The Growing Financial Pie of Online Publication: Tasini's New-Use Analysis Leaves Freelance Authors Less than Crumbs

Dom F. Atteritano
NOTE

THE GROWING FINANCIAL PIE OF ONLINE PUBLICATION: TASINI’S NEW-USE ANALYSIS LEAVES FREELANCE AUTHORS LESS THAN CRUMBS

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In today's ever-advancing information age, technology is facilitating access to information. The combination of "Moore's Law," the information superhighway, and the $1000 personal computer puts vast amounts of knowledge at the fingertips of millions of people across the United States. With this high-tech information revolution have come those who have gained financially from it, or perhaps conversely, those seeking to gain financially from this revolution have been the driving force behind it. Whichever the case, one thing is certain—electronic information has been a very lucrative endeavor for all players. From

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1. The use of personal computers permits instant access to volumes of case law and statutes for legal research, instantly updated stock quotes, breaking news headlines, and updates on a sports score from one's home or office.

2. "Moore's Law" is named after Gordon Moore, co-founder of Intel Corp., who first proposed that the microchips which power computers get twice as smart every 18 months. See 2001-3000: The World As It Will Be, LIFE, Oct. 15, 1997, at 168, 168. The microchips found in today's computers are over 130,000 times smarter than when the chips were first introduced in 1971. See id. According to Paul Horn, Senior Vice President of Research at International Business Machines ("IBM"), Moore's Law will apply for at least 15 more years. See id. By then, computers will be 1000 times more powerful than those we use today, and 130 million times more powerful than the first microchip. See id.


5. Researchers estimate that there are 40 to 50 million people online around the world. See Short Cuts: Subscriber Surge, NEWSWEEK (Long Island, N.Y.), Nov. 18, 1997, at A56. America Online, the largest online service in the United States, has more than 10 million subscribers. See id. A recent study by IntelliQuest Information Group Inc. stated that more than 62 million United States adults went online in the fourth quarter of 1997. See Bill Pietrucha, Study Puts U.S. Online Population at 62 Million, NEWSBYTES, Feb. 6, 1998, available in LEXIS, News Library, Cumans File. Sixty-two million United States adults represents 30% of the United States population age 16 or older and was an increase of one third from the 46.8 million users reported for the same period in 1996. See id. Two trends suggest that the financial potential of Internet-related products and services is great: (1) if the current user growth continues, the number of United States residents wired to the Internet could approach 70 million by mid-1998; and (2) the 1997 fourth quarter statistics marked, for the first time, that Internet-online users accounted for more than half of computer users. See id.

6. A November 1988 article in FOLIO magazine claimed that TIME received a $500,000 advance against royalties for putting its articles on America Online. See Julius J. Marke, Protection of Electronic Publication Rights, N.Y. L.J., Jan. 17, 1995, at 5. NEWSWEEK struck a similar deal with Prodigy. See id. It is important to note that these figures do not reflect payments to the publications for bringing new subscribers to the service, or for continuing royalty payment as a result of...
companies creating Internet software, to online service providers, to legal research databases, money-making opportunities do, and will continue to, exist.  

This combination of technology, information, and money has set the battlefield for a war between freelance authors and publishers of traditional print publications, such as newspapers and magazines, over the reproduction of their periodicals via electronic media. The issues which have come to the forefront include: (1) whether publishers own the copyright in the works of these freelance authors via the publishers’ copyright in their compilations, or whether publishers have to obtain permission from the authors before proceeding on the information superhighway; and (2) whether publishers are required to pay royalties to these authors for the use of their work on electronic media.

On August 13, 1997, Judge Sonia Sotomayor handed down a ruling in the much anticipated \textit{Tasini v. New York Times Co.} case addressing these two issues. Judge Sotomayor held, inter alia, that publishers could put their periodicals on electronic databases without the permission of, or payment of royalties to, freelance writers whose works are included in these publications. The \textit{Tasini} ruling, a conceded victory for publishers, appears to be only the first battle of this war. It also provides

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7. See MacLachlan, \textit{supra} note 6, at 4. According to congressional figures, Internet access services such as Virginia-based America Online generated \$2.4 billion in revenues in 1996. See id.

8. "[T]he battle is, at its heart, about money—who's going to get it someday and who's going to be left in the cold." Christina Ianzito, \textit{Who Owns that Online Story?}, \textit{COLUM. JOURNALISM REV.}, May/June 1997, at 15, 15.


12. See \textit{id.} at 806.

an opportunity to examine the players in this dispute, the dispute itself, the ammunition used by both sides in asserting their respective positions, and how the courts have handled similar disputes in the past.

This Note examines the current controversy over "new-use" electronic publishing, and proposes that the adoption of what is currently the minority view of new-use analysis is a more equitable and efficient way to advance the purposes of copyright and the goals of all parties affected by copyright. Part I briefly examines the purpose of copyright from its constitutional basis to its codification under federal law. This section also examines the parties affected by copyright, what role each plays in furthering the purpose of copyright, and how the copyright law attempts to balance the interests of these parties. Part II compares the approaches taken by courts in analyzing new-use controversies over the past century. Part III summarizes the current new-use controversy embodied in *Tasini*, and analyzes the court's holding in light of whether it furthers the purpose of copyright. Part IV applies the strict approach of new-use analysis to the *Tasini* case, and asserts that the adoption of this approach more equitably serves the purpose of copyright and advances the interests of authors, publishers, and users of electronic media. Part V examines *Tasini's* effects on the parties to the controversy, takes a brief look at the future of online publishing as a new-use legal problem, and examines possible remedies to the dispute between publishers and freelance authors.

I. PURPOSE OF COPYRIGHT

"A copyright is a property right in an original work of authorship that is fixed in tangible form." Copyright protection is available for original works of authorship included in the following categories: "(1)
literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.”

Though extending to works in all of these categories, copyright protection does not “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”

Deciphering the purpose of copyright requires a more extended discussion. Congress derives the authority to create copyright laws from the United States Constitution’s copyright clause. Article I, section 8, clause 8 states: “The Congress shall have Power . . . [t]o 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 . . . .” Congress passed the first federal copyright statute in 1790. Since then, the copyright laws have undergone a number of revisions, with the last major revision embodied in the Copyright Act of 1976, which became effective on January 1, 1978. In determining the underlying purpose of copyright law, we must look at the parties affected by it. The three parties whose interests are directly affected by copyright law are authors, distributors (including publishers), and consumers (users). Members of these three groups all use copyright and copyrighted materials for different purposes.

Authors’ views on the purpose of copyright have led to misconceptions as to what copyright’s true purpose is. Due to the notions of copyright forwarded by authors, copyright is generally seen as a means to protect authors from those who would steal their work and use it for

18. Id.
21. See ANDORKA, supra note 16, at 1; PATTERSON & LINDBERG, supra note 20, at 47.
23. See PATTERSON & LINDBERG, supra note 20, at xi.
Though the protection of authors from those who seek to use their work for their own profit is an incidental function of copyright, that is not its stated purpose. For authors, the protection of copyright provides a monetary incentive to create new works. Authors thereby view and use copyright as a creative catalyst.

For publishers, copyright is used as a means to disseminate their works in a commercial setting. Publishers enter a protective environment where they may disseminate works and profit without fear of others copying their publications. Publishers thereby profit while acting as intermediaries in the promotion of authors' works, and also as providers of information to those seeking information (copyright users). By obtaining copyright in their compilations and other works, publishers are able to profit. More importantly, this opportunity for profit provides the incentive for publishers to experiment with new technologies in order to further the spread of information.

As a result, users gain the benefit of easy access to information. It is the main interest of users that they have easy, low-cost access to a wide range of information. Users include researchers, students, libraries, and even other authors. Authors themselves see the merits of keeping the free-flow of information constant, since they often use other copyrighted materials for the research of their own works.


