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COMMENT: ANALYZING THE PUBLISHER'S SECTION 201(C) PRIVILEGE IN THE WAKE OF *NEW YORK TIMES V. TASINI*

Naomi Jane Gray[†]

First, I would like to thank Professor Nard for inviting me to join this very distinguished panel today. It is a great honor and pleasure for me to be here. Of course, the views I am expressing today are my own and not necessarily those of my employer or my clients. But looking at the composition of today's panel, as the only panelist whose professional role is to make the world a better and safer place for corporate America, I would like to examine the issues raised today from a different perspective: that of publishers.

Professor O'Rourke argues that when freelancers contracted to publish their contributions in collective works prior to the Supreme Court's decision in *New York Times Co. v. Tasini*,¹ the rates that they were paid were intended to include, or were understood by the freelancers to include, only North American serial print rights.² She deplors the fact that now some publishers are seeking to obtain supposedly additional electronic rights in return for essentially the same compensation as that in effect prior to *Tasini*.³ But to look at the freelancers' expectations pre-*Tasini* is to look only at half of the equation because, of course, each of those freelance transactions involved another party – a publisher.

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¹ 533 U.S. 483 (2001).

² Maureen A. O'Rourke, *Bargaining in the Shadow of Copyright Law After Tasini*, 53 CASE W. RES. L. REV. 605 (2003).

³ *Id.* at 605-06.

What did the publishers expect when they entered into those agreements? What rights did they understand they were purchasing in exchange for the compensation they were paying for contributions to their collective works? I would suggest that before *Tasini*, publishers established their rates of compensation for content based on an understanding that they would be able to exploit their collective works in certain ways that have been called into question in the post-*Tasini* environment. Perhaps now some of those publishers are merely ensuring that they are obtaining a package of rights that they believe is commensurate with the value that they have been paying to the contributors all along.

Another problem with the framework of much of the discussion that has followed the *Tasini* decision is that focusing simply on the question of electronic rights versus print rights misses the significant part of the thrust of the *Tasini* holding. In *Tasini*, the Supreme Court ruled against the publishers not because they were using these contributions in electronic format, but because of the way in which they were reproducing those contributions. In *Tasini*, the publishers were reproducing contributions to their collective works in electronic databases which were configured in such a way that users of the databases could call up individual contributions outside the context in which they originally appeared. In other words, the publishers were no longer reproducing the contributions "as part of" the particular collective works, or revisions of the collective works, in which the contributions had originally been published. The key to the Court's decision was how the contributions were perceptible by the end users of the publishers' electronic products.

Whether you agree or disagree with *Tasini*, it is now the law of the land that the collective work owner may reuse contributions to the original collective work in the context in which they originally appeared. If a publisher wants to publish or reproduce its collective work or revision of it in electronic format, it should be able to do so provided it preserves the context in which the individual contributions originally appeared.

This is precisely the scheme that was envisioned by Congress when it enacted section 201(c) of the Copyright Act of 1976 (the 1976 Act). Professor O'Rourke cites Professor Gordon for the proposition that the Northern District of California, in *Ryan v. Carl Corp.*,⁴ held that the purpose of section 201(c) was to enlarge the rights of authors.⁵ But the full legislative history of section 201(c)

⁴ 23 F. Supp. 2d 1146 (N.D. Cal. 1998).

⁵ O'Rourke, *supra* note 2, at 614 fns. 43-44.

makes clear that the section was intended to be a compromise, to strike a balance between the rights of contributors and the rights of publishers. The House Report summarized the compromise by stating that the last clause of section 201(c), which provides that the collective work owner has the "privilege to reproduce contributions in that particular collective work, any revision of that collective work, and any later collective work in the same series,"⁶ is an "essential counterpart of the basic presumption in favor of the contributors that is found earlier in the clause."⁷

Consequently, the scheme envisioned by Congress, and by the Supreme Court in *Tasini*, is that freelancers who retain copyright in their contributions have the right to exploit those works individually, while the publisher may use the contribution in the context of the collective work (as well as revisions of that collective work and later collective works in the same series) in which the contribution was initially licensed to appear. For example, if the *New York Times* licenses an image to be published in its November 1, 2002 issue, and the photographer retains copyright in that image, then the photographer has the right to reproduce that image on T-shirts, coffee mugs, calendars, websites and the like, and in books and other publications. The *New York Times*, on the other hand, has the privilege of using that image in the November 1, 2002 issue of the newspaper, as well as reusing it in revisions of that issue and in later issues of the periodical.

That privilege encompasses the reproduction of the image in nonprint iterations of the November 1, 2002 issue, such as microfilm, microfiche, or electronic format, as long as the image is reproduced in the same context in which it appeared in print. The members of Congress who were tasked with drafting the 1976 Act were well aware that works could exist and could be reproduced and infringed in newly developing media. They knew, for example, that computers were being developed and would revolutionize the way that copyrighted and copyrightable works were stored and reproduced. As a result, they deliberately drafted the Act to be neutral in its application to different and evolving media, and they specifically indicated in the legislative history that the Act was meant to apply regardless of medium. Tellingly, in an exchange reported in the legislative history of section 201(c), Representative Robert Kastenmeier raised the question of rapidly changing technology and asked George Cary of the Copyright Office whether, as

⁶ 17 U.S.C. § 201(c).

