

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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

Plaintiffs,

- vs. -

NEW YORK TIMES CO., NEWSDAY INC.,
TIME INC., THE MEAD CORPORATION, and
UNIVERSITY MICROFILMS INC.,

Defendants.

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PLAINTIFFS' MEMORANDUM OF LAW
IN OPPOSITION TO
DEFENDANTS' CROSS-MOTION FOR SUMMARY JUDGMENT

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES.....	iv
PREFACE.....	1
ARGUMENT.....	3
I. TIME INC. AND MEAD ARE NOT ENTITLED TO SUMMARY JUDGMENT ON MR. WHITFORD'S CLAIM	13
A. Time Inc. Is Not Entitled To Summary Judgment.....	13
1. Contrary To The Defendants' Assertions, A Freelance Author Is Not Required To Expressly Reserve Any Rights He Wishes To Retain. He <i>Automatically</i> Retains Whatever He Does Not Expressly Give Away	13
a. Under the Doctrine of Indivisibility That Obtained Prior To Passage Of The 1976 Act, The Opposite Was The Case	13
b. With Passage Of The 1976 Act, Rights Became Divisible And The Presumption That Previously Obtained Was Reversed.....	14
2. Where The Scope Of A Grant Is Clear From The Face Of The License, As It Is Here, It Can Be Determined As A Matter of Law.....	16
a. Basic Principles of Contract Construction	16
b. The Grant Of "The Right First To Publish [Mr. Whitford's] Story In The Magazine" Is Clear And Unambiguous And Not Capable Of More Than One Meaning, Viewed Objectively.....	16
3. Since Time Inc. Exercised Rights That Fell Outside The Scope Of The Grant It Was Given, It Infringed Plaintiff Whitford's Rights.	18
B. Mead Isn't Entitled To Summary Judgment.	18
1. Mead Never Acquired Any Rights In The Story Directly.	18
2. Time Inc. Could Not Convey To Mead Greater Rights Than It Had.	19
II. NEWSDAY, THE NEW YORK TIMES, AND THE DATA BASE DEFENDANTS ARE NOT ENTITLED TO SUMMARY JUDGMENT ON PLAINTIFFS' CLAIMS.....	19

b) Conversely, the defendants have attempted to read certain rights -- in particular, section 106 display rights -- into the section that are not in fact provided for.....	28
iii. The defendants have also ignored aspects of the legislative history.....	31
b. In The Final Analysis, The Meaning Of The Section Is Plain.....	32
3. The Conclusion Is Inescapable That The Newspaper Defendants Have Violated Plaintiffs' Rights.....	33
III. THE DEFENDANTS ARE ATTEMPTING TO TURN BACK THE CLOCK.....	33
A. Defendants Are Attempting To Resurrect The Indivisibility Doctrine	33
B. Authors Would Have Far Fewer Rights Under The Construction Of Section 201(c) Advocated By The Defendants Than They Did Under The Doctrine of Indivisibility In Its Original Form.....	34
CONCLUSION.....	35

TABLE OF AUTHORITIES

CASES	Page(s)
<u>Atlantic Monthly Co. v. Post Publishing Co.</u> , 27 F.2d 556 (D. Mass 1928)	14
<u>Best Medium Publishing Co., Inc. v. National Insider, Inc.</u> , 259 F. Supp. 433 (N.D. Ill. 1966), <u>aff'd</u> , 385 F.2d 384 (7th Cir. 1967), <u>cert. denied</u> , 390 U.S. 955, 88 S. Ct. 1052 (1968)	14
<u>Bourne v. Walt Disney Co.</u> , 68 F.3d 621 (2d Cir. 1995)	15, 16
<u>G. Ricordi & Co. v. Paramount Pictures, Inc.</u> , 189 F.2d 469 (2d Cir. 1951), <u>cert. denied</u> , 342 U.S. 849, 72 S. Ct. 77 (1951)	9, 19
<u>Geisel v. Poynter Products, Inc.</u> , 295 F. Supp. 331 (S.D.N.Y. 1968)	4
<u>Gilliam v. American Broadcasting Cos.</u> , 538 F.2d 14 (2d Cir. 1976)	8, 19
<u>Goodis v. United Artists Television, Inc.</u> , 425 F.2d 397 (2d Cir. 1970)	13
<u>Hampton v. Paramount Pictures Corp.</u> , 279 F.2d 100 (9th Cir.), <u>cert. denied</u> , 364 U.S. 882, 81 S. Ct. 170 (1970)	19
<u>Harper & Row Publishers v. Nation Enterprises</u> , 471 U.S. 539, 105 S. Ct. 2218 (1985)	17
<u>Harris v. Emus Records Corp.</u> , 734 F.2d 1329 (2d Cir, 1984)	21
<u>Ilyin v. Avon Publications, Inc.</u> , 144 F. Supp. 368 (S.D.N.Y. 1956)	21
<u>Public Ledger v. New York Times</u> , 275 F. 562 (S.D.N.Y. 1921), <u>aff'd</u> , 279 F. 747 (2d Cir. 1922), <u>cert. denied</u> , 258 U.S. 627, 42 S. Ct. 383 (1922)	13
<u>Quinn-Brown Publishing Corp. v. Chilton Co.</u> , 15 F. Supp. 213 (S.D.N.Y. 1936)	14
<u>Quinto v. Legal Times of Washington, Inc.</u> , 506 F. Supp. 554 (D.D.C. 1981)	8
<u>Russell v. Price</u> , 612 F.2d 1123 (9th Cir. 1979), <u>cert. denied</u> , 446 U.S. 952, 100 S. Ct. 2919 (1980)	8

<u>Sony Corp. of America v. Universal City Studios, Inc.</u> , 464 U.S. 417, 104 S. Ct. 774 (1984), <u>reh'g denied</u> , 465 U.S. 1112, 104 S. Ct. 1619 (1984)	30
---	----

<u>Stewart v. Abend</u> , 495 U.S. 207, 110 S. Ct. 1750 (1990).....	4, 5, 8
---	---------

STATUTES

Copyright Act of 1909	
§ 25(e)	33

Copyright Act of 1976, 17 U.S.C.	
§ 101.....	4, 22
§ 103.....	2, 3, 5, 25
§ 103(b)	6
§ 106.....	passim
§ 106(5)	30
§ 109.....	29
§ 109(a)	22
§ 109(c)	29, 30
§ 115(5)	30
§ 201.....	27
§ 201(a)	3, 5
§ 201(b)	5
§ 201(c)	passim
§ 201(d)	5, 14
§ 201(d)(2)	22
§ 204.....	15
§ 501(a)	28, 29

LEGISLATIVE REPORTS

H.R. Rep. No. 1476, 94th Cong., 2d Sess. (1976)	26
H.R. Rep. No. 2237, 89th Cong., 2d Sess. (1966)	25, 26, 32
S. Rep. No. 94-473, 94th Cong., 1st Sess. (1975).....	31
S. Rep. No. 93-983, 93d Cong., 2d Sess. (1974).....	31
S. Rep. No. 1168, 90th Cong., 2d Sess. (1968).....	31
<u>Hearings before Subcomm. on Courts, Civil Liberties, and Administration of Justice</u> , 95th Cong., 1st Sess. (1975)	31-32

<u>Final Report of the National Commission on New Technological Uses of Copyrighted Works (1978)</u>	31-32
<u>Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess. (1961)</u>	22
<u>Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1965 Revision Bill, 89th Cong., 1st Sess. (1965)</u>	31

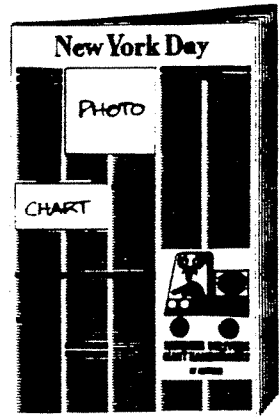
TREATISES

M. Nimmer & D. Nimmer, Nimmer on Copyright (Matthew Bender 1995)

Volume 1	
§ 3.05.....	4
§ 3.07.....	4
Volume 3	
§10.01.....	14
§10.01 [A].....	13
§10.01 [B][4].....	21
§10.01 [C].....	14, 21, 34
§10.02 [A].....	15
§10.02 [B][4].....	5, 21
§10.02 [C].....	20

Preface

Some pictures are worth a thousand words. For example:



PRINTED PAPER



NEXIS/UMI

These graphics show the error in the defendants' argument: they cannot credibly

(1) claim that all they have done is make available electronically a collective work that has already appeared in print, or

(2) pretend that what plaintiffs are objecting to is the defendants making a collective work available in a different medium.