26. See id.

"The immediate effect of our copyright law is to secure a fair return for an 'author's' creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good. 'The sole interest of the United States and the primary objective in conferring the monopoly,' this court has said, 'lie in the general benefits derived by the public from the labors of authors.'"

Donald F. Johnston, Copyright Handbook 3 (2d ed. 1982) (quoting Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975)).

27. "[Copyright] acts as an incentive for others to invest in the dissemination and exploitation of works for the ultimate benefit of the public." Gillian Davies, Copyright and the Public Interest 173 (1994).

28. "[T]he interest of the public, in the sense of the user or consumer, ... [is] in obtaining access as cheaply and easily as possible to information of all kinds." Id. at 173-74. Some extreme Internet enthusiasts and digital age philosophers propose that the Internet should be a medium where all copyright ceases to exist and all information on it will be free. See Jonathan Tasini, No Such Thing as a Free Byte?: Cutting Through the "Info Should Be Free" Debate (visited Nov. 9, 1997) <http://www.lra-ny.com/workinglife/freebyte.html>.

29. Writers are not waging this battle over electronic rights in order to make obtaining information more difficult for researchers and curious Internet users. See Ebbinghouse, supra note 9, at 54. The concern is over "'those who are systematically marketing and profiting from the unauthorized and uncompensated reuse of the writers' works.'" Id.
also concerned with the quality of information to which they have access. If authors are being shut out from the profit end of copyright, then many authors will just pick up and leave, subsequently filling the information superhighway with sub-par material.  

Clearly, the interests of authors, publishers, and users are intertwined. Copyright law must aim at finding the difficult level of balance between the three parties, while continuing to forward its stated purpose of the promotion of the public welfare by the advancement of knowledge. However balanced, we must always evaluate laws and court decisions purporting to enforce and further the purpose of copyright against the purpose of copyright stated in the United States Constitution, and not the purpose of copyright as defined by each of the interested parties. If we do not, the delicate balance necessary for the proper function of the system of copyright will be undone, and the relationship between the parties will breakdown and cease to function.

II. TWO CASE LAW APPROACHES TO NEW-USE CONTROVERSIES IN COPYRIGHT

The new-use controversy has dogged copyright law and the courts which have tried to balance the rights of authors, publishers, and users, for more than a century. Since the beginning of copyright law in England, copyright laws have been created, and subsequently amended, to accommodate new-uses as technology provided public access to them. In the United States, technology and copyright have also grown in parallel fashion. In 1802, America revised its copyright law to extend to mu-
sical compositions; in 1831, to include prints; in 1856, to protect dramas; in 1865, to cover photographs; in 1870, to encompass works of art; and then again in the last major overhaul of copyright law in 1976, to include radio, film, television, audio recorders, and home video. Because Congress has historically been slow to establish statutory law to accommodate new technologies, a number of cases have been decided at the introduction of each new media to the public. This case law has established two clear approaches to analyzing new-use controversies. Professor Melville Nimmer, in what is regarded as the leading treatise

35. See id.
36. See id.; Saez, supra note 6, at 372.
37. These new-uses have included silent movies, talking motion pictures ("talkies"), television, and videocassettes. See, e.g., Manners v. Morosco, 252 U.S. 317, 327 (1920) (granting an injunction against the representation of a play in moving silent pictures); Subafilms, Ltd. v. MGM-Pathe Communications Co., Nos. 91-56248, 91-56379, and 91-56289, 1993 WL 39269, at *4 (9th Cir. Feb. 17, 1993) (finding that the uncontracted-for videotape distribution of a movie infringed on the licensor's copyright); Bartsch v. Metro-Goldwyn-Mayer, Inc., 391 F.2d 150, 155 (2d Cir. 1968) (holding that an assignment of the rights to exhibit motion pictures of a copyrighted play included the right to televise the motion picture); Etore v. Philco Television Broad. Corp., 229 F.2d 481, 487-93 (3d Cir. 1956) (finding television stations liable for damages for broadcasting an old motion picture of a boxing match without the consent of one of the fighters); Murphy v. Warner Bros. Pictures, Inc., 112 F.2d 746, 747-48 (9th Cir. 1940) (holding that a transfer of motion-picture rights in a copyrighted play includes the right to produce talking motion pictures); L.C. Page & Co. v. Fox Film Corp., 83 F.2d 196, 199 (2d Cir. 1936) (finding exclusive moving picture rights granted by an author in her book included the rights to produce talking motion pictures, although the latter medium was unknown at the time the agreement was executed); Brown v. Twentieth Century Fox Film Corp., 799 F. Supp. 166, 171-72 (D.D.C. 1992) (holding that an agreement between a musical entertainer and a television producer that allowed the reproduction of the entertainer's performance on a television show extended to reproduction of the performance on film, videocassette, and videodisc); Platinum Record Co. v. Lucasfilm, Ltd., 566 F. Supp. 226, 227-28 (D.N.J. 1983) (holding that an agreement allowing the use of copyrighted songs in a motion picture, also permitted their use on a videocassette of the motion picture based upon language of the agreement which gave reproduction rights in "any means or methods now or hereafter known"); Landon v. Twentieth Century-Fox Film Corp., 384 F. Supp. 450, 454 (S.D.N.Y. 1974) (holding that a copyright holder's sole and exclusive grant to a film corporation to use a book included the right to broadcast the motion picture version of the book on television and videocassettes); Harper Bros. v. Klaw, 232 F. 609, 613 (S.D.N.Y. 1916) (finding an implied negative covenant that prevented both the licensor and licensee of a copyright in a play from representing the play in silent motion pictures); Frohman v. Fitch, 149 N.Y.S. 633, 634 (App. Div. 1914) (finding that a grant of rights to a play did not permit its production as a silent motion picture because neither party contemplated such rights when the agreement was made); Cinema Corp. of Am. v. De Mille, 267 N.Y.S. 327, 327-28 (Sup. Ct. 1933), aff'd, 267 N.Y.S. 959 (App. Div. 1933) (concluding that an author who, by his own conduct, had divested himself of all property in a story, had also transferred talking motion picture rights, although talking motion pictures were unknown at the time the agreement was executed); Lipzin v. Gordin, 166 N.Y.S. 792, 793 (Sup. Ct. 1915) (holding that an exclusive license to produce a play carried with it the right to produce a silent motion picture as well).

38. See Saez, supra note 6, at 359-69; Mark F. Radcliffe, Old Property, LEGAL TIMES, Dec. 11, 1995, at 39.
on copyright.\textsuperscript{39} has labeled the two approaches as the preferred and the strict approach.\textsuperscript{40} When the federal copyright statutes have not covered a particular technology, courts have relied on Nimmer’s approaches, the relevant contract provisions, contractual agreements specifying any transfer of rights, and other evidence which may help to determine the intent of the parties; industry custom and usage; and any analogous case law addressing the use of old content in new media in order to decide copyright disputes.\textsuperscript{41}

\section{A. The Preferred Approach}

When using the preferred approach, a court will extend rights to a new-use if that use can “reasonably” be said to fall within the “ambiguous penumbra” of a medium explicitly set out in the agreement.\textsuperscript{42} The defining premise of this broad-rights approach presumes that rights have been extended to include the new medium if ambiguity is present in the original agreement transferring rights to the work from the creator to the second party.\textsuperscript{43}