⁷ H.R. REP. NO. 2237, 89th Cong., at 117 (1966) later summarized in final report on the 1976 Act, H.R. REP. NO. 1476, 94th Cong., at 122-23 (1976).

technology evolved, frequent revisions to the Copyright Act would be required.⁸ Mr. Cary responded, "We have tried to phrase the broad rights granted in such a way that they can be adapted as time goes on to each of the newly advanced media."⁹

With that in mind, what kinds of uses of contributions should be permitted to collective work owners under the *Tasini* framework? The Supreme Court specifically distinguished microfilm and microfiche, formats that preserve the context in which contributions appeared in print, from the databases at issue, which presented end users with contributions standing alone, divorced from those contexts. But what should collective work owners be permitted to do with their works electronically? Electronic works that preserve the context in which contributions initially appeared, as do microfilm and microfiche, should be permitted. An example of such a product is "The Complete National Geographic," a CD-ROM product published by the National Geographic Society which reproduces every issue of the National Geographic magazine since its first publication in 1888 exactly as it appeared in print. In addition to the layout of the text articles and photographs that comprise the substantive content of the magazine, "The Complete National Geographic" preserves, as they appeared in print, the original attributions to all of the contributors; advertisements; the masthead; and everything down to the fold down the middle of a two-page spread.

I would suggest that if a publisher cannot reproduce its collective work in a product like "The Complete National Geographic," then section 201(c) has no meaning in the electronic arena. In light of the above discussion of the legislative history of the 1976 Act in general and section 201(c) in particular, that cannot be the case. Section 201(c) was designed to permit collective work owners to reproduce their works in certain ways, and it makes no difference under the scheme of the 1976 Act whether those reproductions occur electronically or in other formats. The operative question is whether contributions are preserved in the context in which they initially appeared.

Professor O'Rourke and Ms. Bass both discussed fairness issues at some length.¹⁰ I suggest that it is fair for publishers to be permitted to exploit fully the collective works that they have been

⁸ *Hearing on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before the House Comm. on the Judiciary, Copyright Law Revision*, 89th Cong. at 57 (1966).

⁹ *Id.*

¹⁰ See O'Rourke, *supra* note 2, at 613-17; Emily Bass, *Pennies for their Thoughts?: The Value of Writers' Digital Rights*, 53 CASE W. RES. L. REV. 639 (2003).

instrumental in creating. Publishers own the copyright in their collective works, and section 201(c) established a dual-copyright scheme in which the collective work copyright is separate and distinct from the copyright in the contributions to the collective work. As copyright owners, publishers are entitled to the rights, benefits, and privileges afforded all copyright owners by section 106, including the right to reproduce, distribute, and make derivative works. They are also entitled to avail themselves of the special privileges set forth in section 201(c).

This is fair because, although a publisher may obtain some or even all of the content of a publication from freelancers, the publisher is the "author" of the collective work, invests substantial resources in its development, and is ultimately responsible for its creation. While the publisher may draw on freelance resources, it is frequently the publisher that conceptualizes the subject matter of a particular story and directs the freelancer in its development. For example, a publisher may decide to publish a story on the recovery of property owners on Kauai from Hurricane Iniki, which ravaged the island in 1994. The publisher may contact a freelance photographer or writer and request images or a manuscript on that topic. The publisher will frequently invest significant sums in the expenses incurred in formulating the story, such as the rental of a helicopter to enable the photographer to create aerial photographs of the subject areas. The publisher will also provide editorial guidance to the freelancer during the development stages and will devote editorial resources to producing the final story. Finally, the publisher is instrumental in exercising its editorial judgment in assembling all of the constituent parts of the collective work into a coherent whole. The publisher's role is thus not limited to signing checks over to freelancers who exclusively create the content of collective works. Professor O'Rourke's use of the term "creator" to refer to freelancers in a manner that is apparently mutually exclusive of publishers fails to account for this fundamental reality.

One also should not forget the value to freelancers of their associations with certain publications. Freelancers frequently promote themselves by referring to the publications in which their contributions have been published. A writer may indicate that her work has been published in the *New York Times*, *Sports Illustrated*, or some other well-known and highly respected publication. A photographer may promote himself by broadcasting his affiliation with *National Geographic* or *Life*. Freelancers leverage these relationships into assignments with other publications, thus enhancing their reputations and their income streams.

Finally, in discussing the issue of what additional compensation freelancers should receive for the reproduction of their collective work contributions in databases like those involved in *Tasini*, it must be acknowledged that the value placed by the marketplace on such contributions is influenced, at least in part, by their affiliation with the publications in which they originally appeared. A self-published article that is distributed by means of flyers passed out on the street will be valued differently, and much less, than if the exact same article were published in the *New York Times*. Accordingly, a database publisher may be willing to pay for the latter, but not the former. Viewed this way, the database publisher is paying not for the efforts of John Q. Public, author, but for the editorial judgment, selectivity, and credibility of one of the most esteemed periodicals in the country.

Where does this all leave us? While it may not be in vogue to lie awake at night worrying about how publishers are going to make a living, it is important to recognize that publishers, as well as freelancers, own copyright in their creations. That copyright is recognized by the Copyright Act; by section 201(c); and by the framework established in *Tasini*. In the ongoing post-*Tasini* dialogue, it is important to look not simply at the medium in which works are reproduced, but also to focus on *how* those works are reproduced and to respect the right of publishers to exploit their collective works as other copyright owners exploit their works.