Plaintiffs' objection is that the defendants are attempting *by indirection* to do what the law does not permit them to do *by direction*. Defendants do so by employing a medium whose essential characteristics are fundamentally incompatible with the very limited privilege that collective-work publishers have been afforded under section 201(c) of the Copyright Act. By making use of such a medium, the publisher of the collective work *necessarily* exceeds the scope of the statutory "license" it has been given and violates the freelance author's exclusive rights.

Although the defendants try hard to ignore this fact, the Copyright Act of 1976 distinguishes between the copyright in a "contribution" and the copyright in a "collective

work”¹ and provides, in the case of freelancers, that the former vests in the author of a contribution.² Unless the freelancer expressly grants a newspaper publisher *more*, all the publisher gets under the Act is the “privilege” of reproducing and distributing a freelance article, photo or graphic that has been contributed to its newspaper *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). It does not get any rights *in* the particular article or contribution itself and cannot exploit the contribution as a discrete work. See 17 U.S.C. §§103, 106 and 201(c).

No one could contend that *under section 201(c)*, Newsday or The New York Times could:

(1) cut plaintiffs’ articles out of the newspapers in which they appeared, refashion each article so that it fits on a leaflet or flyer and hand the flyers out on the street,

(2) re-send the individual computer files containing plaintiffs’ articles to the typesetter, prepare a proof of each individual article and sell copies of these *proofs* out on the streets, *or*

(3) re-type plaintiffs’ articles, xerox the re-typed articles, and then have copies of these copies distributed on the street.

If The New York Times can’t legally do any of those things, *neither can it make plaintiffs’ articles available as part of an electronic data base*. This is necessarily so because, in *the* latter case as in the former, the publisher is doing *precisely* what section 201(c) of the Copyright Act prohibits: separating individual contributions from the collective works to which they were contributed in order to exploit them as discrete

¹ Significantly, with one exception, every time the defendants either refer to or quote from section 201(c), *they leave out the first sentence of the section*.

² Where the author is a staff writer for the publisher of a collective work or has prepared a contribution as a “work for hire”, section 201(b) makes the publisher of the collective work rather than the actual creator the “author” of the contribution for purposes of the Act. Under these circumstances and only under these circumstances, the publisher of the collective work will own the copyright in an underlying contribution as well as the copyright in the collective work from the outset.

works. If the publisher cannot do this *in the print medium*, then neither can it do it *in any other medium*, including an electronic data base.³

ARGUMENT

The defendants assert an entitlement to summary judgment on the basis of their claim: (1) that they automatically acquired the right to exploit plaintiffs' articles in all media *as a matter of law*, (2) that plaintiffs were obligated to expressly reserve any rights that they wanted to retain, and (3) that they failed to do so.

Only the last contention has any merit. Plaintiffs did *not* expressly reserve any rights in the stories and/or articles they wrote for Newsday, The New York Times, and Sports Illustrated. *They were not required to*. As demonstrated above, notwithstanding the defendants' contentions to the contrary, under sections 103, 106, and 201(a) and (c) of the Copyright Act, all rights in plaintiffs' articles automatically vested in the plaintiff freelance-authors, *not* the defendant-publishers, and remained with the freelance authors since they did not expressly give them away. (See Point I. A (1), post.)

All that the defendants received -- in the cases of Newsday Inc. and The New York Times Company, pursuant to the very limited statutory "privilege" provided for by section 201(c), and, in the case of Time Inc., pursuant to a license embodied in a letter-agreement drafted by the defendant -- was permission to reproduce and distribute plaintiffs' articles *as part of* the collective works described in their respective "licenses",⁴

³ Although the defendants seem to believe that they derive some benefit from continuing to pretend that plaintiffs have sought to "limit them to printing on paper" or to preclude them from making microfilm copies of their papers, that is decidedly not the case and counsel for plaintiffs has repeatedly told them so.

One of the reasons for objecting to the certain electronic media -- i.e, coded electronic search and retrieval systems -- but not print media is that the former, but not the latter, are dependent upon the type of separation we are talking about.

⁴ The "privilege" provided for by section 201(c) is in the nature of a very limited "compulsory license." Accordingly, both that privilege and the permission accorded Time Inc. under its letter-agreement with David Whitford shall be referred to as "licenses."

and not the right to exploit plaintiffs' articles as discrete works. (See Points I. A (2) and II. B(2), post.)

Whatever else the defendants may or may not have been entitled to do under their licenses, therefore, they were not entitled to either incorporate or prepare plaintiffs' articles for incorporation into an electronic data base.

Before embarking on a point-by-point refutation of the defendants' argument, we will briefly address the basic fallacies in their reasoning.

A. Properly Understood, The Defendants' Central Thesis Is One That Requires The Entry Of Summary Judgment In Plaintiffs' Favor.

The defendants spend a considerable portion of their memorandum in support of their motion for summary judgment arguing that the Copyright Act of 1976 is not "medium-specific." If all they mean by this is that, generally, the owner of copyright in a work that was first published in one medium is entitled

. to exploit the work in all other media,

. to prevent *someone else* from exploiting the work in other media and/or to sue someone for having infringed the work in a different medium,

then the proposition is an unexceptional one. See 17 U.S.C. §§ 101, 106.

See also, e.g., Stewart v. Abend, 495 U.S. 207, 110 S. Ct. 1750 (1990); Geisel v.

Poynter Products, Inc., 295 F. Supp. 331, 350 - 51 (S.D.N.Y. 1968). Accord 1 Nimmer on Copyright, §§ 3.05, 3.07 (Matthew Bender 1995). Plaintiffs not only agree with these two propositions, they aver that *it is precisely because these two propositions are true that they must prevail in this case.*

On the other hand, if what the defendants mean is that someone who has been given only a very limited license or privilege *to use* a work must be deemed entitled to

use *in all media*, the defendants' position must be rejected as antithetical to the Act and as a *sub rosa* attempt to re-establish the doctrine of indivisibility. Since the 1976 Copyright Act was passed in large part in response to the need that Congress perceived to legislatively *repudiate* that doctrine, it is absurd in the extreme for defendants to argue that the Act nonetheless requires that licenses be construed as conveying indivisible rights! (See Point I. A(1)(b), post.)⁵

B. The Defendants Have Not Only Failed To Distinguish Between The Copyright In A Contribution And The Copyright In A Collective Work, They Have Gone To Extraordinary Lengths To Ignore The Distinction.

It is axiomatic in the law of copyright that "a person may exploit only such copyrighted literary material as he either owns or is licensed to use," Stewart, 495 U.S. at 223, 110 S. Ct. at 1761 (quoting 1 Nimmer § 3.07 [A], pp. 3-23 to 3-24) and that, unless he has divested himself of his interest in it, the author of a work owns the copyright in it.⁶ 17 U.S.C. §§ 201(a), (c) and (d).

It follows from this -- and from the further fact that the copyright in a "contribution" and the copyright in a "collective work" are distinct, see 17 U.S.C. §§ 103 and 201(c) -- that the author of a contribution owns the copyright in it and all of the exclusive rights that have been provided for in section 106 of the Act. As the owner of copyright, he is entitled to exploit his contribution in all media (either by himself, or through others whom he licenses), to prevent others from exploiting it in any and all media, and to hold those who exploit it without having obtained his consent accountable

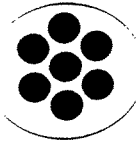
⁵ According to Nimmer, there is only one vestige of the doctrine that has survived under the 1976 Act: it continues to be the case that the holder of a non-exclusive license does not have the right either to sue for infringement or to transfer any rights. See, e.g., 3 Nimmer § 10.02[B][4].

⁶ The author of a work that has been 'made for hire', of course, is the *employer* of the actual creator. 17 U.S.C. § 201(b).

for having infringed his rights. Assume that our contribution author (and owner) is a freelancer. His contribution may be depicted:



When a publisher of a collective work owns not only the copyright in the collective work,⁷ but *also* the copyrights *to all of the individual contributions that make up the collective work*, it holds a similar set of rights.⁸ It is entitled to exploit the collective work and/or any of the contributions included in it in any and all media, to prevent others from exploiting either in any and all media, and to hold anyone who *does* exploit one or the other without its consent liable for having infringed its rights.⁹ Assume that the author of the company. The collective work may be depicted:



Each ● represents a contribution, the copyright to which is owned by the collective work author.

⁷ To reiterate, see *πs'* Mem. at 5-8 (Plaintiffs' Memorandum in Support of Their Motion for Summary Judgment on the Issue of Liability will hereinafter be referred to as '*πs'* Mem. '), the copyright in a collective work attaches *only* to those aspects of the work that are the collective author's property, i.e., those aspects of the work *that have been added by the collective author* (e.g., the ordering and arrangement of a collective work; the placement of a contribution in juxtaposition to other contributions in a collective work) and are, thus, the collective author's property.

