Tasini v. New York Times: Ownership of Electronic Copyrights Rightfully Returned to Authors

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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. Upon such an arrangement, the freelance author gave up the copyright in the article in exchange for payment. This agreement resulted in the newspaper printing a hard copy of the article. The arrangement also represented an agreement for the publication and reproduction of the article in an electronic database, such as LEXIS-NEXIS, or on a CD-ROM. However, as a result of the court ruling in Tasini v. New York Times Co. (Tasini III), a freelance author no longer


2. See generally id.

3. See id.


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.

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

\textit{Tasini v. New York Times Co. (Tasini I)}\(^9\) was the first case to merge copyright law with electronic publishing\(^10\) and media rights transfers.\(^11\) Relying on § 201(c) of the Copyright Act of 1976\(^12\) ("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 \textit{Tasini v. New York Times Co. (Tasini II)},\(^17\) the court denied the freelance authors' motion to reconsider \textit{Tasini I}.\(^18\) However, in \textit{Tasini III}, the Second Circuit rendered a decision that will reshape copyright protection in the modern electronic age.\(^19\) \textit{Tasini III} settled the dispute

\begin{enumerate}
\item See 206 F.3d at 171; see also Calvin Reid, \textit{Court Rules Against Publishers in Electronic Copyright Suit}, PUBLISHERS WKLY., Oct. 4, 1999, at 11.
\item 972 F. Supp. 804 (S.D.N.Y. 1997).
\item 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, \textit{Checklist for Lawyers for Multimedia Matters}, N.Y. L.J., Oct. 8, 1993, at 5.
\item 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.
\item \textit{Id.}
\item \textit{Tasini I}, 972 F. Supp. 804.
\item \textit{Id.} at 816, 819–20; see also Alden, supra note 11.
\item § 201(c).
\item 981 F. Supp. 841 (S.D.N.Y. 1997).
\item \textit{Id.} at 842.
\end{enumerate}
regarding who owns the electronic copyrights in articles. specifically, the
Tasini III court held a publisher cannot electronically reproduce the work
of a freelance author unless the publisher provides the author with
additional compensation for such reproduction.

Tasini III has broad implications for the media industry. Many
publishers and media companies place articles on the Internet and must
now compensate authors for doing so, thereby increasing publication
costs. In addition, Internet publishing may fuel additional disputes
between authors and publishers regarding electronic rights transfers.
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.

Consequently, the Tasini III holding may force publishing companies
to offer retroactive payments for electronic publishing rights to authors.
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. 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
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 &
25. Laurie A. Santelli, Comment, New Battles Between Freelance Authors and Publishers in
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. However, the contracts do not provide additional compensation for the Internet publication rights. 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.

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. 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. The large number of people accessing information online makes the relationship between various technologies and the

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29. Beth J. Harpaz, Court: Publishers Must Obtain Electronic Rights for Freelance Work, ASSOCIATED PRESS NEWSWIRES (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.

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.


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


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

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

1. Exclusive Rights

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression." To be "original," the work must be an independent creation and cannot be copied from another source. To be "tangible," the work must be concrete enough so as to be communicable. Once the work is both original and tangible, the creator of the work can control and license it for economic benefit. 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. Furthermore, copyright immediately and automatically vests in the creator of the work. Thus, the creator becomes the copyright owner of the work.

The exclusive copyrights allow the copyright owner to maintain control over the different uses of the owner's work. 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.
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).
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. However, these rights are not absolute and may be modified. A transfer of any of these exclusive rights is valid if conveyed in writing and signed by the original copyright owner. In addition, under the principle of unlimited alienability, 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.

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

The distinction between "derivative works" and "collective works" 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." 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." Compilations are more expansive than collective works because they may include non-copyrightable works such as facts or hard data. Collective works are formed exclusively with the use of preexisting copyrightable works. Moreover, collective works simply combine prior works without altering them in any fashion.

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. 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.

Derivative works are similar to collective works in that they use preexisting copyrighted works to create new works. 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. Only

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.
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).


75. See id.

76. Id.

77. Id.


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).


