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## Second Circuit Affirms Publisher's Right to Reproduce Print Publication in Electronic Format

by Naomi Jane Gray

In a major victory for the publishing industry, the Second Circuit affirmed on March 4, 2005 that § 201(c) of the Copyright Act of 1976 permits the publisher of a collective work to reproduce the collective work in electronic format. *Faulkner, et al. v. Mindscape, Inc., et al.*, \_\_\_ F.3d \_\_\_, 2005 WL 503652 (Mar. 4, 2005). In *Faulkner* – a trio of cases consolidated for purposes of appeal – freelance writers and photographers sued the National Geographic Society (the “Society”) and others for copyright infringement after the Society published the “Complete National Geographic” (“CNG”), a digital collection of every issue of National Geographic Magazine (the “Magazine”) published since its inception in 1888. Relying on *New York Times v. Tasini*, 533 U.S. 483 (2001), an intervening Supreme Court decision interpreting § 201(c), the Second Circuit reached the opposite result from that of the Eleventh Circuit, which in 2001 held that CNG did not qualify for protection under § 201(c). *Greenberg v. Nat'l Geographic Soc'y*, 244 F.3d 1267 (11th Cir. 2001).

### National Geographic Magazine and “The Complete National Geographic”

The Magazine is the Society's monthly journal and its flagship publication. In addition to distributing the Magazine on paper in single-issue format, the Society has for decades reproduced the Magazine in microfilm and microfiche, and has authorized the Library of Congress to publish a Braille edition. The Society has also created and distributed bound volumes containing multiple issues of the Magazine. In 1997, the Society produced and began to sell CNG in CD-ROM and, eventually, DVD format.

The Society created CNG by digitally scanning, page by page, each issue of the Magazine that had been published to date. The scanning process created an exact image of each page precisely as it appeared in the paper copy of the Magazine, including all text, photographs, graphics, advertising, credits, attributions, and the “fold” down the center of

each issue. Issues of the Magazine are reproduced chronologically. CNG provides no tools to the reader for cutting, pasting or altering any of the digital pages. Thus, the images and texts are presented in the same context as that in which they originally appeared in print. Magazine stories can be retrieved via a visual table of contents, organized chronologically, or by searching by author, date, title or subject keyword.

In addition to the issues of the Magazines, CNG also contains certain introductory and conclusory material. For instance, in the first iteration of CNG, a brief series of multimedia sequences appears when the program is launched, including the Society's logo, a short promotional message for Kodak, and a sequence depicting the covers of ten issues of the Magazine that digitally transition from one into the other (the “Moving Cover Sequence”). This introductory sequence can be skipped by the reader during subsequent viewings by mouse-clicking at any time during the sequence. When exiting the program, a sequence displaying the spines of issues of the Magazine plays. That, too, may be bypassed by mouse-click.

### Legal and Procedural Background

#### Section 201(c)

The Society argued that § 201(c) of the Copyright Act of 1976 authorized it to reproduce the Magazine in CNG. Section 201(c) provides:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of the 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.*

17 U.S.C. § 201(c) (emphasis added). The legislative history elaborates:

Under the language of this clause a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work.

H.R. Rep. No. 94-1476, at 122-123 (1976), *reprinted in* 1976 U.S.C.A.A.N. 5659, 5738. The Society and the other defendants argued that CNG constituted (1) either “that particular collective work” because it reproduced each issue of the Magazine exactly as it appeared in print, or (2) at the very most, a “revision” of the issues of the Magazine.

### *Relevant Case law*

Two earlier cases interpreting § 201(c) were critical to the Second Circuit’s analysis: *Tasini v. New York Times Co.*, 206 F.3d 161 (2d Cir. 2000), which the United States Supreme Court affirmed in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001); and *Greenberg v. Nat’l Geographic Soc’y*, 244 F.3d 1267 (11th Cir. 2001), a case applying § 201(c) to CNG itself.

