

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,  
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924  
CIV-LENARD  
Magistrate Judge Turnoff

v.

NATIONAL GEOGRAPHIC SOCIETY, a district  
of Columbia corporation,  
NATIONAL GEOGRAPHIC ENTERPRISES, INC, a  
corporation, and MINDSCAPE, INC., a  
California corporation,

Defendants.

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**Memorandum of Law in Support of  
Defendants' Motion to Dismiss Count II And to Dismiss Or  
for Summary Judgment on Counts III - V of Plaintiffs' Amended Complaint**

## TABLE OF CONTENTS

Statement of Facts .....	2
Argument .....	3
I.    THE PLAINTIFFS HAVE FAILED TO ALLEGE THAT THEY PROPERLY REGISTERED THEIR COPYRIGHTS IN THE "JASON" IMAGE, THE COVER, AND THE UNIDENTIFIED CD-ROM 108 PHOTOGRAPHS. ....	3
II.   THE COPYRIGHT ACT EXPRESSLY PERMITS THE SOCIETY TO REPRODUCE THE MAGAZINE IN CD-ROM 108. ....	4
A.   The plain language of §201(c) permits the Society to reproduce the Magazine in CD-ROM 108. ....	5
B.   The legislative history of §201(c) confirms that the Society is entitled to reproduce the Magazine in CD- ROM 108. ....	6
III.  THE DEFENDANTS' USE OF THE COVER IN THE MOVING COVER SEQUENCE IS DE MINIMIS, AND, THEREFORE, NOT ACTIONABLE .....	7
IV.  THE DEFENDANTS' USE OF THE COVER IN THE MOVING COVER SEQUENCE CONSTITUTES FAIR USE. ....	9
A.   CD-ROM 108 is educational and does not seek to exploit the Cover for commercial gain. ....	9
1.   The Magazine is an educational periodical. ....	9
2.   CD-ROM 108 makes "transformative" use of the Cover, which weighs in favor of finding fair use. ....	10
3.   The defendants do not exploit the Cover for commercial gain in the Moving Cover Sequence. ...	11
4.   The defendants have acted in good faith. ....	13
B.   The Cover has already been published. ....	14

C. The Cover's fleeting appearance in the Moving Cover Sequence is not a substantial use. . . . . 15

D. The Moving Cover Sequence has no effect on the potential market for the photograph appearing in the Cover . . . . . 16

Conclusion . . . . . 17

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The defendants National Geographic Society, National Geographic Enterprises<sup>1</sup> (collectively, the "Society") and Mindscape, Inc. ("Mindscape") submit this Memorandum of Law in support of their motion pursuant to Fed. R. Civ. P. 12(b)(6) and 56(b) to dismiss and for partial summary judgment dismissing counts II - V of the Amended Complaint (the "Am. Compl.>").

**The Parties**

The plaintiffs, Jerry Greenberg and Idaz Greenberg, are creative artists and entrepreneurs who publish and distribute their works in books and other products (Am. Compl. at ¶ 8). The National Geographic Society is the world's largest nonprofit scientific and educational organization, with 9.5 million members, and is dedicated to the increase and

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1. National Geographic Enterprises is incorporated under the name NGE, Inc.

diffusion of geographic knowledge in its broadest sense.<sup>2</sup> See Declaration of Thomas Stanton at ¶ 2 (hereinafter "Stanton Decl."). The Society and its subsidiaries produce periodicals, television programs, maps and atlases, educational games, and like products. Id. The Society's flagship publication, National Geographic Magazine (the "Magazine"), is the monthly journal of the Society containing articles and photographs which explore the cultural, geographical and organic richness of the world around us. Id. Mindscape is a computer software publisher and distributor which collaborates with the Society in its efforts to bring its products to the public in the digital environment.

### Statement of Material Facts

In 1997, the Society (through Enterprises) and Mindscape produced and began to sell "The Complete National Geographic," a CD-ROM product containing all issues of the Magazine published between 1888 and 1996 (hereinafter "CD-ROM 108") (attached as Exhibit A to the Stanton Decl.). Stanton Decl. at ¶ 3. CD-ROM 108 reproduces each issue of the Magazine *exactly* as it appeared in print. Id. at ¶ 5. There are no changes to the content, format or appearance of the Magazine in CD-ROM 108. Id. Each page of each issue remains perfectly intact, including all articles, photographs, graphics, advertising, notices of copyright, and attributions. Id.

At the beginning of each of the 30 disks in CD-ROM 108, there is a short promotional message for Kodak, which participated in marketing the product, and a multimedia sequence (the "Moving Cover Sequence"). Id. at ¶ 6. This sequence displays a series of images representing the covers of ten issues of the Magazine which transition from one into another, vividly illustrating the broad range of topics and issues that CD-ROM 108 and the Magazine address. Id. at ¶ 6. One of the images is the cover of the January 1962

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2. National Geographic Enterprises (d/b/a National Geographic Interactive) (hereinafter "Enterprises") is a for-profit wholly-owned subsidiary of National Geographic Ventures, which in turn is a wholly-owned subsidiary of the National Geographic Society. Each of these entities promotes the Society's core mission of diffusing geographic knowledge of all kinds.

issue, containing a photograph taken by the plaintiff Jerry Greenberg (the "Cover"). The Cover appears in this sequence for less than one second. Id. at ¶ 7.

