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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

..... X  
JONATHAN TASINI, et al.

Plaintiffs

93 CIV.8678(SS)

-against-

THE NEW YORK TIMES CO, NEWSDAY, INC.,  
et al.

Defendants  
..... X

PLAINTIFFS' MEMORANDUM OF LAW  
IN SUPPORT OF THEIR  
MOTION FOR SUMMARY JUDGMENT  
ON THE ISSUE OF LIABILITY

Preface

This is a case about spare parts and the used vehicles they come from -- vehicles that bear a striking resemblance to used cars.

In the life of an automobile, there comes a time when that vehicle is worth more *disassembled* than left put together. Then, the car is taken apart, and its parts are sold off -- the engine, the muffler, the bumpers, fenders, doors, the front and back windshields, and even the hubcaps may be sold separately by junk dealers or used-parts suppliers.

The same fate now awaits today's newspaper or magazine and tomorrow's literary or social science journal. Such publications have a short shelf life: They quickly become "yesterday's papers."

But after the publications no longer have any value at the newsstand, they still have plenty of value when they're disassembled and the "parts" -- i.e., articles, reviews, op-ed pieces, etc. -- are put up for sale.

As a consequence, even before the presses cool, the publications are dismantled<sup>1</sup> and their parts are sent off to LEXIS/NEXIS and/or University Microfilms Inc. (hereinafter "UMI"), where the parts experience a second life.

This is the story of twenty-one (21) such parts or articles and the journey that they and other articles like them have taken through the new technologies. It is also the story of the extent to which the authors' rights in those articles have been infringed along the way.

\* \* \* \* \*

From a legal standpoint, the case presents the following issues inter alia:

(1) whether articles that freelance writers have written for The New York Times, Newsday and/or Sports Illustrated can be placed on NEXIS without the

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<sup>1</sup> The effect of the procedures the publisher defendants employ in preparing data for transmission and/or delivery to Mead (see description in Affidavit of Emily Bass, hereinafter referred to as "Bass Aff.") results in the defendants' papers and magazines *appearing* to have been "disassembled." In actuality what occurs is that the publisher defendants *discard* their collective works and return to a *pre-collective work* state. They locate data files on their ATEX computer that contain copies of articles as they existed *before* they were merged with photos and graphics and integrated into the collective work and process these data files -- each of which contains only one article -- for transmission to Mead.



freelance writers' knowledge and express consent or whether, by placing such work on-line, the publisher-defendants and data base-defendants have violated plaintiffs' rights under section 106 of the Copyright Act?

(2) whether plaintiffs' works can be incorporated into UMI's text-only CD-ROMS without plaintiffs' express consent?

(3) whether the text of plaintiffs' works or derivative works based upon that text can be incorporated into part-text/part-image CD-ROMS without plaintiffs' express consent?

(4) if plaintiffs' express consent is needed under the Act to place a freelance writer's work on NEXIS, whether Newsday can absolve itself of any liability for having infringed a freelance writer's rights simply by stamping a legend on the back of the check it subsequently sends him that states that, by negotiating the check, the author is authorizing the newspaper to include his work in its "electronic library archives" and that further states "CHECK VOID IF THE ENDORSEMENT ALTERED" ?

(5) whether Time Inc. can be said to have secured the right to place a freelance writer's work on-line, without ever either explicitly obtaining or seeking to obtain any form of "electronic rights" in the article, *simply* by obtaining the right "first to publish" the writer's work "*in the Magazine*" or the right to "republish" or "license the republication" of the work "in [an]other publication"?

(6) whether the right "*first to publish*" a work gives the publisher a right to license publication of the work *in perpetuity*?

Not surprisingly, perhaps, it is the defendants' position in this case that a publisher should be deemed to have an inherent right to re-use print articles in a variety of other media, including electronic media, and to exploit the plaintiffs' works in all of the ways that they have been exploited in this case. The defendants take this position no matter what has or hasn't been said between a publisher and a freelance author on the subject, and even where nothing has been said. Stated otherwise, it is the defendants' position that they are entitled to place freelancers' work on NEXIS for now and for ever and to memorialize their works for all time in CD-ROMS whether the publishers have been given a "one-time" grant of rights in an article, "first rights" in an article, "serial rights" in an article, "magazine rights" in an article, "print rights" in an article, the "right first to publish" an article *or no rights at all*.

Aside from the fact that the defendants are obviously from the Humpty-Dumpty school of diction -- where words mean whatever the defendants *want* them to mean, when they want them to mean anything at all -- there is an even more fundamental objection: the defendants' position turns the Copyright Act of 1976 on its head.

Far from the rights at issue here being the defendants' rights, as the defendants suggest, *unless and until* they relinquish them to the authors, the

Copyright Act establishes that these rights are the *authors'* rights unless and until *they* expressly grant them to a publisher. See, e.g., 17 U.S.C. 106, 201(a), (c) and (e). "In the absence of an express transfer of the copyright *or of any rights under it,*" the only thing a publisher gets when an article is submitted for publication in one of its magazines or newspapers is "*the privilege* of reproducing and distributing the contribution *as part of* that particular collective work, any revision of that collective work, and any later collective work in the same series," i.e., in a subsequent issue. 17 U.S.C. 201(c)(emphasis added).

As will hereinafter be seen, the defendants in this case have purported to have the right to hold, to license and to exercise far more than that simple "privilege."

A de-mystifying journey through the technologies to which plaintiffs' articles were subjected will make this clear. That journey is described in the accompanying affidavit of Emily Bass, Esq.

### STATEMENT OF FACTS

We incorporate by reference as though fully set forth herein the facts set forth in the Affidavit of Emily Bass, Esq.

### ARGUMENT

#### I. THE DEFENDANTS ARE LIABLE FOR INFRINGING PLAINTIFFS' RIGHTS.

##### Basic Principles

It is a fundamental principle of copyright law that a copyright protects only what is *original* to the author of the copyrighted work. See, generally, Feist Publications Inc. v. Rural Telephone Service Co., Inc., 499 U.S. 340, 111 S. Ct. 1282, 113 L.Ed.2d 358 (1991)(“Article I, § 8, cl. 8, of the Constitution mandates originality as a prerequisite for copyright protection.”<sup>2</sup>) In the context of both collective works and derivative works, this means that “copyright . . . extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.” Roy Export Company Establishment of Vaduz v. Columbia Broadcasting System, Inc., 672 F.2d 1095, 1103 (2d Cir. 1982) (emphasis added). See Stewart v. Abend, 495 U.S. 207, 110 S. Ct. 1750 109 L. Ed. 2d 184(1990); Quinto v. Legal Times of Washington, Inc., 506 F.Supp. 554, 559 (D.D.C. 1981)(copyright owner of rights in magazine could not license rights to a contribution to another periodical without the copyright owner’s consent). See also 17 U.S.C. 103(b), 201(c)(“Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole . . .”).

Without either an assignment or express transfer from the author of the separate contributions included in a collective work, the compiler of a collective work cannot secure copyright in the preexisting works that he did *not* create. Roy Export, supra, 672 F.2d at 1103. “[P]rotection is available *only* for that part of his

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<sup>2</sup> “Originality” is typically defined as meaning that “the work was independently created by the author (as opposed to copied from other works) and that it possesses at least some minimal degree of creativity.” Feist, supra, 499 U.S. at 345, 111 S.Ct. at 1287, citing 1 M. Nimmer & D. Nimmer, Copyright §§ 2.01[A], [B] (1990)(hereinafter “Nimmer on Copyright”).

product that is original with . . . [the creator of the collective work] - for what he has added to the component works, or for his skill and creativity in selecting and assembling an original arrangement of those works . . .". Roy Export, supra (without any assignment from the plaintiffs of proprietary rights in a preexisting compilation, the copyright the defendant acquired in its telecast "can extend only to its original contribution to that collective work, not to the preexisting Compilation.") (emphasis and words in brackets added).

