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On the Heels of Tasini: Business as Usual or New Wrinkle?

Publishing Industry Camps Ponder Some Implications in the Aftermath of the Tasini Ruling

by **Ana Arias Terry** (President, Redstone Publishing Consulting)
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At a glance, many players in publishing seemed to be trotting along relatively contented, perhaps slightly smugly, on the electronic repackaging of print intellectual material path. Bases seemed to be covered. Permissions and author rights seemed well managed. Now that they were a little farther along the Information Age, they had worked out some kinks in their rights policies and agreements.

So they readjusted their sights, as is mandated by the laws of business, competition and survival, and they turned to figuring out the most respected, efficient, and cost-effective strategies for their up-and-coming electronic databases. But before they had fully worked out the path to the golden egg, something made their heads turn. T-a-s-i-n-i.

Let's take a brief look at the case that's received so much attention. Through the eyes of members from the academic and professional publishing community, we learn something about the implications to this industry and whether it's business as usual. Or not.

What's all the Fuss About?

On September 24, 1999, the U.S. Court of Appeals for the Second Circuit ruled that producers of databases and publishers who reuse freelance content and place it in digital databases and CDs without the explicit consent or permission by the authors are in copyright infringement violation.¹

This recent decision overturned the 1997 ruling by a lower federal district court. It was originally filed in 1993 by a contingency of six freelancers and the **National Writers Union (NWU)** in *Tasini et al. vs. the New York Times* (and other plaintiffs such as *The Atlantic Monthly*, former LEXIS-NEXIS database owner Mead Central Corporation, and University Microfilms). Bottom line on the latest ruling? The Second Circuit deemed that a digital collective work and a printed collective are not the same.²

While the decision seems to apply most directly to newspaper and periodical publishing houses, it could have rippling effects for reference content and encyclopedia publishers.³

Views vary on the extent to which inherent risks exist for scholarly publishing. Some say the model is not as applicable because authors of academic works often assign copyright to their publisher or they sign off their rights to have their work published in any media. Still, others perceive this decision as a gigantic neon "heads-up" sign that should encourage publishers and vendors to be extra diligent about their author contracts, and librarians to hold them to the task.

Views from the Field

Head Acquisition Librarian **Rick Anderson**, Jackson Library, UNC Greensboro, has his doubts about the Tasini ruling being upheld on appeal. Theoretically, he contends, libraries could find themselves at risk since institutions that distribute the offending databases could be reasonably perceived to be contributing to the copyright breaches by the accused aggregators.⁴

"In reality, though, I'd be surprised if dire legal consequences actually followed. For one thing, no one wants to take a library to court—it would be like suing your mom," he says. "For another thing, I suspect that the law would see the libraries more as end users than as distributors in this case, since libraries aren't seeking commercial gain in their use of the product." Anderson surmises that the worst-case scenario might be one where the aggregated databases on which librarians and patrons have come to depend would either be removed or become superbly expensive and cumbersome to manage.

Regardless of legal implications, Anderson doesn't think it should be business as usual for libraries. He believes now more than ever that he should insist firmly that his institution be indemnified against third-party claims by the database vendor. While most vendors don't require that, Anderson believes that Tasini offers him sound justification for requesting it. Licenses should clearly state that it is the vendor, not the library that will assume full legal responsibility for the business it does.

"My message during license negotiation is basically this: 'as the customer, it's my job to give you my money and to use your product appropriately. As the seller, it's your

job to make sure you have the right to sell the product and to provide it to me in good faith. My institution isn't going to take the fall, if it turns out that you shouldn't be selling what you're selling."

Lawyer and *Against the Grain* Publisher **Bruce Strauch** strongly advises that libraries not buy any Web-based products that don't contain clear promises of their right to sell the articles. He also encourages libraries to request a hold harmless/indemnification agreement with publishers that includes coverage for all legal defense costs.⁵

Unlike Anderson, Strauch has a different perspective on the potential liability course even for academic libraries. "I think Tasini style litigation will drag on ad nauseam and ultimately a big library will be sued," he says. "The strategy will be to have the end users of scholarly material bring pressure to bear on the publishers to create a group settlement fund managed by the tort lawyers with them neatly taking one third."

Strauch's skepticism doesn't end there. He believes publishers have known for a long while that they didn't have the right to place articles in databases. But, says Strauch, they were caught in a vicious circle, lured by rapidly emerging technology and intense competition. When it comes to copyright and technology innovation, all players would prefer to play it safe, kick back, and let other players make the huge, costly mistakes. The inherent danger in playing it safe, he contends, is that the competition might charge ahead, gain significant market share, and squeeze the rest out into oblivion.