Several jurisdictions have adopted Nimmer’s preferred approach.\textsuperscript{44} The Second Circuit clearly illustrates their use of this approach in \textit{Bartsch v. Metro-Goldwyn-Mayer, Inc.}\textsuperscript{45} In \textit{Bartsch}, the issue presented to the Second Circuit was whether the assignment of the right “to copyright, vend, license and exhibit such motion picture photoplays throughout the world” was a broad enough assignment to include the right to broadcast the motion picture on television without a further grant by the copyright owner.\textsuperscript{46} The assignment discussed was executed in 1930, nearly ten years prior to the commercial use of television.\textsuperscript{47} The court held that the assignment terms were broad enough to encompass the right to exhibit the play by television broadcast.\textsuperscript{48} In coming to this

\begin{thebibliography}{99}
\bibitem{39} See Radcliffe, \textit{supra} note 38, at 39.
\bibitem{40} See 3 \textsc{Melville B. Nimmer \& David Nimmer}, \textsc{Nimmer on Copyright} § 10.10(B), at 10-90 to 10-91 (1998).
\bibitem{41} See Gailey, \textit{supra} note 33, at 14.
\bibitem{42} See \textit{Nimmer \& Nimmer, supra} note 40, at 10-91.
\bibitem{43} See id.
\bibitem{44} See Joanne Benoit Nakos, Comment, \textit{An Analysis of the Effect of New Technology on the Rights Conveyed by Copyright License Agreements}, 25 \textsc{Cumb. L. Rev.} 433, 444 n.53 (1995) (citing several jurisdictions which have adopted the preferred approach, including, but not limited to, the First Circuit, D.C. Circuit, Southern District of New York, and a lower trial court in New York).
\bibitem{45} 391 F.2d 150 (2d Cir. 1968).
\bibitem{46} \textit{Id.} at 153 (quoting the agreement entered into by the parties).
\bibitem{47} See Radcliffe, \textit{supra} note 38, at 40.
\bibitem{48} See \textit{Bartsch}, 391 F.2d at 153-55.
\end{thebibliography}
conclusion, the court took note that the use of television as a medium was not totally unknown at the time of the assignment. Since the contract was itself ambiguous as to the television rights, the court also attempted to examine the intent of the parties. The court failed in that task, however, since at the time of the suit, Bartsch and his grantors were dead, and the Warner Brothers lawyer had no recollection of the negotiation. The court, therefore, used Professor Nimmer’s two approach analysis in its effort to decipher the contract language. The court subsequently chose Nimmer’s preferred approach requiring a broad construction of the rights.

In Rooney v. Columbia Pictures Industries, Inc., the United States District Court for the Southern District of New York decided a class action suit brought by Mickey Rooney on behalf of himself and other performers of films produced by the defendants. Rooney argued that the defendants acquired only the rights to exhibit these performances in movie theaters, and not on television or via videocassettes. Again, the broad construction approach was utilized, since explicit rights were not granted in the agreement. The court found that defendants had obtained the rights to television exhibition because the contract provided for “‘all rights of every kind and character whatsoever’ in the exploitation of the photoplay” Regarding Rooney’s claim that defendants’ rights to “exhibit” the movies on television did not include the “sale” of the films by videocassettes and videodiscs, the court concurred with the defendants’ position that “whether the exhibition apparatus is a home videocassette player or a television station’s broadcast transmitter, the films are ‘exhibited’ as images on home television screens.”

In a more recent case, the United States District Court for the Southern District of New York again subscribed to Nimmer’s preferred

49. See id. at 154. This point was central to the court distinguishing Bartsch from an earlier case in which the copyright owner, who was not a sophisticated businessman, had no way of knowing the possibility of the new-use (talking pictures). See id. (citing Kirke La Shelle Co. v. Paul Armstrong Co., 188 N.E. 163 (N.Y. 1938)).

50. In January 1930, owners of certain interests in a play assigned the interests to Hans Bartsch who assigned these interests to Warner Brothers Pictures, Inc. (“Warner Brothers”) in May of that year. See Bartsch, 391 F.2d at 151-52. Warner Brothers, in turn, transferred the rights it had acquired to Metro-Goldwyn-Mayer, Inc. in early 1935. See id. at 152.

51. See id. at 155.

52. 538 F. Supp. 211 (S.D.N.Y. 1982).

53. See id. at 212.

54. See id. at 221.

55. Id. at 228 (quoting the contract entered into by the parties).

56. Id.

57. Id.
approach. In *ABKCO Music, Inc. v. Westminster Music, Ltd.*, the court decided the scope of publishing rights granted in 1966 in certain songs recorded by the musical group the Rolling Stones. Though the contract granted Westminster “all rights” in the songs, a dispute arose because the rights to technologies yet to be developed was not addressed in the contract, nor was it discussed in the negotiations. Noting that the law addressing the issue of licensing rights in new technologies was unsettled, the court relied upon Professor Nimmer’s two approach analysis, and settled upon the preferred, broad construction approach.

The Second Circuit once again affirmed its use of Nimmer’s preferred approach in *Bourne v. Walt Disney Co.* The Bourne court decided a dispute over videocassette rights involving an assignment of rights dated many years before the advent of this technology. Bourne claimed that Disney violated the copyright through the sale of videocassette recordings featuring Bourne’s copyrighted songs. The agreement covering the songs’ copyright assignments to Bourne contained provisions reserving rights to Disney which allowed the recording of songs “in synchronism with any and all of the motion pictures which may be made by [Disney] and the right . . . to give public performances of such recordings in connection with the exhibition of the motion pictures with which said recordings were synchronized.” The court construed the meaning of “motion picture” in a broad sense, extending the right of videocassette recording to Disney.

The use of the broad construction approach by courts focused on the sophistication of the parties, the ambiguity of the copyright assignment language, and the ability of the parties to contemplate such use at the time the agreement was executed, rather than its existence. The

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59. See id. at 154.
60. See id.
61. See id. at 155.
62. 68 F.3d 621 (2d Cir. 1995).
63. See id. at 623.
64. See id.
65. Id. at 625 (alteration in original).
66. The court disagreed with Bourne’s contention that the definition of “motion picture” had “a sufficiently definite and precise meaning as to allow for interpretation as a matter of law.” Id. at 630. Rather, the court subscribed to a definition broader than the “celluloid-film medium”; the term “motion picture” can be defined as:

"a broad genus whose fundamental characteristic is a series of related images that impart an impression of motion when shown in succession, including any sounds integrally conjoined with the images. Under this concept the physical form in which the motion picture is fixed—film, tape, discs and so forth—is irrelevant."

Bartsch court regarded the strength of a broad construction approach to be its encouragement of the use of new media by expanding the originally licensed medium. The weakness of this approach, however, couples not only the copyright licensor's unexpected loss of exclusive copyright, but also the court's broad discretion in defining a new-use from within the definition of already existing media originally licensed in the agreement. This inevitably leads to contrary conclusions regarding the same type of comparison between media.

B. The Strict Approach

A number of jurisdictions adhere to Nimmer's strict approach, holding that unless expressly granting the right to any and all methods invented in the future, the right to exploit a use invented after the execution of an agreement is reserved to the original copyright holder. This approach extends to a licensee only those uses that are unambiguously referred to in the "core meaning of the term[s] of the agreement." Therefore, the courts interpret whether the new-use clearly falls within the "core meaning." This approach encourages the use of clear unambiguous terms in the drafting of license agreements, and discourages sophisticated parties from taking advantage of unsophisticated parties in the drafting process. The strict approach is also "the only method under which copyright holders are assured the enjoyment of future demands for their work." Under the preferred approach, the author only receives payment for the original value of the work at the

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67. "[The preferred approach] provides a single person who can make the copyrighted work available to the public over the penumbral medium, whereas the narrower one involves the risk that a deadlock between the grantor and the grantee might prevent the [work from] being shown over the new medium at all." Bartsch v. Metro-Goldwyn-Mayer, Inc., 391 F.2d 150, 155 (2d Cir. 1968).


69. Other language used to express a broad assignment of rights in electronic rights contracts has included "in any other media now existing or hereafter developed ... in perpetuity throughout the universe." Calvin Reid, 'Harper's' to Pay Authors Royalties on Digitized Content, PUBLISHERS WKLY., Feb. 12, 1996, at 12 (quoting terms of sample agreements).