It follows from these principles that the proprietor of copyright in a collective work cannot republish one of the contributions that had been included in the collective work *as a separate work*, 17 U.S.C. §§ 201(c), 103, or use or license the use of the contribution in another work unless, in addition to the rights he has in his own original authorship, he has been granted rights in the pre-existing work. Roy Export, supra; Gilliam v. American Broadcasting Cos., 538 F.2d 14, 19-20 (2d Cir. 1976); G. Ricordi & Co. v. Paramount Pictures, Inc., 189 F.2d 469 (2d Cir. 1951); Wolff v. Institute of Electrical and Electronics Engineers, Inc., 768 F.Supp. 66 (S.D.N.Y. 1991); GB Marketing U.S.A. Inc. v. Gerolsteiner Brunnen GmbH & Co., 782 F.Supp. 763 (W.D.N.Y. 1991). If he has not acquired the necessary rights in the preexisting work, then he cannot either make a derivative work based upon the preexisting work or include the preexisting work in another collective work. If he does either of these things without first securing a continuing grant of rights in the underlying contribution or preexisting work, then any resulting work -- be it a collective work or derivative work -- will be

*infringing.*<sup>3</sup> See, generally, Stewart v. Abend, 495 U.S. 207, 110 S.Ct. 1750 (1990); Cortner v. Israel, 732 F.2d 267, 272 (2d Cir. 1984)(citing 1 Nimmer on Copyright § 3.06 (1983)); Gilliam, supra; GB Marketing U.S.A. Inc., Wolff, supra.

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As will hereinafter be seen, a straightforward application of these principles to the facts of this case requires the conclusion that the defendants are liable for having infringed plaintiffs' rights.

#### Application of These Principles To The Facts of The Case

Section 501(a) of the Copyright Act provides that "[a]nyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 . . . is an infringer of the copyright or right of the author. . ." 17 U.S.C. § 501(a).

In order to sustain a claim for copyright infringement, therefore, a plaintiff must establish: (1) that he holds a valid copyright in a given work, and (2) that one or more of his exclusive rights under sections 106 through 118 of the Act have been violated. See, generally, Sony Corp. of America v. University City Studios, Inc., 464 U.S. 417, 433 (1984); Key Publications v. Chinatown Today Publishing Enters., 945 F.2d 509, 514 (2d Cir. 1991); Nimmer on Copyright, at

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<sup>3</sup> The "privilege" afforded publishers under 17 U.S.C. § 201(c) represents a very limited exception to this rule.

<sup>4</sup> The resulting work may also be uncopyrightable. See 17 U.S.C. § 103(a) ("The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.")

§13.01 at 13-3. Section 106 of the Copyright Act provides that, “[s]ubject to sections 107 through 120,<sup>5</sup> the owner of copyright under this title has the exclusive rights *to do* and *to authorize* any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
- (4) in the case of literary . . . works, to perform the copyrighted work publicly; and
- (5) in the case of literary . . . works, . . . to display the copyrighted work publicly.”

17 U.S.C. § 106. There is no question but that plaintiffs’ works qualify as literary works within the meaning of 17 U.S.C. § 101 (“literary works”).<sup>6</sup>

#### A. Plaintiffs Hold Valid Copyrights In Their Literary Works

##### 1. Plaintiffs’ Certificates of Registration Constitute Prima Facie Evidence of the Validity of Their Copyright.

The certificates that have been attached as Exhibit 1 to the Affirmation of Emily Bass, Esq. constitute prima facie evidence of the validity of plaintiffs’ copyrights in the works identified in the certificates. 17 U.S.C. § 410(c). The works identified in the certificates are the works referred to in the Complaint.<sup>7</sup>

##### 2. Plaintiffs Were In Any Event The “Sole Authors” Of Their Works and Did Not, Subsequent to The Creation

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<sup>5</sup> The copyright owner’s exclusive rights are not subject to section 201 of the Act. This is undoubtedly why a publisher, under section 201, only gets the “privilege” of including a freelance author’s contribution in its collective work, rather than either a full -fledged “right” to do so. The publisher’s “privilege” does not *divest* the author of any “rights” under section 106 of the Act.

<sup>6</sup> “Literary works” are defined by the Act as “works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.” 17 U.S.C. § 101.

<sup>7</sup> For ease of reference, we shall refer to the “Amended Complaint” simply as the Complaint.

Of The Works, Transfer Any of The Rights In Question.

The defendants have *admitted* that plaintiffs were the “sole authors” of these works and, thus, at least initially, the valid holders of the copyrights in them.<sup>8</sup> See Exh. 25. See also 17 U.S.C. § 201(a). With the exception of Time Inc., the publisher-defendants have also admitted that plaintiffs did not expressly transfer any rights to them prior to the point at which the defendants are alleged to have committed the infringements.

a. Plaintiffs Did Not Expressly Transfer Any Rights To The New York Times

The New York Times has explicitly acknowledged that plaintiffs never expressly transferred any rights to them.<sup>9</sup> (See Exh. 21 at 29, 31, 39, 42, 43, 44).

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<sup>8</sup> The New York Times will undoubtedly argue not that the plaintiffs expressly transferred any rights to it, but that it was statutorily “privileged” to take the actions that are the subject of this lawsuit. (This argument will be addressed in Point II, B 1, 2, post.)

Newsday will argue that plaintiffs *did* transfer certain rights to it by virtue of their having signed and negotiated checks that contained the following stamped endorsement on the back in tiny agate-like type:

Signature required. Check void if the endorsement altered. This check accepted as full payment for first-time publication rights (or all rights, if agreement is for all rights) to material described on face of check in all editions published by Newsday and for the right to include such material in electronic library archives.

(See, e.g., Exh. 47 at N 000183). Since plaintiffs did not even receive these checks until *after* Newsday had already infringed their rights, however, even if the Court were to find arguendo that the plaintiffs’ signing and negotiation of the checks effected valid transfers, plaintiffs would still be entitled to sue for the infringements in this case since they occurred *prior* to that time. R & R Recreation Products, Inc. v. Joan Cook Incorporated, 1992 U.S. Dist. LEXIS 5176, 10 (S.D.N.Y. 1992). Significantly, the language in the so-called “endorsement” does not even purport to constitute a release of claims or a waiver of the right to sue. (See Point II A ¶ 36, post.) Finally, Time Inc. will undoubtedly argue that, by giving it the “right first to publish [his work] . . . in its Magazine,” plaintiff Whitford gave it electronic rights. (This contention will be addressed in Point II A post.)

<sup>9</sup> In fact it argues that *because* this is the case, it was statutorily “privileged” under section 201(c) of the Act to take the actions that are the subject of this lawsuit. (As will hereinafter be seen, this argument is without any foundation, see Point II B, post.)



b. Plaintiff Whitford Did Not Expressly Transfer Any Electronic Rights To Sports Illustrated

On or about April 8, 1991, plaintiff Whitford entered into a written agreement with Sports Illustrated, a division of The Time Inc. Magazine Company, pursuant to which he agreed "to write for SPORTS ILLUSTRATED... (the "Maga-zine"), a Feature article on Ferguson Jenkins . . .". (Exh. 1 to Bass. Aff.) Ulti-mately the story came to be called "Glory Amid Grief."<sup>10</sup> It is one of the works at issue in this Complaint. (It is work # 21.)

The letter-agreement, which was drafted by Time Inc., Sports Illustrated and/or their attorneys, provided that the Magazine would own the following rights: (1) "the exclusive right *first* to publish the Story in the Magazine;" (2) the non-exclusive right to license *others* to republish the Story "*in other publications*;" and (3) the right of Time Inc. Magazine Company itself to republish the Story "in or in connection with the Magazine or *in other publications published by The Time Inc. Magazine Company, its parent, subsidiaries or affiliates . . .*". (Exh. 36 attached to Bass Aff.).

The Agreement made no mention of licensing others to place the Story on NEXIS or to make it amenable to electronic display and retrieval nor, indeed, made any reference whatsoever to "on-line" or "electronic rights" at all.<sup>11</sup> By the

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<sup>10</sup> Counsel respectfully requests permission to amend the Complaint to conform to the evidence so as to reflect the fact that there is a written agreement between Mr. Whitford and the defendant governing the copyright issues. At the time the Complaint was prepared, counsel was unaware that the letter-agreement in question pertained to "Glory Amid Grief" because the Story is referred to in the agreement by a different title or name.

<sup>11</sup> Again, for ease of reference, we shall refer to the right to place an author's work on NEXIS and incorporate it into one or more CD-ROMS, collectively, as electronic rights. Where

same token, it neither sought nor claimed the "right to use the Story or to authorize others to use the Story in connection with computer-assisted information products or services." (The latter of course was wording that Time Inc. had used just a few months before in *its* contract with Mead. (See Exh. 41 at T000007-000027).

As the court recognized in a context not very different from this one, the decision of the United States Supreme Court in Stewart v. Abend, *supra*, precludes a licensee from claiming a right in a preexisting work that he has not been expressly granted. Wolff v. Institute of Electrical and Electronics Engineers, Inc., 768 F.Supp. 66 (S.D.N.Y. 1991)(magazine publisher couldn't use photograph that had appeared in - and on the cover of the magazine - in subsequent advertisements). Any unauthorized use of a preexisting work, whether it involves a transformation or alteration of the work or simply an ". . . extension of the underlying work into *media or time . . . not covered*" by the *license* will constitute an infringement. Gilliam v. American Broadcasting Companies, Inc., 538 F.2d 14, 20-21 (2d Cir. 1976)(emphasis added).