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

In contrast, writers employed as in-house authors for a publication create "works made for hire."\textsuperscript{88} The Copyright Act defines a work made for hire as one "prepared by an employee within the scope of his or her employment."\textsuperscript{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.\textsuperscript{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.\textsuperscript{91}

\begin{footnotesize}
\footnote{written instrument signed by them that the work shall be considered a work made for hire.}

\textit{Id.}

\footnote{82. See Mary Voboril, \textit{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.}


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


\footnote{87. See id.}

\footnote{88. See § 101.}

\footnote{89. Id; see also supra note 81 (defining a work made for hire).}

\footnote{90. 17 U.S.C. § 201(b) (1994).}

\footnote{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., \textit{Tasini I}, 972 F. Supp. at 807.}
\end{footnotesize}
C. Electronic Publishing: CD-ROMs, Electronic Databases and On-line Services

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

Similar to CD-ROMs, computer databases store vast amounts of information in digital format. Database companies, such as Reed Elsevier's LEXIS-NEXIS, provide users with information contained in their electronic databases via remote access. 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." Thus, the

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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. Essentially, all electronic publications consist of computer files that permanently store information. These computer files are separately copyrightable because they are sufficiently permanent to be communicated and represent original works of authorship. The electronic submission of copyrighted material implicates the right of reproduction because a digital copy is made. The public availability of the work on the Internet also implicates the right of distribution.

The ramifications of the rights to publicly perform and display components of a digital transmission are not clearly defined. 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.


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


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), 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. The plaintiffs, Jonathan Tasini ("Tasini") and other freelancers, filed suit against New York Times Co., Newsday Inc., Time Inc., The Atlantic Monthly Co., University Microfilms Inc., and Mead Data Central Corp. 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. The plaintiffs argued in *Tasini I* that they sold the defendant publishers the right to publish their works only in print form. 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.

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

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108. 206 F.3d 161 (2d Cir. 2000).
109. See id.
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.*
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/nwunfl1.htm (last modified Sept. 11, 2000). The organization has about 6,500 members. See id.
114. See Howe, *supra* note 16.
to *The New York Times* did so by oral agreement. These oral agreements addressed the topics and lengths of the articles that were to be published, the deadlines for submission, and the authors' fees. The agreements did not, however, specifically address which author's rights would be transferred to the publishers. Similarly, the plaintiffs' copyright assignments to *Newsday* were orally agreed upon, but *Newsday* paid the authors with checks that included an endorsement. The endorsement stated that upon cashing the check, the publishers would retain the right to include the works in their electronic library archives.

David Whitford, the plaintiff who submitted an article to *Sports Illustrated*, was the only author who had a written express contract with the publisher. 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. However, the contract did not contain any language clearly allocating electronic publication rights to *Sports Illustrated*. Whitford alleged he did not intend to grant electronic rights to the publisher when he signed the contract.

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

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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.
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.
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. In addition, the publications the electronic publishers used differed from the print versions. 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. The digital version of the publication eliminated the original formatting, including the page layout and photographs. The freelance authors contended the defendants' electronic republication violated § 201(c) of the Copyright Act because of the alteration.

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. 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.

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."

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. 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.
articles in an electronic medium. Plaintiffs further argued that defendant print publishers also infringed upon their copyrights when the print publishers sold the articles to electronic databases. In opposition, the defendant print publishers asserted that the plaintiffs expressly granted them the right to use the articles in electronic databases. Their position, in essence, was threefold: 1) the electronic databases were archival in nature; 2) the right of first publication included various media; 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.

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. Moreover, the defendants' publication in electronic media constituted permissible revisions of the plaintiffs' collective works under § 201(c). 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. Similarly, Time claimed it acquired electronic rights through its written contract with Whitford. Time argued the "first to publish" right extended to publication in print and electronic media. 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.\textsuperscript{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.\textsuperscript{152} The \textit{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).\textsuperscript{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."\textsuperscript{154}