Prior to the release of CD-ROM 108, the Society sent a letter to each individual who had made a contribution to the Magazine. Stanton Decl. at ¶ 10 and Exh. B thereto. The letter notified the contributors of the pending release of CD-ROM 108 and explained the Society's belief that its continuing copyrights in the Magazine entitled it to publish CD-ROM 108 without making further payments for the use of individual contributions. Stanton Decl. at ¶ 10 and Exh. B thereto. All contributors thus had the opportunity to come forward and claim any contractual rights to repayment which they may have had.

The plaintiffs then contacted the Society, claiming that the Society had no right to reproduce their photographs in CD-ROM 108 without their consent and that they did not consent to such use. They did not, however, assert that they had entered into any contract with the Society limiting its rights in this regard.

The plaintiffs then brought this action alleging infringement of copyright in "more than a dozen" photographs. The only photograph that the plaintiffs have specifically identified in their Amended Complaint is the photograph which was displayed on the cover of the January 1962 issue of the Magazine. Moreover, the plaintiffs did not attach to their Amended Complaint any evidence of their copyright registration in any of the photographs which they claim the Society has used without permission.

### Argument

I. THE PLAINTIFFS HAVE FAILED TO ALLEGE THAT THEY PROPERLY REGISTERED THEIR COPYRIGHTS IN THE "JASON" IMAGE, THE COVER, AND THE UNIDENTIFIED CD-ROM 108 PHOTOGRAPHS.

A copyright holder *must* register his or her copyright claim in order to bring a suit for infringement. 17 U.S.C.A. §411(a); Cable News Network, Inc. v. Video Monitoring Servs., 940 F.2d 1471 (11th Cir. 1991), *vacated on other grounds*, 949 F.2d 378 (11th Cir. 1991), *appeal denied*, 959 F.2d 188 (11th Cir. 1992); M.G.B. Homes, Inc. v. Ameron Homes,

Inc., 903 F.2d 1486 (11th Cir. 1990); 3 Nimmer on Copyright §12.09[A] at p. 12-132 (1997). Likewise, proper recordation of the transfer of a copyright is a jurisdictional prerequisite to an infringement action. Techniques, Inc. v. Rohn, 592 F. Supp. 1195, 1197 (S.D.N.Y. 1984).

The Court should dismiss Counts II - V of the Amended Complaint because the plaintiffs have failed to allege registration of copyright with respect to the photographs involved therein. Count II alleges that the Society published without authorization a photograph of a sea fan, taken by Jerry Greenberg for the Magazine's July 1990 issue, in a brochure promoting the Society's participation in the "Jason Project." Am. Compl. at ¶¶ 21, 48-52. However, the plaintiffs fail to allege that they registered their copyright in this photograph. Am. Compl. ¶ 21. In Counts III - V, the plaintiffs claim that the Society's reproduction of the Magazine and display of the Moving Cover Sequence in CD-ROM 108 violates their copyrights in the photograph published on the cover of the January 1962 issue and "more than a dozen" additional, unidentified, photographs. Am. Compl. at ¶¶ 15, 33, 53-90. The plaintiffs do not allege that they registered their copyrights or recorded their assignments of copyright in these photographs. The Court thus lacks jurisdiction to entertain Counts II - V and should dismiss them.

**II. THE COPYRIGHT ACT EXPRESSLY PERMITS THE SOCIETY TO REPRODUCE THE MAGAZINE IN CD-ROM 108.**

Pursuant to Rule 56(c) of the Federal Rules of Civil Procedure, the Court may grant summary judgment to a moving party where no genuine issue exists as to any material fact and the moving party is entitled to judgment as a matter of law. Celotex Corp. v. Catrett, 477 U.S. 317 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986). There are no genuine issues of material fact to be resolved. The plaintiffs' images were published in certain issues of the Magazine. Each issue is a collective work of which the Society is the copyright owner. The Society has reproduced each issue in CD-ROM 108, which it has the right to do under Section 201(c) of the Copyright Act. Thus, it is appropriate for the Court to grant summary judgment.

- A. The plain language of §201(c) permits the Society to reproduce the Magazine in CD-ROM 108.

Section 201(c) of the Copyright Act provides that:

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.A. §201(c) (emphases added).

The plain language of §201(c) controls this case. "When statutory language is plain . . . that is ordinarily 'the end of the matter.'" Amoco Prod. Co. v. Gambell, 480 U.S. 531 (1987); see also Bethesda Hosp. Assoc. v. Bowen, 485 U.S. 399 (1988) ("the plain meaning of the statute decides the issue presented"). Here, the plain language of §201(c) gives the Society the right to reproduce the plaintiffs' photographs in CD-ROM 108. All of the photographs involved in Counts III - V (the photograph featured on the cover of the January 1962 issue and "more than a dozen" unidentified photographs) were, initially, contributions to various issues of the Magazine. Am. Compl. at ¶ 33. Each of these issues is a collective work. 17 U.S.C.A. § 101. The plaintiffs have not alleged that there is "an express transfer of copyright" or, indeed, that they entered into any kind of agreement with the Society that limited its right, under §201(c), to reproduce those collective works.