70. See Nakos, supra note 44, at 446.

71. NIMMER & NIMMER, supra note 40, at 10-90.

72. See id. The strict approach excludes new-uses from the licensee if the answer to whether that new-use is included under those uses explicitly set out in the agreement is ambiguous. See id.

73. See Rey v. Lafferty, 990 F.2d 1379, 1388 (1st Cir. 1993).

74. Nakos, supra note 44, at 448.
time of the original assignment of rights, despite the fact that new-uses usually grant the licensee substantial additional revenue above and beyond the price paid by the licensee without further compensation to the author.\textsuperscript{75} This substantial monetary windfall to licensees and the loss of income by authors under the preferred approach has helped to promote the adoption of the strict approach.\textsuperscript{76}

The Ninth Circuit Court of Appeals employed the strict approach in Cohen v. Paramount Pictures Corp.\textsuperscript{77} In contrast to cases decided pursuant to the broad approach, the court held that a license conferring the right to exhibit film "by means of television" did not include the right to distribute videocassettes of the film for home viewing.\textsuperscript{78} The court limited the meaning of "any, manner, medium, or form," because the agreement did not contain express language authorizing distribution by sale or rental.\textsuperscript{79} The court's primary reason for not extending the meaning of "exhibition by means of television" to the distribution of videocassettes was because VCRs for home use were unknown when the agreement was executed in 1969.\textsuperscript{80} Furthermore, without the awareness of this medium by the parties, the licensee could not have bargained for, or paid for, these rights.\textsuperscript{81} The court also rejected Paramount's exhibition by television claim, by creating a distinction between television and videocassettes.\textsuperscript{82}

In Tele-Pac, Inc. v. Grainger,\textsuperscript{83} another videocassette rights dispute, the Appellate Division of the New York Supreme Court held that the right to distribute motion pictures "for broadcasting by television or any other similar device now known or hereafter to be made known" did not include the videocassette and videodisc rights.\textsuperscript{84} Because the

\begin{thebibliography}{9}
\bibitem{75} See id.
\bibitem{76} See id.
\bibitem{77} 845 F.2d 851 (9th Cir. 1988).
\bibitem{78} See id. at 852 (quoting the terms of the license).
\bibitem{79} See id. at 853.
\bibitem{80} See id. at 854.
\bibitem{81} See id.
\bibitem{82} The court painstakingly distinguished "exhibition by television" from exhibition by means of a videocassette recorder, and deemed the two media "fundamentally" different. See id. at 853-54. The court opined that "[t]elevision requires an intermediary network, station, or cable to send the television signals into consumers' homes." Id. Thus, it was the intermediary that controlled the programming content, and not the consumer. Videocassettes clearly offered a different option by allowing the consumer control to view any portion of a movie at any time. See id. at 854. The one similarity the court noted was that videocassettes may be exhibited by using a television monitor, but the court made clear that "it does not follow that, for copyright purposes, playing videocassettes constitutes 'exhibition by television.'" Id. at 853.
\bibitem{84} Id. at 522 (quoting the terms of the agreement).
\end{thebibliography}
The grant was limited by its own terms, an important question was whether the parties actually contemplated a future use.\textsuperscript{85} Proceeding from the finding that the language limited itself, the court distinguished Tele-Pac from Rooney, because Rooney "turned on the sweeping language of the grants involved."\textsuperscript{86} The court ultimately adopted the distinction made by the Cohen court between television and VCRs, thereby rendering the use of Professor Nimmer’s strict approach unnecessary.\textsuperscript{87}

The First Circuit Court of Appeals also adopted Nimmer's strict approach in the 1993 case Rey v. Lafferty.\textsuperscript{88} The court was called upon to decide a dispute regarding the scope of a license for film episodes of Curious George.\textsuperscript{89} The original license granted a production company the right to make films for television viewing.\textsuperscript{90} The production company went on to market the films for videocassette sales.\textsuperscript{91} The court adopted the Cohen court's analysis, distinguishing television and videocassette viewing which, at most, had a viewing screen in common.\textsuperscript{92} The court ruled that because videocassette technology could not have been contemplated by the parties, it was impossible for these rights to have been part of the agreement.\textsuperscript{93} This holding thereby ratified the strict approach by excluding any rights not explicitly included in the medium described by the grant of rights.\textsuperscript{94} These new-use rights would be reserved to the grantor.\textsuperscript{95}

III. BEYOND VIDEOCASSETTES: TASINI AND THE NEW-USE OF ONLINE PUBLISHING

Technological advancement has historically acted as a catalyst for changes in copyright law.\textsuperscript{96} It is rare that changes in the law anticipate

\textsuperscript{85} See id. at 524-25.
\textsuperscript{86} Id. at 525.
\textsuperscript{87} “Indeed, television and VCR technology ‘have very little in common besides the fact that a conventional monitor of a television set may be used both to receive television signals and to exhibit a videocassette’ or videodisc.” Id. at 525 (quoting with approval Cohen v. Paramount Pictures Corp., 845 F.2d 851, 854 (9th Cir. 1988)).
\textsuperscript{88} 990 F.2d 1379 (1st Cir. 1993).
\textsuperscript{89} See id. at 1381.
\textsuperscript{90} See id.
\textsuperscript{91} See id. at 1383.
\textsuperscript{92} See id. at 1389-90.
\textsuperscript{93} See id. at 1390.
\textsuperscript{94} See id. at 1391.
\textsuperscript{95} See id.
\textsuperscript{96} See generally Ebbinghouse, supra note 9, at 56 (discussing copyrights secured by a multi-media producer and the pre-existing works licensed to a multi-media producer); see also Gailey, supra note 33, at 3 ("The advent of new communication technologies has consistently
problems created by technological advancements.\textsuperscript{7} The most recent technology which has led to clamors for change in copyright law is electronic publishing.\textsuperscript{8} High-speed and low-priced computers have led to the dawning of the information age. With a computer terminal, a modem, and the World Wide Web and Internet, vast amounts of knowledge and access to all types of publications are instantly available.\textsuperscript{9} CD-ROMs and online services are making the gathering of articles, periodicals, and all types of reference materials easier for consumers. Additionally, there is great potential for profit, but for whom? Should the authors who originate the material gain the profit, or should the publishers of the print media who choose to republish their publications electronically, or the service providers who harness and collate the information making it easier for users to find what they are looking for, profit from the new technology? These questions, along with contract issues affecting this controversy, were raised by a recent case in the U.S. District Court for the Southern District of New York, \textit{Tasini v. New York Times Co.}\textsuperscript{10} The answers required a legal analysis of copyright law, specifically particular sections of the Copyright Law of 1976, as well as contract principles. While trying to clear up these issues, the decision has left many questions about electronic publishing in doubt.\textsuperscript{11}

\textit{Tasini v. New York Times Co.} was filed in December 1993 by six freelance writers against two newspaper publishers, two magazine publishers, and two electronic reusers of published works.\textsuperscript{12} It remained in
the district court for three and a half years until August 13, 1997, when Judge Sonia Sotomayor handed down her ruling: summary judgment for defendants. Though most have viewed the ruling as a major defeat for the plaintiffs, a number of issues were addressed in the ruling, and not all of them were adverse to the position of the writers.

Before discussing the issues of *Tasini*, it is important to understand the significance of freelance writers to the suit, and the instrumentalities involved for purposes of this discussion.

**A. Freelance Writers**

Six freelance writers brought the *Tasini* suit. The importance of this fact derives from the significance of freelancing in reference to copyright infringement. The defendants' publications included two categories of works: articles authored by freelancers and articles authored by employees of the publications (articles deemed "works made for hire"). The potential for copyright infringement by the publisher is inapplicable to the articles written under the latter category. A work made for hire can be created in two ways under section 101 of the Copyright Act. First, an article falls under the status of work for hire if it is created by employees within the scope of their employment. An article also falls under the work for hire status if it is specially ordered for use in a collective work, and there is a written agreement signed by both parties that the article shall be considered a work for hire. As a work for hire, the publication, or for whomever the work is made, is considered the author and thereby owns all the rights of the copyright.