The license agreement in this instance must be strictly and/or narrowly construed for yet another reason. Since it was drafted by the defendant Time Inc., Sports Illustrated and/or their attorneys, it must be strictly construed against them. See Doubleday & Co., Inc. v. Curtis, 599 F.Supp. 779, 783 (SDNY 1984) (publishing agreement was strictly construed against the publisher that drafted it;

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clarity requires that we make a distinction between these two separate rights, we shall indicate which right is being discussed.

the court noted that it did so for two reasons: because under “the accepted canons of construction, the Agreement must be construed strictly against the drafter” and because there was an inequality in bargaining power between the “established publisher” and a “new, or untried author”). See also, generally, Westchester Resco Co. v. New England Reinsurance Corp., 818 F.2d 2, 3 (2d Cir. 1987)(if the court finds that there is an ambiguity in a contract, the well-established *contra proferentum* principle requires that the ambiguity be construed against the party that drafted the agreement); American Home Products Corp. v. Liberty Mutual Ins. Co., 565 F.Supp. 1485, 1492 (SDNY 1983) aff'd as modified, 748 F.2d 760 (2d Cir. 1984); Semmes Motors, Inc. v. Ford Motor Co., 429 F.2d 1197, 1207 (2d Cir. 1970); Mitsubishi Corp. v. Guinomar Conakry, 1993 WL 254994, at \*4 n. 3, 1993 U.S. Dist. LEXIS 8853, at \*8 n. 3 (S.D.N.Y. 1993)(collecting cases). Accord Restatement (Second) of Contracts § 206 and comment a (1981).

Consistent with these principles, it should be determined as a matter of law that the right Time Inc. was given “first to publish the Story *in the Magazine*” and to license others to republish the Story “*in other publications*”<sup>12</sup> did not encompass the right to license Mead to make use of the Story in its on-line

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<sup>12</sup> The term “other publications,” as used in clauses 2(b) and 2(c) of the Sports Illustrated contract, must be understood to mean publications or periodicals *like Sports Illustrated*, i.e., collective works that have been created, assembled and arranged by the entity creating them. (In the case of clause 2(b) of the contract, by a licensee of Time Inc. Magazine Company and, in the case of clause 2(c), by Time Inc. Magazine Company itself.) Accordingly, when clause 2(b) provides for the Story to be ‘republish[ed] . . . *in other publications*’, it suggests that such “other publications” will contain other Stories, as well, and be a magazine or collective work created by one of Time Inc. Magazine Company’s licensee.

computer-assisted commercial information services or to electronically (or otherwise) republish *the Story by itself*.

- c. Even Assuming, *Arguendo*, That Plaintiffs Authorized Newsday To Include Their Works In An "Electronic Library Archives", They Cannot Be Said To Have Given It The Right To Place Their Works on "NEXIS".

Like Time Inc., Newsday claims that plaintiffs *did* transfer certain rights to it -- in this instance, not by virtue of a "letter-agreement" -- but by virtue of their having signed and negotiated checks that contained the following stamped legend on the back in tiny agate-like type:

Signature required. Check void if the endorsement altered. This check accepted as full payment for first-time publication rights (or all rights, if agreement is for all rights) to material described on face of check in all editions published by Newsday and for the right to include such material in electronic library archives.

See, e.g., Exh. 47 at N 000183. Significantly, these checks were first mailed to plaintiffs only after Newsday had already infringed plaintiffs' rights: Even assuming arguendo, therefore, that the plaintiffs had read and understood and signed the checks with the intention of giving Newsday the rights referred to,<sup>13</sup> plaintiffs would still be entitled to sue for copyright infringement since their claims had already accrued. R & R Recreation Products, Inc. v. Joan Cook Incorporated, 1992 U.S. Dist. LEXIS 5176, 10 (S.D.N.Y. 1992). Unless the

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<sup>13</sup> Two of the plaintiffs (Garson and Robbins) never even noticed and/or read the legend. The other two did (i.e., Tasini and Whitford) but were not sure what it meant. Whitford attempted unsuccessfully to find out. (His editor said he didn't know.) Tasini simply acted on the assumption that the publisher was attempting to get some right from him that he hadn't granted them and crossed the latter part of the legend out.

Regardless of its construction, therefore, as far as Tasini is concerned, the legend *cannot* effect a transfer of any rights.

language in the legend constituted a “release” of their claims, which it didn’t, plaintiffs’ claims remained intact. See Point IIA, post.

Moreover, even if one were to assume that the presumed “transfer” had been a timely one, the right that was transferred cannot be said to have been the right to place plaintiffs’ work on “NEXIS.” For the same reasons that the language in David Whitford’s letter-agreements must be narrowly construed, Newsday’s legend must be narrowly construed. Given a narrow construction, it is inconceivable that the grant of a right to include one’s work “in all . . . [Newsday’s] editions . . . and . . . electronic library archives” could be construed as the grant of a right to license one’s work to “NEXIS.”<sup>14</sup> See, generally, Playboy Enterprises, Inc. v. Dumas, 53 F.3d 549 (2nd Cir. 1995)(language in instrument of transfer must be unambiguous); Wolff, supra. This is especially so since Newsday created, updated and maintained an electronic morgue or internal data base that it referred to as its “electronic library” or “electronic library archives.” See Exh. 35 at p. 20, lines 18-23; p. 26, lines 7-23.

**B. The Data Base Defendants Are Guilty Of Having Infringed Plaintiffs’ Rights**

The second subject of inquiry in a copyright case is whether one or more of the defendants have violated plaintiffs’ exclusive rights. In this case, there is no question but that the defendants are liable for infringement.

**1. Mead and UMI Have**

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<sup>14</sup> It is plaintiffs’ understanding that Newsday is not claiming that there were any “all rights” agreements, but only that the alleged ‘permission’ it was given to include plaintiffs’ work in “electronic library archives” covered its placement of their work on NEXIS.

### Copied Plaintiffs' Work

In most cases, this inquiry focuses solely on the question of whether the defendant has copied the plaintiff's work. 'Since direct evidence of copying is rare, a court may infer it upon a showing that defendant had access to the copyrighted work, and that the allegedly infringing material bears a substantial similarity to copyrightable elements of plaintiff's work.' Arica Institute, Inc. v. Helen Palmer and Harper & Row Publishers, Inc., 970 F.2d 1067, 1072 (2d Cir. 1992). See also Walker v. Time Life Films, Inc., 784 F.2d 44, 48 (2d Cir.), cert. denied, 476 U.S. 1159, 106 S.Ct. 2278 (1986). "[T]he test for 'substantial similarity' is the so-called 'ordinary observer test' . . . : whether 'an average lay observer would [] recognize the alleged copy as having been appropriated from the copyrighted work.' Folio Impressions, Inc. v. Byer California, 937 F.2d 759, 766 (2d Cir. 1991). If "two works are so strikingly similar as to preclude the possibility of independent creation, 'copying' may be proved without a showing of access." Lipton v. The Nature Company, 71 F.3d 464 (2d Cir. 1995); Gaste v. Kaiserman, 863 F.2d 1061, 1067-68 (2d Cir. 1988).

