

Significantly, the phrase -- "transfer of ownership" -- that the General Counsel used in his transmittal statement was also being recast in the new legislation, particularly with regard to what is now § 204, providing for the recordation of transfers of copyright ownership. Specifically, what is now § 204 was being expanded to comprise exclusive licenses and mortgages, leading to the definition in the current § 101 of "transfer" to mean "an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license." 17 U.S.C. 101(emphasis added)²¹. See also, 1964 Preliminary Draft, (§ 17) Thus, the copyright revision process drew a bright line between interests that were transfers of copyright or exclusive rights under a copyright, and interests that were not.

It follows that if the second sentence of § 201(c) does not effect a "transfer of ownership," then the privilege provided for

²¹ Assignments, exclusive licenses and mortgages all involve some form of property ownership. See, 3 Nimmer, Nimmer on Copyrights, § 10.02[A]. Assignments, quite obviously, transfer title. Exclusive licenses convey copyright ownership in whatever rights are covered by the license. Id. See also, 1961 Report of the Register at 94 (recommending that "an exclusive license or other exclusive transfer of any particular right constitutes an assignment of that right..."). As for mortgages, at the time the Copyright Act was being revised, copyright mortgages were commonly understood to mean chattel mortgages, which generally involved a transfer of title. See, Alice Haemmerli, Insecurity Interests: Where Intellectual Property and Commercial Law Collide, 96 Colum. L. Rev. 1645 at note 101. All of these situations involve a change of ownership, even if only a partial change. It follows that a transferee is someone who receives a property interest and the ability to reconvey that interest to a third party. See 3 Nimmer, § 10.02[B] [4].

there (1) cannot have resulted in a publisher being given any exclusive rights or subdivision of an exclusive right in a freelance contribution, see, § 201(d)(1) and (2), cf. (A430-433), (2) cannot have resulted in their receiving an interest that they could convey on to a third party, id., and (3) must have resulted in their receiving the equivalent of a non-exclusive license, see § 101. In fact, the defendants themselves acknowledged that any license they had was a non-exclusive one:

THE COURT: ...Let's follow that argument down, Mr. Keller. Let's start from the beginning.

Do you concede that an author who gives an article to a newspaper like the New York Times, and I know Newsday and others are implicated here, but for the sake of argument today, I'm grouping the three. For the New York Times, that author retains the right to take that article and have it published in a different methodology if he chose to.

MR. KELLER: Absolutely. In fact, your Honor, there is testimony in the record that every single one of the plaintiffs did that.

THE COURT: They retained that right?

MR. KELLER: Absolutely.

THE COURT: Could they, if they chose, sell their individual article to NEXIS?

MR. KELLER: Yes, they could.

THE COURT: If NEXIS had an interest?

MR. KELLER: Yes, they could, your Honor.

(Transcript of Oral Argument at 6.)

The inescapable conclusion here is that what the defendants received was not a property interest and was, therefore, nontransferable.

In formulating the doctrinal distinction between property and non-property interests in copyright in its articulation of "transfers," the copyright revision process continued a tradition of borrowing from patent law.²² Not surprisingly, the crucial distinction between transfers of property rights and other interests has been strongly established in that adjacent field.

There, all the recipient of a non-exclusive license receives is a "mere waiver of the right to sue" and not an ownership interest in property. General Talking Pictures Corp. v. Western Electric Co., 304 U.S. 175, 181 (1938), adhered to, 305 U.S. 124, reh'g denied, 305 U.S. 675 (1939) (a nonexclusive license "amount[s] to no more than a mere waiver of the right to sue.") Because a nonexclusive licensee does not secure an ownership interest in property, it may not convey the license to a third party; nonexclusive patent licenses are not transferable as a matter of law. See, generally, Jim Arnold Corp. v. Hydrotech Systems, Inc., 109 F.3d 1567, 1577 (Fed. Cir. 1997); Gilson v. Republic of Ireland, 787 F.2d 655, 658 (D.C.Cir. 1986); PPG Industries Inc. v. Guardian Industries Corp., 597 F.2d 1090, 1093 (6th Cir. 1979); Franz Chemical Corp. v. Philadelphia Quartz Co., 594 F.2d

²² Copyright indivisibility doctrine relied heavily on patent precedent, such as the seminal patent case Waterman v. MacKenzie, 138 U.S. 252 (1891). See, Copyright Law Revision: Studies Prepared for the Subcommittee on Patents, Trademarks and Copyrights of the Committee on the Judiciary,), 86th Cong., 2d Sess., Study No. 11, Divisibility of Copyrights (A. Kaminstein) (1960), at 11-17. Even after indivisibility was rejected, the doctrinal themes of distinguishing between a copyright transfer--involving some assignment of ownership--and a non-transfer remained similar to the distinction in patent law between assignments and licenses.

146, 148 (5th Cir. 1979); Unarco Industries, Inc. v. Kelley Co., 465 F.2d 1303, 1306 (7th Cir. 1972), cert. den'd 410 U.S. 929 (1973).²³

Given this history and the impetus for and timing of the transition in the section's language, it is apparent that the Copyright Office very consciously and deliberately substituted a non-transferable personal "privilege" for a transferable "right."

- b. The Fact That The Privilege Is Provided For In § 201(c) Of The Act, Rather Than In § 106, Further Confirms Its Non-Transferability.

It is § 106 of the Act, not § 201(c), that defines the "exclusive rights" that constitute copyright and that may be transferred by a copyright holder, including each of the plaintiffs in this case. Significantly, § 106 of the Act does not make the exclusive rights that are provided for in that section subject to the privilege provided for in § 201(c). See, 17 U.S.C. § 106 (which provides that the rights enumerated in the section are subject only to sections 107 through 120 of the Act). This confirms that the privilege does not effect a "transfer of ownership" and that, notwithstanding a publishers' exercise of the privilege, the contribution author's "exclusive rights" must continue unabated. It further confirms that

²³ While this issue seems to have arisen more often in the patent context, the basic principles are equally applicable in the copyright context. See, 3 Nimmer § 10.02[B][4] ("the limitations on a [nonexclusive] licensee's right to re-sell ... under the 1909 Act would appear to continue under the current Act.") See also, generally, Harris v. Emus Records Corp., 734 F.2d 1329, 1333 (2d Cir. 1984); Ilyin v. Avon Publications, Inc., 144 F.Supp. 368 (SDNY 1956). As mentioned, copyright and patent law, particularly before the revision process discarded the doctrine of indivisibility, came from the same roots.

the privilege does not constitute a transferable "subdivision" of an exclusive right within the meaning of § 201(d).