17 U.S.C. § 103(b) makes this incontrovertibly clear. It provides:





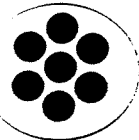
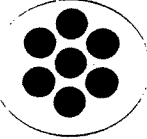

The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as *distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material*. The copyright in . . . [the collective or derivative] work is independent of, and *does not affect . . . the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material*. 17 U.S.C. § 103(b)(emphasis added).

⁸ The publisher may own the copyright in the contributions either because they have been produced by its staff, because they have been produced as 'works for hire,' or because the copyright and all of the rights in the contributions have been transferred to it.

⁹ The part of the collective work that is replicated (e.g., forward, one of the contributions, bibliography) will determine which copyright needs to be enforced: i.e., the copyright which the collective work author holds in one of the contributions or the copyright it holds in the collective work proper.

In each of these instances, the proprietor of the copyrights involved can, *with impunity*, exploit the material that is subject to copyright in any and all media because no matter how transformative or deconstructive a particular medium (or the technology that is associated with that medium) may be, the copyright proprietor is *not* in danger of infringing anyone else's rights. He, she or it *owns* all of the rights.

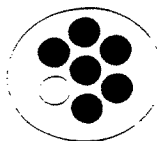
Thus, it will not matter whether what is being published in the second medium is the same set of materials that was published in the first medium or some subset of those materials. Because it holds title (copyright) to the entire universe, the collective work author also owns the copyrights to whatever subset of materials is published.

1st Medium	2nd Medium	Comments
		Freellance Author owns copyright in the contribution and can exploit it in all media
		Newspaper publisher owns copyright in contribution and can exploit it in all media
		Newspaper publisher owns copyright in each contribution as well as in collective work and can therefore exploit them in all media whether or not
		the medium is deconstructive. No one's rights are infringed.



These, of course, are the easy cases.

The question that is presented by *this* case is: what happens when the publisher of a collective work does *not* own one or more of the contributions included in the collective work?

Let us assume, again, that the author of the collective work is a newspaper company. Its collective work may be depicted:



Under what circumstances can the collective work author exploit the collective work (and the contributions included in it) in media other than the medium in which it was first published? Under what circumstances is it precluded from doing so because such exploitation would constitute an infringement of the contribution authors' rights?

Can it treat  the same as  or does the difference between the two affect what it can and cannot do with the collective work?

The answer, obviously, depends *both* on any rights (or privileges) that the publisher has been given with respect to any contributions it does not own, *and* the uses that are made of the contributions. Any use of a contribution that exceeds the license that the collective work author has been given -- whether as the result of an express transfer or pursuant to section 201(c) -- will necessarily constitute an infringement. See, e.g., *Quinto v. Legal Times of Washington, Inc.*, 506 F. Supp. 554 (D.D.C. 1981).¹⁰ This

¹⁰ The same analysis applies, of course, in the case of derivative works. See generally *Stewart*, 495 U.S. at 223, 110 S. Ct. at 1761 (“[t]he aspects of a derivative work added by the derivative author are that author’s property, but the element drawn from the pre-existing work remains on grant from the owner of the pre-existing work”; “[s]o long as the pre-existing work remains out of the public domain, its use is infringing if one who employs the work does not have a valid license or assignment” to use the pre-existing work in the fashion it is being used); *Russell v. Price*, 612 F.2d 1123, 1128 (9th Cir. 1979), cert denied, 446 U.S. 952, 100 S. Ct. 2919 (1980) (“[t]he established doctrine prevents ... infringing use of the underlying work ... so long as the underlying work itself remains copyrighted”); *Gilliam v. American Broadcasting Cos., Inc.*, 538 F.2d 14, 20 (2d Cir. 1976) (most of the courts that have reached the conclusion that “[o]ne who obtains permission to use . . . copyrighted . . . [material] in the production of a derivative work . . . may not exceed the specific purpose for which permission was granted” have dealt

means that, like the owner of copyright in a derivative work, the owner of copyright in a collective work cannot exercise its rights in such a fashion as to infringe any of the exclusive rights still held by the owner of copyright in the underlying work.

While, under other circumstances, it might require a slightly more sophisticated analysis to determine whether the use that was being made of an underlying work was infringing, *in this case*, the calculus is exceedingly simple, and the conclusion indisputably clear: The use the defendants have made of plaintiffs' works *is* infringing.

The reason this is so is that the defendants have exceeded the scope of the "licenses" they were given. Those licenses limited them to reproducing and distributing plaintiffs' contributions *as part of* particular collective works and *gave them no other rights*.¹¹ Notwithstanding these limitations, the defendants

. (1) reproduced and distributed the contributions *not* as part of collective works, but as separate works,

. (2) prepared derivative works based upon these separate works, and

. (3) authorized others to display, reproduce, distribute, and perform¹² the works as separate works.

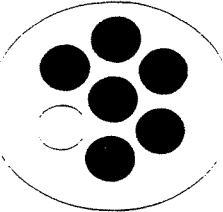


(See *πs'* Mem. at 15 - 33).

"with the improper extension of the underlying work *into media or time . . . not covered by the grant of permission to the derivative work proprietor*"; *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2d Cir. 1951), *cert denied*, 342 U.S. 849, 72 S. Ct. 77 (1951).

¹¹ In the case of *Newsday* and *The New York Times*, each of which published a newspaper, they were given 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). In the case of the *Time Inc. Magazine Company*, which published *Sports Illustrated*, it was given the right "first to publish the Story in the Magazine", and non-exclusive rights thereafter to publish it either in another *Time Inc.* publication or to syndicate the Story in another publication. (Exh. 36 attached to the Bass Affidavit submitted in support of Plaintiffs' Motion for Summary Judgment, hereinafter referred to as 'Exh.').

¹² The defendants claim that the right to perform plaintiffs' works is not implicated by this case. The statutory definitions suggest otherwise.

As the following diagram suggests, each such use of plaintiffs' works necessarily results in an infringement of plaintiffs' rights:

1st Medium	2nd Medium	Comments
		Newspaper publisher owns copyright in collective work and in <i>certain</i> contributions. To the extent it employs deconstructive medium or technology in fashion that exploits contribution
		in which it does <i>not</i> hold the copyright, it clearly infringes the freelancer's rights.

C. The Electronic Information Products At Issue In This Litigation Do Not Constitute Electronic Versions Of The "Particular Collective Works" To Which The Plaintiffs' Articles Were Contributed Or "Revisions Of That Collective Work."

1. The Defendants' Attempt To Portray Themselves As Simply Engaged In A Little "Format-Shifting" Is At Odds With The Facts.

The defendants' protestations to the contrary notwithstanding, it is simply not possible on the undisputed facts in this case¹³ -- which are reviewed in the Bass Affidavit

¹³ Plaintiffs understand certain statements in the defendants' declarations to be an attempt to *recharacterize* certain facts or place a gloss on them, but not either to assert new facts or to dispute facts that were previously attested to by their Rule 30(b)(6) witnesses. Among the statements plaintiffs so understand are the following:

(1) Its repeated statements to the effect that one or another publisher provided NEXIS "on a daily basis a complete copy of *the same computer text-files the printers use to create that day's paper edition of ... [the defendant's periodical];*" and a related statement to the effect that NEXIS provided UMI "a magnetic tape containing a copy of the computer text-files the printers used to create each of the preceding month's daily editions of The New York Times, as transmitted to NEXIS." Since the printers or printing plants do not even use computer text-files, plaintiffs take it that all the defendants must mean is that the same ATEX files that were sent *to the typesetter, prior to the preparation of a mechanical,* were subsequently stripped of their typesetting instructions, placed in separate electronic files, encoded, and sent to NEXIS.

(2) The defendants' repeated statements to the effect that "issues" of one or another periodical were "reproduced and distributed in a variety of formats," when the undisputed facts establish that what was reproduced and distributed cannot properly be characterized as "issues."

(3) Their statements to the effect that it was the "practice" of one or another publisher "to acquire from freelance writers the right to publish all . . . [of the articles of a given periodical] in a variety of

-- to characterize the defendants' actions as simply 'engaging in a little "format-shifting"' in order to publish an electronic version of the publisher defendants' collective works.

Why not? For one thing, because the defendants already *have* electronic versions of their collective works without having to engage in any of those activities. In the case of the New York Times, there are two electronic versions:

i) There is the digital image that the composing room sends to the printing plant;¹⁴ and

ii) There is the digital image that UMI creates when it electronically scans the pages of the printed newspapers that The New York Times has provided it with.

Each of these images is an electronic image of a particular collective work en toto -- i.e., complete with photos, graphics, and crosswords, etc.¹⁵ *Neither contains the coding and/or the indexing terms that are created for the NEXIS and CD-ROM products.* (Exh. 33 at 59 - 60; Exh. 31 at 67-78).