The only reported decision on this issue is Tasini v. New York Times Co., 972 F. Supp. 804 (S.D.N.Y. 1997), *aff'd on reh'g*, 1997 WL 681314 (S.D.N.Y. Oct. 29, 1997)<sup>3</sup> (attached hereto as Exhibit A) in which Judge Sonia Sotomayor held that § 201(c) permitted the defendants to reproduce issues of the New York Times, Sports Illustrated and other publications in electronic media, including CD-ROM. Judge Sotomayor explicitly rejected the plaintiffs' contention that §201(c) only permits a publisher to revise a collective work in the same medium as the original work. Tasini, 972 F. Supp. 804, 817-8. Section 201(c) contains

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3. Tasini is currently on appeal to the Court of Appeals for the Second Circuit.



no such express limitation. Indeed, the Act as a whole was deliberately written to be medium-neutral. *Id.* at 818; see also H.R. Rep. No. 1476, 94th Cong., 2d Sess 62 (1976) ("Under the bill it makes no difference what the form, manner or medium of fixation may be. . .").<sup>4</sup>

The facts of this case are even more compelling than those in Tasini. In Tasini, some of the reproductions eliminated advertisements and photographs and changed layout and like elements. For example, the NEXIS service immersed all of the articles in a database including articles from other publications, thus eliminating the sequence and organization of the original articles. Tasini, 974 F. Supp at 823-4. In addition, NEXIS did not reproduce the photographs, captions and layouts of the original publications. *Id.* at 824. By contrast, CD-ROM 108 displays an image of each page of the Magazine *exactly* as it appeared in hard copy, including all articles, photographs, graphics, advertising, notices of copyright, and attributions. Stanton Decl. at ¶ 5. CD-ROM 108 thus retains all of the elements of the original Magazine.

- B. The legislative history of §201(c) confirms that the Society is entitled to reproduce the Magazine in CD-ROM 108.

Where, as here, the plain and ordinary meaning of the statute resolves the legal issue involved, there is no need to look at the legislative history. Amoco, 480 U.S. at 552-3 (cautioning against going behind plain language to search for possibly contrary intent). However, should the Court choose to do so, it will find that the legislative history of §201(c) supports the defendants' position.

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4. Thus, for example, a copyright holder exercises its rights under the Act by distributing "copies" of the subject work. 17 U.S.C.A. §106. The Act defines "copies" as "material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C.A. §102. Thus, Congress deliberately refrained from restricting the media in which copyright holders could reproduce their works.

Section 201(c) was a compromise. It benefitted contributors by making it clear that the "copyright in each separate contribution to a collective work . . . vests initially in the author of the contribution." It benefitted publishers by establishing a baseline level of rights that the publisher acquires by force of law absent express contract language to the contrary.

The House Report summarized the compromise as follows:

The magazine contributors, while strongly supporting the basic presumption in their favor, suggested that the last clause be deleted as unduly restrictive. However, the committee considers this clause, under which the privilege of republishing the contribution under certain limited circumstances would be presumed, as an essential counterpart of the basic presumption. Under the language which has been retained a publisher could reprint a contribution from one issue in a later issue of his magazine, or could reprint an article from a 1970 edition of an encyclopedia in a 1980 revision of it; he 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. 2237, 89th Cong., 2d Sess 117 (1966) (later summarized in the final report on the 1976 Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 122-23 (1976)).

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The clear language of § 201(c), its legislative history and the reasoned opinion in Tasini compel the conclusion that the defendants had the right to reproduce the issues of this Magazine which contained plaintiffs' images as part of CD-ROM 108.

### III. THE DEFENDANTS' USE OF THE COVER IN THE MOVING COVER SEQUENCE IS DE MINIMIS, AND, THEREFORE, NOT ACTIONABLE

The plaintiffs claim that the defendants infringed their copyright in the photograph that appeared on the Cover by showing it, as one of ten cover images, for less than one second as part of the Moving Cover Sequence. However, in order to establish actionable copying, a plaintiff must demonstrate that the copying exceeds a certain de minimis threshold. Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70 (2d Cir. 1997). De minimis use does not give rise to copyright liability. Warner Bros. Inc. v. American Broadcasting Cos., Inc., 720 F.2d 231 (2d Cir. 1983); Amsinck v. Columbia Pictures Indus., Inc., 862 F. Supp. 1044 (S.D.N.Y. 1994) (citing Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984)). In Ringgold v. Black Entertainment Television, Inc., 126

F.3d 70 (2d Cir. 1997), the defendant used a poster of the plaintiff's quilt as a background set decoration on a television show. Id. at 73. In analyzing the substantiality of copying involved, Judge Newman emphasized that, in cases involving visual works, "the quantitative component of substantial similarity also concerns the observability of the copied work -- the length of time the copied work is observable in the allegedly infringing work and such factors as focus, lighting, camera angles, and prominence." Id. at 74. Judge Newman found that the use of the plaintiff's poster in various segments of the program totalling between 26 and 27 seconds surpassed the de minimis threshold because the painting component was sufficiently recognizable as the plaintiff's "colorful, virtually two-dimensional style." Id. at 77.