To hold otherwise, as the Court below did, transforms what is, at bottom, an affirmative defense to an infringement claim into a categorical right that is fundamentally irreconcilable with § 103(b) of the Act. Section 103(b) 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 such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

17 U.S.C. § 103(b) (emphasis added). Indeed, if one construes § 201(c) of the Act as providing for a transferable right of the breadth that the Court below has in this case, the § 201(c) tail will end up wagging the § 103(b) dog. At the very least, the Court below will have created an immense loophole in the Act. It may well have rendered § 103(b) meaningless.

c. The Distinction Between "Rights" And "Privileges" Is A Long-Standing And Well Established One.

Far from investing the word "privilege" with a character and attributes that are alien to it, all appellants have done is give the word the meaning it often has in a legal context: the ability to do or use something free of liability. See, Black's Law Dictionary at p. 1359 ("[t]hat which releases one from the performance of a duty or

obligation ... or exempts one from a liability").²⁴ Even a cursory examination of the pertinent authorities confirms that courts, commentators and legal historians alike have long distinguished between "rights" and "privileges" and recognized that "rights" are transferable²⁵ and "privileges," personal. See, Estate of Fisher v. Commissioner of Internal Revenue, 905 F.2d 645, 650 (2d Cir. 1990) (estate cannot assert decedent's personal privilege against self incrimination); 8 Wigmore, Evidence, Section 2196, p. 111 (1961) ("...[t]he claim of privilege can be made solely by the person whose privilege it is. The privilege . . . is purely personal").

If Congress truly meant to confer a transferable right on publishers, it clearly knew how to do so: All it had to do was use the same word in § 201(c) that it had used scores of times in the statute -- i.e., the word "right". In providing that publishers enjoy only a "privilege" where no transfer has occurred, Congress clearly chose not to confer such a right.

2. To Qualify Under § 201(c), A "Revision"
Must Itself Be A "Collective Work."

The United States Supreme Court observed in Beecham v. United States, 511 U.S. 368, 371 (1994) that the fact that "several items in a list share an attribute counsels in favor of interpreting the other items as possessing that attribute as well". See also, Security

²⁴ The word "privilege" traces its origins to "privilegium" and the two words that it combined: the word "privus", meaning one's own, and "lex", meaning law. A privilegium was understood to mean a law for or against an individual. Webster's College Dictionary at p. 1036 (Random House 1997).

²⁵ Rights are transferable precisely because they represent an "ownership interest" in property.

Indus. Ass'n v. Bd. Of Governors, 468 U.S. 207, 218 (1984); Third National Bank v. Impac, Ltd., 432 U.S. 312, 322 (1977), Jarecki v. G.D. Searle & Co., 367 U.S. 303, 307(1961); U.S. v. Securities That Represent Robbins, No. 87 CV 2544 (RJD), 1987 U.S. Dist. LEXIS 10967 (SDNY 1987).

In the instant case, the rule in Beecham's case²⁶ counsels in favor of interpreting the second phrase in § 201(c), like the first and third phrases, as referring to a "collective work," and as requiring a "revision" to be a "collective work" before a contribution can be included in it. Stated otherwise, it counsels in favor of interpreting § 201(c) as uniformly requiring a work to be one of three specific kinds of collective works before the privilege will apply: (i) the collective work in which the contribution first appeared; (ii) a collective work that constitutes a "revised version" of the original collective work²⁷; or (iii) a later collective work in the same series, i.e., in the same periodical.

Any ambiguity on the question is, once again, dispelled by the legislative history - indeed, by the same legislative history that we have referred to above. The proposal of the Joint Copyright Committee of the American Book Publishers Council and American Textbook Publishers Institute, which supported an expansion of the privilege to authorize the inclusion of a contribution in "revised editions"

²⁶ The rule in Beecham's case is simply a variation on the more general rule, "noscitur a sociis", which means "a word is known by the company it keeps." We discuss the more general rule below. See discussion, post, at pp. 35-36.

²⁷ The term "revision" means a "revised form or version." The Random House Unabridged Dictionary, 2d ed., p. 1648 (1993).

conceived of "revised editions" as a subcategory of "similar composite works"²⁸ See, discussion, ante, at p. 25. The term "composite works" was the term that was used in the 1909 Copyright Act to refer to "collective works." 17 U.S.C. §§ 1, 3, 10 (1909 Copyright Act); See also, generally, Shapiro, Bernstein & Co. v. Bryan, 123 F.2d 697, 699 (2d Cir. 1941).

3. The Requirement Under The Second Prong That The Collective Works Be By The Same Copyright Owner.

Again, the legislative history to which we have just referred makes it absolutely clear, even if the language of the second sentence does not, that the only works that qualify as § 201(c) works are those collective works that have been authored by the collective work copyright owner. This conclusion is inescapable given the genesis of the "any revisions" language in a proposal that publishers be able to re-use a contribution in their own "revised editions," but not be able to assign that right to another publisher.

In this instance, that would mean that contributions could be included in issues of Newsday, but not in works authored by Mead.

4. The Scope Of The § 201(c) Privilege.

One of the most fundamental errors the Court below committed was failing to read the phrase "any revision of that particular collective

²⁸ Stated otherwise, the Committee argued for permitting encyclopedia publishers and certain other publishers to include a contribution in "revised editions," but no other "similar composite works."

The only revisions the Joint Copyright Committee contemplated were revisions created by the original publisher. This is made indisputably clear by its insistence that the original publisher not have "the right of assignment to another publisher." See, discussion, ante, at p.25.

work" in the context in which it appeared - i.e., as the second of three phrases set forth in § 201(c).

Under the familiar principle of *noscitur a sociis*, even if a phrase or word "might have a broader meaning in some other context, it must be read and considered in relation to the other terms with which it is grouped."²⁹ International Salt Co. v. Geostow, 697 F.Supp. 1258 (WDNY 1988). See, National Muffler, *supra* at 846; see e.g., California v. Brown, 479 U.S. 538 (1987); General Electric Co. v. OSHA, 583 F.2d 61, 65 (2d Cir. 1978). In this case, the phrase "any revision of that collective work" is grouped with two other phrases - indeed, it is sandwiched in between them. It is immediately preceded by the phrase "that particular collective work" and immediately followed by the phrase, "any later collective work in the same series."³⁰

In sequence, the three phrases define the full range of conduct in which the publisher of a periodical may engage vis-a-vis a contribution: (1) It can continue to reproduce and distribute the contribution as part of the issue in which it first appeared. (2) It can reproduce and distribute it as part of a revised form or version

²⁹ Justice Oliver Wendell Holmes expressed the rule most eloquently, perhaps. He said: "A word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content" according to the context and circumstances in which it is used. Towne v. Eisner, 245 U.S. 418, 425 (1918).

