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Cases of Note-Copyright and Trade Secrets or What? Tasini vs. The New York Times and John Canter vs. West Publishing Co., Inc.

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Cases of Note — Copyright —
Après Tasini le Délude

by Bruce Strauch (the Citadel) <strauchb@citadel.edu>


As you may recall, free-lance writers sued the NY Times and other publishers of collective works for placing their articles in electronic databases and on CD-ROMs without writer permission. The District Court for the Southern District of NY granted summary judgment for the Times. On appeal, the Second Circuit has reversed.

The Times and other defendants are periodical publishers who create “collective works” that include free-lance articles as well as works-for-hire and by employees. The latter two are not at issue because the publisher owns the copyright in toto.

Rights in Collective Works:

Collective works are bundles of articles that have sufficient originality for copyright due to selection and arrangement. The publishers first put out the print issue and then licensed the articles to electronic database providers like Nexis. Articles could be retrieved individually or in any combination of what was in the database. 17 U.S.C. §201(c) gives the owner of the collective work the right to reproduce the articles in revisions of the work. The issue before the Court was whether the databases were revisions as intended by the Copyright Act.

“In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.”

As noted in Volume 11-1 of ATG (see page 51 ff), the contracts under which the authors worked were very casual. The primary result of this case and the parallel CARL one is publishers tightening up their contracts. A footnote to the case says The Times has already done this. So any feeling of “frabulous joy” in the author community is probably misplaced.

And I have to admit, the Second Circuit wrote a very lucid opinion.

“[A] ‘part of that collective work’ means a specific edition or issue of a periodic. A ‘revision of that collective work’ means a revision of a particular edition of a specific periodical.

As publishers cannot sell a hardcopy of an article along with selling the collective work, there is no reason for them to be able to sell the articles individually through Nexis. The database has many, many articles from many, many periodicals. This big electronic mess of articles cannot be a revision of each edition that’s dropped into it.

Publisher’s copyright is derived from it being an original work of authorship due to selection, coordination and arrangement of the preexisting materials. see Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991). Admittedly, the minimal creativity of Feist is an extremely low standard to achieve. Nonetheless, Nexis obliterates what made the collective work copyrightable. And neither NY Times nor NEXIS attempts to make the buyer retrieve a facsimile of the original collective work. The Times contract in fact forbids “facsimile reproductions.”

I dunno:

This is truly a “I dunno, whadda ya think?” kind of case. At the District Court level, the publishers successfully argued that the articles were fed into NEXIS in their entirety. There was not a second selection, which would make them still part of the original collective work. A revision is a change, but the original work is still recognizable. The tagging of the articles by issue, date, page etc. prevented them from being lost in an electronic sea. Selection was retained, while part of the layout arrangement was lost.

CARL argued (in its losing case before the District Court) (see ATG, February 1999, p.51 ff) that individual article delivery was not a revision. They were simply ripping out one article from a collective work and delivering it in lieu of the entire weighty journal.

Pensees visionnaires:

No one in academia is particularly concerned about the loss of a travel article from The NY Times. Of course The Times will now have to dip into its treasury and pay to extract all the free-lance articles from databases and settleiggling claims with authors. But that’s their problem.

To us, the real issue lurking out there is what happens to academic journals where the only valuable consideration under the contract flowing to the author was the privilege of being published? Will authors now have to negotiate not to start demanding payment for electronic sales of all back issues when no one thought about databases in 1990? And what a whaile of a class action suit that would be with all those desperate Baby-boomer profs scrambling for bucks to supplement their pathetic retirement packages.

In my VISIONARY college professor doomster mode I sometimes enjoy speculating that “college” as we know it may not long survive. One scenario grows out of library budget crises exacerbated by Tasini.

Once upon a time, in the 1950s, small colleges were happy villages where professors and students danced in the warm sunshine to the music of lutes and lyres. Looking down from their lofty administrative heights, evil aca-demic deans frowned upon this innocent, lustral lifestyle and plotted its destruction. Every college must be a clone of a big research campus, they declaimed in unison. The resultant division and stress among the faculty will wreak havoc on prof/student contact; and utterly destroy any interest in teaching. All this indeed came to pass, and the Deans greeted it with glee.

Publish or perish and its attendant savagery crept through the state university campuses in the 60s and into every small college be it podunk or classy by the 70s. And that begat the weird circular food chain between publishers, faculty and libraries. Which begat the library serials crisis.