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806. The defendant-publishers in the case were the New York Times Co., Newsday Inc., Time Inc. (publishers of *Sports Illustrated*), and the Atlantic Monthly Co. See id. Also named as defendants in the case were the companies responsible for bringing the articles online, Mead Data Central Corp. (owners and operators of *NEXIS*) and University Microfilms Inc. (producers of CD-ROM products, including the *New York Times On-Disc*). See id. The Atlantic Monthly agreed to settle the lawsuit. See id. at 806 n.1. However, the Atlantic Monthly did not admit any wrongdoing in settling their lawsuit. See Ross Kerber, *Atlantic Monthly Agrees to Settle over Electronic Publishing*, WALL ST. J., Mar. 29, 1996, at B6.

105. *See supra* note 102 and accompanying text.
109. *See id.*
110. *See id.* § 201(b).
Conversely, the articles at issue in the *Tasini* case were freelance assignments, whereby the copyright in the article stays with the author and not the publication, unless it was expressly transferred via a signed written agreement. Articles written by freelance writers for newspapers and magazines have traditionally been assigned and completed by the authors without formal contracts, and almost never with a discussion of electronic rights compensation. When freelancers and publishers have contracted for these assignments, they have traditionally used language allowing publishers "first North American serial rights." To most authors, this has always meant what it expressly states, that "[f]irst means first-run and North American means limited to the continent of North America." The *Tasini* plaintiffs claimed that many publishers, even under these types of agreements, have subsequently made authors' works available via electronic media (after the original print publication) without payment to these authors.

**B. Collective Works**

All parties stipulated that the defendants' publications qualified as "collective works" under the definition provided by the Copyright Act of 1976. The Copyright Act emphasizes the difference between the copyright held by the author in the original contribution, and the separate and distinct copyright held by the publisher in the particular collective work comprised of several contributions. This emphasis was set out in order to prevent publishers from exploiting the individual works of authors, and to provide publishers with sufficient leeway in which to

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111. See *Tasini*, 972 F. Supp. at 806.
114. *Id.*
116. See *Tasini*, 972 F. Supp. at 809. "A 'collective work' is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." 17 U.S.C. § 101 (1994).
117. Section 201(c) of the Copyright Act expressly states: "Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution." 17 U.S.C. § 201(c).
reproduce and revise their collective works.\textsuperscript{118} These goals are achieved by the "privileges" given to publishers under section 201(c) of the Copyright Act.\textsuperscript{119} These privileges allow the holder of the copyright in the collective work only to "reproduc[e] and distribut[e] the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series."\textsuperscript{120}

C. Issues

1. Contracts

\textit{Tasini} sets a baseline for future agreements acquiring electronic rights by requiring these agreements to be "clear, timely and broad enough to cover the electronic rights purportedly transferred."\textsuperscript{121} Two of the three publisher defendants claimed that the plaintiffs had "expressly transferred" the electronic rights in their articles.\textsuperscript{122} Judge Sotomayor first established that according to section 204(a) of the Copyright Act, the only way a copyright in a work could be transferred was explicitly in a writing.\textsuperscript{123} This transfer contract had to be clear and unambiguous.\textsuperscript{124}

Each of the two defendants who were affected by this provision had different forms of contracts by which they claimed that the authors had "expressly transferred" their rights. \textit{Newsday} claimed that the transfer of electronic rights was established by the inclusion of a legend upon the payment check received and cashed by the plaintiffs.\textsuperscript{125} \textit{Time} (publisher of \textit{Sports Illustrated}), on the other hand, did have a written contract, which it claimed was evidence that it had acquired the right to electronically publish plaintiffs' article.\textsuperscript{126} \textit{Time} based this argument on the fact that the passage of the contract giving \textit{Sports Illustrated} "the exclusive right first to publish" was media neutral and therefore posed no media limitation.\textsuperscript{127}

\textsuperscript{118} See \textit{Tasini}, 972 F. Supp. at 819.
\textsuperscript{119} See 17 U.S.C. § 201(c).
\textsuperscript{120} \textit{Id.}
\textsuperscript{121} Cendali & Reyes, supra note 101, at C2.
\textsuperscript{122} \textit{Newsday} and \textit{Time} were the two defendants claiming an express transfer of electronic rights. \textit{See} \textit{Tasini}, 972 F. Supp. at 810.
\textsuperscript{123} \textit{Id.}
\textsuperscript{124} The court stressed the need to avoid ambiguity by noting that even a one-line statement transferring copyright interests must be clear. \textit{See id.}
\textsuperscript{125} \textit{Id.}
\textsuperscript{126} \textit{Id.} at 807, 811.
\textsuperscript{127} In making this argument, \textit{Time} cited \textit{Bartsch}, \textit{Bourne}, and \textit{Rooney}, all of which adopted Nimmer’s preferred approach discussed earlier in Part II. \textit{See id.} at 811-12.
Both Newsday’s and Time’s arguments were rejected by Judge Sotomayor. Regarding Newsday’s check legends, the court found that there was no evidence to conclude that both parties intended for the articles to be published electronically. Therefore, the check legends could not serve as a validation of a prior oral agreement, as Newsday had claimed. In addition, Judge Sotomayor found the check legends to be ambiguous and therefore “[could not] be taken to reflect an express transfer of electronic rights in plaintiffs’ articles.” Time’s argument that its contract terms were media-neutral, and should therefore be extended to electronic media, was also misplaced. Judge Sotomayor held that the defendant’s line of reasoning was based upon cases which did not involve contracts with a “temporal” aspect, as did the contract in this case. The contract terms called for Time to acquire only “first publication rights.” The court reasoned that “[t]he right to publish an article ‘first’ cannot reasonably be stretched into a right to be the first to publish an article in any and all mediums.” When the article was published electronically, it had already been published in the print issue of Sports Illustrated magazine. Clearly, the electronic publication, which came after the original print publication, could not have been the “first” publication.

2. Revisions of Collective Works

Judge Sotomayor’s finding that none of the authors had expressly transferred to the publishers the electronic rights in their articles required the court to find that the publishers had produced only revisions of their collective works under section 201(c) of the Copyright Act in order to avoid copyright infringement by the publisher-defendants. Judge Sotomayor found that the publishers possessed the right to revise

128. See id. at 810-11.
129. The authors received the checks after Newsday had already transferred the plaintiff’s articles to NEXIS. See id. at 810. Thus, any supposed transfer of rights effectuated by the cashing of the checks with the legends occurred too late. See id. Newsday parried, arguing that the check legends merely acted as a validation of a prior oral agreement between the authors and Newsday. See id. Newsday put forth no evidence of the oral contract, and the authors summarily denied that one existed. See id. at 810-11.
130. Id. at 811.
131. Time based its argument on the Bartsch line of cases, stressing Nimmer’s broad approach to interpreting ambiguous contract terms regarding new uses. See id. at 812.
132. Id.
133. Id.
134. See id.
135. See id.
136. See id.
their collective works under section 201(c) of the Copyright Act, but cautioned that these rights are subject to some limitations. The new work must be recognizable as a version of a preexisting collective work in order to be considered a version of that collective work. These preliminary findings by the court exposed the central issue to be addressed by the Tasini case: how to determine whether something is an acceptable revision or a new work. To address this issue, the court suggested a two-step approach. First, distinguishing original characteristics of the works must be identified. Second, it must be determined whether these characteristics are preserved in the supposed revision. Only if the new work possesses the distinguishing original characteristics may it be termed a revision of the previous collective work.