³⁰ Indeed, in addition to failing to read the second phrase in the context of the entire sentence, the Court below has failed to read the words "any revision" in the context of the entire phrase. Stated otherwise, it ignored the fact that the two words, "any revision," were immediately followed by the qualifying phrase ". . . of that collective work". See discussion, post, at pp. 38-39.

of that issue. And, (3) it can reproduce and distribute it as part of a later issue of the same periodical.

Since the first phrase clearly sets the *lower* limit on what a publisher can do with a contribution and the third phrase sets the *upper* limit, the task for the Court is to determine the meaning of the second phrase *in context*, i.e., in light of these two limits. Viewed contextually, it is clear what a 'revised form or version of a particular collective work' means in the periodicals context. *It means a different edition of the same issue of a newspaper or magazine.*

In the final analysis, therefore, what § 201(c) permits a publisher to do is what a news source *should* be able to do: update its news over the course of a day and bring news that occurs in a particular region *to that region*. In other words, it permits the publisher to include a contribution in more than one edition of the same issue over the course of a day and in different editions that it creates contemporaneously for different geographic regions. The newspaper publishers involved in this case published both types of editions. (A157, A159, A189-191)

For the reasons that follow, the phrase "any revisions of that collective work" cannot mean more than this in the periodicals context.

a. A "Revision" Does Not Include Later Works That Are Not Collective Works Or Later Collective Works In A Different Series.

As drafted and enacted into law, § 201(c) provides, in its last phrase, that part of the privilege enjoyed by the collective work publisher, in the absence of an express transfer, is the privilege of reproducing and distributing a contribution as part of "any later collective work in the same series."

The Court below mentions this last phrase only once in its decision - when it first quotes § 201(c) in its entirety. (A416) After that, it never again mentions the third phrase of the privilege in either of its two Opinions.

While it has not been invoked by the defendants in this case, the inclusion of the third phrase in § 201(c) is clearly a reliable indicator of the intended scope of the privilege in both an affirmative and negative sense. See, generally, Freightliner Corp. v. Myrick, 514 U.S. 280 (1995); National Railroad Passenger Corp. v. National Ass'n of Railroad Passengers, 414 U.S. 453, 458 (1974). The very fact that Congress saw fit to expressly provide for the reproduction and distribution of a contribution as part of any "later collective work in the same series" strongly implies that it was not authorizing the reproduction and distribution of contributions as part of later works that are not collective works or later collective works that are not in the same series. See, Botany Mills v. U.S., 278 U.S. 282, 289 (1929) ("[w]hen a statute limits a thing to be done in a particular mode, it includes the negative of any other mode.") See

also, Transamerica Mortgage Advisors v. Lewis, 444 U.S. 11, 19 (1979); Securities Protection Investment Corp. v. Barbour, 421 U.S. 412, 419 (1975); National Railroad Passenger Corp., supra; TIME Inc. v. U.S., 359 U.S. 464, 471 (1958).

Any doubts about relying on the negative implications of § 201(c)'s third phrase are eliminated by the legislative history, which confirms that the second sentence of § 201(c) was not intended to permit the inclusion of freelance contributions "in a new anthology or an entirely *different* magazine or *other* collective work"--in other words, in later works that are not in the same series. H.R. Rep. No. 1476 at 122-23 (emphasis added).

b. "Any Revision" Is Limited By The Terms Of The Act To Any "Revision Of That Collective Work."

The Court below read the second phrase of § 201(c) as though the words "any revision" appeared therein without limitation, ignoring the subsequent statutory terms--"of that collective work"--that follow in the statute.³¹ The statute does not grant a privilege to reproduce and distribute the works of freelance authors in "any revision" made by the holders of copyright in the collective work, but only in revisions of the *same collective work* in which the freelance article originally appeared.

When this limitation is read in combination with the injunction in the House Report³² against including a contribution in any new

³¹ This phrase refers back to "the particular collective work" referred to in the previous phrase, which was the original collective work in which the contribution appeared.

³² See H.R. Rep. No. 1476 at 122-23.

anthology-- i.e., any "collection of literary pieces of varied authorship"³³ - it becomes clear that publishers are precluded from removing a freelance contribution from its context in a newspaper and depositing it into a multi-source database. It becomes equally clear that the publishers cannot license the database defendants to create these electronic anthologies for them. After all, what cannot be done directly cannot be done indirectly, either. Thus, even if the publishers had a transferable privilege, it would not have been sufficiently broad as to allow for placement of the article in new anthologies created by third parties.

c. At A Minimum A Revision Consists
Of More Than One Article.

At the other end of the spectrum, a revision of a collective work cannot consist of a *single article standing alone*. This is necessarily so because a publisher can only reproduce and distribute an article as part of a particular "revision", which means that the "revision" must consist of more than the single article. It is single articles, standing alone, however, that NEXIS publishes. See, Statement of Facts, ante, and (A97-106, A241-248, A251-253).

³³ The American College Dictionary (Random House, Inc. 1964) at p. 52; see also The New Columbia Encyclopedia (4th Ed., Columbia University Press, 1975) at p. 116.

Counsel have taken care to consult dictionaries that would have been in use at the time the House Reports were drafted. See H.R. Rep. No. 2237 at 116-17; H.R. Rep. No. 1476 at 122-23.

5. Whatever Else § 201(c) Was Intended To Mean, It Was Never Intended To Be Construed As Giving The Owner Of Copyright In A Collective Work Permission To Use Its Collective Works In Conjunction With Computerized Information Storage and Retrieval Systems.

