The digital version of the publication eliminated the original formatting, including the page layout and photographs.¹³³ The freelance authors contended the defendants' electronic republication violated § 201(c) of the Copyright Act because of the alteration.¹³⁴

In response, the defendants claimed § 201(c) allowed them the right to reproduce and distribute the freelance authors' articles in electronic revisions of the authors' works.¹³⁵ The defendant publishers reasoned that § 201(c) afforded them a "revision" privilege since they owned the electronic copyrights in the collective works, i.e., the newspapers and periodicals.¹³⁶

In *Tasini III*, the Second Circuit examined the critical issue of "[w]hether one or more of the pertinent electronic databases may be considered a 'revision' of the individual periodical issues from which the articles were taken."¹³⁷

B. The Tasini I Court Held That Freelance Authors Did Not Expressly Transfer Electronic Rights But That the Electronic Publications Do Not Infringe Copyright Laws

In *Tasini I*, the court addressed whether the plaintiff freelance authors "expressly transferred" the electronic rights to their works to defendant print publishers.¹³⁸ The plaintiffs argued the print publishers exceeded the privileges granted under § 201(c) of the Copyright Act by reproducing the

129. *See id.*

130. *See id.* at 808.

131. *See id.*

132. *Id.* NEXIS and UMI incorporated files containing the original pieces into their database products. *Tasini III*, 206 F.3d at 164.

133. *Tasini I*, 972 F. Supp. at 808.

134. *See id.* at 809; *see* 17 U.S.C. § 201(c) (1994).

135. *See Tasini I*, 972 F. Supp. at 809.

136. *Id.*

137. 206 F.3d at 165.

138. *See Tasini I*, 972 F. Supp. at 810.

articles in an electronic medium.¹³⁹ Plaintiffs further argued that defendant print publishers also infringed upon their copyrights when the print publishers sold the articles to electronic databases.¹⁴⁰

In opposition, the defendant print publishers asserted that the plaintiffs expressly granted them the right to use the articles in electronic databases.¹⁴¹ Their position, in essence, was threefold: 1) the electronic databases were archival in nature;¹⁴² 2) the right of first publication included various media;¹⁴³ and 3) § 201(c) of the Copyright Act granted them the right to use the articles in an electronic database as revisions of the original publication.¹⁴⁴

Defendants *Newsday* and *Time* moved for summary judgment, arguing that the plaintiffs' contracts with the defendants permitted the sale of their articles to electronic publishers.¹⁴⁵ Moreover, the defendants' publication in electronic media constituted permissible revisions of the plaintiffs' collective works under § 201(c).¹⁴⁶ Specifically, *Newsday* argued that the statement, publication could include articles "in electronic library archives," on the back of the payment checks made out to the plaintiffs permitted the transfer of electronic publication rights by virtue of the author signing and cashing the check.¹⁴⁷

Similarly, *Time* claimed it acquired electronic rights through its written contract with Whitford.¹⁴⁸ *Time* argued the "first to publish"¹⁴⁹ right extended to publication in print and electronic media.¹⁵⁰ On the other hand, unlike *Newsday* and *Time*, *The New York Times* did not move for

139. *Id.* at 809 n.3.

140. *Id.* at 809.

141. *Id.*

142. *See id.* at 809-11.

143. *See id.* at 811-12.

144. *Tasini I*, 972 F. Supp. at 811-12.

145. *See id.* at 806, 809-810.

146. *Id.* at 809.

147. *Id.* at 810.

148. *Id.* at 811. In support of the summary judgment motion, *Time* invoked section 10(a) of its contract with Whitford. *Id.*; see *supra* note 125 (detailing the provisions of the *Time*/Whitford contract).

149. *Tasini I*, 972 F. Supp. at 811.

150. *Id.* at 811-12 (noting *Time* incorrectly relied upon *Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150, 154-55 (2d Cir. 1968) and holding "the right to 'exhibit' motion picture included the right to exhibit movie on television"). *Id.* The court concluded the right to publish an article first in one medium cannot include the right to publish first in all other mediums. *Id.* at 812.

summary judgment on the express transfer of electronic rights because it did not enter into written contracts with the plaintiffs.¹⁵¹

Ultimately, the District Court decided the freelance authors did not expressly transfer or grant any electronic rights when they sold their works to the publishers.¹⁵² The *Tasini I* court then determined whether the defendant electronic publishers produced “revisions” of the defendant print publishers’ collective works, a process that is authorized by § 201(c).¹⁵³ From that perspective, the court ruled against the plaintiff authors, holding, “[s]ection 201(c) authorizes publishers to ‘reproduce’ an individual contribution as part of any revision of the collective work in which it initially appeared.”¹⁵⁴