It necessarily follows that the coding, tagging, marking, segmenting and indexing that are done to create the latter products must not be necessary in order to shift from the print to the electronic medium.¹⁶

2. Similarly, The Pretense That All They Have Done Is Electronically Publish Revised or Unrevised Versions Of Their Collective Works Is At Odds With The Facts.

media," when the undisputed facts in this case establish that in all, but one instance, there were no discussions between the publishers and freelancers regarding the transfer of rights.

In the unlikely event that defendants take the position that these are not simply *characterizations*, but actually assertions of fact, plaintiffs ask that their declarations be stricken as untimely attempts to make substantive changes in the testimony of their Rule 30(b)(6) witnesses. Defendants have conclusively waived the right to make any such changes. See Exh. 24.

¹⁴ The equipment at the printing plant receiving these transmissions produces negative images of each page. These negatives are used to produce the "plates" that are used to print the newspaper. (Exh. 28 at ¶ 6; see also Exh. 30 at ¶ 7).

¹⁵ In addition to reflecting the discrete elements of the paper, they reflect the order, arrangement, and juxtaposition of the graphic and textual elements in relation to one another, these latter aspects being the only aspects of the collective work to which the collective work copyright attaches.

¹⁶ Plaintiffs' expert reached the same conclusion, See Williams' Aff., Exh. 15 at ¶ 11(d). The defendants did not challenge his conclusions or submit a rebuttal report.

Putting aside the fact that no one who is truly a devotee of The New York Times would ever mistake an offering that didn't include a crossword puzzle by Will Weng for a real issue of the newspaper, the defendants have to be myopic in the extreme not to see that there is a world of difference between the print newspaper -- which really is a collective work -- and the individual feature, news story, or article that is made separately available to anyone using a data base.

Data bases deal in articles -- they do not deal in issues -- and they do so precisely because their commercial selling point is that they enable customers to locate and retrieve specific articles about matters of interest to them.

The fact that the basic unit of the data base is the article, rather than the edition or issue, is incontestable. It is confirmed by the exhibits in this case.¹⁷ (Exhibits 2 and 3, which contain print-outs from the NEXIS and ProQuest data bases, *contain individual articles*.) It is confirmed by the undisputed facts and admissions in the case.¹⁸ And, it is confirmed by the parties' contracts.¹⁹

The only collective works that are published via NEXIS or ProQuest -- of which plaintiffs' articles may form a part -- are those collective works that the customer him or herself creates. Such collective works are neither the publisher defendants' particular

¹⁷ All three exhibits are attached to the Bass Affidavit submitted in support of πs' Summary Judgment Motion. Exhibit 1 contains print-outs (from microfilm) of the pages of The New York Times that contain plaintiffs' articles. Exhibit 2 contains print-outs of plaintiffs' articles from NEXIS. Exhibit 3 contains print-outs of plaintiffs' articles from UMI's "Times OnDisc" CD-ROM. In Exhibit 1, plaintiffs' articles are clearly part of the collective work. In Exhibits 2 and 3, they are not.

¹⁸ See the Affidavit of Emily Bass, detailing the manner in which the defendants "deconstruct" their collective works and separately earmark each of the individual articles that appeared in their periodicals so that NEXIS and ProQuest customers can search for and identify those articles as discrete works.

¹⁹ See, e.g., Exh. 38 at M003645, M003689-90; Exh. 40 at M003709; Exh. 41 at T000007-8; Exh. 49 at M011429; Exh. 50 at U006722.

collective works nor revisions of those collective works.²⁰ If they are anyone's "collective works," they are the customer's since they are defined by his or her search terms.²¹

I. TIME INC. AND MEAD ARE NOT ENTITLED TO SUMMARY JUDGMENT ON MR. WHITFORD'S CLAIM

A. Time Inc. Is Not Entitled To Summary Judgment

1. Contrary To The Defendants' Assertions, A Freelance Author Is Not Required To Expressly Reserve Any Rights He Wishes To Retain. He Automatically Retains Whatever He Does Not Expressly Give Away.

a. Under the Doctrine of Indivisibility That Obtained Prior To Passage Of The 1976 Act, The Opposite Was The Case.

Under the Copyright Act of 1909, the bundle of rights that accrued to a copyright owner were thought to be "indivisible."²² This meant that it was "impossible to 'assign' anything less than the totality of rights commanded by copyright." 3 Nimmer on Copyright § 10.01[A], pp. 10-5 and 10-6.

If the grantor wanted to grant anything *less* than all rights, he was required to reserve any rights that he wished to retain and he was presumed to retain only those rights that he expressly reserved.²³ Conversely, the grantee -- in most instances, a

²⁰ The fact that there is *one* search that could be conducted -- i.e., for the name of the publication and a particular date -- that would enable the ultimate user to partially reconstruct the collective work to which a particular article had been contributed is irrelevant because if contributions were *only* being "reproduced and distributed" as part of such a collective work, as section 201(c) requires, *then this is the only search that the ultimate user would be able to perform*. And the only fashion in which the search results could be displayed would be as a single "hit." Instead, the customer can perform a myriad number -- if not an infinite number -- of searches that will not even partially reconstruct the work from which a particular contribution hails, but will yield the contribution itself.

²¹ Whether there would be sufficient originality to justify copyright protection or enable the customer to copyright the collection is a separate question.

²² Since the doctrine of "indivisibility" was a judge-made doctrine, rather than a statutorily required one, some courts did not feel constrained to follow it. See, e.g., Goodis v. United Artists Television, Inc., 425 F.2d 397(2d Cir. 1970).

²³ Any grant accompanied by an express reservation was considered a license rather than an assignment, and the grantor, rather than the grantee, continued to be recognized as the copyright "proprietor" under the Act. See, e.g., Public Ledger v. New York Times, 275 F. 562 (S.D.N.Y. 1921), aff'd, 279 F. 747 (2d Cir.), cert. denied, 258 U.S. 627, 42 S. Ct. 383 (1922).

publisher -- was presumed to acquire any and all rights that the author did not expressly reserve. As a practical matter, therefore, the scope of what a publisher acquired was determined by negative implication from what the author did not reserve.

The author who arranged to have his article or story published, but failed to expressly reserve any rights, ended up, at least legally speaking, retaining no copyright whatsoever. The publisher ended up with all the rights.²⁴ See, e.g., Best Medium Publishing Co., Inc. v. National Insider, Inc., 259 F. Supp. 433 (N.D. Ill. 1966), aff'd, 385 F.2d 384 (7th Cir. 1967), cert. denied, 390 U.S. 955, 88 S. Ct. 1052 (1968); 3 Nimmer on Copyright § 10.01.

b. With Passage Of The 1976 Act, Rights Became Divisible And The Presumption That Previously Obtained Was Reversed.

As long as the only manner, or principal manner, in which the copyright in a work could be exploited was through the reproduction of copies, the doctrine of indivisibility neither created any hardships nor discouraged commerce in copyrights. (If the creator of a work wished to make and distribute his own copies of a work, he wouldn't make any grant. If he decided to assign that right, there was really nothing to reserve.)

With the advent of new methods of communication and distribution, however -- via broadcasting, motion pictures, television, cable and computers -- the situation changed. There were suddenly a multitude of rights that could be separately marketed, and it behooved an author, at least in the first instance, to retain them. While the doctrine of

²⁴ As a practical matter, however, many publishers agreed to hold those rights that remained after it exhausted the first publication right "in trust" for the author, or to reconvey the remaining rights back to the author. See, e.g., Quinn-Brown Publishing Corp. v. Chilton Co., 15 F. Supp. 213 (S.D.N.Y. 1936); Atlantic Monthly Co. v. Post Publishing Co., 27 F. 2d 556 (D. Mass. 1928). Both were common practices in the magazine industry. 3 Nimmer on Copyright § 10.01[C], p. 10-18 n. 55.

indivisibility had not been designed in order to thwart commerce in these rights, it had that effect.

Accordingly, first the courts, and then the legislature determined that the doctrine had to be jettisoned.

It was in 1976. The Copyright Act passed in that year gave “explicit statutory recognition . . . [to] the principle of divisibility of copyright.” It provided:

Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified in section 106, may be transferred . . . and owned separately.

17 U.S.C. § 201(d). The House Report that accompanied the bill made clear that each of the rights provided for in section 106 could be “subdivided indefinitely”.²⁵ H.R. Rep. No. 1476, 94th Cong., 2nd Sess. 61 (1976), quoted in 3 Nimmer § 10.02[A], p. 10-24 n. 9.