In this instance, both access *and* "substantial similarity" have been conceded.<sup>15</sup> The three publisher-defendants have admitted receiving plaintiffs'

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<sup>15</sup> Indeed, I believe that 'copying' is conceded, as well. The defendants' defense is not that they haven't copied, but that they were entitled to copy. The New York Times claims that it was statutorily entitled to copy under 17 U.S.C. § 201(c). Newsday claims that somehow the plaintiffs retroactively authorized them to copy by negotiating the checks that had the legends stamped on the back. And, Time Inc. claims that plaintiff Whitford authorized it sub silentio by signing an agreement drafted by the publisher that provided that Time Inc. Magazine Co. could either include the plaintiff's Story "in its Magazine" or license others to include the Story "in other publications." The data base defendants, Mead and UMI, attempt to piggyback onto the publishers' claims as to the propriety of their actions.

articles from them, having published them and having then passed copies of them on -- in the form of electronic files -- to Mead. See Exh. 21 at ¶¶ 5, 6, 18, 19; Exh. 22 at ¶¶ 5, 6, 22, 23; Exh. 23 at ¶¶ 7, 8, 9, 10; Exh. 8 at ¶¶ 27, 31, 70, 74, 202, 242, 246, 259, 278, 297). Mead acknowledges having received the text of these articles, having indexed term topic identifiers, key words and other terms to them and having added them to its data base. (Exh. 21 ¶¶ 11, 76, 79; Exh. 22 ¶¶ 11; Exh. 23 ¶¶ 10, 25, 48, 54, 55) (Mead claims to have received the text of all articles that have appeared in The New York Times, Newsday and Sports Illustrated over the past several years. This is the basis for its claim that its data base is "full text." See, generally, Exh. 21 ¶¶ 43, 44, 147) In the case of articles from The New York Times, Mead further acknowledges, since approximately 1992, having passed copies of those articles on to UMI for incorporation into its text-only CD-ROMS or "New York Times OnDisc." (Exh. 34 at 133-142 Exh. 21 ¶ 21 ). UMI acknowledges having received the data that Mead has sent it and claims, furthermore, to have received copies of all articles -- again, in the

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It should be noted that, even assuming any of the publishers' defenses were valid, which they are not, there isn't a one-to-one correspondence in any case between the publishers' defenses and the data base providers' defenses. In other words, even if Newsday could prevail on its claim that those plaintiffs who had unwittingly signed the endorsement on the back of the check had effectively released their claims against Newsday or waived their right to sue it, such a release or waiver would obviously not extend to Mead or UMI. Similarly, even if The New York Times were able to convince this Court that it had done no more than it was "privileged" to do under section 201(c) of the Act and that, accordingly, all of its actions were protected, such a finding would not and could not absolve the data base defendants of liability.

This is necessarily so since it is only "the exclusive rights" that have been provided for by section 106 and "any subdivision" of those rights that may be transferred under the Act. 17 U.S.C. § 201(d). Since the limited "privilege" provided for in section 201(c) of the Act is *not* such a "right" (nor subdivision of such a right), it is not transferable.

As a consequence, it is only the owners of copyright upon whom the privilege has been conferred who have the authority to exercise it. That would include the owners of copyright in collective works -- e.g., magazines, newspapers and encyclopedias -- to which the authors have contributed and *not* the licensees or grantees with which such publishers purport to deal.

form of electronic files<sup>16</sup> -- that appeared in The New York Times (Exh. 21 ¶¶ 21, 22; Exh.31. at 18). Finally, The New York Times acknowledges providing UMI with copies of its Sunday New York Times Book Review and Sunday Magazine sections, and UMI acknowledges both having received those sections of the Sunday paper and having scanned them so that electronic images of their pages could be married to a searchable ASCII data base. (Exh. 31 at 67; Exh. 41 at T007080)

The defendants acknowledge that the articles in question have been available on-line (i.e., on NEXIS) since approximately twenty-four hours after they appeared in The New York Times and/or Newsday and since approximately forty-five (45) days after David Whitford's article appeared in Sports Illustrated. (Exh. 21 ¶ 18; Exh. 22 ¶ 22 ; Exh. 23 ¶¶ 9, 24; Exh. 8 ¶¶ 39, 41, 82, 84, 208, 254, 256, 265, 284, 303). The New York Times and UMI further acknowledge that those of the plaintiffs' articles that were written for The Times were provided to and received by UMI within approximately thirty -one days after they appeared in print. (Exh. 21 ¶ 21). Those articles are still "on disc." (Exh. 21 ¶ 24).

Finally, the defendants have acknowledged that articles-on-NEXIS, articles-on-New York Times OnDisc, and articles-on-General Periodicals OnDisc are word for word *the same* as the articles that originally appeared in print. (Exh. 34 at 129-30; Exh. 31. at 30-31).<sup>17</sup> The lay or ordinary observer can confirm this

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<sup>16</sup> In this case, the electronic files were written to magnetic tapes.

<sup>17</sup> Defendants presumably mean the same when they say this as plaintiffs mean when they say that the *print-visible* text of the articles on NEXIS (or on one or another of the CD-ROMS) is the same as the *print-visible* text of the articles as they appeared in print.



fact, as can the Court,<sup>18</sup> since the defendants have further admitted that Exhibit 2 to the Bass Aff. contains "authentic printouts from the NEXIS database" of plaintiffs' articles, together with "authentic printouts of certain data related to those articles." (Exh. 21 ¶ 11; Exh. 22 ¶ 11; Exh. 23 ¶ 25) When the wording of the "story" or article portion of these printouts is compared with the wording of the articles that appeared in print, they prove to be the same. (See Exh.1)

The only question, then, is not *whether* the data base defendants have copied the plaintiffs' works,<sup>19</sup> but how many times? Since the defendants have been assiduous in never developing or implementing a system to record the number of times that a given document or article is accessed and/or displayed on-line or at a UMI workstation, we do not know how many human-readable or electronic display copies were made or how many times an article on NEXIS was down-loaded and/or printed out. (See, e.g., Exh. 31. at 57-64, 94-101, 108-109; cf. Exh. 23 ¶ 11)<sup>20</sup>. We do know how many machine-readable copies were made -- or at least we know the minimum number of such copies that were made.

#### In the case of Mead, we know

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<sup>18</sup> Unfortunately, it may require a magnifying glass to easily accomplish this task. We apologize.

<sup>19</sup> **IMPORTANT NOTE:** Because the "New York Times OnDisc" CD-ROM is principally a disk that contains the New York Times articles and data files available on-line from Mead (on "NEXIS"), any analysis of the manner in which Mead has violated plaintiffs' exclusive rights applies with equal force to UMI. Cf. Corsearch, Inc. v. Thomson & Thomson, 792 F.Supp. 305, 322 n.10 (SDNY 1992). By the same token, since either this same data or an abstracted or derivative work based on this data forms the searchable part of UMI's "image product," the analysis also applies to the "General Periodicals OnDisc" CD-ROMS. This is so whether the ASCII data that is incorporated into "General Periodicals OnDisc" comes from Mead or directly from The New York Times.

<sup>20</sup> Plaintiffs' computer and technology expert, Glenn Williams, has stated that there is no reason why such a system couldn't be developed. (Exh. 15).

- that a copy was made when it received the scheduled transmissions from The New York Times and Newsday;
- that a copy was made when files were updated to NEXIS' data base; and
- that a copy was made when Mead wrote the data files to a tape for delivery to Mead.

In the case of UMI, we know

- that a copy was made when UMI made a "second tape" from the tape it received from Mead with a "representation of the data as to how it is to appear on the CD for our system," (Exh. 31. at 45);
- that a copy was made when UMI made a "negative" glass mold from the tape, and
- that a copy was made when the resulting mold was then used to "stamp out" the CD's.

We undoubtedly could *also* discover how many CD's were manufactured and/or distributed that contained any one or more of the plaintiffs' articles, although that information has not yet been disclosed.<sup>21</sup>

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<sup>21</sup> In their response to Plaintiffs' Request to Admit # 146, UMI stated that it would be willing to enter "into a stipulation regarding the sales of UMI CD-ROM products featuring New York Times materials."

2. Mead and UMI Have Violated Plaintiffs' Exclusive Right to Prepare Derivative Works or to Authorize Others to Prepare Derivative Works Based Upon Their Articles.

As indicated above, each display and/or printout of a data file contains not only the text of the articles or stories that have been copied, but also "... certain data related to those articles." This data consists of each article's "vital statistics" and certain descriptive words or phrases germane to the article -- such as its major topic or theme, words that are indexed to the article, the title of the article, the author's name, the origin of the article (publication and date), word count, etc. These statistics and descriptives are generally added as "segments" to the beginning of each data file.

In addition to segments and header fields, the data base defendants generally prepare concordances and indices based upon the articles they receive.

As the publisher-data base producer agreements clearly recognize, these indices and concordances are "derivative works." See, e.g., the Agreement between Mead and Newsday, which provides:

... The rights embraced by th[is] License include, but are not limited to, ... the right to prepare and authorize preparation of machine-readable concordances *and other similar derivative works* based on Licensed Materials. (Exh. 40 at M003709) (emphasis added).

(See also Exh. 41 at T000008 (Time/Mead agmt; same language); Exh. 38 at M003700 (NYT/Mead agmt; Mead is given a non-exclusive license to prepare, reproduce and distribute concordances of Licensed Times Material).