1. The Authors Did Not Expressly Transfer Their Electronic Rights

Tasini I held the plaintiffs did not grant the defendants the right to use the plaintiff’s articles in electronic databases.¹⁵⁵ In addition, the court concluded that *Newsday*’s right to publish was not broad enough to include a right in any medium other than print.¹⁵⁶ The court added that the language on the back of the checks was ambiguous, as the language granting distribution on “electronic library archives”¹⁵⁷ was not sufficiently clear as to warrant an express transfer of electronic rights.¹⁵⁸ The court expressed that the plaintiffs who wrote for *Newsday* did not have the opportunity to evaluate the language on the check before *Newsday* sent the articles for electronic publication.¹⁵⁹ This was because *Newsday* had already sent their articles to NEXIS by the time the authors received their checks.¹⁶⁰

In particular, the court reasoned that if *Newsday* sought electronic rights to the plaintiffs’ works, then it should have been expressly stated in the written contracts.¹⁶¹ Additionally, the court noted that because

151. *Id.* at 806–807.

152. *Id.* at 812.

153. *Id.*

154. *Id.* at 819.

155. 972 F. Supp. at 810.

156. *Id.* at 811. The court held writing on the back of checks cannot constitute express transfers of electronic rights. *Id.*

157. *Id.* at 810.

158. *Id.* at 811.

159. *Id.*

160. *Id.* at 810.

161. See *Tasini I*, 972 F. Supp. at 811. The court relied on § 204(a) of the Copyright Act, which provides a transfer of copyright ownership is not valid in the absence of a clear, signed writing. *Id.* at 810.

Newsday maintained its own non-commercial "electronic library archive,"¹⁶² even if the plaintiff authors foresaw any publication of their works on electronic databases, they likely assumed it would be on *Newsday's* "archives" and not on an outside service such as NEXIS.¹⁶³ Therefore, the court concluded the freelancers' understanding of the transfer of electronic rights was in contrast to *Newsday's* claims.¹⁶⁴

2. The Authors Did Not Expressly Grant Electronic Rights to Publishers

The *Tasini I* court applied a similar analysis to the *Sports Illustrated* written contract. The language of the contract allowing "first" publication would lead an author to believe that the publisher could publish the article only in the magazine.¹⁶⁵ The court held the phrase "first to publish" did not include the right to publish the article a second time in electronic media.¹⁶⁶ Considering that *Sports Illustrated* first published Whitford's article in print and then in electronic media after the print publication,¹⁶⁷ the court concluded that the later electronic publication could not have been permissible under the "first to publish right."¹⁶⁸ In sum, the *Tasini I* court held the written contract with *Sports Illustrated*¹⁶⁹ did not constitute an express grant of electronic rights.¹⁷⁰

3. *Tasini I* Court Grants Publishers the Right to License Works in Electronic Databases

Under § 201(c) of the Copyright Act, the creator of a collective work retains certain privileges.¹⁷¹ For example, *Tasini I* recognized the Copyright Act¹⁷² as providing copyright protection for the subsets of collective works, the smaller independent original contributions, and larger

162. *Id.* at 811.

163. *Id.* The plaintiffs argued, "the most reasonable interpretation of 'electronic library archives' does not encompass [publication on] NEXIS." *Id.*

164. *Id.*

165. *See id.* at 812.

166. *Id.*; *see also* *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 564 (1985) (holding the right to first publication encompassed the choice to publish, where to publish, and in what form to publish a work).

167. *Tasini I*, 972 F. Supp. at 812.

168. *Id.*

169. *See supra* note 125 (specifying the language of the contract).

170. *See Tasini I*, 972 F. Supp. at 812.

171. 17 U.S.C. § 201(c) (1994); *see also supra* Part II.A.1 (specifying exclusive rights).

172. 17 U.S.C. §§ 101-1101 (1994).

“collective works.”¹⁷³ Further, the court found that making articles available on databases constituted a “revision” of the individual periodicals, a practice protected by § 201(c) of the Copyright Act.¹⁷⁴ Therefore, under this reasoning, the defendants did not infringe upon the plaintiffs’ copyrights.¹⁷⁵

Section 201(c) provides, the “[c]opyright 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.”¹⁷⁶ The court recognized the publishers were “operating within the scope of their privilege to ‘reproduce’ and ‘distribute’ the plaintiffs’ articles in ‘revised’ versions of the defendants’ collective works,” and deemed any resulting incidental display of the individual author’s writing as permissible.¹⁷⁷