In a similar case involving copying of a visual work, the Southern District of New York also emphasized that to establish actionable copying, "[t]here must be some degree of permanence or the maxim 'de minimis' applies, requiring a finding of no liability." Amsinck v. Columbia Pictures Indus., Inc., 862 F. Supp. 1044, 1047 (S.D.N.Y. 1994). In Amsinck, the defendant used the plaintiff's crib mobile as part of the set decoration of a film. Id. at 1046. The mobile appeared in several scenes for periods of time ranging from two to twenty-one seconds, with a total exposure of roughly one minute and thirty-six seconds. Id. at 1045. As in Ringgold, the entire copyrighted work was displayed. Id. However, the court concluded that this did not constitute actionable copying, in part because the mobile "appear[ed] for only seconds at a time and [could] be seen only by viewing a film, [and thus was] fleeting and impermanent." Id. at 1048.

If the concept of de minimis use has any meaning whatsoever, it must apply to this case. The Cover flashes by in less than one second, see Stanton Decl. at ¶ 7; it is virtually impossible for a visual work to appear for a shorter period of time and yet still be capable of perception by the human eye. Indeed, the plaintiffs themselves admit that there is no element of permanence to the Moving Cover Sequence. Am. Compl. at ¶ 36 (images "are electronically and visually manipulated so that they metamorphose from one to another"). Thus, the Moving Cover Sequence, and especially the one Cover including the plaintiffs' photograph, is unquestionably a de minimis use.

IV. THE DEFENDANTS' USE OF THE COVER IN THE MOVING COVER SEQUENCE CONSTITUTES FAIR USE.

The 1976 Copyright Act codifies the judicial doctrine of fair use, an "equitable rule of reason" which "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." Stewart v. Abend, 495 U.S. 207, 236 (1990) (citations omitted). Section 107 permits:

the fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching. . . scholarship, or research. . . . In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C.A. §107.

A. CD-ROM 108 is educational and does not seek to exploit the Cover for commercial gain.

1. The Magazine is an educational periodical.

The preamble of §107 lists six examples of the type of use which may give rise to a successful fair use defense: criticism, comment, news reporting, teaching, scholarship and research. 17 U.S.C.A. §107. The list is nonexclusive and is meant to provide "general guidance about the sorts of copying that courts and Congress most commonly had found to be fair uses." Campbell, 510 U.S. at 577 (parody); see also Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 560 (1985) (news reporting); New Era Publications Int'l v. Carol Publishing Group, 904 F.2d 152, 155 (2d Cir. 1990) (critical biography); Salinger v. Random House, Inc., 811 F.2d 90, 96 (2d Cir. 1987) (biography).

Generally, fair uses are those which contribute in some way to the public welfare. Pacific and Southern Co., Inc. v. Duncan, 744 F.2d 1490 (11th Cir. 1984). A use which falls within the ambit of the preamble to §107 gives rise to a strong presumption of fair use. Arica Institute v. Palmer, 970 F.2d 1067, 1077 (2d Cir. 1992) (psychologist's book

on "intuition training" fell within preamble to §107); Wright v. Warner Books, Inc., 953 F.2d 731, 736 (2d Cir. 1991) (scholarly biography fit within categories of uses that Congress indicated may be fair).

The Magazine's mission is to educate its readership about the cultural, geographical and organic richness of the world around us. Stanton Decl. at ¶ 2. The collection of 1,200-plus issues of the Magazine, spanning 108 years, is a remarkable educational resource which reflects the unique history of our world in this century. Articles such as "Making Friends with Mountain Gorillas" (January 1970); "New Map Interweaves History with Geography" (January 1970); "Lebanon, Little Bible Land in the Crossfire of History" (February 1970); and "Starfish Threaten Pacific Reefs" (March 1970) enrich the reader's knowledge of the incredibly varied and complex world around us. The Magazine "contributes to the public welfare," see Pacific & Southern Co., 744 F.2d at 1496, because it increases our cultural knowledge of and appreciation for the symbiotic relationship between humans and the plant and animal life which surrounds us. Thus, the Magazine's pervasively recognized status as an educational publication weighs in favor of the defendants.

