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Copyright Developments You Should Know About

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In 2001, the United States Supreme Court handed down one of the most significant copyright cases it had decided in decades. In that case, *New York Times Co. v. Tasini*, the Supreme Court confirmed what many of the lower courts had earlier stated, namely, that the copyright laws of the United States do apply in cyberspace. It also attempted to clarify some of the rules with respect to this form of new technology and to establish guidelines for the future. The Supreme Court then remanded the case to the original trial court for adjudication based on the new rules.

Shortly before the Supreme Court’s pronouncement, a number of prominent authors (including Derrick Bell, E. L. Doctorow, Lettie Cotton Pogrebin, and James Gleick), as well as the American Society of Journalists and Authors, the Authors Guild, and the National Writers Union, filed a class action against numerous publishers and database companies, including the New York Times, Time, Inc., the Wall Street Journal, Dow Jones Interactive, Knight-Ridder, Lexis-Nexis, Proquest, and West Group for copyright infringement, based on facts similar to those in the *Tasini* case. In both this case, *In re Literary Works in Electronic Databases Copyright Litigation*, and the *Tasini* case, it was noted that it was typical for independent writers to sell their articles to publishers without a written agreement. Customarily, it was argued, the arrangement was for the publisher to have only first publication rights for the article, whereas all other rights were retained by the author.

In the 1980s and 1990s, when electronic communication emerged, many publishers, such as those involved in the *Tasini* and *Literary Works* cases, either created electronic databases themselves or entered into arrangements with electronic publishers to have articles included in electronic databases. When the authors whose works were involved learned that their materials were being made available online without their consent, the litigation began. In the *Tasini* case, several freelance authors sued the New York Times Co., Newsday, Inc., and Time, Inc., for those publishers’ licensing of electronic rights to Lexis-Nexis and University Microfilms.
International.

It was the authors’ position that the publishers had acquired only the right to first publication for their articles in a tangible newspaper or periodical, and, since all other rights were retained by the author, publication online without the authors’ permission was unauthorized. The publishers argued that the electronic publication of the articles was simply a “revision” of the original collective works, expressly permitted by the U.S. Copyright Act.

The Supreme Court agreed with the authors’ position. The Court made it clear that publishing online is not merely a “revision” since the articles were not published in the same context and noted that the databases offered individual articles rather than intact periodicals.

The Supreme Court’s approval of republication of an article when the republication is in the same context was recently relied on by the United States Court of Appeals for the Second Circuit in another landmark case, Faulkner v. National Geographic Enterprises, Inc. In this case, many authors and photographers whose works appeared in National Geographic magazines over the years filed suit against the publisher alleging that it infringed their copyrights when it distributed a collection of CDs containing the entire collection of National Geographic magazines from 1888 to 1996. It was the position of the complainants that republication of their copyrighted works in electronic form without permission was an infringement. This position had, in fact, previously been upheld by the United States Court of Appeals for the Eleventh Circuit in Greenberg v. National Geographic Society, in which the magazine was held liable for copyright infringement.

The Second Circuit distinguished the earlier Eleventh Circuit case, however, because it predated the Supreme Court’s pronouncement inTasini and was apparently inconsistent with the Supreme Court’s position on electronic publishing. It is now clear that at least in the area covered by the Second Circuit (which includes New York, Connecticut, and Vermont), republication of the works in a different medium is permissible so long as that republication is in context (i.e., the entire newspaper or periodical). In this case, the court noted that the National Geographic reproduction of the articles preserved the context and was, in fact, similar to reproduction on microfiche, which the Supreme Court had expressly approved as a simple legal conversion from one medium to another. The National Geographic articles appeared exactly as they had within each issue; the entire magazine was scanned, showing the page numbers, photographs, and advertisements exactly as they had appeared in the original magazine.

Presumably based on the holding in Tasini, the District Court for the Southern District of New York recently gave preliminary approval for a settlement of between $10 and $18 million to be paid to the authors involved in the Literary Works case, which involved articles that were not reproduced exactly as they had originally appeared. The actual amount to be paid depends on a number of factors, including copyright registration, the original fee paid, the year published, and whether the writer permits future electronic publication.