Current case law and the legislative history behind the 1976 Act are in accord: material that is prepared as “front matter”, i.e., an introduction or table of contents, or as “back matter,” i.e., as an epilogue, postscript, bibliography or other type of index, is only copyrightable to the extent that a subsequent author has added something new and original to a preexisting work. See, e.g., Notes of Committee on the Judiciary, House Report No. 94-1476 (distinguishing between a true “collective work” or “compilation” and, e.g., “a work published with illustrations or front matter”); see also Corsearch, Inc. v. Thomson & Thomson and Dialog Information Services, Inc., 792 F.Supp. 305, 309-10, 322, 328-29 (SDNY 1992)(data base defendant’s copyright “extends to its internally generated information and to its particular enhancements to the items of information collected from the state trademark records, not to the items of information themselves collected from the states”; internally generated information and enhancements in Corsearch resemble the “segments” and indices or concordances here).

**3. Mead and UMI Have Violated Plaintiffs’ Exclusive Right to Authorize Others to Display, Reproduce and Perform Their Works.**

Significantly, section 106 of the Copyright Act gives authors the exclusive right not only "to do", but also "to authorize" others to reproduce, distribute, display and perform their works and to make derivative works based upon them. 17 U.S.C. § 106. It is this right more than any other, perhaps, that the defendants have infringed. They have done so by authorizing (in plaintiffs' place and stead) the 650,000 or so active users of the LEXIS/NEXIS services to search through, access, retrieve, display, download and/or print out plaintiffs' works -- or, in the words of the statute, to display, distribute, perform and reproduce plaintiffs' works. (Exh. 23 ¶ 49, wherein LEXIS/NEXIS admits that "more than 650,000 active users have access to the LEXIS/NEXIS services, and that well over a million user cards had been issued as of 1992").

The evidence of their having arrogated this right to themselves takes two forms: It can be found in the statements the defendants have made *about* their services -- in their contracts with the defendant publishers,<sup>22</sup> in their promotional literature, and in their admissions in this case.<sup>23</sup>

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<sup>22</sup> The *Newsday/Mead Agreement* is a case in point. It provides (Exh. 40 at M003710) for the "OFFERING OF LICENSED MATERIALS." Under this provision, Mead declares its intent to "authorize use by others of such Licensed Materials, in such computer-assisted information products or service, in such forms or combinations with other materials, and on such terms and conditions, as MDC, in its sole discretion, may determine." The only constraint that is placed upon Mead is that, "[i]n using or authorizing use by others of Licensed Materials under the License, MDC . . . [is to] use all reasonable efforts to cause displays or copies of Licensed Materials to bear the words "Copyright Newsday, Inc." and the year of first publication, if any, of such document as specified by Licensor, *at the beginning of each complete document displayed, reproduced or distributed in copies.*" (Exh. 40 at M003711)(emphasis added). The *Time Inc.* contract with Mead reads similarly. (Exh. 41 at T000008-9). The *New York Times Agreement* is to similar effect. It grants Mead "an exclusive, worldwide copyright license . . . to sell and display, publicly or privately, directly or through distribution sublicensees, *by means of computerized coded storage and computerized electronic coded retrieval systems to which customers obtain access through terminals*, all and any portion of . . . the "Licensed Times Material". (Exh. 38 at M003645).

Although UMI's contracts are less prolix, they provide similarly. See, e.g., Exh. 50 at U007080, which states that the Licensor is granting UMI a license to "distribute and transmit the Title to customer terminals and printers for display and printing . . ." See Exh. 49 at M011429,

And, it can be found in the actions Mead and UMI have taken (and routinely take) to make each and every article they receive from their approximately 10,000 information sources<sup>24</sup> a discrete electronic entity that can be separately located, accessed, retrieved, displayed and printed out by LEXIS/NEXIS' and UMI's customers. Without the various procedures that Mead and UMI put the data files through -- first, to ensure that there is only one article per each electronic file and then to index and/or encode each file so that the article in it can be searched "by name, title, author, subject, company, article type and keywords" -- their customers would not be able to conduct the type of topic or keyword searches they want to conduct *or to retrieve individual articles*. The customers can do so only because Mead and UMI have authorized them to do so -- not through literature and/or contracts, but *electronically*. This authorization comes in the form of header fields, electronic codes, tags, keywords, TTI's, segments, and indexing terms. In the cyberworld of NEXIS and CD-ROMS, electronic codes speak louder than pictures or words.

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Title to customer terminals and printers for display and printing . . ." See Exh. 49 at M011429, which provides that certain on-line screen credits and copyright claims shall appear either "[a]bove the first paragraph of text of each article" or "[i]n the search data caption above each article. . ." that is displayed. And, see Exh. 50 at U006722, in which Newsday authorizes UMI to load "the full text of selected articles from . . . [its] publication" into UMI's CD-ROM, "as a method of making full-text articles from your publication(s) available for research purposes." "Full copyright will run with each story."

<sup>23</sup> See, e.g., Exh. 21 ¶¶ 24, 25, 138, 128 (subscribers can download and print documents from NEXIS database); Exh. 22 ¶¶ 58, 59, 60, 70, 71 (" . . . it is possible to use the NEXIS service in ways that, among other things, permit customers to access, browse, down-load or print out articles . . . from different newspapers and other sources in a single search"); 13 (" . . . it is possible for an end user to retrieve an article from NEXIS without also retrieving other articles which appeared together with the retrieved article in the print edition of a publication"); Exh. 23 ¶¶ 47, 48, 49, 54, 55, 57.

<sup>24</sup> See Exh. 23 ¶ 51.

In the final analysis, the function that Mead and UMI perform in the commercial publishing world is not very different from Kinko's. They both copy individual contributions that were made to *different* collective works and bring them together in new and different combinations. In the case of Kinko's, however, the copy shop generally has to either copy from or disassemble a *preexisting* collective work in order to obtain the parts it needs for the new assemblage. See Basic Books, Inc. v. Kinko's Graphics Corp., 758 F.Supp. 1522 (SDNY 1991)(at professors' request, Kinko's copied excerpts from books and then compiled and bound them into "course packets"; some packets contained excerpts from as many as 43 different sources, including excerpts from collective works). In the case of Mead and UMI, on the other hand, they don't *have* to disassemble any preexisting collective works because the parts they need have already been provided to them as discrete "documents".<sup>25</sup> Indeed, they have not only already been provided to them, but the parts are already "logged" and *in inventory*.

The other major difference between the two "copying" services is that, in the case of Kinko's, Kinko's plays no part in deciding the selections that will be brought together in what are, in effect, new 'collective works'. (Third parties, such as business people, professors and students, make these decisions). In the case of Mead and UMI, on the other hand, these decisions are necessarily joint ones. Thus, while the customer may be the one who defines the search, Mead

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<sup>25</sup> This is true at least insofar as the ASCII or text-based products and/or components are concerned.

and UMI are the ones that have pre-screened, pre-tagged and pre-identified the individual documents *from their inventory* that are relevant to the search.

Mead and UMI, therefore, even more than Kinko's, must be said to *authorize* their customers to reproduce, distribute and display contributions *apart from* their collective works.

C. The Publisher Defendants Are Guilty  
Of Both Contributory and Vicarious  
Infringement.

Courts and commentators have long recognized the existence of two types of third-party liability in copyright law: "vicarious liability" and "contributory liability." The publisher defendants are guilty of both.

"As a rule of thumb . . . , 'benefit and control are the sign posts of vicarious liability,' while 'knowledge and participation [are] the touchstones of contributory infringement.'" Singer v. Citibank N.A., 1993 U.S. Dist. LEXIS 6907, \* 14 (SDNY 1993), quoting from Demetriades v. Kaufman, 690 F.Supp. 289, 293 (SDNY 1988). The defendants in this case satisfy the criteria for both types of liability because they must be said (1) to have had knowledge of the data base defendants' infringement of plaintiffs' rights; (2) to have facilitated, participated in and/or contributed to the data base defendants' infringement of plaintiffs' rights; (3) to have had a financial stake in and/or benefited from the infringement; and (4) to have had sufficient control to have prevented and/or stopped the infringement if they had chosen to do so.