According to the *Tasini I* court, the only remaining issue was whether defendant publishers had gone outside the scope of the revision privilege in § 201(c).¹⁷⁸ Specifically, the court had to decide if the reproduction of the publications in electronic media was the same as the original publications or slightly revised versions of the originals.¹⁷⁹ The *Tasini I* court deemed the publishers’ acts of reproducing the plaintiffs’ works onto electronic databases constituted slightly revised versions of the original publications.¹⁸⁰ Therefore, the publishers’ acts were within the scope of their revision privilege in § 201(c).¹⁸¹ As a result, the court granted the publishers summary judgment.¹⁸²

The *Tasini III* court revisited the issue of whether the articles on the electronic databases “may be considered a ‘revision’ of the individual periodical issues from which the articles were taken.”¹⁸³ The appellate court reversed the *Tasini I* holding and concluded “[s]ection 201(c) does

173. See 972 F. Supp. at 812.

174. See *id.* at 825–26.

175. See *id.* *Tasini I* stated the conversion to an electronic format was a permissible revision under § 201(c) because the database maintained the original selection of articles, and the defendant publishers could create those databases without obtaining permission from or giving compensation to the authors. *Id.* at 826.

176. § 201(c).

177. *Tasini I*, 972 F. Supp. at 817.

178. See *id.* at 814.

179. See *id.* at 815; see also Dale M. Cendali & Ramon E. Reyes Jr., *Freelancers Reeling in Fight Over Online Rights: Unless Congress Takes Action Authors May Be Denied Pay for Electronic Publishing Rights*, NAT’L L.J., Oct. 20, 1997, at C2.

180. *Tasini I*, 972 F. Supp. at 825.

181. *Id.*

182. *Id.* at 827.

183. 206 F.3d at 165.

not permit the [p]ublishers to license individually copyrighted works for inclusion in the electronic databases.”¹⁸⁴

C. *Tasini II Court Denies Reconsideration*

After the court granted summary judgment in favor of the publishers in *Tasini I*, the plaintiffs moved for reconsideration.¹⁸⁵ The plaintiffs raised a number of objections to the court's order.¹⁸⁶ First, the plaintiffs contended “the Court should have ruled for Whitford . . . upon rejecting Time Inc.'s claim that it had acquired electronic rights in one of Whitford's articles pursuant to the contract.”¹⁸⁷ Second, the plaintiffs argued that even under the district court's interpretation of § 201(c), the question remained whether any of the electronic technologies qualified as “permissible revisions.”¹⁸⁸ On reconsideration, the court denied the petition and held the original print articles were substantially similar to the electronic versions on the databases and as such, were permissible as “revisions” under the Copyright Act.¹⁸⁹ The court specifically rejected the defendants' allegations that the plaintiffs had contractually transferred the electronic rights to their articles.¹⁹⁰

IV. THE SECOND CIRCUIT COURT OF APPEALS IN *TASINI III* PROPERLY REVERSES *TASINI I* AND *TASINI II*

The Second Circuit unanimously overturned *Tasini I*'s summary judgment decision in favor of the defendant publishers.¹⁹¹ The plaintiffs argued § 201(c) protected the “[p]ublishers' initial inclusion of individually copyrighted works” in their print publications, but did not permit their inclusion in the electronic databases.¹⁹² The plaintiffs further argued the publishers' rights to publish the articles in print format were not transferable within the meaning of § 201(d),¹⁹³ which the electronic database providers could not assert.¹⁹⁴

184. *Id.*

185. *See Tasini II*, 981 F. Supp. 841.

186. *See id.* at 843.

187. *See id.*

188. *Id.*

189. *See id.* at 851.

190. *Tasini I*, 972 F. Supp. at 812.

191. *Tasini III*, 206 F.3d at 163.

192. *Id.* at 165.

193. *See supra* note 54 and accompanying text.

194. 206 F.3d at 165.

The Second Circuit held, “the privilege afforded [to] collective-works authors”¹⁹⁵ under existing law does not permit the publishers of these copyrighted works to individually license them for inclusion in electronic databases.¹⁹⁶ The court also held that no peculiar feature of the databases would make them “revisions.”¹⁹⁷ The court noted that NEXIS is a database containing “millions of individually retrievable articles taken from hundreds or thousands of periodicals.”¹⁹⁸ Therefore, this practice cannot “be deemed a ‘revision’ of each edition of every periodical that it contains.”¹⁹⁹

A. Second Circuit *Tasini III* Court Redefines “Revision”

The *Tasini III* court initially analyzed the language of the Copyright Act of 1976 and three operative clauses of § 201(c).²⁰⁰ The court’s opinion limited the privilege in question to the particular collective work, any revision of the collective work and any subsequent or altered collective work in the same series.²⁰¹ The court recognized that “under ordinary principles of statutory construction, the second clause must be read alongside with the first and third clauses.”²⁰²

195. *Id.* at 170.