With the adoption of the principle of divisibility, the presumptions that had previously obtained were reversed. Now, instead of the publisher acquiring all rights that the author did not expressly reserve, the publisher acquired only those rights that he was expressly given. The author, on the other hand, automatically retained everything that he did not expressly give away.²⁶

As a consequence, beginning with the passage of the 1976 Act, the scope of a grant was no longer determined by negative implication, but by construing the affirmative grant itself. See, e.g., Bourne v. Walt Disney Co., 68 F.3d 621, 629-31 (2d

²⁵ Section 204 of the Act provided that the transfer of any of these rights or of a subdivision of any exclusive rights had to be in writing.

²⁶ The defendants expressly acknowledge this at page 3 of their memorandum in support of their motion for summary judgment (hereinafter referred to as “Defts’ Mot.”) when they state: “One purpose of Section 201(c) was to reverse the presumption, applicable under prior copyright law, that copyright interests not expressly reserved by a freelance author automatically were acquired by the publisher of a periodical.” (emphasis added). See also Defts’ Mot. at 24.

Cir. 1995)(a licensee has infringed its licensor's rights if the rights the licensee exercises fall outside the scope of the grant).

2. Where The Scope Of A Grant Is Clear From The Face Of The License, As It Is Here, It Can Be Determined As A Matter of Law.

a. Basic Principles of Contract Construction

As the Second Circuit noted in Walt Disney, 68 F.3d at 628, “[t]he relevant principles of contract construction are well-established”:

If the language of the contract is “unambiguous and conveys a definite meaning,” then the interpretation of the contract is a question of law for the court. Sayers v. Rochester Tel. Corp. Supplemental Management Pension Plan, 7 F.3d 1091, 1094 (2d Cir. 1993); see Seiden [Assocs., Ind. v. ANC Holdings, Inc.], 959 F.2d 425, 428 (2d Cir. 1992)] (contract language “is not ambiguous when it has a definite and precise meaning . . . concerning which there is no reasonable basis for a difference in opinion”. Alternatively, “[w]here the language used is susceptible to differing interpretations, each of which may be said to be as reasonable as another,” then the interpretation of the contract becomes a question of fact for the jury and extrinsic evidence of the parties’ intent properly is admissible. . . .

Walt Disney, 68 F.3d at 629 (citations omitted).

In the instant case, the language employed in the grant presents a question of law for the Court.²⁷

b. The Grant Of “The Right First To Publish [Mr. Whitford’s] Story In The Magazine” Is Clear And Unambiguous And Not Capable Of More Than One Meaning, Viewed Objectively.

The defendants make it clear in their memorandum in support of their motion for summary judgment²⁸ that it is the first of the three clauses contained in the letter-

²⁷ Section 201(c) doesn’t apply to this claim, of course, since there was an express transfer of rights by Mr. Whitford. Section 201(c) only applies in the absence of an express transfer.

²⁸ See, e.g., Defts’ Mot. at 38 (wherein the defendants state: “It is undisputed that Sports Illustrated acquired the exclusive right ‘first to publish’ Whitford’s article, and that the agreement nowhere expressly delineated or limited the media in which such publication would be permissible. The issue, then, is to determine how to interpret the contract’s scope in light of its silence on the issue of format”); and at 43

agreement that they believe gave Time Inc. the right to license Mead to make Mr. Whitford's article available on its electronic data base.²⁹ Under that clause, Mr. Whitford gave Sports Illustrated "the right first to publish the Story ["Glory Amid Grief"] in the Magazine."(Exh. 36 at 1).

Can anyone seriously contend that the grant of a right *first* to publish a story *in a specific magazine* encompasses a silent second right, thereafter, to make the story available in perpetuity as an independent unit of an electronic data base?

The question obviously is a rhetorical one. The first right is not reasonably "susceptible" of an interpretation that encompasses the second right:

(1) precisely because the second right *is* a second right, and isn't logically part of the grant of a "first" right;

(2) because, as the United States Supreme Court recognized in Harper & Row Publishers v. Nation Enterprises, 471 U.S. 539, 564, 105 S. Ct. 2218, 2232 (1985), a "first" right has temporal implications and limitations³⁰ and it would do violence to these expectations to imply that, as part of a "first" right, one could make literary material available for all eternity;

(wherein the defendants claim that the grant of "a right to publish 'in the Magazine' . . . was sufficiently broad to encompass the right first to include the article in non-print copies of 'the Magazine'.")

²⁹ Since that is the only one of the three clauses that gives Sports Illustrated an exclusive (as opposed to a non-exclusive) "right" -- or, more precisely, a subdivision of an exclusive right -- it is not surprising that that is the clause on which the defendants have fastened. Neither of the other clauses would have served their purposes since Time Inc. would not have been able to license any rights under them. (See discussion, post, at Point II. B(1)(c)(i) re: inability to transfer or license non-exclusive rights).

³⁰ The Court recognized that "the author's right to control the first public appearance of his expression" was an important right and the decision whether and, if so, to whom to grant the first right an important decision:

The right of first publication encompasses not only the choice whether to publish at all, but also the choices of when, where, and in what form first to publish a work.

Harper & Row, 471 U.S. at 564, 105 S. Ct. at 2232.

(3) because absent any indication whatsoever that the publisher contemplated making Mr. Whitford's story available "on NEXIS", "on-line", "as part of an electronic data base," or otherwise "electronically", a common-sense reading of the language of the grant requires the conclusion that the only right Time Inc. was given was the right to include Mr. Whitford's article in the printed publication that everyone thinks of as Sports Illustrated;

(4) because defendant Time Inc. drafted the contract and it should be construed against it; and, finally,

(5) because, as we have argued elsewhere in this brief, the right Mr. Whitford gave Time Inc. was only a right to "publish the Story *in* the Magazine," and cannot reasonably be said to encompass a right to make his Story available on an electronic data base as a discrete work.

3. Since Time Inc. Exercised Rights That Fell Outside The Scope Of The Grant It Was Given, It Infringed Plaintiff Whitford's Rights.

Since Time Inc. exercised a variety of rights that fell outside of that grant, there is no question but that it violated Mr. Whitford's copyright. (See π s' Mot. at 11 - 14.) Among the rights that it exercised was the right to license and/or authorize Mead to make the Story available on NEXIS and to authorize its subscribers to access, retrieve, display, reproduce, download and distribute the Story.

B. Mead Isn't Entitled To Summary Judgment.

1. Mead Never Acquired Any Rights In The Story Directly.

No one has suggested that there was ever any direct contact between Mr. Whitford and Mead or that they entered into an agreement under which Mead acquired

any rights in the Story. Mead can make no claim to have acquired any rights other than by way of license from Time Inc.

2. Time Inc. Could Not Convey To Mead Greater Rights Than It Had.

Since Time Inc. never obtained the right to make Mr. Whitford's story, "Glory Amid Grief", available as part of an electronic data base, Mead didn't either. A grantor cannot convey rights it does not own. Gilliam, 538 F.2d at 21; Hampton v. Paramount Pictures Corp., 279 F.2d 100 (9th Cir.), cert. denied, 364 U.S. 882, 81 S. Ct. 170 (1970); Ricordi, 189 F.2d 469 (2d Cir. 1951).

II. NEWSDAY, THE NEW YORK TIMES, AND THE DATA BASE DEFENDANTS ARE NOT ENTITLED TO SUMMARY JUDGMENT ON PLAINTIFFS' CLAIMS.

A. The Data Base Defendants Are Not Entitled To Summary Judgment

1. Neither Of The Data Base Defendants Acquired Any Rights

a. The Data Base Defendants Were Not In Privity With Plaintiffs And Didn't Acquire Any Rights Directly.

Again, there is no suggestion that any of the plaintiffs and either of the data base defendants were in contact with one another or that either of the data base defendants acquired any rights in any of the contributions at issue directly from the authors.

b. The Data Base Defendants Did Not Acquire Any Rights Under Section 201(c).

Complete with the first sentence that the defendants always leave out, section 201(c) 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 revisions of that collective work, and any later collective work

in the same series.

17 U.S.C. § 201(c)(emphasis added).

As the section makes clear, 201(c) confers a privilege on “the owner of copyright” in the collective work to which the freelance author’s work has been contributed, and to no one else. See 17 U.S.C. § 201(c).

Since there is only *one* “owner of copyright” under the Act with respect to each work of authorship,³¹ including collective works, and Newsday Inc. is the owner of copyright in the collective work known as Newsday and The New York Times Company is the owner of copyright in the collective work known as The New York Times,³² the section, by its terms, cannot be said to have bestowed any privilege upon the data base defendants with respect to either the contributions or collective works at issue.³³

c. Any Privilege That The Newspapers Obtained Under Section 201(c) Was Not Transferable To The Data Base Defendants.