1. The Authors Did Not Expressly Transfer Their Electronic Rights

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

In particular, the court reasoned that if \textit{Newsday} sought electronic rights to the plaintiffs' works, then it should have been expressly stated in the written contracts.\textsuperscript{161} Additionally, the court noted that because

\begin{itemize}
\item \textsuperscript{151} \textit{Id.} at 806–807.
\item \textsuperscript{152} \textit{Id.} at 812.
\item \textsuperscript{153} \textit{Id.}
\item \textsuperscript{154} \textit{Id.} at 819.
\item \textsuperscript{155} 972 F. Supp. at 810.
\item \textsuperscript{156} \textit{Id.} at 811. The court held writing on the back of checks cannot constitute express transfers of electronic rights. \textit{Id.}
\item \textsuperscript{157} \textit{Id.} at 810.
\item \textsuperscript{158} \textit{Id.} at 811.
\item \textsuperscript{159} \textit{Id.}
\item \textsuperscript{160} \textit{Id.} at 810.
\item \textsuperscript{161} See \textit{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. \textit{Id.} at 810.
\end{itemize}
Newsday maintained its own non-commercial "electronic library archive,"\textsuperscript{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.\textsuperscript{163} Therefore, the court concluded the freelancers' understanding of the transfer of electronic rights was in contrast to Newsday's claims.\textsuperscript{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.\textsuperscript{165} The court held the phrase "first to publish" did not include the right to publish the article a second time in electronic media.\textsuperscript{166} Considering that Sports Illustrated first published Whitford's article in print and then in electronic media after the print publication,\textsuperscript{167} the court concluded that the later electronic publication could not have been permissible under the "first to publish right."\textsuperscript{168} In sum, the Tasini I court held the written contract with Sports Illustrated\textsuperscript{169} did not constitute an express grant of electronic rights.\textsuperscript{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.\textsuperscript{171} For example, Tasini I recognized the Copyright Act\textsuperscript{172} as providing copyright protection for the subsets of collective works, the smaller independent original contributions, and larger

\textsuperscript{162. Id. at 811.}
\textsuperscript{163. Id. The plaintiffs argued, "the most reasonable interpretation of 'electronic library archives' does not encompass [publication on] NEXIS." Id.}
\textsuperscript{164. Id.}
\textsuperscript{165. See id. at 812.}
\textsuperscript{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).}
\textsuperscript{167. Tasini I, 972 F. Supp. at 812.}
\textsuperscript{168. Id.}
\textsuperscript{169. See supra note 125 (specifying the language of the contract).}
\textsuperscript{170. See Tasini I, 972 F. Supp. at 812.}
\textsuperscript{171. 17 U.S.C. § 201(c) (1994); see also supra Part II.A.1 (specifying exclusive rights).}
\textsuperscript{172. 17 U.S.C. §§ 101–1101 (1994).}
"collective works." 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. Therefore, under this reasoning, the defendants did not infringe upon the plaintiffs' copyrights.

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." 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.

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). 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. The Tasini I court deemed the publishers' acts of reproducing the plaintiffs' works onto electronic databases constituted slightly revised versions of the original publications. Therefore, the publishers' acts were within the scope of their revision privilege in § 201(c). As a result, the court granted the publishers summary judgment.

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." The appellate court reversed the Tasini I holding and concluded "[s]ection 201(c) does

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.
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.”

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. The plaintiffs raised a number of objections to the court’s order. 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.” 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.” 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. The court specifically rejected the defendants’ allegations that the plaintiffs had contractually transferred the electronic rights to their articles.

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. 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. The plaintiffs further argued the publishers’ rights to publish the articles in print format were not transferable within the meaning of § 201(d), which the electronic database providers could not assert.

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184. *Id.*
186. *See id.* at 843.
187. *See id.*
188. *Id.*
189. *See id.* at 851.
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" under existing law does not permit the publishers of these copyrighted works to individually license them for inclusion in electronic databases. The court also held that no peculiar feature of the databases would make them "revisions." The court noted that NEXIS is a database containing "millions of individually retrievable articles taken from hundreds or thousands of periodicals." Therefore, this practice cannot "be deemed a 'revision' of each edition of every periodical that it contains."

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). 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. The court recognized that "under ordinary principles of statutory construction, the second clause must be read alongside with the first and third clauses."