196. *Id.* at 171. Pursuant to § 201(c) of the Copyright Act, the copyright of an individual piece of work in a collective work is distinct and separate from the copyright in the collective work as a whole. *Id.* at 166 (citing 17 U.S.C. § 201(c) (1994)). Thus, “the author of the individual contribution to a collective work owns the copyright to that contribution.” *Id.* Although the publisher of the collective work does not have any right in the individual contribution, the publisher may produce or distribute “the individual contribution as part of a ‘later collective works in the same series,’ such as a new edition of a dictionary or encyclopedia.” *Id.* at 167.

197. *Tasini III*, 206 F.3d at 168.

198. *Id.*

199. *Id.*

200. *Id.* at 166–68.

201. The privilege in question is the “privilege granted to a collective-work author to use individually copyrighted contributions [that] is limited to the reproduction and distribution of the individual contributions as part of: (i) ‘that particular [i.e., the original] collective work’; (ii) ‘any revision of that collective work’; or (iii) ‘any later collective work in the same series.’” *Id.* at 166 (quoting 17 U.S.C. § 201(c) (1994)).

202. *Id.*; see also Michael I. Rudell, *Freelance Authors and Their Contributions to Collective Works*, N.Y. L.J., Oct. 22, 1999, at 3. According to *Tasini III*, the first clause sets the bottom limit of the presumptive privilege in that the author is allowed to reproduce and distribute individual works as part of “that particular collective work,” i.e., a particular edition or issue of a periodical. 206 F.3d at 167. The court then explained that the second clause expands this privilege to allow the reproduction and distribution of the individual work as part of a “revision” of “that collective work.” *Id.* The third clause sets the upper limits on the publisher’s ability to reproduce and distribute the individual work as part of a “later collective work in the same series,” i.e., a later edition of a dictionary or encyclopedia. *Id.*

In light of the Copyright Act, the court stated that § 201(c) only protects "later editions of a particular issue of a periodical, such as the final edition of a newspaper."²⁰³ Furthermore, the court added that because later editions are not exactly the same as earlier editions, § 201(c) does not protect the use of individual articles in later editions.²⁰⁴

In arriving at its decision, the court considered that periodical issues are often updated by revised editions,²⁰⁵ while anthologies and encyclopedias are revised by releasing a new version.²⁰⁶ The court further considered legislative intent which noted that "the 'revision' clause in § 201(c) was not intended to permit the inclusion of previously published freelance contributions 'in a new anthology or an entirely different magazine or other collective work.'"²⁰⁷ Judge Winter of the Second Circuit Court of Appeals noted that reading "revision" too broadly causes the "exception to swallow the rule."²⁰⁸

The *Tasini III* court rejected the defendants' reading of the Copyright Act and concluded that their position conflicted with the overall statutory framework of the Act.²⁰⁹ The court interpreted the Copyright Act as "expressly permit[ing] the transfer of less than the entire copyright."²¹⁰ Even if the privilege was as broad and transferable as the defendants contended, it was "not clear that the rights retained by the Authors could be considered 'exclusive' in any meaningful sense."²¹¹

The court found no feature of the database that would cause it to view the transfers from print to electronic databases as "revisions."²¹² Furthermore, it held that NEXIS can "hardly be deemed a 'revision' of each edition of every periodical that it contains,"²¹³ especially because NEXIS does not retain the copyrightable aspects of the collective works of the publishers.²¹⁴ Due to the character of their "selection, coordination, and arrangement of preexisting materials,"²¹⁵ collective works would make it

203. 206 F.3d at 167.

204. *Id.*

205. *Id.*

206. *Id.*

207. *Id.* (quoting H.R. REP. NO. 94-1476, at 122-23 (1976)).

208. *Id.* at 168 (quoting *Comm'r v. Clark*, 489 U.S. 726, 739 (1989)).

209. 206 F.3d at 168; *see also* Mark R. Kravitz, *Developments in the Second Circuit: 1998-1999*, 32 CONN. L. REV. 949, 994 (2000).

210. 206 F.3d at 168.

211. *Id.*

212. *Id.*

213. *Id.*

214. *Id.*; *see also* 17 U.S.C. § 103(b) (1994).