1. The Publisher Defendants Are Vicariously  
Liable for The Data Base Defendants'  
Infringements.

Vicarious liability exists "when the right and ability to supervise coalesce with an obvious and direct financial interest in the exploitation of copyrighted materials . . . ." Shapiro Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 307 (2d Cir. 1963). They coalesce in this instance: (1) because the publisher defendants had both a direct financial interest in being able to deliver "full text" to Mead and UMI, and (2) because, notwithstanding the publishers' interest in this regard, they had both *the right and ability*, first, to exclude articles from the materials that were sent to Mead and, second, to require Mead to remove any articles from its data base that they determined should be removed. (See Exh. 27 ¶¶ 3, 4; Exh. 22 ¶ 25; Exh. 27. at ¶ 1 ; Exh. 49 at M011427; Exh. 38 at M003699-003704; Exh. 8 at ¶¶ 42, 85, 257; Exh. 49 at M002779, M003092; Exh. 49 at M0033218-3220; Exh. 49 at M003224, M003242-3243; Exh. 50 at U2923, U2946, U002022, as to 'benefit'; and see Exh. 38 at M 003663; Exh. 40 at M 003711; Exh. 41 at T000020 and Schedule A at T000019 as to 'control'). Since they did not either exclude plaintiffs' articles from the articles that were sent to Mead and/or require Mead to either exclude them from the files updated to its data base or to remove them from the data base, the publishers are liable as "vicarious infringers." See Gershwin Publishing Corp. v. Columbia Artists Management, Inc., 443 F. 2d 1159, 1162 (2d Cir. 1971)(the imposition of vicarious liability on those who have failed to police the conduct of primary infringers better effectuates the policies behind the copyright law); Shapiro,

supra, 316 F.2d at 307 (same). See also Peer International Corp. v. Luna Records, Inc., 887 F.Supp. 560 (SDNY 1995); Lauratex Textile Corp. v. Alton Knitting Mills Inc., 517 F.Supp. 900 (SDNY 1981).

2. The Publisher Defendants Are Also Guilty of Contributory Infringement

A contributory infringer is one who with actual or constructive knowledge of the infringing activity, "induces, causes or materially contributes to the infringing conduct of another . . .". R&R Recreation Products, Inc. v. Joan Cook Inc., 1992 U.S. Dist. LEXIS 5176, \*7 (SDNY 1992), quoting from Gershwin Publishing Corp. v. Columbia Artists Mgt. Inc., supra, 443 F.2d at 1162. See also Sygma Photo News, Inc. v. High Society Magazine, Inc., 778 F.2d 89 (2d Cir. 1985); GB Marketing USA Inc. v. Gerolsteiner Brunnen GmbH & Co., 782 F.Supp. 763 (WDNY 1991). "[M]ere quantitative contribution . . . [is] not the proper test to determine copyright liability . . . Rather, resolution of the issue . . . depends upon a determination of the function that [the alleged infringer] plays in the total [reproduction] process." Gershwin, supra, 443 F.2d at 1162, quoting from the decision of the United States Supreme Court in Fortnightly Corp. v. United Artists Television, Inc., 392 U.S. 390, 396-97, 88 S.Ct. 2084, 2088 (1968).

The role the publishers played vis-a-vis the defendants' infringements in this instance -- both with respect to the reproduction process and otherwise -- was substantial. They provided the raw data (i.e., plaintiffs' articles) to Mead;

they segregated the articles into separate electronic files; they stitched headlines and bylines into the files; they prepared segments or header fields for each file; they provided indexing terms, abstracts and key words to Mead; and, in certain instances, they defined the "searchable lead."

Of equal significance, they did all this towards *one* end: to make each article retrievable, reproducible, displayable and performable in and of itself. They not only knew what they were doing, they knew what the data base defendants were doing and why, and provided information and data files in a format that had been agreed upon with Mead. (See, e.g., Exh. 21 ¶¶ 18, 19, 88, 132, 76, 77, 79, 21, 22 110; Exh. 22 ¶¶ 22, 56, 60, 70, 71, 13Exh. 23 ¶¶ 9, 10, 59, 54, 55, 57).

**D. Mead Is Guilty Of Vicarious Liability and  
Contributory Infringement With Respect  
To UMI's Infringement of Plaintiffs' Rights.**

Mead is in the same position vis-a-vis UMI and its creation of New York Times-based CD-ROMS as the publishers are in vis-a-vis NEXIS. It is both a vicarious and contributory infringer.

This conclusion is inescapable because: (1) it is the one *providing* UMI with the articles and data that UMI uses to create its CD-ROM products (see, e.g., Exh. 34 at 136; Exh. 31. At 24-25, 28,35); (2) it is fully aware of the use to which the articles and data it is providing are being and have been put (see, e.g., Exh. 21 ¶¶ 96, Exh. 39 at NYT000002-11; Exh. 38 at NYT000012-13, Exh.

45 at NYT000019-27; Exh. 34 at 120, 30); (3) it has effective control over the material that goes into the CD-ROMS (id.); and, finally, (4) it has both a stake in and derives a direct financial benefit from this process (Exh. 21 ¶ 114). The first two elements make Mead a “contributory infringer”; the second two elements make it vicariously liable.

E. The Publisher Defendants Are Also Liable For Having Directly Infringed Plaintiffs’ Exclusive Rights.

The publisher defendants’ infringements parallel the data base defendants’ infringements in many respects.

1. The Publisher Defendants Have Copied Plaintiffs’ Work

The publishers conceded in the special set of admissions they made regarding the editorial, composing room and printing process that, between the point in time that an author first submits an article and the point at which it is sent to the typesetter to be printed, they make multiple electronic copies of his work. (Exh. 28-30). They also admitted that at least one of these copies (if not more) continues to be resident on their computers *after* the paper or magazine is “closed.” (Exh. 29-30).

Plaintiffs respectfully submit that at the point in time that a newspaper or magazine closes, copies of individual contributions that had been properly retained *up to that point* can no longer be retained. Much like “masters” after a license has expired, they must either be surrendered to their creator or

destroyed. Cf. Greenwich Film Productions, S.A. v. DRG Records, Inc., 833 F.Supp. 248, (SDNY 1993)(court found that “instead of surrendering the ‘master’ [soundtrack] to Greenwich as required by the terms of the License, DRG Records continued manufacturing and distributing ‘DIVA’ recordings,” using the master as a template.) Since returning electronic copies is out of the question,<sup>26</sup> destruction would -- at least theoretically -- seem to be in order.

Even if one were to decide, as a matter of policy, given the important role that newspaper and magazines play in writing the historical record, to permit periodicals to maintain a copy for “archival” purposes, permitting them to preserve *one* copy for internal purposes is a far cry from permitting them to maintain one copy for their own use *and* to make an additional copy for purposes of licensing. This is especially so, where the “copy” they license is then itself used much like a digital “master”, from which other machine-readable, electronically displayed and printed copies can be made.

This is, in effect, what each of the publisher defendants have done here, however.

They have made a copy of what they have referred to as their ‘final ATEX file’. (Exh. 33 at 21; Exh. 28 ¶ 10; Exh. 35 at 5-19; Exh. 30 ¶ 8; Exh. 32. at 23-27). They have sent the file to another division or department<sup>27</sup> that processes it

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<sup>26</sup> It is not that electronic copies cannot be returned, but simply that the act of returning them does not mean that the person making the return necessarily divests himself of all copies.

<sup>27</sup> At Newsday, after initial processing, the text file is actually sent to a second computer system, called a “VAX.” (Exh. 35. at 5-19).

to ensure that all necessary segments are in one electronic envelope. They have then subjected the file to a series of procedures -- involving electronic tagging and/or encoding -- that make the file amenable to coded retrieval, either *by itself* or along with other articles satisfying designated criteria.<sup>28</sup> After each file has been made individually retrievable, it is ready to be inventoried. At that point, it is assigned an internal "accession number" or unique "filename".

One copy of the inventory-ready file is then sent (or kept) in an internal data base. (See, e.g., Exh. 35 at 20, 25, 26; Exh. 32 at 40-41). A duplicate copy is sent to Mead. (Exh. 21 ¶ 18, 19; Exh. 22 ¶ 22, 23 ; Exh. 23 ¶ 22, 23).

It is plaintiffs' position that, at least *technically*, both of these copies are infringing copies. Notwithstanding this position, as a matter of social policy, they do not object to the first copy's being made and are not here seeking relief as to that copy.<sup>29</sup> Plaintiffs *are* seeking relief as to the second copy, however -- i.e., the copy that was sent to Mead.

**2. The Publisher Defendants Have Violated Plaintiffs' Exclusive Right to Distribute Copies of Their Work.**

The transmission of electronic files to Mead constituted both an unlawful distribution and reproduction of plaintiffs' work. This is so because the

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<sup>28</sup> These criteria include *inter alia*: by name of author, by title of story, by type of story, by topic or theme, by key words, by publication, by date, etc.

<sup>29</sup> Notwithstanding their desire to be charitable in this regard, they feel constrained to point out that the internal electronic repository the publishers have created are data bases or electronic morgues; they are not true "archives." (See Exh. 17).

transmission both constituted a distribution and resulted in a fixation simultaneous with the transmission. (See 17 U.S.C. § 101, defining when a work is "fixed" and a "copy" made).