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[ting] 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

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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)).
210. 206 F.3d at 168.
211. Id.
212. Id.
213. Id.
214. Id.; see also 17 U.S.C. § 103(b) (1994).
difficult to recapture much of the authors’ contributions.\textsuperscript{216} For example, a NEXIS user would have difficulty recapturing a single newspaper edition because most of the formatting arrangements may be lost.\textsuperscript{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.\textsuperscript{218}

On the other hand, UMI databases presented a more difficult issue than NEXIS because they contain articles from only one publisher. \textit{The New York Times} On-Disc\textsuperscript{219} is essentially the same as NEXIS, except that it is limited to works from \textit{The New York Times}.\textsuperscript{220} \textit{The New York Times} On-Disc is akin to an anthology of all editions of \textit{The New York Times}.\textsuperscript{221} However, the \textit{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 privilege\textsuperscript{222} because they do not constitute “a ‘revision’ of the previous collective work, or even a ‘later collective work in the same series.’”\textsuperscript{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.”\textsuperscript{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.\textsuperscript{225} On these grounds, the court reversed and remanded with instructions to enter judgment for the plaintiffs.\textsuperscript{226} However, the court did not conclude whether or not the privilege specified under § 201(c) is transferable under § 201(d).\textsuperscript{227}

\begin{thebibliography}{9}
\bibitem{216} 206 F. 3d at 169.
\bibitem{217} \textit{See id.}
\bibitem{218} \textit{Id.} at 169.
\bibitem{219} \textit{Id.} at 164.
\bibitem{220} \textit{Id.} at 169.
\bibitem{221} \textit{Id.}
\bibitem{222} \textit{See} 206 F.3d at 169.
\bibitem{223} \textit{Id.}
\bibitem{224} \textit{Id.} at 170; \textit{see also} Rudell, \textit{supra} note 202, at 6.
\bibitem{225} \textit{Tasini III}, 206 F.3d at 170.
\bibitem{226} \textit{Id.} at 172.
\bibitem{227} \textit{Id.} at 165.
\end{thebibliography}
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)

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228. *Id.*


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

231. 206 F.3d at 166.

232. *Id.*


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).
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 deals because current contracts include provisions for electronic rights. Publishers will be urged to specifically contract for electronic rights in future contracts as they can no longer assume that contracts include these rights. 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."

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.'" Tasini reasoned the financial liability of publishers as well as the number of claims brought against them will increase because of the increased use of the Web.

The National Writers Union established the Publications Rights Clearinghouse ("PRC"), which handles collective licensing of freelance

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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/9909v/nwt.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.*


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


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."


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 July 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/prc/prcfaq.htm (last modified July 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

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.\textsuperscript{280} The holding of \textit{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.\textsuperscript{281} \textit{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.\textsuperscript{282} Practically, such added effort and potential infringement liability may dissuade the publisher from pursuing such projects.\textsuperscript{283} It may even lead publishers to settle for an incomplete set of archives.\textsuperscript{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.\textsuperscript{285} The decision, therefore, will carry much weight in other jurisdictions where these issues arise.\textsuperscript{286}

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

On April 6, 2000, the Second Circuit unanimously denied publishers a rehearing of \textit{Tasini III}.\textsuperscript{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.\textsuperscript{291} Tasini interpreted this as another significant victory for all writers and

\begin{thebibliography}{99}
\bibitem{280} Id. For example, several German photojournalists and the German Journalists' Association sued the newspaper \textit{Tagesspiegel} for publishing photographs from its print edition on the Internet without permission or additional compensation. \textit{Id}.
\bibitem{281} Wimmer, \textit{supra} note 233.
\bibitem{282} See \textit{id}.
\bibitem{283} \textit{Id}.
\bibitem{284} \textit{Id}.
\bibitem{285} Barringer, \textit{supra} note 27.
\bibitem{286} See Barringer, \textit{supra} note 27.
\bibitem{287} See \textit{id}.
\bibitem{288} \textit{Id}; see also Calvin Reid, \textit{NYT Asks for Rehearing in Copyright Ruling}, \textit{PUBLISHERS WKLY.}, Oct. 18, 1999, at 11.
\bibitem{289} Reid, \textit{supra} note 288; see also Bergner, \textit{supra} note 28, at 38.
\bibitem{290} 206 F.3d at 171.
\end{thebibliography}
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.
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.
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