215. 206 F.3d at 168; *see also* 17 U.S.C. § 101 (1994 & Supp. IV 1999).

difficult to recapture much of the authors' contributions.²¹⁶ For example, a NEXIS user would have difficulty recapturing a single newspaper edition because most of the formatting arrangements may be lost.²¹⁷ This is because neither the publishers nor NEXIS intended to compel or permit a user to recover an individual work solely with other works from the published edition.²¹⁸

On the other hand, UMI databases presented a more difficult issue than NEXIS because they contain articles from only one publisher. *The New York Times On-Disc*²¹⁹ is essentially the same as NEXIS, except that it is limited to works from *The New York Times*.²²⁰ *The New York Times On-Disc* is akin to an anthology of all editions of *The New York Times*.²²¹ However, the *Tasini III* court concluded the licensing of authors' works to UMI for the purpose of including them in such databases does not fall within the § 201(c) revision privilege²²² because they do not constitute "a 'revision' of the previous collective work, or even a 'later collective work in the same series.'"²²³

The court emphasized it would only address "whether, in the absence of a transfer of copyright or any rights thereunder [sic] collective-work authors may re-license individual works in which they own no rights."²²⁴ Because no explicit transfer of rights in these cases existed, the decision turned entirely on the default allocation of the rights provided in § 201(c) the Copyright Act.²²⁵ On these grounds, the court reversed and remanded with instructions to enter judgment for the plaintiffs.²²⁶ However, the court did not conclude whether or not the privilege specified under § 201(c) is transferable under § 201(d).²²⁷

216. 206 F. 3d at 169.

217. *See id.*

218. *Id.* at 169.

219. *Id.* at 164.

220. *Id.* at 169.

221. *Id.*

222. *See* 206 F.3d at 169.

223. *Id.*

224. *Id.* at 170; *see also* Rudell, *supra* note 202, at 6.

225. *Tasini III*, 206 F.3d at 170.

226. *Id.* at 172.

227. *Id.* at 165.

B. Tasini III Court Interpreted § 201(c) to Return Electronic Rights to Freelance Authors

The *Tasini III* court found the authors, rather than the print publishers, retain the right to determine whether the publishers can use the articles and photographs in electronic media.²²⁸ Additionally, the court found the Copyright Act gives an author five exclusive rights in the work: reproduction, preparation of derivative works, distribution, performance, and display.²²⁹ The court does not allow the transfer of display rights from the author of a contributing work to the publisher of a collective work, but only transfers of reproduction and distribution rights.²³⁰ Without “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”²³¹ Therefore, the court ultimately concluded that the defendant publishers had no right to display the plaintiffs’ articles in electronic medium under § 201(c).²³² This holding sends a cautionary message to media and publishing companies that may have overstepped the scope of rights by republishing works in electronic databases.²³³

The court’s interpretation clarified that new uses of the articles in electronic databases and CD-ROM compilations did not constitute a part of the collective work itself.²³⁴ It noted that the plaintiffs’ articles did not mirror the articles that appeared in the newsprint version of *The New York Times*.²³⁵ The court also determined the articles were not “later collective works in the same series.”²³⁶ In sum, the freelance authors ultimately prevailed on all issues.

After *Tasini III*, the defendants’ argument that secondary digital uses are protected “revisions” of the original work is unpersuasive.²³⁷ Digital uses of works are not “revisions” of the original use.²³⁸ Section 201(c)

228. *Id.*

229. *Id.*; see also 17 U.S.C. § 106 (1994 & Supp. IV 1999).

230. 206 F.3d at 166; see also 17 U.S.C. § 201(c) (1994).

231. 206 F.3d at 166.

232. *Id.*

233. See Kurt Wimmer, *The Digital Dilemma*, NAT’L. L.J., Oct. 25, 1999, at B10; see also Calvin Reid, *Court Rules Against Publishers in Electronic Copyright Suit*, PUBLISHERS WKLY., Oct. 4, 1999, at 11.

234. 206 F.3d at 168–69.

235. *Id.* at 169.

236. *Id.*

237. See *id.* at 161.

238. *Id.*

“protect[s] only later editions of the particular issue of a periodical, such as different editions of the same day’s newspaper, regional editions of a magazine, or successive editions of an encyclopedia or dictionary.”²³⁹ These editions are somewhat changed from first publications, but unlike publications in electronic databases, the modified editions still fall under the Act’s privilege.²⁴⁰

The legislative history of the Copyright Act supports this finding.²⁴¹ It suggests that the Copyright Act would not apply to new compilations such as the databases and CD-ROMS.²⁴² Furthermore, the legislature did not intend § 201 to include freelance works “in a new anthology or an entirely different magazine or other collective work.”²⁴³ Moreover, the electronic media at issue in *Tasini III* did not fall within the purview of § 201. For example, NEXIS is a database with millions of articles and is not a “revision” of the pages of *The New York Times*.²⁴⁴ While CD-ROM compilations were a closer call for the court, as they contained reproductions of the entire pages of *The New York Times*,²⁴⁵ the court concluded that these were “new antholog[ies]” and therefore did not fall within the privilege.²⁴⁶ Finally, the written contract between the plaintiff Whitford and the defendant *Sports Illustrated* did not explicitly provide a right to electronically republish his story because the revision right of § 201(c) did not encompass the right of first publication conferred in the licensing agreement.²⁴⁷