The fact that Congress did not interpret § 201(c) of the Act as giving the owners of copyright in collective works the right to use those works in conjunction with electronic search and retrieval systems is confirmed by the passage of § 117 of the Act at the same time § 201 was passed. Having decided that the question of "computer uses" needed further study, Congress enacted § 117 so as to prevent sections of the Act that would otherwise have authorized persons to use works in conjunction with search and retrieval systems from having that effect until the committee that was set up to study the question could complete its mission.³⁴ In other words, § 117 was intended to operate as a moratorium on legislating with respect to such uses. Significantly, Congress specified the precise sections of the Act that were subject to the moratorium and *did not include section 201(c)* among those sections. (It made sections 106 through 116 and 118 of the Act subject to the moratorium.) 17 U.S.C. § 117.

³⁴ 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 § 117 of proposed Act).

There are two possible explanations: either Congress intended to give periodical publishers a right that it was simultaneously denying everyone else³⁵ - i.e., the right to use its works in conjunction with electronic information storage and retrieval systems -- or there was no need to subject § 201(c) to the moratorium since it didn't authorize such uses in the first place. The latter is the only rational explanation. It is inconceivable that Congress thought that § 201(c) conferred the right to use collective works in conjunction with such systems and yet failed to subject § 201(c) to the moratorium.

II. THE COURT BELOW ERRED IN GRANTING SUMMARY JUDGMENT TO MEAD ON THE SECTION 201(c) CLAIMS. IT SHOULD HAVE ENTERED SUMMARY JUDGMENT ON THESE CLAIMS IN PLAINTIFFS' FAVOR.

A. The Database Defendants Did Not Have Standing To Invoke The § 201(c) Privilege.

The only party with standing to invoke the privilege provided for in 17 U.S.C. § 201(c) is "the owner of copyright in the collective work" in which a freelance article first appeared. (A444 at n.11)

The database defendants in this case do not meet this qualification. They are not the owners of the copyright in the collective works in which plaintiffs' articles first appeared; the publisher-defendants are the owners. (A157-193; Exh. 40 M003709-3711 ¶¶ 1.2, 3.2) Similarly, they are not agents of the owners. (CA 1-2)

³⁵ There is no support in the legislative history for this position.

Moreover, they cannot be said to have secured standing by virtue of a transfer of the privilege from the publisher-defendants since the privilege is not transferable. See, discussion, ante, at pp. 24-34.³⁶

Even if the privilege were transferable, the fact is that it wasn't transferred.³⁷ (A118-120; Exh. 40 M003710 at ¶ 3.1 and M003719 at Schedule A, ¶¶ I and II(5)).

B. In Any Event, The Database Defendants Have Exceeded The Scope Of The Privilege Provided For In § 201(c).

Even assuming, *arguendo*, that Newsday could properly authorize Mead to exercise the privilege provided for in § 201(c), there can be no question but that Mead has far exceeded the bounds of the privilege. It has exceeded its bounds in three ways: (1) by reproducing and distributing plaintiffs' articles as part of newly created works (i.e., the databases) that do not qualify as § 201(c) works; (2) by authorizing others to reproduce, distribute and display plaintiffs' articles as *stand-alone* works (i.e., permitting them to be individually displayed on a screen); and (3) by authorizing others to

³⁶ See also, Transcript of Oral Argument at 6-7, wherein Mr. Keller acknowledged that any "right" the publisher-defendants had to place the freelance writers' work on-line was non-exclusive of plaintiffs' rights to do the same. Given this acknowledgment, the publishers can't be said to have received anything more than a non-exclusive "right" under § 201(c). As established earlier, non-exclusive licenses aren't transferable. See, discussion, ante, at pp. 29-30 re: defendants' seeming acknowledgment at Oral Argument that all they had was a non-exclusive license.

A non-exclusive license, not conveying a property interest in copyright, does not provide the licensee with standing to sue. See, 3 Nimmer § 10.02[A]. Nor does it put the licensee in the shoes of the copyright owner and allow it to invoke the owner's privilege.

³⁷ Mead wasn't given the right to use selected syndicated materials and freelance materials in NEXIS. (Exh. 40, M003719, Sched. A at ¶ II(5)). It cannot be said to have a right, therefore, that either overlaps or coincides with the § 201(c) privilege.

reproduce, distribute and display plaintiffs' articles as part of new user-defined anthologies and different collective works (i.e., as part of search results).

1. Defendants Have Authorized Third Parties To Reproduce, Distribute And Display Plaintiffs' Articles Either As Stand-Alone Products Or As Part Of New Anthologies.

Defendants have accomplished the first of these objectives - i.e., making freelance articles available as stand-alone products -- by so electronically configuring, encoding, marking and tagging individual articles as to make each one individually retrievable. See, Statement of Facts (hereinafter "SOF" at pp. 7-12, ante.) As part of this process, they have taken steps to ensure that each article is contained in an independently accessible electronic file and that each has a separate and unique accession number. See, SOF at pp.9-11, ante.

Defendants have accomplished the second of these objectives - i.e., making freelance articles available as part of new anthologies, different magazines and other non-§ 201(c) collective works -- by including these newly independent articles in a database that contains hundreds of millions of other articles that have been similarly removed from the collective works in which they originally appeared. See, SOF at p. 11, ante. They have further accomplished this objective by indexing keywords to all of these articles, so that users can create "anthologies" of articles, from different publications, that relate to a common theme. See, SOF at pp.10-11, ante.

In taking steps to accomplish each of these objectives, the defendants have violated § 201(c). They have violated § 201(c) by making plaintiffs' articles available as stand-alone works, because the privilege only permits them to reproduce and distribute contributions as part of collective works. 17 U.S.C. § 201(c). They have violated § 201(c) by making plaintiffs' articles available as part of new anthologies because House Report No. 1476 explicitly prohibits the inclusion of a contribution "in a new anthology or an entirely different magazine or other collective work."³⁸ H.R. Rep. No. 1476 at 122-23.

2. The Database Defendants Have Reproduced And Distributed Plaintiffs' Works As Part Of Works Not Authorized By § 201(c).

The database defendants have overstepped the bounds of § 201(c) by reproducing and distributing plaintiffs' articles as part of the databases proper.

The databases are not § 201(c) works for the following reasons.

a. They Have Been Created By Persons Other Than The Defendant-Publishers And Are Not Collective Works.