In *Tasini*, the Second Circuit held and the Supreme Court affirmed that electronic databases – specifically, NEXIS and others – containing individual articles from a variety of different publications did not constitute “revisions” of those publications within the ambit of § 201(c). The Supreme Court’s opinion turned on the fact that the databases in question reproduced individual articles standing alone and divorced from the context in which they originally appeared. Specifically, the databases did not reproduce articles “‘as part of that particular collective work’ to which the author contributed, ‘as part of . . . any revision’ thereof, or ‘as part of . . . any later collective work in the same series.’” *Faulkner*, \_\_\_ F.3d \_\_\_, 2005 WL 2005 WL 503652, at \* 6 (*quoting Tasini*, 533 U.S. at 488). Because, absent an express transfer of copyright, the author of the contribution retains exclusive ownership of the copyright in that contribution, the author alone has the right to reproduce and distribute the contribution itself. The *Tasini* databases, which reproduced individual articles, violated that exclusive right. Significantly, the Supreme Court contrasted the infringing products in *Tasini* with microfilm and microfiche, publications which the Supreme Court approved because they “represent a mere conversion of intact periodicals (or revisions of periodicals) from one medium to another.” *Faulkner*, 2005 WL 503652, at \* 6 (*quoting Tasini*, 533 U.S. at 502).

Approximately three months before the Supreme Court decided *Tasini*, the Eleventh Circuit decided *Greenberg*, another suit in which a freelance photographer sued the Society and others over the inclusion of his photographs, which were originally published with permission in the Magazine, in CNG. The Southern District of Florida granted summary judgment in favor of the Society on the

grounds that CNG constituted a revision under § 201(c). The Eleventh Circuit reversed based on reasoning that differed greatly from that which would eventually be employed by the Supreme Court in *Tasini*. The Eleventh Circuit did not consider whether articles and photographs were reproduced in the context in which they originally appeared. Nor did it address the Second Circuit’s opinion in *Tasini*, which was published more than a year before the *Greenberg* decision and was analyzed by the parties in the *Greenberg* appeal briefs.

Instead, the Eleventh Circuit held that the presence of the Moving Cover Sequence, the introductory and conclusory multimedia sequences and the software necessary to run the program on a computer – themselves independently copyrightable – rendered CNG a “new” and “other collective work” beyond the scope of § 201(c). The Eleventh Circuit distinguished CNG from microfilm and microfiche on the basis that microforms do not require the presence of independently copyrightable software which itself constitutes an original work of authorship. Thus, instead of considering whether CNG reproduced articles and texts “as part of” the collective works in which they originally appeared, or revisions of those collective works, the Eleventh Circuit based its decision on the presence of additional creative elements.

### **Second Circuit Opinion in Faulkner**

Before reaching the merits of the appeal, the Second Circuit upheld the District Court’s finding that the Supreme Court’s opinion in *Tasini* departed so substantially from *Greenberg* that it represented an intervening change in law sufficient to preclude application of collateral estoppel. Then, adhering to the framework established by the Supreme Court in *Tasini*, the Second Circuit affirmed the District Court’s holding that CNG constituted a permissible “revision” under § 201(c).

Following *Tasini*, the Second Circuit analyzed CNG from the perspective of whether the texts and photographs at issue were “reproduced and distributed ‘as part of’ a ‘revision’ of the collective works,” focusing on “the underlying works as presented to, and perceptible by, the user of the CNG.” *Faulkner*, 2005 WL 503652, at \* 9 (*quoting Tasini*, 533 U.S. at 499). The court found that CNG fit squarely within the *Tasini* framework, as it reproduces texts and photographs in the same context as they originally appeared in the print version of the Magazine. The Second Circuit also relied on an element of its own opinion in *Tasini* that was not explicitly affirmed by the Supreme Court in noting that CNG “uses the almost identical ‘selection, coordination, and arrangement’ of the underlying works as used in the original collective works.” *Id.* (*quoting Tasini*, 206 F.3d at 168). The fact that a reader of CNG could electronically jump to particular pages or focus on portions of pages – which appellants argued differentiated CNG from paper issues of the Magazine – is irrelevant, as a reader can accomplish the same result using microfilm or microfiche or, for that matter, by opening a hard copy magazine to a particular page.

In direct contrast to the Eleventh Circuit opinion in *Greenberg*, the Second Circuit also made clear that a “revision” may include new and independently copyrightable ele-

ments not found in the original collective work. For example, a collection of past issues of a magazine in a bound volume along with an index of the entire collection would be permissible, even though the index would itself be independently copyrightable. A revision may also delete matter from the original. Due to contractual issues, approximately 60 out of the 180,000 photographs in CNG were blacked out of certain iterations of the product. However, these changes did not “substantially alter” the context of the original Magazines, which was “immediately recognizable,” and thus did not affect CNG’s status as a revision.