The Second Circuit rightfully reversed the district court’s and remanded with instructions to enter judgment for the plaintiffs.²⁴⁸ The most natural reading of the “revisions” of the “collective work” clause, preferred by the *Tasini III* court, is that the § 201(c) privilege “protects

239. Wimmer, *supra* note 233.

240. *Id.*

241. *Id.*

242. Kravitz, *supra* note 209, at 994; *see also* Wimmer, *supra* note 233. The Second Circuit also examined the legislative history of the Copyright Act of 1976 in *Shoptalk, Ltd. v. Concorde-New Horizons Corp.*, 168 F.3d 586, 592 (2d Cir. 1999) (holding when an author consents to including the author’s work in a derivative work, the publication of that derivative work is also considered a publication of the author’s original work to the extent it discloses the underlying work).

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

244. 206 F.3d at 168.

245. Wimmer, *supra* note 233.

246. 206 F.3d at 169. Databases do not preserve the original aspects of the collective work. Weingart & Westmoreland, *supra* note 19.

247. *See* 206 F.3d at 171.

248. *Id.* at 172.

only later editions of a particular issue of a periodical, such as a final edition of a newspaper.”²⁴⁹

The defendants’ argument that § 201(c) authorizes publishers to include freelance contributions when they publish original and revised copies of their collective works on paper, film or electronically, fails for several reasons. As the court stated, “NEXIS does almost nothing to preserve the copyrightable aspects of the Publishers’ collective works,” namely the “selection, coordination, and arrangement of the preexisting materials.”²⁵⁰

Furthermore, neither the publishers nor NEXIS stated or implied “any intent to compel, or even to permit, an end user to retrieve an individual work in connection with other works from the edition in which it ran.”²⁵¹ On “the contrary, *The New York Times* actually forbids NEXIS from producing ‘facsimile reproductions’ of the particular editions.”²⁵² However, “the end user[s] can easily access . . . preexisting materials that belong to the individual author under Sections 201(c) and 103(b).”²⁵³

The *Tasini III* court recognized the right of authors and photographers to determine the media format in which their works can appear. Although this decision appears to be a “potential windfall for free-lance writers,”²⁵⁴ a closer analysis suggests that the results may not benefit any party.²⁵⁵ As electronic publishing increases with the growth of technology and the Internet, this decision is likely to impact the continuing struggle between publishers and writers.²⁵⁶ The decision highlights the need for publishers and authors alike to evaluate all available publishing opportunities.²⁵⁷

C. *The Far Reaching Impact of Tasini III*

Tasini III significantly impacts digital products, web sites, or electronic databases created by reference books and encyclopedia publishers; however, the effect on book publishers is less clear.²⁵⁸ The

249. *Id.* at 167.

250. *Id.* at 168.

251. *Id.* at 169.

252. *Id.* (citing *Tasini I*, 972 F. Supp. at 826, n.17).

253. *Tasini III*, 206 F.3d at 169.

254. Weingart & Westmoreland, *supra* note 19.

255. *Id.*

256. *See id.*; Jason Williams, *Court Decision for Free-lancers Could Leave Gaps in Archives*, EDITOR & PUBLISHER, Oct. 2, 1999, at 5 (examining the possibility of new claims by writers and the possible ramifications).

257. *See* Weingart & Westmoreland, *supra* note 19.

258. *See* Reid, *supra* note 233.

publishing industry predicts that *Tasini III* is more likely to impact older deals²⁵⁹ because current contracts include provisions for electronic rights.²⁶⁰ Publishers will be urged to specifically contract for electronic rights in future contracts as they can no longer assume that contracts include these rights.²⁶¹ Some publishing agents expect *Tasini III* to lead to “more ‘aggressive behavior by publishers on [electronic] rights because of the changing nature of the publishing . . . [to] online business.’”²⁶²

After the *Tasini III* decision, the plaintiff, Tasini, urged “publishers to negotiate licenses with freelance writers so as ‘to avoid further litigation and possible liabilities.’”²⁶³ Tasini reasoned the financial liability of publishers as well as the number of claims brought against them will increase²⁶⁴ because of the increased use of the Web.²⁶⁵

The National Writers Union²⁶⁶ established the Publications Rights Clearinghouse (“PRC”),²⁶⁷ which handles collective licensing of freelance

259. After *Tasini III*, in the absence of a written contract, the author only transfers First North American Serial Rights, and retains all other rights, including the right to electronically reproduce freelance articles. See *Tasini v. New York Times Ruling: What Does It Mean for Writers?*, National Writers Union, at <http://www.nwu.org/tvt/9909vic.htm> (last modified Sept. 26, 1999) [hereinafter “*Tasini Ruling*”]. “The right to electronically reproduce freelance articles is not included in the transfer of First North American Serial Rights.” *Id.* Additionally, “writers do not transfer rights to an article by simply endorsing such a check.” *Id.*