To qualify for the § 201(c) privilege, the work in which a contribution is first reproduced or distributed must be a collective work. Furthermore, if an article or story has already appeared in one collective work, the revised collective work in which it appears must

³⁸ In NEXIS and "General Periodicals OnDisc," defendants have authorized plaintiffs' articles to be combined with articles from other publications. In "New York Times OnDisc," they have authorized them to be combined with articles from other issues of the same publication. In each instance, the result is: new anthologies and different collective works.

be by the same publisher.³⁹ See, discussion, ante, at p.34. The databases in question do not meet either of these qualifications. They have not been authored by Newsday Inc. and are not collective works.⁴⁰

The Copyright Office does not consider databases collective works. See, A Report on Legal Protection for Databases, A Report Of The Register of Copyrights, U.S. Copyright Office, August 1997. See also, Copyright Office Circular 65, Copyright Registration for Automated Databases, at p.2. Commentators and legal scholars do not consider them collective works. See, William S. Strong, Database Protection After Feist v. Rural Telephone Co., 41 Journal of the Copyright Society, 34 (1994) (databases are compilations); Marybeth Peters, The Copyright Office and the Form C Requirements of Registration of Claims to Copyright, 17 Univ. of Dayton L. Rev., 737 (1992) (databases are compilations); John F. Hayden, Copyright Protection for Computer Databases After Feist, Harvard J. Law & Tech., 215 (1991). Finally, neither the Court below⁴¹ nor the parties

³⁹ The House Reports have been unfailingly clear on this point. See, e.g., H.R. Rep. No. 2237 at 116-17

⁴⁰ Although a "collective work" is a species of "compilation," it differs from a mere compilation in two respects: (1) a collective work is formed out of preexisting materials that were themselves "separate and independent works," and (2) these works or preexisting materials must be "assembled into a collective whole." NEXIS clearly satisfies the first of these criteria. Viewed from the perspective of the average or ordinary observer, however, it does not satisfy the second.

⁴¹ The Court made the error of concluding that because the databases were not collective works, they also were not new works. See (A452 n. 13). It then inferred from the erroneous conclusion that they were not new works that they must simply be "revisions." Each of the Court's conclusions except the first--i.e., that a database is not a collective work-- is wrong. The databases clearly qualify as New "works." (Indeed, each day's generation of database constitutes a new

considered them collective works. (A452; Transcript of Oral Arg., p. 26).

In fact, plaintiffs in this case painstakingly showed how the newspaper defendants, including Newsday, deconstructed their collective works, eliminating any originality that they had contributed to the works and dissolved them back into their component parts. (A91-97). Plaintiffs' further showed how they then discarded the components they didn't think had commercial re-use value and sent the remaining components--which were articles--on to Mead. (A94-97). They sent them to Mead as separate and discrete data files, with each article packaged in a separately accessible file. (Id.).

What the defendants ended up with, in the words of a UMI representative, was "word for word, punctuation for punctuation" the same "series of words exactly as they appear" in an individual article--without the layout, format and both textual and graphic content that informs a collective work. (Exh. 31, pp 30-31). Astonishingly, the copyright notice that has been attached to the freelancers' words reads "Copyright Newsday, Inc." See, (A141-143; Exh. 40, M003711 at ¶ 3.2).

- b. The Databases Would Not Qualify As § 201(c) Works Even If This Court Were To Conclude That They Are Collective Works Because They Would Be Later Works In A Different Series.

work.) And, they are unquestionably copyrightable. See, A Report on Legal Protection for Databases, A Report Of The Register of Copyrights, U.S. Copyright Office, August 1997; and Copyright Office Circular 65, Copyright Registration for Automated Databases. To the extent that the Court below suggests that undersigned counsel took any other position, see (A452 n. 13), it was mistaken.

Even assuming, *arguendo*, that this Court were to conclude that one or another of the databases constituted a "collective work," it is clear that each new generation of the NEXIS database and each new CD-ROM disk would constitute later collective works in a "series" that is clearly not the "same" as the series of daily newspapers in which the articles first appeared. Each, likewise, would represent a new anthology and, thus, couldn't qualify as a § 201(c) work.

c. The Databases, In Any Case, Do Not Qualify
As Revisions Of "That Particular Collective Work."

Even if the Court were to conclude that the databases need not be collective works to come within the purview of the second phrase, they would still have to qualify as "revisions of that collective work" within the meaning of that phrase in order to qualify as § 201(c) works. They do not.

While generation 101 of the NEXIS database may be a "revised version" of generation 100 of the same database, it is not a revised version of the January 19, 1992 issue of Newsday.⁴² In reaching a contrary conclusion, the Court below made a number of fundamental errors.

- 1) The Court Below Applied The Wrong Test To Determine Whether The Databases Were "Revisions" Of Individual Issues Of The Publisher-Defendants' Publications.

The question before this Court is not whether NEXIS or one of the other databases infringed a particular issue of Newsday, but whether

⁴² Conversely, while the Nassau edition of Newsday may be a "revised version" of the Suffolk edition (or vice versa), neither is a revised version of an earlier generation of database or equivalent to the next generation, i.e., NEXIS 101.

the database constitutes a revised version of that particular issue of Newsday. The two questions are very different and focus on different things. We discuss these differences in the context of periodicals and not in any other context.

The first question focuses on the question of how much of the creativity that went into putting together the collective work has been appropriated and whether the appropriation was or wasn't authorized. Stated otherwise, it focuses on how much of the first work, which we shall call "work A" for these purposes, "work B" has appropriated.⁴³ The second question focuses on a very different calculation -- i.e., how much of work B consists of work A? And, whether work B is defined by what it has "borrowed?"

While only a little 'borrowing' will go a long way toward establishing an infringement,⁴⁴ even a wholesale appropriation of A won't make B a "revision" of A unless the portion of B that derives from A represents a dominant and defining portion of the whole.

⁴³ Having mistakenly concluded that the question of whether B represents a revised version of A reduces to the question of whether B would infringe A, the Court below contented itself with determining "whether the electronic reproductions retain enough of defendants' periodicals to be recognizable as versions of those periodicals." (emphasis added). (A455). See also (A454) ("Court's approach . . . focuses upon that which is retained electronically . . . as opposed to that which is lost"). Determining how much of A is retained, however, doesn't establish how much of B it represents.

⁴⁴ See, e.g., (A456 n.15), where the Court below noted that "relatively little copying is required to render an allegedly infringing work 'substantially similar' to a wholly original creation." See also (A445) ("because compilations, and collective works, are characterized by the fact that they possess relatively little originality, defendants must walk a fine line in their efforts to revise their collective works"), and (A450) ("[t]he amount of creativity required for copyright protection of a compilation is decidedly small").