The fact that the section does not itself confer a privilege on the data base defendants, however, does not necessarily mean that the privilege that has been

³¹ Although the exclusive rights under a copyright are infinitely divisible and although each subdivision can be separately transferred and owned, a person who, by transfer, becomes the owner of an exclusive right or subdivision of an exclusive right does not thereby become “the owner of copyright.” See generally the discussion in 3 Nimmer § 10.02[C], at pp. 10-28 to 10-36, and, in particular, Nimmer’s conclusion at pp. 10-31 to 10-32:

It must be concluded, and a close reading of Section 201(d)(2) supports the conclusion, that there is never more than a single copyright in a work notwithstanding the author’s exclusive license of certain rights. Section 201(d)(2) provides for divisibility of rights, not divisibility of copyright.

³² See Exh. 5.

³³ This conclusion is further confirmed by the fact that the section entitles the owner of the collective work to which an article has been contributed to include it in a “later collective work *in the same series*.” Everyone, including the defendants, acknowledge that what this means is that the periodical publisher can include the article in a “subsequent issue of *that* newspaper or magazine”. (Defts’ Mot. at 17)(emphasis added). It does not entitle the publisher to include the article in someone else’s collective work or publication.

conferred on the publisher-defendants couldn't be transferred to the data base defendants. This also turns out to be the case, however.

i. A Privilege, Like A Non-Exclusive Right, Is Not Transferable.

Prior to the Copyright Act of 1976, any and all rights that were transferred by way of an assignment could be further transferred. Any and all rights that were transferred by way of a license, however, could not be so transferred³⁴ unless the transfer were expressly authorized by the copyright owner. See generally 3 Nimmer § 10.01[C], pp. 10-20 to 10-21. See also, e.g., Harris v. Emus Records Corporation, 734 F.2d 1329, 1333 (2d Cir. 1984)(the Court concludes that, under the 1909 Act, a copyright license -- whether a negotiated license or compulsory license -- is not transferable as a matter of law); Ilyin v. Avon Publications, Inc., 144 F. Supp. 368 (S.D.N.Y. 1956)(fact that publisher of periodical was given a license to include a translation of a Cocteau play in its periodical did not give it the right to license a third party to reprint the translation in book form; the periodical publisher, as a mere licensee, had no right to assign its privilege).

After the 1976 Act became effective, any and all rights transferred by way of either an assignment *or* an exclusive license could be further transferred.³⁵ Any and all rights transferred by way of a *non*-exclusive license could not be transferred. See 3 Nimmer § 10.02[B][4], at pp. 10-26.2 to 10-27.

³⁴ The reason for the difference, of course, derives from the fact that, prior to the Copyright Act of 1976, all rights in a copyright (as well as the copyright itself) were transferred by way of an assignment, while they weren't by way of a license. Consequently, the assignee *and the licensor* were considered the owner of copyright.

³⁵ Under the 1909 Act, the licensee of an allegedly exclusive right didn't have "title" to the right and didn't therefore have anything to convey to a third party. Under the 1976 Act, on the other hand, the licensee of an exclusive right is deemed to have title to it (albeit not to the copyright as a whole) and can, therefore, either sublicense or assign its rights. See 3 Nimmer § 10.01[B][4].

Since the privilege conferred by section 201(c) on the publisher defendants qualifies, at most, as a non-exclusive license under the Act, it necessarily follows that it cannot be either sublicensed or transferred.³⁶

ii. Even The Most Cursory Examination Of The Act Confirms That The Privilege Provided For By Section 201(c) Was Not Meant To Be Transferable.

The conclusion that the very limited license provided for by section 201(c) was not meant to be transferable is inescapable:

. (1) because, as a general matter, the Act only provides for “rights” to be capable of transfer, see 17 U.S.C. § 201(d)(2), as opposed to “privileges”, and section 201(c) very clearly confers a “privilege” upon the holder of copyright in a collective work as opposed to a “right”, and

. (2) because in those few instances in the Act in which Congress wanted a “privilege” to be transferable, it expressly provided for it to be transferable, see, e.g., 17 U.S.C. §§ 109(a) and (c).

Section 201(c), by contrast, does not contain any such provision.³⁷

³⁶ There is one aspect of the legislative history that the defendants have recounted accurately: the fact that, originally, the Register proposed that publishers “be deemed to hold in trust for the author [of an article included in a composite work] all rights in the author’s contribution, except the right to publish it in a similar composite work . . .,” Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess. 88 (1961), but that author representatives rejected the proposal as one that *could interfere* with the ability of the contribution author to sell or license the same contribution to other collective works. Since that was obviously not the intent, “the Register agreed to a clarification, i.e., that ‘similar composite work’ really meant ‘that particular composite work’ and no other.” Defts’ Mot. at 27 (quoting Discussion and Comments on Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 88th Cong., 1st Sess. 152 (1963)).

It follows from this that the defendants must concede that the privilege conferred by section 201(c) is not an exclusive one.

³⁷ The fact that Congress did not intend the privilege provided for in section 201(c) to be transferable is further confirmed by the fact that, while an early draft of the section provided that the owner of copyright in a collective work would have the privilege of “publishing” a contribution as part of various collective works, the phrase “privilege of publishing” was subsequently replaced by the phrase “privilege of reproducing and distributing.” The term “publication” necessarily carries the connotation under the Act of being able to “offer[] to distribute copies . . . to a group of persons for purposes of further distribution, public performance, or public display.” 17 U.S.C. § 101. The phrase “reproduce and distribute” does not have such a connotation. (The defendants pretend at various points in their brief that section 201(c) still uses the word “publish” or “republish.” See, e.g., Defts’ Mot. at 31, 33. *It does not.*)

It follows that the data base defendants did not obtain either a privilege or any rights with respect to the plaintiffs' contributions. This being so, all of the actions the data base defendants took with respect to those works were infringing.

- B. Newsday And The New York Times Are Not Entitled To Summary Judgment On Any Of Plaintiffs' Claims.
 - 1. The Defendants' Assertion That Plaintiffs' Were Required To Expressly Reserve The Right To Place Their Works On NEXIS Or Incorporate Them In CD-ROMS In Order To Qualify The Defendants' Statutory Privilege Under Section 201(c) Is Absurd.

At page 18 of their brief, the defendants make much ado about the fact that "[n]one of the plaintiffs . . . ever imposed any restrictions, or took any other steps indicating that the publisher defendants did not acquire the *full* set of . . . rights" under section 201(c) of the Act. (Defts' Mot. at 18)(emphasis added). It would appear from this that, as was the case with David Whitford's claim, the defendants are taking the position that it was the plaintiffs' responsibility, if they wanted to curtail or qualify the defendants' rights under section 201(c), to negotiate an express reservation of rights!

The defendants' suggestion is nonsensical, of course, because for there to have been an express reservation of rights, there would have to have been an express transfer, and if there had been an express transfer, then the second sentence of section 201(c) would have no application.³⁸ The extent of any rights that a publisher would get under such circumstances would be determined by the scope of the express grant it was

³⁸ The defendants' position -- that freelance authors have to expressly reserve rights in their works in the face of a submission to a publisher -- has to be summarily rejected for a second reason, as well: because section 106 doesn't make either the copyright or the exclusive rights that a freelancer is recognized as having in his or her work "subject" to the privilege accorded a publisher under section 201(c). (Section 106 only makes his exclusive rights "[s]ubject to sections 107 through 120." It follows that, notwithstanding the privilege that is accorded a publisher under 201(c), the exclusive rights of the freelancer remain *intact, without his having to expressly reserve them*).

given and not by section 201(c). Section 201(c) is only applicable in those situations in which there has *no* express allocation of rights.

The question, therefore, is not what one can infer from the fact that the plaintiffs didn't expressly reserve any rights, but, simply, the scope of the compulsory license or "privilege" conferred under section 201(c) on the owner of copyright to the collective work?

On this question the parties' positions are diametrically opposed. Its resolution will determine The New York Times' and Newsday's liability for direct infringement under the Act.³⁹

After acknowledging that every word of section 201(c) of the Copyright Act was crafted with particular care,⁴⁰ the data base defendants and Newsday and The New York Times have gone to extraordinary lengths to ignore them.

They have done so, as we will see, in an effort to artificially expand the scope of the privilege that is provided for in the second sentence of the section.

2. The Scope of The Privilege Conferred On The Publisher Defendants By Section 201(c) Is Far More Limited Than They Pretend.
 - a. Under the Guise of Enunciating The Plain Meaning Of The Section, The Defendants Have Distorted Its Meaning Beyond All Recognition.