2. CD-ROM 108 makes "transformative" use of the Cover, which weighs in favor of finding fair use.

The Supreme Court's most recent pronouncement on the fair use defense emphasizes that the "central purpose" of the first fair use factor is to determine whether the new work merely replaces the original, or whether it makes "transformative" use of the original by adding further creative expression or meaning to it. Campbell, 510 U.S. at 579 (citations omitted). See also Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 562 (1985) (no fair use of verbatim excerpts of former President Ford's memoirs); Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1400 (9th Cir. 1997) (nontransformative use of elements of Dr. Seuss character cut against fair use); Pacific & Southern Co., Inc. v. Duncan, 744 F.2d 1490, 1496 (11th Cir. 1984) (no fair use where television news service copied and sold entire news feature); Jartech, Inc. v. Clancy, 666 F.2d 403 (9th Cir. 1982) (upholding jury finding of fair use because use was not the "same intrinsic use [from] which the copyright holders expected protection").

The key to transformative use is that it builds upon elements of the original work in creating an entirely new work which conveys a different message and serves a different function than that of the original. Campbell, 510 U.S. at 580. A finding of transformative use will diminish the significance of other considerations, such as commerciality, which might otherwise weigh against the defendant. Id. at 579. This is consistent with the Copyright Act's goal of encouraging creative endeavors in science and the arts. Id.

The plaintiffs concede, albeit in derogatory terms, that the defendants' use of the Cover of the Magazine in the Moving Cover Sequence is transformative. Am. Compl. at ¶ 85 ("the Cover Photograph has been altered and deformed for utilization in the Moving Cover Sequence"). The Cover of the Magazine is portrayed exactly as it actually appears in the Magazine for a moment, but the position of one element in the photograph, the figure of the female diver, is then altered to facilitate the visual effect of the Cover transitioning into the next cover in the sequence. Stanton Decl. at ¶ 7. It is one piece of a moving digital mosaic which evokes the variety and richness of the natural world which is the subject of the Magazine.

The transformative nature of the Moving Cover Sequence weighs in favor of the defendants.

3. The defendants do not exploit the Cover for commercial gain in the Moving Cover Sequence.

While the Supreme Court has stated that copying which serves a commercial or profit-making activity is presumptively unfair, Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 448-9 (1984), it has emphasized that this is not a "hard evidentiary presumption," but merely one element of the inquiry into the first factor which should not be given dispositive weight. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 583-4 (1994); see also Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1262 (2d Cir. 1986) (in analyzing commerciality, need not "make a clear-cut choice between two polar characterizations, 'commercial' and 'non-profit'"). Indeed, if commerciality alone were determinative of fair use, "the presumption would swallow nearly all of the illustrative uses listed in the preamble

paragraph of §107, including news reporting, comment, criticism, teaching, scholarship, and research, since these activities 'are generally conducted for profit in this country.'" Campbell, 510 U.S. at 584 (quoting Harper & Row, 471 U.S. at 592 (Brennan, J., dissenting)); see also American Geophysical Union v. Texaco, Inc., 60 F.3d 916 (2d Cir. 1995) (since most secondary users seek some measure of commercial gain from use, unduly emphasizing commercial motivation leads to overly restrictive view of fair use).

Applying the same reasoning, the Fifth Circuit, in Triangle Publications, 626 F.2d 1171 (5th Cir. 1980), found that purely commercial use could constitute fair use. In that case, the Miami Herald displayed the cover of TV Guide Magazine in an advertisement for its own competing television guide. Id. at 1172-3. The District Court ruled against the Miami Herald on the sole ground that the use of the TV Guide cover was to obtain commercial advantage. Id. at 1175. The Fifth Circuit reversed, rejecting the lower court's "per se rule that commercial motive destroys the defense of fair use." Id. The court found that the circumstances of the use undercut its commercial nature. Id. at 1175-6. The TV Guide cover was used in a truthful comparative advertisement, and the Court took note of the public interest in disseminating "important information to consumers [which] assists them in making rational purchase decisions." Id. at 1176 n. 13 (quoting 16 C.F.R. §14.15(c) (1980)). Thus, even though the Miami Herald used the TV Guide cover expressly for the purpose of gaining a competitive advantage in the market for television guides, the manner in which it did so constituted fair use. Id. at 1176.

Moreover, the inquiry into commerciality specifically focuses on whether the alleged infringer stands to gain from "exploitation of the *copyrighted material*," Harper & Row, 471 U.S. at 562, not whether the new work, as a whole, is commercial in nature. See Penelope v. Brown, 792 F. Supp. 132, 137 (D. Mass. 1992); Haberman v. Hustler Magazine, Inc., 626 F. Supp. 201 (D. Mass. 1986) (citing Harper & Row, 471 U.S. at 562). In analyzing the first fair use factor, the Haberman court emphasized that "[t]he fact that Hustler magazine is offered for sale. . . does not dictate a finding that the reproduction of Haberman's [two photographs] was a commercial use." Haberman, 626 F. Supp. at 210. Haberman's

photographs were displayed inside the magazine and were not advertised on the cover or otherwise made evident to prospective purchasers. Id. Thus, the court ruled that the manner of Hustler's use was "not a strong factor militating against a finding of fair use."

Finally, the fair use defense is broader with respect to works which, though intended to be profitable, aspire to serve broader public purposes. Twin Peaks Prods., Inc. v. Publications Int'l, Ltd., 996 F.2d 1366, 1375 (2d Cir. 1993); Sega Enters. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1523 (9th Cir. 1993). This public benefit need not be direct or tangible in order to claim fair use. Sega, 977 F.2d at 1523.