Stated otherwise, the portion of B that derives from A must reach a critical presence or mass before it would be fair to say that periodical B is a variant of A or "revised version" of it. Even then, B might not represent a revision of A if the nature or thrust of the works are different. Obviously, a number of factors determine whether the critical level to which we have referred is reached and, if so, when: the amount of material that is borrowed from A, the amount of material in B that derives from other sources or is wholly "original" to B, the relative amounts of material, the character of the material in each instance, the purpose to which the material is being put, the degree to which the material from A is immersed in B,⁴⁵ and, finally, whether the material from A is dispersed throughout B, as here, or maintained intact.

Ultimately, of course, the question is one of recognizability, as the Court below acknowledged, see, (A443),⁴⁶ and the greater the degree of immersion and dispersion, the less likely it is that B will be recognizable as a variant of A.

Clearly, the fact that it takes so little to infringe a work, see, (A456 at n. 15), should mean that there are many more works that would theoretically infringe A than would be revisions of it. To say, notwithstanding this fact, that all works that could infringe A are

⁴⁵ The Court below expressed its belief that whether or not there has been any "immersion" is irrelevant to the question of whether B infringed A. See (A452-453). Even if that were true, the question of immersion is clearly *highly* relevant on the question of whether B is a revision of A.

⁴⁶ In the words of the Court below, "a new work must be recognizable as a version of a pre-existing collective work if it is to be fairly characterized a revision of 'that collective work.'" (A443).

revisions of it is to give publishers far greater protection under § 201(c)'s "revision" umbrella than they are entitled to.

2) Even Assuming, Arguendo, The Appropriateness Of The Test, The Court Below Applied It Improperly.

Even, assuming, arguendo, that the "substantial similarity" test that the Court below devised was an appropriate one, the Court went on to apply it incorrectly. That is, it applied it *as though the publisher's newspapers were factual compilations, rather than collective works, when they weren't.*

Relying on a line of cases pertaining to factual compilations,⁴⁷ the Court below concluded that it was only necessary for the databases to be "substantially similar" to the defendant's periodicals in terms of *either* selection or arrangement, but not both. Instead of attempting to ascertain whether the databases and collective works were "substantially similar" *as a whole*, the Court asked only whether the databases copied "*either* the original selection or the original arrangement" of individual issues of the periodicals. See, (A455-456, also at A447-449, 451, 455) (emphasis added) "If the disputed periodicals manifest an original selection or arrangement of materials, and if that originality is preserved electronically," the

⁴⁷ The Court below admits at page 41 of its Opinion that the "two step approach [it has adopted to determine whether the databases at issue constitute "revisions" of the defendant-publisher's collective works] is closely analogous -- virtually identical -- to the analysis undertaken by those courts confronted with claims of copyright infringement *brought by the creators of factual compilations.*" (A 447) (emphasis added). See (A450) ("this Court's revision analysis mirrors the Supreme Court's compilation infringement analysis") and at (A455) (referring to the "compilation infringement cases ... [as] hav[ing] ... informed so much of the analysis in this decision").

Court below held, "then the electronic reproductions can be deemed permissible revisions of the publisher defendants' collective works". (A448-449) (emphasis added).

The flaw in the Court below's reasoning is that the conclusion it derives from the 'factual compilation infringement' cases - i.e., that publishers need only preserve an original selection or arrangement - cannot be applied to periodicals. It works for factual compilations because the only originality they allow is either in the selection or in the arrangement.⁴⁸ This is not true of collective works. Unlike factual compilations, they are characterized by both an original selection and an original arrangement. *This is clearly true of the periodicals in this case.* (A126-135, A262-263). Thus, assuming the propriety of the "substantial similarity" test, the defendants should have been required to prove substantial similarity with respect to both selection and arrangement.⁴⁹ Conversely, they should have been required to prove the substantial preservation of both features of a collective work in order to qualify the databases as a "revision."⁵⁰

⁴⁸ See, e.g., Feist Publications v. Rural Telephone Service Co., 499 U.S. 340, 364 (1991) (selection, coordination or arrangement lacked requisite originality); CCC Information Services v. Maclean Hunter Market Reports, Inc., 44 F.3d 61, 67 (2d Cir. 1994), cert denied, 116 S.Ct. 72 (1995) (only original feature was selection). It follows that if you are attempting to determine whether a factual compilation has been infringed, all you have to prove is substantial similarity as to its one original aspect.

⁴⁹ See, Ideal Toy Corp. v. Fab-Lu Ltd., 360 F.2d 1021, 1022 (2d Cir. 1966) (since the total effect of the image is the key, one must compare both works in their entirety).

⁵⁰ By requiring the preservation of only one aspect -- i.e., selection -- what the District Court in effect found was that NEXIS was a revision of a *compilation* of all the components that went into making up an issue of Newsday, rather than a revision of the assembled collective work itself.

As the Court below conceded, the original arrangement of the collective works was not preserved. (A455).

3) In Any Event, The Conclusion That The NEXIS Database Preserves An Issue's Selection Intact Is Fundamentally Flawed.

The Court below erred in concluding that the defendants' databases preserve an individual issue's "selection". They do not.

In coming to a contrary conclusion, the Court made three errors:

(1) It defined the concept of "selection" in an overly narrow fashion, only including the *selection* (not arrangement) of "articles" in its scope and excluding the selection of graphics, advertisements, photographs and other text- and non-text elements that go into making up a newspaper. (2) It was not consistent in applying the requirement that, for selection to survive on-line publication, *all* articles from a single issue of a newspaper had to be included in any database, see, (A452);⁵¹ And, finally, (3) it confused the historical fact of selection (the exercise of creative judgment) with its expression in the publication of a particular issue.

In other words, it confused the fact that Newsday selected individual articles for publication -- or, indeed, even published them at some point -- with *the expression* that results from grouping articles, photographs, graphics, editorials, etc., *together* for publication in one issue. The first is simply an historical fact,

⁵¹ For instance, in the case of the Periodical Abstracts and General Periodicals OnDisc databases, the District Court found that the reproduction of all the articles from certain *sections* of an issue (e.g., the Book Review and Magazine sections), rather than the entire editorial content of the issue, would suffice.

which once done cannot be undone.⁵² The second is truly an issue's "selection"⁵³ and can be undone.

In this instance, defendants undid the integrity of the selection of each collective work at issue in two ways: first, by dispersing articles that had formerly been grouped together in an issue randomly throughout the database.⁵⁴ And, second, by authorizing the retrieval of each article so dispersed, separate and apart from all others.