3. **The Publisher Defendants Have Violated Plaintiffs' Exclusive Right To Prepare Derivative Works and/or To Authorize Others To Prepare Derivative Works Based Upon Their Articles.**

Just as the data base defendants were guilty of having prepared derivative works based at least in part on plaintiffs' articles, the publisher defendants are guilty of the same thing. Like the data base defendants, they claim to have prepared segments, indices, key words and/or concordances and then either to have added them to or linked them with plaintiffs' files or to have sent them on to Mead or UMI for the latter's processing and use.

4. **The Publisher Defendants Have Violated Plaintiffs' Exclusive Right to Authorize Others to Distribute, Display, Reproduce and Perform Their Works.**

Again, the proof takes two forms, the same two forms we discussed above: (1) it consists of the contracts, in which the publishers have authorized the data base defendants to reproduce, distribute and display plaintiffs' works, and (2) it consists of the electronic codes, key words and indexing terms, in which they have authorized much of the rest of humanity to do the same. (See discussion under Point B(3), ante.)

## **II. THE DEFENDANTS' DEFENSES ARE PLAINLY WITHOUT MERIT.**

A. Newsday's Attempt to Secure An Ex Post Facto Transfer of Plaintiffs' Rights Was Ineffective To Either Avoid or Cure The Copyright Infringement.

The defendants have suggested, both in their Answer to the Complaint and in their 3(g) Statement, as well as during discovery in between, that they believe that the agate-size legends that Newsday stamped on the back of its checks affords it a complete defense to the Newsday plaintiffs' copyright claims. The defendants are mistaken. It is no defense at all.

In Playboy Enterprises, Inc. v. Dumas, 52 F.3d 549 (2d Cir. 1995), upon which the defendants will undoubtedly attempt to rely, the Court of Appeals found that, under certain circumstances, an unambiguous legend<sup>30</sup> that was stamped on the back of a check *could* operate to effect a transfer of copyright and satisfy the requirement of the Copyright Act that such a transfer be evidenced by a signed writing. While there are several significant differences between the Dumas case and this case, one in particular is germane to this motion.

In Dumas, the checks upon which the legends were embossed were delivered to the plaintiff, signed by him and cashed *before* the plaintiff's work was published. As the information in the following chart indicates, the opposite is the case here. Newsday sent plaintiffs the checks with the legends stamped on the back *only after* it had already infringed their rights.

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<sup>30</sup> The Second Circuit found that one legend (legend "A") could not effect a transfer of copyright, as a matter of law, and remanded with respect to two others (legends "B" and "C").



PLTF	ARTICLE	PUBL <sup>31</sup>	CHECK <sup>32</sup>	DOC.#	AMT <sup>33</sup>
Robbins	work # 20	06/17/91	07/22/91	N000184	\$ 150
Garson	work # 15	11/12/91	12/05/91	N000143	\$ 150
Garson	work # 16	11/24/91	12/05/91	N000143	\$ 300
Garson	work # 17	01/19/92	01/30/92	N000148	\$ 250
Garson	work # 18	06/28/92	07/09/92	N000152	\$ 350
Whitford	work # 19	08/14/92	08/24/92	N000172	\$ 250
Tasini	work # 13	10/28/92	11/10/92	N000119	\$ 150
Tasini	work # 14	04/16/93	04/22/93	N000123	\$ 150

Since Newsday transmitted its articles to Mead within *twenty-four hours* of their publication, see Exh. 22 ¶ 22, it must be said to have infringed plaintiffs' rights within twenty-four hours of the dates listed in column "3". Since these dates, in turn, are much in advance of the dates on which plaintiffs were sent checks, the stamped endorsements on the backs of the checks can't have operated to avoid any of the infringements. Stated otherwise, by the time the checks reached the plaintiffs, they already had accrued claims. See, e.g., R&R Recreation Products, Inc. v. Joan Cook Inc., 1992 U.S. Dist. LEXIS 5176, \* 3, \* 6 (SDNY 1992)(infringement taking place before transfer or assignment of rights is actionable).

The only circumstances under which the "endorsements" would constitute a defense is if they represented valid and binding releases of plaintiffs' claims or a waiver of plaintiffs' right to sue. They do not. They don't even purport to on their face. (See the documents bearing the Bates stamp #'s listed in column "5").

<sup>31</sup> The publication dates are derived from Exhibit 1 to the Bass Aff.

<sup>32</sup> The dates on which the checks were issued and/or mailed are derived from the documents referred to in column "5".

<sup>33</sup> The amounts plaintiffs were paid are referred to in plaintiffs' affidavits. (See Exh. 9-14)

Even if the "legend" had contained language unambiguously releasing Newsday from the plaintiffs' claims, such a "contract" would be unenforceable for lack of consideration.

B. The Defendants' Invocation of Section 201(c) Is Misplaced. It Does Not and Was Never Meant To Insulate The Activities In Which The Defendants Have Engaged.

1. The Data Base Defendants Have No Right To Claim The Protection of 17 U.S.C. § 201

To reiterate, the section only benefits the initial owner of the copyright in a collective work and not its transferee or licensee, since it is only given the "privilege" of reproducing and distributing a contribution as part of a collective work rather than the "right" to do so. The "privilege" is not transferable.

2. The Publisher Defendants' Actions Are Not Protected By § 201(c)

Section 201(c) of the Copyright Act provides:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

17 U.S.C. 201(c).

The defendants would have us believe that all they have done is exercise the privilege afforded them by sec. 201(c), reproducing and distributing each of the plaintiffs' works *as part of* the particular collective work in which it originally

appeared, a revision of that collective work or a later collective work in the same series. As is unmistakably clear from the uncontested facts in this case, the defendants' claims are absurd.

Far from reproducing and distributing articles as part of the collective works in which they originally appeared, after their papers have gone to press and been sent out for distribution, the publishers go to great lengths to dissociate the articles that they have used from the collective works in which they appeared.<sup>34</sup> Even more to the point, perhaps, they go great lengths to ensure that they can deliver the articles that they have contracted to provide to Mead as *individual articles* and *not* as part of *any* collective works.

They do this for one very simple reason: because 'computerized coded storage' and 'computerized electronic coded retrieval systems' *deal* in individual articles and *not* in collective works. (Stated otherwise, the basic unit of a search and retrieval system is the article or document.)

By the same token and for the same reason, Mead and UMI reproduce, distribute, display, perform -- and *authorize* the reproduction, distribution, display and performance of -- individual articles for their customers.

### 3. Congress Never Intended That Publishers Be Able To Make Use of Contributions To

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<sup>34</sup> They do this (1) by ignoring the graphic and non-article elements of the paper -- maps, photos, charts, graphics, crosswords, sports scores, death notices, weather reports, stock listings, etc.; (2) by ignoring and/or discarding material byproducts of the composing room and printing plant processes that represent embodiments of the collective work (i.e., the mechanicals, films, tapes and plates, etc.); and (3) by re-focusing their attention on the articles *as they existed in their pre-collective work state*.

They find these articles (or, at least did during most of the period pertinent to the Complaint) in individual files in their ATEX computer system.

See Affidavit of Professor Timothy Smith, Exh. 16, for a discussion of the differences between articles that have been incorporated into collective works and articles that are retrieved from NEXIS or text-only CD-ROMS.

A Collective Work in A Coded Storage and  
Retrieval System As Part of The Privilege  
That Section 201(c) Afforded Them.

a. The statutory language makes this clear.

The grant of a right to reproduce and distribute a copyrighted work on or in conjunction with a coded electronic information storage and retrieval system is meaningless unless the transferee is *also* authorized to display and/or perform the work. Since the owner of the copyright in a collective work has not been given the "right to", or even "privilege of", displaying or performing a contribution under § 201(c), it follows that he cannot have been given a reproduction and/or distribution right in connection with such a system, either.

b. The Legislative History Confirms What The  
Statute Suggests On Its Face

i) The examples that are given in the legislative history  
of permitted re-use are all of re-use in the print medium.

According to the Notes of the Committee on the Judiciary, House Report No. 94-1476, section 201(c) was fashioned in such a way as to

*"deal[s] with the troublesome problem of ownership of copyright in contributions to collective works, and the relationship between copyright ownership in a contribution and in the collective work in which it appears. The first sentence establishes the basic principle that copyright in the individual contribution and copyright in the collective work as a whole are separate and distinct, and that the author of the contribution is, as in every other case, the first owner of copyright in it. Under the definitions in section 101, a "collective work" is a species of "compilation" and, by its nature, must involve the selection, assembly, and arrangement of "a number of contributions." Examples of "collective works" would ordinarily include periodical issues, anthologies, symposia, and collections of the discrete writings of the same authors, but not cases, such as a composition consisting of words and music, a work published with illustrations or front matter, or three one-act plays, where relatively few separate elements have been brought together. Unlike the*

contents of other types of "compilations," each of the contributions incorporated in a "collective work" must itself constitute a "separate and independent" work, therefore ruling out compilations of information or other uncopyrightable material and works published with editorial revisions or annotations. . . .