The defendants do not contest that CD-ROM 108 is sold for a profit. However, that fact does not affect the core educational purpose of the Society's mission to further the diffusion of geographic knowledge. The Society's primary motivation in republishing the Magazine in CD-ROM 108 was to bring the convenience of digital archiving to educators, librarians, students and families. Stanton Decl. at ¶ 3 and Ex. B thereto. In light of the significant educational value of the Magazine, the fact that CD-ROM 108 is offered for sale carries little or no weight in the first factor analysis.

Moreover, the defendants' use of the Cover in the Moving Cover Sequence is not the source of whatever commercial gain the defendants might realize as a result of CD-ROM 108. Indeed, potential purchasers of CD-ROM 108 are not even aware of the Moving Cover Sequence, since it is not referenced on the outside packaging and has not been highlighted in any advertising for the product. Stanton Decl. at ¶ 6.

4. The defendants have acted in good faith.

The conduct of the allegedly infringing user is also relevant to the first fair use factor because "fair use presupposes 'good faith' and 'fair dealing.'" Harper & Row, 471 U.S. at 562 (citations omitted); see also Weissman v. Freeman, 868 F.2d 1313, 1323 (2d Cir. 1989). Consequently, the deliberate exploitation of a copyrighted work for one's own personal gain weighs heavily against a finding of fair use. Harper & Row, 471 U.S. at 563 (The Nation's "knowing[] exploitation [of] a purloined manuscript" in an effort to "scoop" Time Magazine militated strongly against a finding of fair use); Los Angeles News Serv. v.



KCAL-TV Channel 9, 108 F.3d 1119 (9th Cir. 1997) (no fair use where television station broadcast competing station's videotape of Reginald Denny beating and did not attribute tape to competitor); Rogers v. Koons, 960 F.2d 301, 308 (2d Cir. 1992) (no fair use where artist deliberately removed copyright notice from photograph before unauthorized copying).

The defendants here have acted in the utmost good faith with respect to CD-ROM 108. The Society sent a letter to all contributors to the Magazine informing them of the pending release of CD-ROM 108, describing the product and explaining that §201(c) authorized the Society to republish the Magazine in CD-ROM format. Stanton Decl. at ¶ 9. The Society thus afforded all contributors the opportunity to notify the Society of any contractual rights which might limit the applicability of §201(c). The defendants' good faith weighs in their favor.

Because the Magazine (and consequently CD-ROM 108) is primarily educational rather than commercial, because the use is transformative, because the defendants do not seek to gain any profit directly from the use of the Cover, and because the defendants have acted in good faith, the first fair use factor weighs in the defendants' favor.

**B. The Cover has already been published.**

The second fair use factor assesses "the nature of the copyrighted work." 17 U.S.C.A. §201(c). Whether a copyrighted work has already been published is a critical element of this factor. Harper & Row, 471 U.S. at 563. The scope of the fair use defense is broader with respect to works that have already been published. Harper & Row, 471 U.S. at 563; Arica Institute, Inc. v. Palmer, 970 F.2d 1067 (2d Cir. 1992) (finding fair use by psychiatrist of published ego fixation model in book); Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir. 1987); (biographer's use of subject's unpublished works weighed against fair use); Haberman v. Hustler Magazine, Inc., 626 F. Supp. 201 (D. Mass. 1986) (fact that photographs had been published undercut weight of creativity and originality in examination of second fair use factor). This is because the creator of the original work has an interest in controlling its first publication. Harper & Row, 471 U.S. at 564; Wright, 953 F.2d at 737; Haberman, 626 F. Supp. at 212.

The photograph at issue here, like the photographs in Haberman, has already been published: it appeared on the cover of the January 1962 issue of the Magazine. Therefore, the plaintiffs' interest in controlling its first publication is not at stake here as it was in Harper & Row. This factor thus favors the defendants' claim of fair use.

C. The Cover's fleeting appearance in the Moving Cover Sequence is not a substantial use.

The third fair use factor considers "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C.A. §201(c). It has been conclusively established that copying an entire work does not preclude a fair use defense. See Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984); Ringgold v. Black Entertainment Television, 126 F.3d 70 (2d Cir. 1997) (third fair use factor weighed in favor of defendants where poster, used as set decoration, appeared in television show for less than 27 seconds); Triangle Publications, Inc. v. Knight-Ridder Publications, Inc., 626 F.2d 1171 (5th Cir. 1980) (finding fair use of entire cover of TV guide in advertisement for competing television programming guide); Sandoval v. New Line Cinema Corp., 973 F. Supp. 409 (S.D.N.Y. 1997) (finding fair use of photographs which were displayed for approximately 90 seconds in motion picture).

This factor has both a quantitative and a qualitative aspect. Wright v. Warner Books, Inc., 953 F.2d 731, 738 (2d Cir. 1991). Thus, even substantial copying may constitute fair use if it does not reproduce the "heart" of the original work, see Harper & Row, 471 U.S. at 564; Wright, 953 F.2d at 738; Triangle Publications, 626 F.2d at 1177.