The Court below concluded, notwithstanding these facts, that an issue's selection was "preserved" because: (1) all of the articles that had originally appeared in the issue are present in the database, albeit no longer as a group, and (2) each article retrieved from the database bears a citation to the issue in which it once appeared. Neither of these findings supports its conclusion that the collective works' selection was preserved. The first finding is simply irrelevant because while all of the articles that once appeared together in an issue might still be present in a totally dispersed and immersed state, there is no way of telling by looking at the database proper which articles are associated with the same issue.⁵⁵ By the same

⁵² For example, the fact that the article by Barbara Garson entitled "In JFK We Feel the Pull of Our Lost Innocence" appeared in the January 19, 1992 issue of Newsday is an historical fact that no amount of white-out can undo. As an historical fact, it is not protected by copyright. See, Feist, supra at 1287.

⁵³ The District Court would itself appear to have recognized this fact, see (A445), where it noted that it is in large part the element of "compilation" that makes a work "identifiable as 'that collective work.'"

⁵⁴ See, Transcript of CD-ROM Demonstration at pp. 41, 44-45.

⁵⁵ It is only once an article is retrieved that the text of the article is displayed together with a header or segment noting the date and title of the periodical in which the article appeared. See Transcript of CD-ROM Demonstration at p 45. See, also (A446) ("headers

token, the citation that appears on an article, once it has been retrieved from the database, only tells you which issue that article appeared in, but nothing about the other articles that appeared with it. (Compare, A128-129, A141-143) Put otherwise, the citation records the fact of *the article's* selection, but doesn't express, elucidate or convey *the issue's* selection in any way.⁵⁶ It is the latter, however, that the Court below found had to be preserved for a database to constitute a revision.

4) Even If NEXIS Were A Revision, It Clearly
Would Not Be A Revision "Of That Collective Work."

Even if, notwithstanding the above, NEXIS were to be characterized as a "revision," it could not be a revision "of that collective work," i.e., of the specific issue or issues of *Newsday* in which appellants' articles appeared.

The reason is obvious: the NEXIS database is not recognizable as a version of an issue of *Newsday*. See, (A443) ("a new work must be recognizable as a version of a preexisting ... work if it is to be

appear with each article identifying the author, and the publication and page in which the article appeared"). This information is not visibly associated with the article before it is retrieved--i.e., while it is in the database proper.

⁵⁶ To the extent that the District Court permits a citation to substitute for a work, it appears to suggest that conjuring up the "idea" of the work is the same thing as replicating its expression. The two are not equivalent.

Similarly, to the extent that it seeks to reward creativity directly -- rather than indirectly, i.e., by protecting any resulting fruits or copyrightable expression -- the Court below gives new life and meaning to the doctrine affectionately, albeit dismissively, referred to as "sweat of the brow". In the form in which it has been revived by the District Court, the doctrine might more appropriately be called "sweat of the highbrow." See, generally (A451-453 n. 14).

fairly characterized a revision of 'that ... work.'")⁵⁷ Thus, while generation 101 of NEXIS may well be recognizable as a version of generation 100 and be "substantially similar" to it, see, Point I(C) (1), ante, it will not be recognizable as or substantially similar to a discrete issue of Newsday. See, (A262-264). On the contrary, as the following comparison confirms, the disparities between the two are obvious. So obvious, in fact, that the ordinary observer would not be "disposed to overlook them . . . and regard the[] aesthetic appeal [of the two works] as the same." Arca Inst. Inc. v. Palmer, 970 F.2d 1067, 1072 (2d Cir. 1992) (quoting Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487, 489 (3d Cir. 1960) (Learned Hand, J.)) (material in brackets added).

- 5) Even Under the District Court's Test, NEXIS Could Not Be A Revision Because It Is Not "Substantially Similar" To The Collective Works at Issue.

A cursory examination of the two works confirms this conclusion:

. At last report, NEXIS contained more than 322 million news items, articles and other pieces of text from thousands of different information sources.⁵⁸ The periodicals at issue contain only about 150 articles, all from a single source.⁵⁹

. NEXIS contains items dating from a period that spans more than fifteen years. A daily newspaper features one day's news.

⁵⁷ See also, (A455) ("The question for the Court is whether the electronic reproductions retain enough of defendants' periodicals to be recognizable as versions of those periodicals").

⁵⁸ See, Exh. 49 M003218.

⁵⁹ See, Transcript of CD-ROM Demonstration at p. 31.

. NEXIS is electronically searchable. An issue of Newsday is not.

. NEXIS permits the user to mix and match the millions of articles in its inventory and to create new and different anthologies. The articles in a newspaper are fixed.

. The articles in a newspaper relate to a multitude of topics. The articles retrieved from a database, generally, relate to only one.

. Each article in a newspaper is presented in a specific graphic and textual context. The articles in a database are essentially without context.

. NEXIS users can only retrieve articles from the database. They cannot retrieve and view a whole host of other things--i.e., photographs, graphics, masthead, captions, weather reports, sports scores, letters to the editor, comics, cartoons, crossword puzzles, etc. Newsday's readers, on the other hand, can view all of these things.⁶⁰

. A NEXIS user can only display one article at a time. Newsday permits you to browse an entire issue or scan an entire page.

. Finally, NEXIS permits the user to view material that was printed a week ago, a year ago, a decade ago on the same subject. "If there is related matter" in a newspaper, "it is in that day's paper and the reference will be to a page number in the paper." (A263).

⁶⁰ The District Court admits at p 48 of its Opinion that "[t]here is no avoiding that much of what is original about the disputed publications is not evident online or on disc." (A454)

Given these striking disparities, a reasonable jury, properly instructed, would be constrained to find that the works were not "substantially similar." It necessarily follows that it was Plaintiffs who were entitled to summary judgment, not Defendants. Williams v. Crichton, 84 F.3d 581, 587 (2d Cir. 1996).⁶¹

6) Recap.

In the final analysis, the Court's decision rests on its finding that "if NEXIS was produced without the permission of The New York Times or Newsday or Time, these publishers would have valid claims of copyright infringement against MEAD," (A457), and the further unstated assumption that if NEXIS infringed the publisher's copyright in the collective work, it couldn't also infringe the writer's copyright in his or her contribution. As discussed earlier, the tests for infringement and revisions are not mirror images: A work may well meet the test for infringement and fail to meet the test for a revision. Furthermore, given the unique properties of a database, neither of the District Court's propositions is valid as the following hypotheticals make clear.