Judge Sotomayor determined that in the Tasini case, the defining original aspect of the defendants' publications was the selection of articles included in those publications. The plaintiffs, however, argued that the use of their articles in searchable databases immerses their articles side-by-side with thousands of other articles not originally part of the same collective work. Furthermore, distinguishing original characteristics, such as arrangement, lay-out, and photography were removed in the electronic display of the collective works. The court responded that the publishers' works could still be deemed revisions of their collective works despite plaintiffs' argument because the copyrightable selection of the publishers was maintained by headers on articles pulled up on the NEXIS system. These headers refer the researcher to the page of the original print version of the collective work in which the accessed article appeared. The electronic preservation of the original selection of articles qualified the electronic database as a revision and

137. See id. at 820-21.
138. See id. at 820.
139. See id. at 820-21.
140. See id.
142. See id. at 821.
143. See id.
144. See id. at 825 (noting, however, that this did not create a rule that a revision of a collective work is created whenever "an original selection or arrangement is preserved in a subsequent creation").
145. See id. at 821, 823-24.
146. See id. at 824-25.
147. See id. at 821.
148. See id. at 821-23.
3. Right of Electronic Revision

Having rejected plaintiffs' general revision argument, the court then rejected plaintiffs' argument that the revisions permitted under section 201(c) only allowed revisions of the collective work in the same medium in which the work originally appeared. The court found that while the publishers only had rights in their collective works and not in the individual articles comprising them, section 201(c) of the Copyright Act did allow them to electronically publish revisions. In reaching this conclusion, the court addressed three subissues. First, the court rejected the plaintiffs' theory that section 201(c) precluded revisions via the use of computers. The court stated that though section 201(c) does not explicitly grant publishers the right to "display" a work publicly, the right to reproduce a work under section 201(c) necessarily encompasses the right to create copies of the work, which "presupposes that such copies might be 'perceived' from a computer terminal." Second, the court rejected plaintiffs' theory that examples of permissible revisions mentioned in the legislative history suggested a congressional intent to limit revisions to the same media. The court rejected this theory as inconsistent with the media neutrality evident in the drafting of the Copyright Act. Finally, the court rejected the writers' argument that the plain meaning of the word "revision" indicates that the revision must be in the same medium as the original work. The court cited both the language of the statute and its legislative history in determining that publishers are granted "significant leeway . . . to create 'any revision' of their collective works."

4. Protection of Authors' Rights

The court rejected plaintiffs' claims that a decision in favor of the defendants would provide an economic windfall to publishers and ef-
fectively eviscerate section 201(c) of the Copyright Act, which prevents many activities of publishers that could exploit the individual works of authors. 159 Though the court recognized that the holding deprived writers of certain economic benefits and that Congress clearly did not intend the publishers’ windfall, this is true only because Congress drafted the language of the statute without anticipation of the lucrativeness of electronic publication and not because of an overbroad interpretation of the rights of publishers under 201(c). 160 Judge Sotomayor suggested that Congress may seek to revise 201(c), but the courts are not required to take these unanticipated circumstances into account, or to speculate as to what Congress might have done were it to consider such circumstances. 161

IV. APPLYING THE STRICT APPROACH TO ONLINE PUBLICATION

As Tasini v. New York Times Co. stands, freelance authors find themselves in the disadvantageous position of trying to negotiate monetary compensation for the electronic rights in their works, while publishers may legally take these rights for use in “revisions” of their publications without compensation. 162 The windfall given to publishers by Tasini’s broad interpretation of the term revision under section 201(c) of the Copyright Act is detrimental to the purpose of copyright in the long-term, and may not even have a short-term positive effect on the dissemination of information. 163 The central concern of this Note is whether or not the Tasini decision failed to advance copyright law by denying freelance authors a piece of the growing financial pie made available by the explosion of electronic publishing. 164

The Tasini court waffles in its analysis between the strict approach, or a strict notion, of the transfer of electronic rights in the written and oral contracts between authors and publishers, and the administration of a less rigorous scrutiny as to what constitutes a revision under the

159. See id. at 826-27.
160. See id.
161. See id. at 827.
163. Based on the presumption that the purpose of copyright is to promote the public welfare through the advancement of knowledge, and remaining cognizant of the necessary balance between the parties to copyright, the Tasini ruling acts as a strong disincentive to authors to create and publish quality work since the financial opportunity of electronic publishing has been destroyed. See supra Part I.
court's interpretation of section 201(c) of the Copyright Act. Without explicitly mentioning Nimmer's broad or strict approach, Judge Sotomayor's analysis of the contract issue involved in the alleged transfer of electronic rights to the publishers through the use of Newsday's check legends and Sports Illustrated's (Time's) contract clearly points to a preference for the use of the strict approach. Judge Sotomayor reasoned that clear and explicit language is necessary for the transfer of electronic rights in order to avoid the unintended surrender of rights, and the court rejected a broad interpretation of contract language transferring first print rights. Having rejected the notion that ambiguous contracts and check legends transferring first print rights were sufficient to transfer electronic rights, the court then undermines its holding and approach by broadly applying the court's interpretation of a publisher's right to "revision" of their works.

The right of revision was the central issue of the case, the issue upon which the case turned. While the court set forth a well-reasoned argument for the publishers' right to make revisions in an electronic medium, the court's method of determining whether a revision existed was misapplied in the controversy over the NEXIS database.

The court established that the publishers' right to reproduce the authors' works was limited by section 201(c) ""as part of" a revised version of 'that collective work' in which the article originally appeared." Though the court found that "any revision" may include a heavily revised work, the court properly noted that this revision must be recognizable as a version of that preexisting collective work. If the alleged revision is no longer recognizable as coming from the original collective work, then a new work has been created, and the publishers may not reuse the authors' works. The court drove home this point by quoting a House Report which stated that publishers could not place articles into "'new anthologies' or 'entirely different magazine[s] or other collective work[s],' but only into revisions of those collective works in which plaintiffs' articles first appeared."

The steps of this analysis left the court in a difficult position, requiring a tortured analysis of the collective works' distinguishing char-

165. See supra Part III.C.1.
166. See Tasini, 972 F. Supp. at 810-12; supra Part III.C.1.
168. Id. at 820 (citing 17 U.S.C. § 201(c) (1994)).
169. See id.
170. See id. at 821.
acteristics and whether or not these characteristics were preserved in the subsequent work in order to reach the conclusion that the NEXIS electronic database constituted a revision (recognizable as a revision of the original collective work in that particular distinguishing characteristics were preserved in that revision). Using its two-step analysis, the court determined that the fulfillment of its first step (identifying distinguishing original characteristics) may be satisfied by the particular selection or arrangement of the publications. Having chosen those two characteristics as the only distinguishing characteristics, it became necessary to determine that they both remained evident in the alleged revision. It is evident that the NEXIS database, which does not reproduce photo images of the actual pages of the publications, (thereby not reproducing page layout, photos and their captions, and the typefont) did not retain the original arrangement of the print publication. At this point in the analysis, we have eliminated nearly every trace of an original print copy of the publication by removing the advertisements, the page layouts, the photos and their captions, and the typeface. However, the court continued on to find that the NEXIS database still remained recognizable as a revision of an original edition of the print publication.