The defendants use four basic stratagems in an effort to expand the scope of the section. They:

³⁹ The liability of the data base defendants and of Time Inc. for direct infringement), nor the liability of Newsday and The New York Times for contributory infringement, is not dependent upon the scope of section 201(c). (See π s' Mot. at 15 -13, π s' Opp., *ante*, at 13 -17 (Plaintiffs' Memorandum of Law in Opposition to Defendants' Cross-Motion for Summary Judgment will hereinafter be referred to as ' π s'Opp.')).

⁴⁰ See, e.g., Defts' Mot. at 30 n. 27, wherein the defendants state that "extraordinary attention [was] applied to the drafting of *each* word of what eventually became Section 201(c)" (emphasis added).

. attempt to transform the privilege provided for in the section from one that accords a publisher minimal 'rights,' unless an author expressly grants it *more*, into one that accords a publisher well-nigh all rights, unless an author, by virtue of an express reservation, grants it *less*;

. eviscerate the section by ignoring the part of it, i.e., the first sentence -- that sets forth basic principles -- and by focusing solely on the second sentence, thereby making it the section's theme;⁴¹

. follow up by ignoring the three words that are arguably the critical words in the second sentence -- ". . . *as part of* . . ." -- thereby ignoring the fact that that part of the section permits the owner of copyright in a collective work to reproduce and distribute contributions *only* "as part of" collective works; and, finally,

. after having read virtually all of the operative the words *out* of the section, they have attempted to read several words *into* the section.

The first, third and fourth of these stratagems are addressed below. The second has already been touched upon.

- i. The defendants have attempted to transform the very limited privilege provided for in section 201(c) into what they suggest is a "full" grant of rights.

The defendants claim at pages 3 - 4 and 18 of their memorandum that publishers automatically acquire a "full set" of rights or "core group of rights" under section 201(c) unless, prior to the submission of an article, a freelance author takes "affirmative steps expressly to reserve" some of the rights that the publisher would otherwise acquire.⁴² This is a central tenet of their argument.

H.R. Report No. 2237 demonstrates that the defendants have it exactly backwards. It states:

⁴¹ The first sentence reads: "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." This principle is further amplified on by section 103 of the Act.

⁴² It is with ill grace that the defendants preach about authors having to obtain rights "in advance," and not being able to acquire them "retroactively," see Defts' Mot. at 18, when the evidence in this case has disclosed that Newsday has been stamping the back of freelancers' checks for years in an attempt to retroactively obtain rights.

[U]nless 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.”

H.R. Rep. No. 2237, 89th Cong., 2d Sess. 117 (1966) (later summarized in the final report on the 1976 Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 12-23 (1976) (emphasis added), quoted in Defts’ Mot. at 31. The privilege is what the publisher will get, at a minimum, when an author hasn’t given it more. It is not meant to represent an all-encompassing or plenary grant that is given by default so long as the author hasn’t given less.

- ii. The defendants have both removed certain words and phrases from the section, and added certain words and provisions to the section.

In the final analysis, the defendants’ argument reduces to two basic assertions: (1) that they have been given the privilege under section 201(c) of “reproducing and distributing’ a freelancer’s contribution”, Defts’ Mot. at 21; and (2) that, as long as some of the “rights exercised by Newsday [and The New York Times] fall squarely within the reproduction and distribution safe harbors [provided for by section 201(c)], any ‘overlap’ with other Section 106 rights is permitted,” Defts’ Mot. at 35, and the defendants may exercise any publication rights, display rights, performance rights and authorization rights they wish. (See generally Defts’ Mot. at 33-37.)

Besides the fact that these arguments represent an attempt by the defendants to resurrect the doctrine of indivisibility, the only way for them to have arrived at these conclusions is: (1) by ignoring the requirement that freelance works be reproduced and distributed “**as part of** [the] *particular collective work* [to which the underlying work was

contributed], any revision *of that collective work*, and any later collective work *in the same series*", 17 U.S.C. § 201(c) (emphases added); and (2) by reading a grant of "display" rights into the section.

Neither of these things can be done, of course, without doing violence to the purpose, meaning and intent of the statute and the section.

- a) The defendants have attempted to read the requirement that contributions be reproduced and distributed as part of collective works out of the section.

Notwithstanding their claimed reliance on the plain meaning of section 201(c) and the lip service they give to the fact that "extraordinary attention" was given to each of its words, the defendants ignore more words in section 201(c) than they find meaningful. Thus,

1. They ignore the distinction that section 201 makes between copyright in a collective work and copyright in each contribution, thereby ignoring the general rule set forth in the section.

2. They ignore the fact that in the absence of an express transfer of any rights by the owner of copyright in the contribution, section 201 provides that the owner of copyright in the collective work gets only a "privilege" as opposed to a "right" to include the contribution in the collective work.

3. They ignore the fact that this privilege has only been conferred on the "owner of copyright" in the collective work in which the contribution is to appear and on no one else.

4. They ignore the fact that it is only "rights" that have been made transferable under the Act and subdivisions of rights, and not "privileges."

5. They ignore the fact that the privilege that newspaper publishers have been granted under section 201(c) is only to reproduce and distribute contributions *as part of* collective works, and not as separate from collective works or as discrete works, and, finally,

6. They ignore the fact that the collective works that the contributions may be distributed as part of are limited to *the particular collective work* in which the contribution originally appeared, any revision *of that collective work*, and any later collective work *in the same series*, i.e., in a later issue of the same periodical.

- b) Conversely, the defendants have attempted to read certain rights -- in particular, section 106 display rights -- into the section that are not in fact provided for.

At page 34 of their brief, the defendants accuse plaintiffs of having “improper[ly]” “erect[ed] walls between the various categories of rights created by the Copyright Act” and, thus, of having construed the Act in a manner that “is inconsistent with the clear intent of Congress that, far from being separate and distinct, ‘[t]he five fundamental rights that the bill gives to copyright owners . . . are cumulative and may overlap in some cases.’” Defts’ Mot. at 34 (quoting H.R. Rep. No. 1476, 94th Cong., 2d Sess. 61 (1976)).

The short answer to the defendants’ accusation is that they are confusing copyright owners and copyright infringers. The fact that exclusive rights have been defined in a manner that leads to some overlap between them is a fact that is supposed to enure to the benefit of copyright *owners*, not infringers.⁴³ Section 501(a) of the Act makes this

⁴³ As with the first of the defendants’ propositions that we discussed -- i.e., to the effect that the Act is not medium-specific -- it is the plaintiff owners of the contribution-copyright and not the defendant *privileees* (excuse the grammar) who get the benefit of this rather self-evident proposition.

absolutely clear. It provides that “[a]nyone who violates *any* of the exclusive rights of the copyright owner . . . is an infringer of . . . copyright” 17 U.S.C. § 501(a). It does not except violations of a right that overlaps another right.⁴⁴

Conscious of the fact that their “overlap” argument is nothing other or more than an effort to inveigle the Court into ignoring the plain meaning of the statute, the defendants attempt to bolster that effort with a reductio ad absurdum argument. In attempting to demonstrate the unreasonability of plaintiffs’ position, the defendants demonstrate the sophistry of their own. They state:

That this overlap of section 106 rights may occur is not new and is not created simply when “electronic publishing rights” are involved. For example, a paper copy of Newsday, including its front page, tabloid-size photo is both reproduced and distributed . . . when it is printed and shipped by Newsday. . . . The photograph on the front page also is displayed when that copy sits in a newsrack. That does not mean, however, as the logic of plaintiffs’ argument would dictate, that Newsday cannot sell copies of Newsday at newsracks featuring the cover page unless it separately has acquired “display” rights from a freelance photographer whose work appears on the front page.

(Defts’ Mot. at 34-35).

The problem that the defendants suggest would be posed by plaintiffs’ position is specifically remedied by the statute. Section 109(c) of the Copyright Act of 1976 expressly provides that, notwithstanding the fact that someone may not have been given display rights under section 106 of the Act, they will nonetheless have the privilege under section 109 of the Act to display certain copies of a work *in a particular fashion*. The copies to which the privilege attaches are copies that the person owns or has been authorized by the owner to display. The privilege would clearly enable both Newsday

⁴⁴ It is respectfully submitted that the overlap was intended to make it easier for the copyright owner to prove infringement, rather than easier for the infringer to claim lawful use.

and any newsstands that legally carry Newsday to display copies of the paper. The provision reads:

Notwithstanding the provisions of section 106(5), the owner of a particular copy [of a work] lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to display that copy publicly, either directly or by the projection of no more than one image at a time, to viewers present at the place where the copy is located.

17 U.S.C. § 109(c).

The very fact that Congress deemed it necessary to expressly legislate on this question is highly significant because if even the very limited display "privilege" provided for by this section must be expressly provided for and cannot be implied, then the more far-reaching display right provided for by section 106(5) cannot be the subject of implication either. It further follows that the defendants' "you-can-imply-a-right-when-it's-an-overlapping-right" argument has no basis in law and must be rejected.⁴⁵ (After all, if there were ever a copyright right that one would think would be implied, it is the right provided for by section 109(c).)