"Of the dangers," says Strauch, "publishers were more focused on the technology angle. They considered the authors of little importance because they were mostly college professors who were being paid nothing to begin with. And no non-lawyer can ever quite grasp how we live in an era of creative litigation. Lawyers do indeed sit around in strategy sessions identifying plaintiffs with small, but slam-dunk claims that can be aggregated into truly big bucks. These lawyers, and ultimately older baby boomer professors, don't particularly care if the sacred library loses some money. If

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they thought about it, they'd figure the publisher actually warranted the right to sell the material, and the library is protected."

For publishers **Greenwood Publishing**, **ABC-CLIO**, and **Choice**, the implications are numerous and their perceptions interesting.

"We have an unusual situation here at **Greenwood**," says **Bob Birch**, Director of Sales. "The gist of the matter is that we have rights to publish our books in all media, as relates to the author." But he adds that Tasini presents a concern in a number of areas. Any work-for-hire arrangement could expose the organization, much as it did the *Times*. "The most immediate problem we face now involves secondary rights. We may have acquired rights for reproduction of images, say, in print, but we may have to reacquire them if we take a product online." Birch adds that contract wording is key in lessening the risks, and Greenwood is being particularly diligent about acquiring all rights when any are required. To do otherwise, says Birch, is to be forever at risk.⁶

At **ABC-CLIO**, contributor and author contracts have moved in a path of evolution along with the development of varying technologies and delivery platforms. The ambiguities inherent in many reuse situations have been filtered out of these contracts by specifically addressing author permissions for multiple uses, media, and associated remuneration.⁷

Such specific components were missing from the **Tasini** case, says CEO **Ron Boehm**, making the circumstances significantly different. Boehm says his organization will continue to ensure that author/publisher relationship ambiguities are reduced, that authors are informed about potential opportunities offered by emerging technologies, and that they are compensated through the company's revenues.

"I have another concern, however," says Boehm. "The most significant development for publishers, hosting organizations, libraries, and authors is the aggregation and linking of content from multiple publishers. These offer significant benefits to end-users. Most publishers and hosting organizations involved in such arrangements rely on the representations of their partner publishers that they indeed hold all relevant rights. That assurance always must be taken with a grain of salt. Given concerns about the very onerous statutory fines for copyright and ambiguity, about which participants might be liable, most of us have to weigh significant potential risks. It's likely that there will be a dampening effect on the de-

velopment of these beneficial arrangements or on the development of new products."

But Boehm also addresses a positive implication stemming from the litigation. "Tasini has been beneficial in that it has raised awareness among publishers that fair contracts that fit their business models are important priorities. There continue to be business risks, which can be mitigated by addressing continuing ambiguities. Ideally, those ambiguities are dealt with by industry wide discussions involving publishers, authors, librarians, and hosting organizations, and not by lawsuits. All our opportunities are linked, and we need to move forward for everyone's benefit."

Susanne Bjørner, special projects editor for **Choice**, thinks that the implications of Tasini on the scholarly com-

"I don't expect book and journal publishers in the academic world to be adversely affected immediately, for the simple reason that the quest for additional payment for additional use, which drove the freelancers in the Tasini case, is not a powerful motivator for academic authors," says Bjørner. "Academic authors publish for exposure, prestige, and self-preservation (it's expected), and they usually receive compensation not from an individual publication but as employees in an academic job, which in turn requires that they achieve publication. What the decision will do, I hope, is to encourage greater thought and understanding on the part of all authors and publishers of the rights they're negotiating through various renditions of publication when they sign a publication agreement."

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munity hinge on the particular segment of this community. CD-ROM and database publishers of compilation works, she says, have significantly more work to ensure that present and past agreements do give them the rights to include all the intellectual property that they've published. She points out that in situations where mistakes have been made in terms of "re-use" content, a cloud of a question lingers above as to what will be done about such mistakes. On an individual basis, who will determine what is an appropriate remedy and who is or isn't liable? Of particular importance, will it be possible to re-negotiate agreements so that the content in question doesn't have to be removed from the product?⁸

The responsibilities for these issues don't rest exclusively with the publisher or the aggregator. Bjørner believes authors should consider in advance the uses that they wish to have of their own material beyond publication and immediate format. While they should ensure some level of re-use rights, authors should also give careful consideration to the importance of permanent record. They should not, Bjørner emphasizes, withhold their own intellectual property from e-collections that seek to reproduce or archive particular print-based collections.