260. See Reid, *supra* note 233.

261. See *Tasini Ruling*, *supra* note 259.

262. Reid, *supra* note 233.

263. *Id.* Tasini made this statement after the plaintiff’s victory at a press conference at the New York headquarters of the National Writers Union. *Id.*

264. *Id.* However, in the letters the writers’ union sent to twenty-two publishers, Tasini stated, “[w]e want to emphasize that neither the N.W.U. nor the freelance writing community is seeking to undermine the distribution of magazine and newspaper articles via on-line networks.” Barringer, *supra* note 27, at C6.

265. Reid, *supra* note 233.

266. The National Writers Union is a trade union dedicated to advancing the interests of freelance writers. *About the National Writers Union*, at <http://www.nwu.org/nwuinf.htm> (last modified Sept. 11, 2000). It has 6,500 members nationwide and represents journalists, book authors, technical writers and poets. *Id.* It is affiliated with AFL-CIO through its parent union, United Auto Workers. *Id.*

267. See *About the Publication Rights Clearinghouse*, National Writers Union, at <http://www.nwu.org/prc/prcabout.htm> (last modified Jul. 29, 1999) [hereinafter “*About PRC*”]. This ruling gives authors more incentives to negotiate collective licensing agreements with PRC. See *Tasini Ruling*, *supra* note 259. The Publication Rights Clearinghouse (“PRC”) “licenses to publishers and databases non-exclusive rights to its inventory of articles and books.” *Frequently Asked Questions about PRC*, National Writers Union, at <http://www.nwu.org/pre/prefaq/htm> (last modified Jul. 29, 1999) [hereinafter “*PRC FAQ*”]. PRC enrolls freelance writers who have retained secondary rights to previously published articles. *Id.* These articles become a part of the PRC directory that is licensed to database companies. See *About PRC*. The companies collect royalties on customer orders from PRC and then PRC breaks down and distributes the money to authors. *PRC FAQ*, *supra* note 267. It believes that if writers as a whole collectively refuse to

work, and digitally processes permission payments. As suggested by Tasini, such a system is a quick solution for acquiring permission and making payments to writers.²⁶⁸ Alternatively, the Authors Guild²⁶⁹ and The American Society of Journalists and Authors²⁷⁰ established the "Authors Registry," a nonprofit system for disbursing reuse fees.²⁷¹ Retroactive licensing, however, may be more difficult for those freelancers who are already archived²⁷² because it would require the National Writers Union²⁷³ to track down authors to make arrangements between the writers and the publishers.²⁷⁴

Tasini III could potentially cost publishers millions of dollars by rendering them liable to freelance authors.²⁷⁵ This potential liability results largely from the authors' retroactive claims of infringement on articles posted in electronic archives.²⁷⁶ *Tasini III* could force the large scale removal of the works of freelance authors dating back to 1996, thereby creating significant gaps in publishers' archives.²⁷⁷

The far reaching effect of *Tasini III* will not only be felt by professional researchers and freelancers, "but also by millions of Internet users who expect to find comprehensive and reliable archives on media-related Web sites."²⁷⁸ As a result, this decision complicates the Internet publishing industry that heavily relies on freelance work.²⁷⁹

sign over electronic rights to publishers in their individual contracts, it will increase leverage when negotiating additional fees for these rights. *Tasini Ruling*, *supra* note 259. PRC foresees that writers will be able to share in the new revenue generated by the use of their work in new media. *Id.*

268. Barringer, *supra* note 27, at C6. The result would be a system similar to the one operating in the music industry where "organizations like BMI and the American Society of Composers, Arrangers and Producers license the use of music by anything from dance studios to high school musical productions." *Id.*

269. The Author's Registry, which maintains a database of over 30,000 writers, was founded by the Author's Guild. Williams, *supra* note 256, at 6. Although it is not a licensing agency, for a fee, the Registry will locate authors to distribute any unpaid royalties. *Id.*

270. Reid, *supra* note 233.

271. These two author groups were also pleased with the victory. Reid, *supra* note 233; see also Williams, *supra* note 256, at 5.