Importantly, the Second Circuit also affirmed that the § 201(c) privilege extends not only to works published after January 1, 1978 – the effective date of the 1976 Act – but to works published before that date. Because the Society owned copyright in those issues of the Magazine published before January 1, 1978, it obtained all of the protections of the 1976 Act – including § 201(c) – when the 1976 Act became effective.

The Second Circuit further held that the § 201(c) privilege is transferable pursuant to § 201(d). The Society had licensed the right to reproduce the issues of the Magazine in archival format to a wholly-owned subsidiary, which, in turn, authorized co-defendant Mindscape, a computer software publisher and distributor, to manufacture, market and distribute CNG. The plaintiff-appellants argued that the Society could not transfer its § 201(c) privilege either to its own subsidiary or to third parties. The Second Circuit disagreed, holding that § 201(d), which permits a copyright owner to transfer ownership of a copyright “in whole or in part,” allows a publisher to transfer “any subdivision of a copyright that they may acquire,” including the § 201(c) privilege.

Finally, the Second Circuit clarified the effect of contractual provisions on the privilege. Because § 201(c) applies absent an express transfer of the copyright or of any rights under it, certain of the plaintiff-appellants argued that the mere existence of contracts between themselves and the Society rendered § 201(c) inapplicable. The court held, however, that § 201(c) establishes the “minimum rights acquired by publishers absent contractual provisions expressly overriding § 201(c).” *Faulkner*, 2005 WL 503652, at \*11 (emphasis added). Thus, publishers obtain the § 201(c) privilege unless an agreement with the contributor expressly provides otherwise. The fact that the plaintiff-appellants had entered into contracts with the Society did not, therefore, affect the applicability of § 201(c).

## Analysis

In addition to being a significant triumph for the publishing industry, *Faulkner* serves as an important counterbalance to the United States Supreme Court’s opinion in *Tasini*. *Tasini* demonstrated what publishers cannot do under § 201(c) – reproduce individual articles outside the context in which they originally appeared. That right remains with the author of the contribution, unless the author chooses to contract it away. *Faulkner* establishes what publishers can do – create new versions of their publications, including in electronic format, that (1) incorporate new creative elements, even if those elements are independently copyrightable and (2) delete material that appeared in the original.

The question remains whether the Eleventh Circuit’s opinion in *Greenberg* retains any vitality. *Tasini* and *Faulkner* underscore significant flaws in the Eleventh Circuit’s reasoning. By disqualifying from § 201(c) protection any work containing independently copyrightable material, however minimal that material might be, the Eleventh Circuit opinion essentially sought to expunge § 201(c) from the 1976 Act and upset the careful balance of rights between publishers and contributors that § 201(c) was intended to achieve. Indeed, the legislative history, which expressly condones the reprinting of a 1980 contribution to an encyclopedia in a 1990 revision of it, plainly contemplates that a permissible revision may contain new and independently copyrightable material.

Moreover, and of great significance in the electronic age, the Eleventh Circuit’s holding that the presence of independently copyrightable software rendered CNG beyond the scope of § 201(c) was tantamount to a ruling that the § 201(c) privilege is simply unavailable in any electronic medium. But the 1976 Act was expressly designed to be adaptable to new media developed over time. Indeed, the drafters acknowledged that computers would be a significant medium of communication in the future, but rather than designing provisions around specific technological developments, they chose to “phrase the broad rights granted in such a way that they can be adapted as time goes on to each of the new advancing media.” Hearing on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 before the House Committee on the Judiciary, Copyright Law Revision, 89th Cong. at 57 (1966). Thus, the applicability of the § 201(c) privilege should not be dependent upon the medium in which the work in question is fixed.

Most importantly, however, *Faulkner* demonstrates that *Greenberg* conflicts with, and cannot withstand, the United States Supreme Court’s analysis in *Tasini*. For this reason, *Greenberg*’s continued viability is suspect. In the post-*Tasini* world, § 201(c) analysis should focus on an examination of whether the work in question presents contributions in the context in which they were originally published.

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