As in Ringgold and Sandoval, while the defendants used the entire Cover in the Moving Cover Sequence, it appears for a split second as one of a series of ten images of other Magazine covers. Stanton Decl. at ¶¶ 6-7. The plaintiffs cannot seriously contend that such a fleeting and ephemeral use of the Cover captures its "essence or value," see Sandoval, 973 F. Supp. at 413, or its "heart," see Harper & Row, 471 U.S. at 564; Wright, 953 F.2d at 738; Triangle Publications, 626 F.2d at 1177. The Cover is barely discernable or identifiable as it is momentarily shown before transitioning into the next image. Moreover, a user can

skip the Moving Cover Sequence by mouse-clicking on it once after his or her initial use of CD-ROM 108. Stanton Decl. at ¶ 6. This factor weighs in favor of the defendants.

- D. The Moving Cover Sequence has no effect on the potential market for the photograph appearing in the Cover.

The fourth fair use factor examines "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C.A. §201(c). The Supreme Court in Campbell rejected the Court of Appeals' presumption, stemming from the Supreme Court's earlier decision in Sony, that any finding of commercial use under the first factor dictates a finding of market harm under the fourth factor. Campbell, 510 U.S. at 590-1. The Supreme Court limited the Sony presumption of market harm to cases involving exact copying for purely commercial purposes. Id. Thus, one who duplicates a work exactly and then makes a profit by distributing the copy to the *same market* as that of the original work cannot claim fair use. Pacific & Southern Co., Inc. v. Duncan, 744 F.2d 1490, 1496 (11th Cir. 1984) (under fourth factor, "court can measure the success of the original purpose and single out those purposes that most directly threaten the incentives for creativity which the copyright tries to protect").

It is difficult to imagine how the Moving Cover Sequence could displace market demand for the photograph appearing in the Cover, since the size and quality of the images in the sequence are inferior to the original Magazine. Stanton Decl. at ¶ 8. A potential purchaser of a poster or a postcard depicting the Cover photograph could not buy CD-ROM 108 instead and use the Moving Cover Sequence as a substitute for the original photograph. As a result, the fourth factor weighs heavily in favor of the defendants.

\* \* \*

Pursuant to §201(c) of the Copyright Act, the defendants are entitled to reproduce the Magazine in CD-ROM 108. In addition, their use of the Cover in the Moving Cover Sequence is de minimis and protected by the fair use doctrine. The defendants are thus entitled to an Order granting them summary judgment on Counts III-V.

**Conclusion**

For all the reasons stated, the defendants respectfully request that their motion be granted.

**CERTIFICATE OF SERVICE**

**WE HEREBY CERTIFY** that the foregoing has been sent by hand delivered this 30th day of January, 1998 to Norman Davis and David A. Aronberg, Steel Hector & Davis LLP, 200 South Biscayne Boulevard, 40th Floor, Miami, Florida 33131-2398, attorneys for plaintiff.

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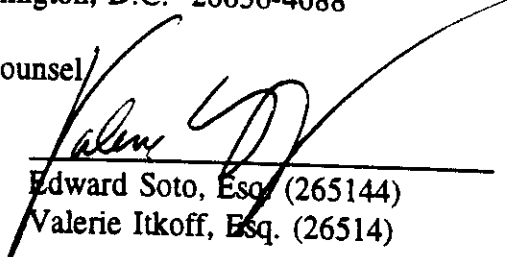
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RECYCLED PAPER



Jonathan TASINI, Mary Kay Blakely,  
Barbara Garson, Margot Mifflin, Sonia  
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Robbins, and David S. Whitford,  
Plaintiffs,

v.

The NEW YORK TIMES CO., Newsday  
Inc., Time Inc., The Atlantic Monthly Co.,  
Mead

Data Central Corp., and University  
Microfilms Inc., Defendants.

No. 93 Civ. 8678(SS).

United States District Court, S.D. New York.

Oct. 29, 1997.

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Debevoise & Plimpton, New York City,  
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#### OPINION AND ORDER

SOTOMAYOR, J.

\*1 On August 13, 1997, this Court issued an Opinion and Order dismissing plaintiffs' Complaint, and rejecting the contention that the defendant publishers and electronic service providers had committed copyright infringement by making plaintiffs' freelance articles available in various electronic formats. *Tasini v. New York Times Co.*, 972 F.Supp. 804, 1997 WL 466520, \* 3 (S.D.N.Y. Aug.13, 1997). As the basis for its ruling, the Court applied Section 201(c) of the Copyright Act and determined that defendants had properly republished plaintiffs' individual freelance articles as part of electronic "revisions" of the newspapers and periodicals in which those articles first appeared. 17 U.S.C. § 201(c).