272. Williams, *supra* note 256, at 6.

273. *Id.*

274. *Id.*

275. Reid, *supra* note 233.

276. Williams, *supra* note 256, at 5.

277. Bergner, *supra* note 28; see also Weingart & Westmoreland, *supra* note 19.

278. Wimmer, *supra* note 233. Additionally, many libraries have cancelled numerous print subscriptions and have chosen to rely on electronic data. Bergner, *supra* note 28. If some newspapers and magazines are not available online, they risk not existing at all. *Id.*

279. Wimmer, *supra* note 233.

Moreover, Internet publishing is a global issue.²⁸⁰ The holding of *Tasini* could dramatically affect the worldwide use of electronic data. To illustrate, consider a publisher who seeks to compile complete archives of print issues and to make them available as quickly as possible.²⁸¹ *Tasini* implies that such a publisher may need to ensure that a licensing or employment agreement covers every article and document in order to publish without fear of infringement suits.²⁸² Practically, such added effort and potential infringement liability may dissuade the publisher from pursuing such projects.²⁸³ It may even lead publishers to settle for an incomplete set of archives.²⁸⁴

This case has significant judicial impact. Courts will look to these cases as precedent because they were filed in the Southern District of New York, the center of the publishing industry.²⁸⁵ The decision, therefore, will carry much weight in other jurisdictions where these issues arise.²⁸⁶

The *Tasini III* decision invoked responses from copyright experts in addition to the parties involved.²⁸⁷ The plaintiff authors argue that publishers will face enormous potential liability.²⁸⁸ The defendant publishers counter that the ruling will force publishers to remove freelance material from databases, leaving gaps in the historical record.²⁸⁹

On April 6, 2000, the Second Circuit unanimously denied publishers a rehearing of *Tasini III*.²⁹⁰ This decision affirms the holding that publishers are liable for copyright infringement when they place works online or otherwise reuse or resell works without the author's written consent.²⁹¹ *Tasini* interpreted this as another significant victory for all writers and

280. *Id.* For example, several German photojournalists and the German Journalists' Association sued the newspaper *Tagesspiegel* for publishing photographs from its print edition on the Internet without permission or additional compensation. *Id.*

281. Wimmer, *supra* note 233.

282. *See id.*

283. *Id.*

284. *Id.*

285. Barringer, *supra* note 27.

286. *See* Barringer, *supra* note 27.

287. *See id.*

288. *Id.*; *see also* Calvin Reid, *NYT Asks for Rehearing in Copyright Ruling*, PUBLISHERS WKLY., Oct. 18, 1999, at 11.

289. Reid, *supra* note 288; *see also* Bergner, *supra* note 28, at 38.

290. 206 F.3d at 171.

291. *See* Press Release, National Writers Union Freelance Writers Win Electronic Rights Lawsuits, National Writers Union, at <http://www.nwu.org/tvt/9909pr.htm> (last modified Sept. 26, 1999).

creators, and speculates the decision will make it more difficult for publishers to assure their investors of their freedom from liability.²⁹²

V. CONCLUSION

Publishing and media industries closely followed *Tasini* due to its potential impact on businesses, writers, and consumers.²⁹³ The lower court's decision granted significant power and copyright protection to publishers by: 1) interpreting § 201(c) of the Copyright Act as placing an unfair burden on freelance authors and 2) holding that electronic copyrights remain with the publishers.²⁹⁴ The Appellate Court reversed this decision, holding that the compilation of the freelance work on databases and CD-ROMs without the authors' express permission infringed upon their copyrights.²⁹⁵

Tasini III recognizes the need to protect freelance authors' rights and works.²⁹⁶ The publishers will feel the major impact of *Tasini III* as it affects their electronic archives and databases already in place.²⁹⁷ In order for publishers to continue their electronic publishing of freelance works, they must first obtain permission from authors.²⁹⁸ Depending on the structure of their agreements, publishers may have to further compensate the authors for the use of those articles.²⁹⁹

Although *Tasini III* signifies a huge milestone for freelance writers and promotes the industry-wide change of standards, it does not completely resolve the issue of electronic copyrights.³⁰⁰ It remains to be seen whether the Supreme Court will determine these issues.

As the Internet increases access to written information, the danger of copyright infringement also increases. As a result, freelance authors need ways to control and affirm ownership of their works in electronic databases. *Tasini III* is the beginning of such protection.

292. *Id.*

293. See Barringer, *supra* note 27.

294. See generally *Tasini I*, 972 F. Supp. 804.

295. *Tasini v New York Times Ruling: What Does It Mean for Writers?*, at <http://www.nwu.org/tvt/9909vic.htm> (last modified on Sept. 26, 1999).

296. See Rudell, *supra* note 202.

297. See Williams, *supra* note 256, at 5.

298. See *id.* at 5-6.

299. See McKee, *supra* note 4.

300. The defendants have filed for reconsideration hearing. *Tasini III*, 206 F.3d 161 (2d Cir. 2000), *petition for cert. filed*, (U.S. Aug. 4, 2000) (No. 00-201).

Yuri Hur^{*}

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