In order to reconcile the result of the court’s analysis with the two-step test set forth earlier, the court was forced to refine the elements of its test to suggest that even if all characteristics of the collective work are destroyed, except for the selection of articles, the original work remained intact (again, despite the fact that this selection is immersed within the entire database consisting of other collective works). The court gave cursory attention to the plaintiffs’ argument that topic-based searches (not by each collective work) accomplished by “Boolean searches” on NEXIS have results which do not maintain the selection of an entire collective work. The court responded that despite the fact that the publishers’ original selection of articles of a particular issue were immersed within hundreds of thousands of other articles from different publications, the original selection remained intact. The court asserted that because the possibility of searching NEXIS for the articles of a particular issue existed, and because once retrieved by any search means

172. See id. at 820.
173. See id.
174. This point does not address the image-based CD-ROM versions of the New York Times Book Review and Sunday Magazine, because all aspects of selection and arrangement therein remain intact due to photo-imaging. See id. at 824.
175. See id. at 821-25.
176. See id.
177. See id. at 823-25.
(by issue, publication, or date), the individual articles come up with headings including the publication title and the page number on which the article first existed, the original selection was preserved.\(^{178}\)

Common sense and NEXIS experience suggests that the court’s argument is flawed and tenuous. When an individual article is called up on the computer screen via a NEXIS search, the typical NEXIS user cannot possibly grasp the publishers’ original selection of articles in a particular issue because the user reads a header stating that a particular article was from the *New York Times* and was once on page A6. The adjoining page of the print edition is not visible, nor are the other articles which are located on the same page as the subject article in the print edition. The court also spoke of the prestige and enhancement of value an article gains by its affiliation with a particular publication, wholly neglecting the notion that a publication’s value may be enhanced by printing articles written by well-known and respected authors.\(^{179}\)

The most intriguing argument put forth by the court was that technologies such as NEXIS “serve the same basic function as newspapers and magazines” and are used for the “same purposes that [readers] might otherwise review the hard copy versions of those periodicals.”\(^{180}\) This assertion by the court would seem ludicrous to the many New York commuters who rustle and fold the *New York Times* or some other newspaper or magazine to inform themselves of the days events and to pass the time during their morning commute. It is an enormous leap, at best, to say that NEXIS users utilize the electronic database on a daily or weekly basis in order to keep abreast of the day’s news.

The publishers put forth a similar argument equating the electronic database to microfilm.\(^{181}\) Substantial differences exist between the two. First, the original selection and arrangement are kept intact including the page layout, photos, and advertisements on microfilm. Second, and most important to the financial side of the dispute, by the time publications make it to microfilm, authors have already benefited financially from their articles, whereas the transfer from print to electronic database can be done so quickly via today’s technology that authors have no opportunity to benefit financially from their work.\(^{182}\)

\(^{178}\) See id. at 825.

\(^{179}\) See Safran, *supra* note 30, at 51.

\(^{180}\) *Tasini*, 972 F. Supp. at 825.


vanced by plaintiffs, which suggests that even the publishers themselves realized the inherent difference between reproducing only the articles and reproducing the entire page layout as is possible through CD-ROMs and microfilm, is evidenced by the language used in the license agreements between the publishers, Mead (NEXIS), and UMI Company, formerly known as United Microfilms Inc. The agreement with Mead explicitly prohibited NEXIS from making facsimile reproductions of the *New York Times*. 183

Clearly, Judge Sotomayor realized the potential harm that her analysis could have caused authors, and she consequently limited and defined the steps necessary to determine that a revision had been created. Unfortunately, Judge Sotomayor neglected to give much weight to the common usage of electronic databases, as well as the common sense notion that a print version of the *New York Times* is not recognizable not only when stripped of the page layout, typefont, photos, and advertisements, but also when transferred from print to a computer screen. The *Tasini* court was forced, through a tortured analysis, to fit the facts of the case into the criteria it set out for itself. Strictly applying the court’s criteria to the facts would have shown that the distinguishing characteristics of the original publications, the selection of articles and the arrangement, are no longer recognizable by a researcher using NEXIS. Therefore, the court should have ruled that the veritable fleecing of freelance authors by the publishers was not legal under section 201(c) of the Copyright Act.

*Tasini v. New York Times Co.* is not the first new-use case, and undoubtedly will not be the last. It is paramount in these cases to further the purpose of copyright—to promote knowledge and learning in the public interest. 184 The court’s approach, while well-reasoned structurally, fails to further the basic goals and purpose of copyright because of its strained application.

A strict approach is better suited for interpreting contracts allegedly transferring electronic rights and for interpreting the revision rights of publishers under the Copyright Act. The strict approach advances the theory that rights to publish copyrighted material in a new-use (which in *Tasini* was from print publication to electronic publication) remain with the author unless explicitly granted to the publisher by means of an express statement. 185 Under the facts of *Tasini*, such an approach clearly

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183. See *Tasini*, 972 F. Supp. at 826 n.17.
184. See supra Part I.
185. The granting of rights in future media need not address a particular medium. The transfer of rights may be accomplished by means of inclusive contract provisions which grant rights to any
furthers the goal of providing economic incentives to authors by allowing them to freely contract for the right to publish in future media which they never anticipated giving to the publisher. The strict approach is the only approach in which authors would be allowed to benefit from the future demand for their work. Judge Sotomayor's overbroad interpretation of the Copyright Act is more in line with Nimmer's broad approach to new-use rights, depriving authors of the right to receive compensation for future revenue derived from the publication of their work in new media. In reassessing *Tasini* and future electronic rights cases or future new-use controversies concerning media not yet invented, employing the spirit of Nimmer's strict approach will yield results advantageous to the interests of all parties as a whole and the goals of copyright.

V. THE EFFECTS OF *TASINI* AND REMEDIES TO PREVENT UNNECESSARY NEW-USE CONTROVERSIES

*Tasini v. New York Times Co.* is undoubtedly only the opening salvo in what will be a prolonged battle over electronic publishing rights. Immediately after the decision, plaintiffs submitted a motion for reconsideration, explored the prospects of lobbying Congress to change the Copyright Act, and now plan to appeal Judge Sotomayor's decision. Other circuits will also weigh in with their interpretations of the same or similar issues raised in *Tasini*, as they have done in past new-use controversies. If the other circuits remain true to their rulings, not all of them will agree with Judge Sotomayor's decision. However, for the time being, authors, publishers, and users are stuck with the decision and its implications for each of them.

A. Effects of *Tasini*

The *Tasini* ruling will have numerous effects on the online publishing industry. The first, which has already been felt throughout the pub-
lishing community, is one of surprise and caution on the part of authors and publishers alike. Since the inception of this suit in 1993, publishers, doubting that they would prevail, began to formalize their agreements with freelance authors, and made sure that these contracts addressed the issue of electronic rights.\footnote{191} While attorneys for the publishers claim that the decision only maintains the status quo, the "electronic rights grab"\footnote{192} policy pursued by the legal departments of publishers in the time leading up to and after the \textit{Tasini} ruling suggests little confidence in their position and the ruling. Publishers hoping to avoid further lawsuits and authors hoping to see some revenue from the electronic exploitation of their work have begun to demand written contracts addressing electronic rights.\footnote{193} Prior to the \textit{Tasini} decision, publications like the \textit{Boston Globe} and the \textit{New York Times} demanded all electronic rights from their freelance writers without additional compensation.\footnote{194} These publications have used a "take it or leave it" approach toward negotiating these contracts.\footnote{195} The \textit{Tasini} decision gives more leverage to the already powerful publishers when they offer little or no compensation to authors for their electronic rights. Where does this leave readers? With most of the bigger publications demanding electronic rights, some authors are reluctantly signing these contracts in order to make a living.\footnote{196} Still others are simply choosing to walk away.\footnote{197} By extension, readers will have to endure less talented writers and a lower quality of work product.

Although the \textit{Tasini} decision dealt primarily with electronic databases and CD-ROM compilations, an issue which arises from the aftermath of \textit{Tasini} is whether the decision is limited to only to electronic databases and CD-ROM compilations, or whether the decision should be read broadly to cover the Internet?\footnote{198} As the nation becomes increasingly connected to the Internet, and a growing number of publications look to launching online versions of their publications in order to in-
crease readership and revenues, the *Tasini* fight may be launched once again on this new front. While many have concluded that the fight centers around the desire by authors to gain revenue for their work, some authors point out that they are also interested in simply getting their work out in the public. Some lesser-known authors want to publish their own articles online to take advantage of free public access. By granting the right to electronically publish these articles, the *Tasini* decision allows publishers to limit public access to authors’ works by demanding payment for specific articles (which an author may wish to distribute for free), or by limiting exposure of an article by entering into exclusivity agreements which allow only one electronic service provider the right to display that article.