I am convinced you could track rising continued on page 46
publishers are shifting their focus from traditional print media to digital formats. This has led to a decline in the demand for print journals, causing publishers to reduce their production and potentially leading to the closure of some journals. This shift is driven by both the decline in print sales and the rise in electronic publications. Publishers must now adapt to this new market, which requires a significant shift in their business models. The publishing industry is facing a new era of challenges and opportunities, and these changes will have a profound impact on the future of academic publishing.
Questions and Answers — Copyright Column

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QUESTION: A faculty member says "I don't want the students to have to pay" and wants to put a copy of the required textbook for his course on reserve. If one cannot make copies of "consumable items" how does a library deal with the textbook on reserve?

ANSWER: According to the legislative history that accompanied the Copyright Act of 1976, a textbook is not defined as a consumable item. Consumables are those works that are "used up" when one person uses them. Congress gave as examples standardized tests, workbooks, answer keys, and the like. The school is supposed to purchase copies for everyone taking the test. Textbooks, on the other hand, are not used up by a single student. In fact, there is a thriving second-hand market for used textbooks, and according to the first safe doctrine, one can resell a textbook.

That same first safe doctrine also permits libraries to loan materials including textbooks. There are some practical reasons that an assigned textbook on reserve is unlikely to be problematic. First, there is a legitimate reason to put a copy of an assigned textbook on reserve: a student may have failed to bring her copy that day and needs to read the assignment afterward she arrives at the school. Second, as opposed to a standardized test, the user is unlikely to photocopy the entire textbook. It is too time-intensive. The final copy is messy and most people would prefer to own the book.

Perhaps the faculty member might be reminded that library reserves are not intended to substitute for a student's purchase of a textbook. However, the library can put one copy on reserve as a backup copy.

QUESTION: The Classroom Guidelines state that they are minimum standards. If no minimum standards exist, how do libraries know where to draw the line? The campus attorneys have advised the strictest possible interpretation, e.g., no more than nine instances of multiple copying for the students in a class per term without permission from the copyright holder.

ANSWER: University counsel are basically doing what content providers hoped would happen. They are converting minimum guidelines into maximums. The few courts that have cited and discussed the guidelines have tended to do the same. Yet, the guidelines clearly were intended to state the bare minimum of what constitutes fair use. Many other institutions refer faculty members to the four fair use factors to assist the individual faculty member with making the decision about the maximum use and recognize that the numerical limits and portion limitations are indeed minimum guidelines.

QUESTION: If the library gets full-text articles through OVID or Dialog on the Web, are copyright royalties included in the price? Or, must articles be tracked like interlibrary loan copies and the library pay royalties through the CCC or directly to the publisher when the suggestion of five is reached?

ANSWER: When a library subscribes to an online service, the royalty payments are included in the license fee. Whether you can provide copies of articles obtained through OVID or Dialog to outside users will depend on the terms of the license agreement executed by the library. Many licenses restrict use to within the institution, so check it carefully. Should providing articles to outside users not be permitted, and delivery of those articles be important to the library, contact the copyright holder and see if the contract can be renegotiated to include the desired activity.

QUESTION: May a library make backup copies of audiovisual works and CD-ROMs in order to preserve them? They are quickly out of print, and replacing them often is impossible.

ANSWER: While the practice of making backup copies makes absolute sense to a librarian, the Copyright Act does not permit it except in very narrow circumstances. For CD-ROMs one must look at the underlying work that is on the CD. If the CD-ROM contains a computer program, section 117 allows the owner of a copy of a computer program to make a backup copy. Unfortunately, this permission does not exist for audiovisual works, music, etc.

The only other time a library may make a copy of a work is under section 108(c) to replace a lost, damaged, deteriorating, stolen or obsolete copy. This is after the work has become damaged or lost, not before. Even then, the library must first try to purchase an unused replacement copy at a fair price before it can duplicate the work.

QUESTION: Is it legally permissible for an instructor to include one chapter from a book on her Web page for her students to read as a class assignment?

ANSWER: If an instructor wants to include something on a Web page for students to read, he should follow the classroom guidelines and treat it as if he were photocopying the chapter for every student in the class. This means that the faculty member's Website should be restricted to members of the class (or at least the part that contains the book chapter). Additionally, the guidelines contain word limitations; a one-term limitation without permission from the copyright holder and the reproduction must contain the notice of copyright.

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may be nothing more than "Picture it — Waterworld meets Heaven's Gate meets Ishtar!" can make millions. And any wannabe who goes knocking on the studio doors simply has his idea filched by a smiling "nice-you-to-death" producer who never returns his calls.

Trade secret:

So what's an idea guy to do? You could go the trade secret route. California Civil Code section 3426.1(d) defines trade secrets as:

"... information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and

(2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy."

Carter had already told a number of people about his invention including professors at a university who more than had the ability to make use of his ideas. He never made any agreement with West as to secrecy.

And that won't help you in Hollywood when you pitch American Pie meets Godzilla. Yes, just as you've long suspected, the rich always win.

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