There is a host of lessons to be learned from these cases by writers and photographers, as well
as publishers. The first – and perhaps most important – is that the publishing landscape is in flux. Arrangements with publishers are subject to interpretation by the courts, but the rules in effect today may very well change tomorrow. It is for this reason that authors, photographers, and publishers should reduce their agreements to writing. It is also important to have those agreements reviewed by attorneys who have experience with intellectual property so that ambiguities can be avoided, since an ambiguous written contract may be even more problematic than an oral contract.

It is also important for those involved in communication arts to recognize the fact that the World Wide Web and electronic publishing are established in today’s publishing world, but it is difficult to predict what will come next. Unlike its predecessors, the 1976 Congress recognized that the world was in technological expansion and that new media were inevitable when it revised the copyright law to include language that would deal with media which was “now known or later developed.”

Publishers are generally sensitive to this fact, and it is quite common for them to use the broad language of the statute in their publishing agreements. Writers and photographers are also beginning to recognize the importance of having written agreements for their works that anticipate future uses.

Another issue that was significant in the Literary Works settlement was copyright registration. The settlement approved by the Court in Literary Works distinguished the amounts available for the settling author by, among other things, whether the works were registered. Those writers whose works were registered before the infringing acts occurred were entitled to a greater amount of the $18 million settlement than were the authors whose works had not been registered. In fact, the amount available for registered works was up to 25 times more than that for unregistered works.

Many writers and photographers do not timely register their works. It seems to be their position that the cost of registration need not be incurred since the statute provides copyright protection without registration. While this is true, it is somewhat shortsighted because any infringer of a work that is not registered will not be liable for statutory damages or attorneys’ fees. The law provides that those infringers will be liable only for the copyright owner’s actual damages, that is, the copyright owner’s losses resulting from the copyright or the infringer’s profits, whichever is greater.

Unfortunately, most infringements are discovered when the infringer has not earned much profit, and it is rarely possible to prove with particularity that the copyright owner was deprived of profit because of the infringement. As a result, recovery of actual damages is often far less than the cost the copyright owner incurs in litigating the case. If, therefore, costs and attorneys’ fees are not recoverable, then copyright owners will find it economically impractical to redress an infringement. Even the other remedies available, namely, an order to prevent future infringement and an order to have the infringing works destroyed, will likely not provide the copyright owner
with the financial incentive to redress the wrong.

Copyright registration is by no means difficult. The forms are available online from the Copyright Office at www.copyright.gov. By downloading a form, filling it out, depositing two of the best copies of the work when published (only one copy is required if unpublished), and paying a $30 registration fee, the work will be registered in due course. As of the date of this writing, the turnaround time for copyright registration is approximately eight months, though an expedited registration can be obtained by paying an additional $580. For this additional $580, a registration will be accomplished within two weeks. Given the significant additional cost for expediting the registration, copyright owners generally expedite registrations only when it is important to do so for purposes of litigation.

The Copyright Office has been sensitive to the financial stress that registration imposes on many creative people. It was for this reason that in the year 2001, a regulation was adopted that permitted photographers the ability, in some circumstances, to register groups of photographs with a single application, single filing fee, and a single deposit. If photographs in a group are all by the same photographer, the copyright claimant is the same for all photographs and the photographs are published in the same calendar year, then a photographer can register that group of photographs with one application. The savings could be enormous for a prolific photographer.

At the same time, rules for deposits for unpublished collections of photographs were liberalized. The following variety of deposit options were made available for those registering either published or unpublished groups of photographs: CD-ROMS, DVD-ROMS, unmounted prints measuring at least three inches by three inches but not exceeding 20 inches by 24 inches, contact sheets, slides with single or multiple (up to 36) images, the format in which the photographs were published (e.g., newspaper and magazine clippings), photocopies clear depicting the photographs or videos clearly depicting the photographs.

Unfortunately, the Copyright Office has recently announced a retreat from this liberal program with regard to the number of images that can be registered with one application. Under the new rule, if the photographer identifies the date of publication for each photograph in the group on a continuation sheet, the application may include no more than 50 continuation sheets and no more than 750 photographs. This is likely to work a hardship on many photographers. Concerned individuals should write their representatives in Congress to express their displeasure with the Copyright Office’s recent change.

Creative people are continuously stretching and exploring new dimensions of their creativity. This is important for professional growth and is beneficial for cultural growth as well. Despite the fact that all benefit from expanded creativity, it is essential not to lose sight of the necessity of written agreements that spell out the rights, obligations, and limitations of the arrangements between the parties.