**B. Future Remedies**

Increasingly, authors and publishers are contracting for electronic rights, and sometimes for all future-use rights. Herein lies the ultimate solution to the controversy, provided both sides are willing to compromise from their positions. Publishers are concerned that in contractual negotiations for electronic rights, they receive enough profit gained by the electronic exploitation of authors’ articles to meet the great expense needed to experiment, promote, and utilize new technologies. If publishers had to pay authors every time an author’s article is displayed via a new technology, not only would this diminish this lucrative source of revenue for themselves, but it would also increase the expense to promote and utilize new technologies due to the difficulty of tracking down authors every time a publisher wants to use their articles, and the enormous inconvenience of sending out numerous, small-figure royalty checks. Authors’ concerns include the fear that publishers are exploiting their work for profit without compensating the authors. The bottom line for users is simply that they want continued cheap access to the most material possible.

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200. See *Ebbinghouse*, supra note 9, at 51, 52.
201. See *id*.
202. See *id*.
203. See *Sacharow*, supra note 194, at 12, 13.
In addition to the explicit contracting for electronic rights, the future solution of this controversy, also involves the use of copyright clearing centers, which will assist in easing the concerns of the parties. Writers groups are trying to address publishers' practical concerns regarding the difficulty in maintaining a system by which to track down authors and make royalty payments by using computer technology (ironically, the medium which has put authors in their unsavory position) and looking to royalty institutions in other industries to establish their own royalty distribution organizations. The literary community is looking to the music industry and their organizations (Broadcast Music Inc. and the American Society of Composers Authors and Publishers), which perform functions similar to those sought by authors. While numerous parties are seeking to provide this service for authors and publishers, three main organizations have emerged.

The oldest of the three organizations is the Copyright Clearinghouse Center ("CCC"), which has collected royalties and fees for a number of years, and which was set up at the recommendation of Congress. The CCC represents approximately 9000 publishers and allows publishers to set a royalty rate which they want to receive for licenses provided through the CCC to copyright users making photocopies of the publications. The CCC acts as a non-exclusive licensing agent for these publishers, and is able to issue licenses limited in scope or time period.

The second and third organizations are more closely geared towards authors. The first of the two, the Authors Registry, was founded in 1995 by the American Society of Journalists and Authors, the Authors Guild, the Dramatist Guild, and the Association of Authors Representatives. The Authors Registry keeps a database of regis-
tered authors and articles by compiling lists from writers organizations, literary agents, and individual authors. The Authors Registry also takes care of the administrative work (formerly done by the publishers seeking to use the copyrighted work), which includes the writing and mailing of royalty checks. Publishers participate in the free service by sending the Authors Registry a lump sum of money to be distributed, as well as a list setting forth the writers to be compensated and the amount each is to be paid. Each publisher is free to determine the payment schedule for the fees and royalties.

Lastly, the Publication Rights Clearinghouse ("PRC"), created in 1996 by the National Writers Union ("NWU"), goes a step further than the passive Authors Registry by using a collective-licensing system. The PRC enrolls writers and their works for a fee ranging from twenty to forty dollars. This one-time fee, along with a statement confirming that the creators retain electronic rights to their work, allows the PRC to offer its catalog of works to publishers who are then charged a fee for each work that is ordered. The PRC then distributes the

("ASIA") and the Authors Guild have 800 and 6500 members, respectively. See Ebbinghouse, supra note 9, at 51, 53.

213. In a 1996 article, the Authors Registry was said to include more than 15 writers' groups and 80 literary agencies. See Kennedy & Dweck, supra note 207, at C17 (citing ASJA Contracts Watch (July 13, 1995) <http://www.asja.org/ew950713.html>).

214. See Usage Fees, supra note 204.

215. See id.

216. See id. The Registry's adoption of certain administrative tasks has certainly eliminated some of the costs publishers must incur in paying royalties (Harper's use of the Registry has saved them between $15,000 and $20,000 per year), but it does not eliminate the responsibility and concurring costs involved in keeping track of their freelancers and how much each author is owed in royalties. See id.

217. See id.

218. See id. The National Writers Union President, Jonathan Tasini, was the lead plaintiff in the Tasini v. New York Times Co. case, and was the recipient of one of Publishing Rights Clearinghouse's ("PRC") first cut royalty checks. See The Publication Rights Clearinghouse the National Writers Union Solution (last modified Aug. 14, 1997) <http://www.igc.org/nwu/tvprc.htm> [hereinafter Solution]. The National Writers Union has approximately 4500 members. See Ebbinghouse, supra note 9, at 53.

219. See Irvin Muchnick, Protecting Writers' Rights Online, MACWORLD, July 1, 1996, at 236, 236. The PRC has garnered support from organizations representing over 70,000 writers, including: The Newspaper Guild, Writers Guild of America (east), Garden Writers Association of America, PEN Center West, Independent Writers of Southern California, Society of Children's Book Writers and Illustrators, International Association of Art Critics, and Periodical Writers Association of Canada. See Solution, supra note 218.

220. See Muchnick, supra note 219, at 236. The PRC also enrolls photographers and graphic artists, as well as other creators. See id.

221. See Ebbinghouse, supra note 9, at 51, 53.

222. See id.
royalties to authors on a quarterly basis, minus an administrative fee.\textsuperscript{223} The authors may specify what materials are not to be made available, or may specify those works which may be distributed free of charge.\textsuperscript{224} PRC's first licensee was UnCover, a fax reprint service, which is the world's largest database of magazine and journal articles.\textsuperscript{225} However, some parties have raised concerns over collective-licensing organizations like the PRC. Critics of the PRC claim that it will stifle browsing and casual copying which are two of the main benefits of Internet access.\textsuperscript{226} The NWU responds to this concern by citing the fact that many authors also make use of works on the Internet.\textsuperscript{227} The NWU claims that it is not the individual casual user that it is after, but the large, for-profit information companies like LEXIS-NEXIS.\textsuperscript{228}

While these royalty-distributing organizations may provide part of the solution to using copyright effectively in forwarding the interests of authors, publishers, and users, they will not accomplish this goal unless authors retain the electronic rights to their works. The NWU advises its authors to contract for electronic rights compensation while publishers are in the midst of the "all-rights grab."\textsuperscript{229} Authors must resist the lure of profit, and refrain from gouging publishers for the use of their articles. Failure to do so will only limit authors' exposure on the Internet, stifle the incentive to publishers necessary for the expansion of the Internet and other technologies, and ultimately harm their audience—the users.

Technology continues to move forward, not waiting for lawsuits or for Congress to catch-up. As new-uses to profit from copyright abound, legal issues will continue to emerge. In framing copyright law to minimize lawsuits, and to further the mandate given to Congress to advance knowledge in the long-run, courts should adhere to Nimmer's strict approach if we wish to continue to encourage great works and remain a competitive society. Courts must remain true to the purpose of copyright if we want to prevent the collapse of the intellectual property

\textsuperscript{223} See Muchnick, \textit{supra} note 219, at 236. The PRC distributed its first checks from the royalty pool in May 1996. See \textit{Solution}, \textit{supra} note 218.

\textsuperscript{224} See Ebbinghouse, \textit{supra} note 9, at 53.

\textsuperscript{225} See Muchnick, \textit{supra} note 219, at 236. UnCover is owned by Knight-Ridder, Inc., which operates a national chain of newspapers and products of the new information industry. See \textit{Solution}, \textit{supra} note 218.

\textsuperscript{226} See Muchnick, \textit{supra} note 219, at 236.

\textsuperscript{227} See \textit{id}.

\textsuperscript{228} See \textit{id}.

structure. No solution will satisfy everyone, but if we use the copyright institutions which already exist to assist in the transition which the publishing industry must make, and if authors are reasonable in their financial demands, all three parties to copyright (authors, publishers, and users) will enjoy a second helping of the growing financial pie created by electronic publishing.

Dom F. Atteritano*

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