"There's a role here, both in education and in advocacy, for library collection managers, who know that users should reasonably expect to find *all* articles,"

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says Bjørner, "including those written by freelancers, from a magazine or newspaper issue in the electronic database that is designed to duplicate the printed issue of that magazine or newspaper." In addition, Bjørner believes that a newer form of contract negotiation calls for authors and publishers to redefine the concept of "electronic rights," which is so prevalent now in agreements and court opinions to define such wide ranging possibilities.

Although *Choice* will be consulting with legal counsel at its parent **American Library Association**, business will continue to be very much as usual for this publisher mostly as a result of the particular nature of what they publish—generally, brief reviews of e-resources and books. While *Choice* reviewer agreements request that they transfer all rights to ALA, reviewers can use the work as long as it's for a non-profit purpose of their own. For lengthy bibliographic essays, authors are offered one of two publication agreements for either full rights or a limited license, which allows authors to retain copyright.

For **Sandy Gurshman**, director of publisher relations and content development at **RoweCom**, the Tasini ruling doesn't impact the delivery of e-material provided by their **Information Quest** product because their gateway model doesn't aggregate or reformat material. Instead, it delivers the material as is produced by the publisher straight from the publisher's site.⁹

"Of course, IQ and all gateway services would be affected by any limitations on the ability of publishers to enable such delivery and by any changes to the operation of document delivery service," says Gurshman. "But we believe that there are good faith efforts underway to work out any problems resulting from the current decision on Tasini."

Offering insights as an author, editor, and librarian, **Michael Seadle** provides a unique perspective on the Tasini decision and its implications. Seadle, Digital services and copyright librarian at **Michigan State University**, and editor of *Library Hi Tech*, comments first with his author hat on. He's pleased with the way the decision protects whatever rights he holds; though he doesn't have many since most of his publication contracts require that he assign off on copyright. "Since I don't really anticipate retiring on the royal-

ties from my collected works, this has troubled me less than perhaps it should." It's business as usual, he says, in this area though he thinks the decision could make him more aggressive on rights retention.¹⁰

As a librarian, he expresses two areas of concern. The first is whether the prices of e-databases will go up stemming from the cost publishers might incur in contacting authors and paying for copies. The second concern is about the possibility of gaping holes in digital collections because of a lack of appropriate permissions. Here, he says, it's not business as usual. "We need to be involved in how the mechanism for permissions and payments will evolve, because this could have a significant effect on access. The compulsory license/collecting society models have flaws, but so do incomplete voluntary systems. We need to defend fair use, and education and library exemptions."

Seadle says that in his role as editor, Tasini doesn't affect him much, given that his publisher already requests assignment of copyright so that it can publish the content electronically. "MCB returns a lot of the rights to the author in its 'author's charter,' which makes it a better deal than at most publishers," he says. "For many journals, the ruling may push them to want full copyright assignment even more. Established authors, big names, have some leverage. Younger writers and faculty whose status and position depend on publication will continue to sign their rights away, as I long have. It's habit forming. The irony is that this victory for writers could leave future writers with fewer rights – without some further action."

Now What?

Hopefully, we learn from some of the costly mistakes so we can avoid at least some of the same errors in the future. The NWU is urging publishers to work through the **Publications Rights Clearinghouse**, which is the first transaction-driven licensing system for freelancers, and its cooperative effort with the **Copyright Clearance Center**. The CCC, of course, is able to process thousands of transactions every day.¹¹

As the colleagues interviewed in this article have expressed, we need to be especially diligent in our publisher/author arrangements. We must provide—and expect—contracts with language to snuff out ambiguities by addressing the specifics of content, medium, distribution, re-purposing, compensation,

and re-use by the author.

It is neither realistic nor wise to presume that the actions by one player in the publishing arena won't have some consequence downstream from others. How litigious we become will depend at least in part on how well (or not) we manage to structure compromises that are acceptable and fair to those providing content and to those distributing that content.

Even in doing business as usual because the long arm of Tasini didn't overtly impact *our* way of doing business, there's definitely a new wrinkle in the face of the publishing community. Let's hope we learn to adjust and innovate the crease, rather than smearing it with a quick-fix cream. 🌱

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