Since section 201(c) does not explicitly provide for the right to publicly display a work within the meaning of section 106(5), and such a right cannot be implied, it is not part of the statutory privilege.⁴⁶

⁴⁵ While the Act, from the owner of copyright's point of view, is not medium-specific, it is certainly right-specific. As just one example, see 17 U.S.C. § 115(5)(termination of compulsory license "renders either the making or the distribution, or both, . . . actionable as acts of infringement . . ."). Also see just about every copyright infringement case that has ever been litigated. E.g., Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 473 n. 25, 104 S. Ct. 774, 805 n. 25, reh'g denied, 465 U.S. 1112, 104 S. Ct. 1619 (1984)(recognizing that a 1971 Amendment that prohibited "the unauthorized reproduction and distribution to the public" of copies of sound recordings did not prohibit "the performance of sound recordings through broadcasting or other means")

⁴⁶ Since the section 201(c) privilege does not incorporate such a right, it follows that the owner of copyright in the collective work cannot electronically display any contributions via NEXIS or ProQuest. (It may also be that, absent an express transfer of rights, the copyright proprietor in a collective work cannot electronically display a freelance contribution as part of that collective work -- such as in an image-only product.)

iii. The defendants have also ignored aspects of the legislative history.

As is already apparent by now, the privilege afforded by section 201(c) has neither the scope nor the reach the defendants pretend it has. Whatever else it may or may not do, *it does not entitle them to use contributions that they do not own in conjunction with electronic coded storage and retrieval systems or to prepare contributions for such use.*

This conclusion follows inexorably from:

1) the fact that it is incontrovertible that the privilege provided for under section 201(c) was not intended to "allow inclusion of . . . [a] contribution [from one collective work] in anthologies or other entirely different collective works,"⁴⁷ and,

2) from the further fact that, at the time section 201(c) was enacted into law, Congress declined to legislate "regarding the input of copyrighted materials into computers or other storage devices" on the ground that the issue needed in depth study. (See discussion in *πs'* Mot. at 42 - 43).⁴⁸

To date the defendants have ignored these facts, as well as the further fact that the reason computerized information search and retrieval systems are so commercially successful is precisely because they afford millions of customers the opportunity to sit in the luxury of their own homes at their computer consoles and create *their own anthologies and collective works.* (See generally Final Report of the National

⁴⁷ Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1965 Revision Bill, 89th Cong., 1st Sess. 69 (1965). See also *Defts' Mot.* at 31 (quoting H.R. Rep. No. 2237, 89th Cong., 2d Sess. 117 (1966)(later summarized in the final report on the 1976 Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 122 - 23 (1976) (providing that a publisher "could not . . . include . . . [a freelance contribution from one collective work] in a new anthology or . . . entirely different magazine or other collective work").

⁴⁸ See also S. Rep. No. 93-983, 93d Cong., 2d Sess. 154 - 55 (1974); S. Rep. No. 94-473, 94th Cong., 1st Sess. 99 - 100 (1975); S. Rep. No. 1168, 90th Cong., 2d Sess. 7 (1968); Hearings before Subcomm. on Courts, Civil Liberties, and Administration of Justice, 95th Cong., 1st Sess. 2076 (1975).

Commission on New Technological Uses of Copyrighted Works (known as "CONTU") 44 - 46 (1978)). Every time a customer defines and runs a search, he or she is creating an anthology or collective work that is constituted out of contributions that were made to some *other* collective work or works at some other point or points in time. (Depending on the file and/or library across which the customer chooses to search, the contributions will either be from different issues of one periodical or from a variety of periodicals and information sources.) Theoretically, any of plaintiffs' works could be included in any one or more of an infinite number of customer-defined anthologies.

Since the privilege provided for by section 201(c) was clearly not intended to allow for such inclusion,⁴⁹ the defendants' activities in preparing plaintiffs' articles to be incorporated into the Mead and UMI data bases and in making them available as part of those data bases must be deemed infringing activities.

b. In The Final Analysis, The Meaning Of The Section Is Plain.

Once one restores all of the elements of section 201(c) that the defendants have attempted to eliminate and eliminated all of the surplus baggage that they have attempted to add on to it, it becomes clear that the scope of the compulsory license or privilege it affords is a very modest one.

In the absence of an express transfer,

. it affords "the owner of copyright in the collective work," and no one else,

⁴⁹ There is one other expression of legislative intent in this regard that the defendants have ignored: the fact that the types of "revisions" that Congress thought were being referred to in section 201(c) were the revisions that an encyclopedia publisher or text book publisher makes maybe once every five (5) or ten (10) years in order *to update* its material, and *not* the types of manipulations that the publisher-defendants are having entire departments spend the entire day on every day in order to take advantage of new markets. See, e.g., H.R. Rep. No. 2237, 89th Cong., 2d Sess. 117 (1966), quoted in Defts' Mot. at 31 ("Under the language . . . [in the section,] a publisher . . . could reprint an article from a 1970 edition of an encyclopedia in a 1980 revision of it"). To equate the types of product development manipulations that the defendants are engaging in with these types of revisions would be to make a mockery of statutory construction.

- . a “privilege”
- . to “reproduce and distribute,” as opposed to “perform” or “display”
- . a contribution to a collective work *as part of*
 - i) *that particular* collective work,
 - ii) any revision of *that collective work*, and
 - iii) any later collective work *in the same series*.

Far from affording the defendant publishers a “full set” of rights or “core group of rights” as the defendants have claimed,⁵⁰ the section in effect gives the publishers what they need: a license to manufacture, distribute and sell their product. Although the owners of the copyright in the contribution are not entitled to mechanical royalties under this section, the privilege that it affords the publisher of the collective work is in many other respects akin to a very limited mechanical license.⁵¹

3. The Conclusion Is Inescapable That The Newspaper Defendants Have Violated Plaintiffs’ Rights.

The conclusion is inescapable that the newspaper defendants have violated plaintiffs’ exclusive rights since they have abided by neither injunction imposed on them by section 201(c): that they could only reproduce and distribute plaintiffs’ works *as part of collective works* as opposed to discrete works, and that they could only *reproduce and distribute* such works, not display them.⁵²

III. THE DEFENDANTS ARE ATTEMPTING TO TURN BACK THE CLOCK.

A. Defendants Are Attempting To Resurrect The Indivisibility Doctrine

⁵⁰ At the risk of stating the obvious, the phrase “core group of rights” or “core group of publishing rights” that the defendants repeat over and over again like a mantra appears nowhere in the legislative history.

⁵¹ Indeed, it is not even inconceivable that section 201(c) was in some respects patterned after the mechanical compulsory license (for phonorecords) once provided for in section 25(e) of the Act, which took effect “in the absence of a license agreement”.

⁵² Specifically, the defendants have: reproduced and distributed plaintiffs works as discrete works and not as part of collective works, made derivative works based upon those discrete works, and authorized others to reproduce, distribute, display and perform both those discrete works and the derivative works based upon them.

The defendants have made two claims in this litigation, which taken together, are aimed at resurrecting the doctrine of "indivisibility" and turning the Copyright Act of 1976 on its head. They claim: (1) that, absent an express reservation of the right to exploit a particular medium by *the licensor*, the transferee of a right necessarily gets the right to exercise or exploit that right in all media; and (2) that the licensing of one of the exclusive rights provided for in section 106 of the Act necessarily carries with it *all other* exclusive rights that can be said to "overlap" with it.

B. Authors Would Have Far Fewer Rights Under The Construction Of Section 201(c) Advocated By The Defendants Than They Did Under The Doctrine of Indivisibility In Its Original Form.

As suggested previously in footnote 22, while it was still in vogue, the courts devised a variety of ways to mitigate against the harshness of the indivisibility doctrine. One of the most common, according to Nimmer, was to hold that "at least with respect to all uses other than in the medium for which the grantee [publisher] acquired the rights," all rights were to be held "in trust" for the author. 3 Nimmer on Copyright § 10.01[C], p. 10-16 (word in brackets added for clarification).

The version of the indivisibility doctrine that the defendants want to resurrect, however, would change all that. It would give all rights in all media *outright* to the grantee publisher.

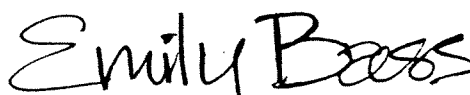
Were section 201(c) to be construed in that fashion, freelance authors would be worse off than they were under the 1909 Act.

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 and deny the defendants' cross-motion.

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Respectfully submitted,



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