Hypothetical # 1: Assume that "A" is a collective work composed of 100 contributions by 100 different freelance authors.⁶² Assume,

⁶¹ At the very least, plaintiffs raised genuine issues of material fact that should have been left to the jury: Whether generation "X" of NEXIS constitutes a "revision" of the Sunday January 19, 1992 issue of Newsday? And, if so, whether defendants made appellants' articles available only "as part of" that revision or also *separate and apart* from it?

⁶² We shall assume that all of the contributions to the collective work are freelance contributions, so as to avoid "work-for-hire" and "assignment" issues that are not presented by this case.

further, that in addition to getting articles and other materials from publishers, Mead (or any other database producer) has developed an impressive stable of freelance writers from whom it also regularly gets material. See(CA3-4).

Assume that Mead gets all 100 articles from the 100 different authors whose work appeared in collective work "A." Assume, further, that although Mead has not been authorized by any of them to place the articles on-line, it does so nonetheless. In fact, it places each article on-line as an independently accessible unit that can be retrieved by "name of author" and/or "title of the article". Once added to the database, the latest generation of NEXIS contains 322 million one hundred articles.

Does this generation of NEXIS infringe "A"? No, *not even though all 100 articles that appeared in "A" are present in the database.* Is it a revision of "A"? No. Does it infringe the 100 freelancers' copyrights in their contributions? *Absolutely.*

Hypothetical # 2: Now assume that in addition to making each of the articles retrievable by "author" and "title of article," Mead also makes the articles retrievable by common "keywords," topical categories and personal names. Put otherwise, assume that Mead has now made each of the 100 articles retrievable *in combination with articles* from a great number and variety of periodicals - i.e., from tens of thousands of sources.

Does this generation of NEXIS infringe "A"? Again, the answer is "no" and, *again, not even though all 100 articles are present in the*

database. Is this generation of NEXIS a "revision" of "A"? No. Does it infringe the freelancers' copyrights? Once again, the answer is "Yes."

Hypothetical # 3: Finally, assume that in addition to making the articles retrievable in the fashion referred to in the previous two hypotheticals, Mead also made each of the 100 articles searchable by "title of publication" and "date of issue."

Would this generation of NEXIS database infringe "A"? *Perhaps*.⁶³ Would it be a revision of "A"? Hardly. And, even if it *did* infringe "A," would that mean that it *didn't* infringe the freelancers' copyrights in their contributions? *Of course not*. The fact that Mead has provided one way of viewing documents in its inventory that *might* infringe "A" *doesn't* mean that *other* ways of viewing some of those documents don't infringe other people's rights. Stated otherwise, the fact that the database might now also infringe "A" doesn't mean that it doesn't still infringe the freelance writer's rights or that those infringements suddenly don't count.

And, yet, in effect, this is ultimately what the Court below ruled.⁶⁴

⁶³ In point of fact, appellants believe that the publishers' rights would *only* be infringed if the database displayed all 100 articles as *one integrated document or work*, rather than as 100 disparate "hits" among which the user can cherry-pick.

⁶⁴ See (A448-449, 458), wherein the District Court suggests (1) that if the electronic defendants "merely exploit" the component parts of their works, they infringe the plaintiffs' rights, but (2) that if they *also* infringe an aspect of the collective work, the infringements of the component parts no longer count.

How did it come to this conclusion? How did it so completely eclipse freelancers' rights? First, by incorrectly concluding that the presence of all 100 articles in the database necessarily means that the collective work has been reproduced and, therefore, infringed and, then, by further incorrectly concluding that any work that reproduces enough of the collective work to infringe it is necessarily a "revision" of it.

Not surprisingly, the moment one abandons the infringement test and focuses on the true question before the Court - i.e., whether it is fair to say that NEXIS is recognizable as a revised version of an issue of Newsday - it becomes obvious that the categorical answer is: No, obviously not.

III. THE COURT BELOW ERRED IN GRANTING SUMMARY JUDGMENT TO NEWSDAY ON THE § 201(C) CLAIMS. IT SHOULD HAVE ENTERED SUMMARY JUDGMENT ON THESE CLAIMS FOR APPELLANTS.

Courts and commentators have long recognized the existence of two types of third-party liability in copyright law: "contributory liability" and "vicarious liability". "[K]nowledge and participation [are] the touchstones of contributory [liability]....", 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), while financial benefit and control are the touchstones of vicarious liability. Id. See also, generally, regarding contributory infringement: Gershwin Publishing Corp. v Columbia Artists Mgt Inc., 443 F.2d 1159, 1162 (2d Cir. 1971); 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). Regarding vicarious liability, see, Shapiro Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 307 (2d Cir. 1963); Gershwin, *supra* at 1162, Peer Int'l Corp. v. Luna Records, Inc., 887 F. Supp 560 (SDNY 1995).

Newsday is liable in this case on both theories. It provided Mead with copies of the articles in question. It configured the articles in accordance with Mead's requirements. It assigned each a unique accession number. It provided Mead with key words, topic identifiers and segment information. It made the articles amenable to Boolean searching. And, significantly, it took all of these steps for *the express purpose of* enabling Mead to incorporate the articles into the database and make them available *both* on a stand-alone basis and in combination with articles from other publications. (R at Exh. 40 M003710 ¶ 3.1).

Although Newsday had the right to demand that Mead not place freelance articles on-line or that it remove them from NEXIS, see Exh. 40, M003711 at ¶ 3.4, M 003719 at II, it did not exercise this authority. (Exh. 8 ¶ 375, 377, 427, 429). Finally, Newsday derives a financial benefit from its license with Mead and the provision of these materials. (Exh. 21 ¶25; Exh. 22 ¶25, 61; Exh.40 M003712; Exh. 41 T000010-13).

In addition to being liable for having aided and abetted *Mead's* infringements, Newsday is liable in its own right for having reproduced and distributed plaintiffs' articles other than as part of its collective work, a revised edition thereof or a later collective

work in the same series. It is also liable for having authorized their further reproduction, distribution, performance and display as either stand-alone works or as part of new anthologies.

CONCLUSION

For the reasons stated, the District Court's judgment and order should be reversed, summary judgment on the issue of liability entered in Garson's and Robbins' favor and the case remanded to the District Court for further proceedings.

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