The bill does nothing to change the rights of the owner of copyright in a collective work under the present law. These exclusive rights extend to the elements of compilation and editing that went into the collective work as a whole, as well as the contributions that were written for hire by employees of the owner of the collective work, and *those copyrighted contributions that have been transferred in writing to the owner by their authors*. However, one of the most significant aims of the bill is to clarify and improve the present confused and frequently unfair legal situation with respect to rights in contributions.

*The second sentence of section 201(c), in conjunction with the provisions of section 404 dealing with copyright notice, will preserve the author's copyright in a contribution even if the contribution does not bear a separate notice in the author's name, and without requiring any unqualified transfer of rights to the owner of the collective work. This is coupled with a presumption that, unless there has been an express transfer of more, the owner of the collective work acquires "only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series."*

The basic presumption of section 201(c) is fully consistent with present law and practice and represents a fair balancing of equities. At the same time, the last clause of the subsection, under which the privilege of republishing the contribution *under certain limited circumstances* would be presumed, is an essential counterpart of the basic presumption. Under the language of this clause a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it, the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work."

Notes of the Committee on the Judiciary, House Report No. 94-1476, reprinted under the Historical and Statutory Notes following 17 U.S.C. § 201 in United States Code Annotated (emphasis added).

At the risk of stating the obvious, it is clear both from this passage and other relevant passages in the legislative history of the section that what Congress had in mind when it enacted this provision was that there would be a very limited number of circumstances under which the owner of copyright in a collective work could reprint a contribution. He would be able to reprint an article that had appeared in one issue of a magazine in a later issue of the same periodical (this is what is meant by a "any later collective work in the same series") and he would be able to reprint an entry that had been written for one edition of an encyclopedia or anthology for a subsequently revised edition (this is what is meant by "any revision of that work"). Nothing could be simpler or more straightforward.

The defendants' attempt to invest the meaning of these phrases with connotations and applications that they were never intended to have<sup>35</sup> must be summarily rejected. This is especially so since the particular technologies that the defendants seek to import into the "privilege" that was afforded by section 201(c) had not yet even entered the public consciousness by the time the provision was drafted, if indeed they were even fully developed.

ii) At the time section 201(c) was formulated

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<sup>35</sup> For a provision the aim of which was to "clarify and improve the presently confused and frequently unfair legal situation with respect to rights in contributions." the defendants' suggestion that so much of what Congress intended was left unstated -- including an implicit intention to permit the owner of copyright in a collective work to "extend" an independently owned contribution to that work 'into another medium' seems absurd and patently insupportable.

and its language finalized, coded electronic information retrieval systems of the type at issue in this litigation either were not yet in use at all or, at least, not yet in general use.

"The process of enacting the Copyright Act of 1976 ("the Act") began in August of 1955 with Congress's funding of studies to be conducted by the Copyright Office. The process ended on October 19, 1976 with President Ford's signing the Act into law, P.L. No. 94-553, 94th Cong., 2d sess., 90 Stat. 2541. In between August 1955 and October 19, 1976, a unique experiment in legislative drafting took place, consisting of Copyright Office reports, public meetings of affected interests held under the auspices of the Copyright Office, as well as the usual congressional hearings and committee reports. One very important feature of this process was what may be called 'provisional legislating': as various issues were resolved, they were not thereafter revisited even though actual enactment may not have occurred until over a decade later, in 1976."<sup>36</sup>

In the case of the specific provision of section 201 of the Act, i.e., 201(c), upon which the defendants base their defense, *no change was made to the provision after February 4, 1965*. It is not clear whether coded information retrieval systems of the type at issue in this litigation even existed at that time.<sup>37</sup> They certainly had not yet entered the Congressional consciousness in this area.

iii) There was no change in the language of section 201(c) between the time it was finalized

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<sup>36</sup> This description of the process is quoted from the Rule 26 Report of Professor William F. Patry that plaintiffs have previously provided the defendants.

<sup>37</sup> Mead Data Central Inc., which appears to have been the creative force and preeminent catalyst in this area, if not also the eminence gris, was not even established until 1970. (Exh. 49 at M0003243) It put its first major coded electronic information search and retrieval system into operation in 1973. (Exh. 49 at M0003218)

in February of 1965 and the time the 1976  
Copyright Act was adopted.

There was no change in the language of the provision after February 4, 1965, nor is there any indication in the legislative history that the substantive issues that were dealt with in the provision were revisited *between then* and passage of the legislation in 1976.

- iv) In 1976, Congress considered, but declined, to legislate with respect to computerized information retrieval systems, having decided that the question needed thorough study.

Although it was prepared in 1976 to pass the new copyright law, there was one area in which it was thought that there was still insufficient clarity to permit of legislation. That one area was the area of "computer uses" -- i.e., the use of copyrighted works in conjunction with computerized electronic information systems. In the words of Report No. 94-473 of the Committee on the Judiciary (94th Congress, 1st session):

As the program for general revision of the copyright law has evolved, it has become increasingly apparent that in one major area the problems are not sufficiently developed for a definitive legislative solution. This is the area of computer uses of copyrighted works: the use of a work "in conjunction with automatic systems capable of storing, processing, retrieving, or transferring information."

Report No. 94-473 at p. 50 (discussion of section 117 of the proposed Act).

Instead of legislating "prematurely," Congress chose to (1) establish The Commission on New Technological Uses (thereafter known as "CONTU") "to make a thorough study of the emerging patterns in this field and, on the basis of



its findings, to recommend definite copyright provisions to deal with the situation", id., and (2) to enact a provision (which came to be section 117 of the Act) to "preserve the status quo" while the Commission undertook its work.<sup>38</sup>

It would be absurd to construe section 201(c) of the Act as having, sub silentio, given *periodical* publishers the "privilege" of reproducing and distributing an author's contribution on or in connection with an electronic information retrieval system, when in 1976 Congress was expressly refusing to legislate on that subject with respect to anyone else.

C. The Defendants' Use of Plaintiffs' Work  
Is Not a "Fair Use."

Given the defendants' commercial motivation and the standards articulated in American Geophysical Union v. Texaco, Inc., 37 F.3d 881(2d Cir.), for recognizing a use as a "fair use", it is with ill grace that the defendants attempt to portray themselves as "fair users" and their use as "fair use". (See also Exhs. 19 and 20 attached to Bass Affidavit).

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<sup>38</sup> The moratorium on the application of the statute to such uses was ended in 1980 with the repeal of section 117. (A new section, concerning computer programs, was substituted for the section that was repealed.)

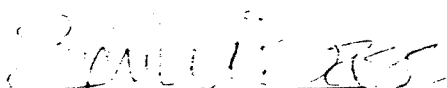
The repeal was recommended by the National Commission on New Technological Uses of Copyrighted Works (CONTU) in light of its conclusions (1) that the right to control whether and, if so, in what fashion a copyrighted work can be used in conjunction with an electronic information retrieval system belongs to the owner of the copyright; and (2) that "in the absence of the limited moratorium imposed by section 117," i.e., given its repeal, the provisions of the 1976 Act would "offer appropriate and sufficient guidance to determine what acts create copyright liability in this area." Final Report of the National Commission on New Technological Uses of Copyrighted Works, July 31, 1978, at pp. 38, 39 (U.S. Government Printing Office 1978).

CONCLUSION

For the reasons stated, plaintiffs respectfully request that the Court grant their motion for summary judgment on the issue of liability in its entirety.

Dated: March 15, 1996  
New York, New York

Respectfully submitted,



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Index No. 93 CIV. 8678 (SS) Year 1993

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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JONATHAN TASINI, MARY KAY BLAKELY :  
BARBARA GARSON, MARGOT MIFFLIN, :  
SONIA JAFFE ROBBINS, DAVID S. :  
WHITFORD, :

Plaintiffs, :

-against- :

NEW YORK TIMES CO., NEWSDAY INC., :  
TIME INC., MEAD DATA CENTRAL CORP. :  
AND UNIVERSITY MICROFILMS INC. :

Defendants. :

\_\_\_\_\_  
\_\_\_\_\_

MOTION FOR SUMMARY JUDGMENT  
ON THE ISSUE OF LIABILITY

\_\_\_\_\_  
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