On September 3, 1997, plaintiffs filed a motion for reconsideration, raising a number of objections to the Court's approach in its Opinion and Order. First, plaintiffs argue that the Court should have ruled for Whitford,

one of the complaining freelance authors, upon rejecting Time Inc.'s claim that it had acquired electronic rights in one of Whitford's articles pursuant to contract. Second, plaintiffs argue that, even accepting the Court's interpretation of Section 201(c), there is a disputed question of fact as to whether any of the electronic technologies involved in this case qualify as permissible revisions. Finally, plaintiffs contend that the Court mistakenly accepted defendants' representations that plaintiffs had failed to raise an infringement claim relating to certain article abstracts created in connection with one of the disputed technologies, "General Periodicals OnDisc."

For the reasons discussed below, the Court rejects plaintiffs' motion, and declines to reverse any portion of its earlier decision. [FN1]

#### DISCUSSION

##### 1. Plaintiff Whitford's Contract Claim

In its August 13 Opinion, the Court rejected defendant Time Inc.'s claim that it had acquired, by contract, electronic rights in an article written by plaintiff Whitford and first published in the hard copy version of *Sports Illustrated*. In support of its argument, Time Inc. had invoked a provision of its written agreement with Whitford pursuant to which the publisher acquired "the exclusive right first to publish the Story in the Magazine." *Tasini*, 972 F.Supp. 804, 1997 WL 466520, at \* 3. Determining that the right of "first" publication could not reasonably be stretched into the right to be the first to publish a particular work in any and all mediums, the Court held that the disputed provision did not authorize Time Inc. to make Whitford's article available on NEXIS some 45 days following its initial hard copy publication.

Having found that Time Inc. failed to acquire electronic rights in Whitford's article pursuant to its selected contract provision, the Court considered whether Time Inc.--along with those defendants who had not entered into enforceable contracts concerning rights in



(Cite as: 1997 WL 681314, \*1 (S.D.N.Y.))

the disputed articles--had nevertheless obtained those rights by statute. Ultimately, the Court determined that they had. All of the defendants had acted within the scope of their "privileges," under Section 201(c) of the Copyright Act of 1976, by creating electronic "revisions" of their collective works. [FN2]

\*2 In their present motion, plaintiffs argue that the Court should have held in Whitford's favor directly upon rejecting Time Inc.'s contract claim. The Section 201(c) privileges, plaintiffs contend, "appl[y] only '[i]n the absence of an express transfer of the copyright or of any rights under it ...' " (Memo Recon. at 2 (quoting Section 201(c)).) Because there was an express transfer between Whitford and Time, Inc.--and because defendants failed to show that this transfer reaches NEXIS--plaintiffs contend the Section 201(c) privileges simply do not apply in favor of Time Inc. Thus, plaintiffs insist that the Court should have extended the specified statutory privileges only to the remaining defendants, none of whom had entered into any binding agreements concerning rights in the disputed articles.

#### A. The Court's Contract Holding

Plaintiffs' argument has considerable appeal, but it depends upon a misstatement of the Court's August 13 ruling. The Court did not, as plaintiffs suppose, find that "Whitford did not expressly transfer electronic rights in his article." (Memo. Recon. at 4.) Rather, the Court found that the particular contract provision invoked by Time Inc.--the provision extending "first" publication rights to the publisher--did not authorize the electronic republication of Whitford's article. Because only Time Inc. invoked its contract with Whitford, and because Time Inc. invoked only this provision, the Court was not in a position to announce any broader conclusion concerning the extent to which the remainder of the agreement did or did not reach questions of electronic republication.

The Court noted, however, in its August 13 Opinion, that at least two provisions in the contract between Time Inc. and Whitford

potentially encompass rights extending as far as NEXIS. Tasini, 1997 WL 466520, at 7 n. 4. One provision, in particular, grants Time Inc. the following right in Whitford's article:

(b) the right to republish the Story or any portions thereof in or in connection with the Magazine or in other publications published by Time Inc. Magazine Company, its parents, subsidiaries or affiliates, provided that you shall be paid the then prevailing rates of the publication in which the Story is republished.

Tasini, 972 F.Supp. 804, 1997 WL 466520, at \* 3 (emphasis added). This provision, with its broad "in connection with" language, appears explicitly to authorize the republication of Whitford's article as part of a revised version of defendant's magazine, as appears on NEXIS, provided that Whitford is paid at "prevailing rates." Recognizing this possibility, the Court deemed it significant that plaintiffs neither raised a breach of contract claim in their complaint or in their briefs before the Court, nor presented any persuasive explanation as to why the provision did not--despite its seeming breadth--govern Time Inc.'s republication on NEXIS. [FN3] Tasini, 1997 WL 466520, at 7 n. 4. The Court was thereby left in the unusual position of dealing with a situation likely governed by contract, while dealing with a plaintiff to press a claim only of infringement.

\*3 By taking the unconvincing all or nothing stance that its contract with Time Inc. in no way implicated electronic rights, and by declining to press a breach of contract claim, Whitford framed its arguments in such a way that the Court could not make any conclusive determination as to whether Time Inc. had in fact exceeded the full extent of its rights under the contract. The Court was able only to determine that Time Inc. had gone beyond the isolated "first" publication right that it had invoked. Because of the remaining contract questions left unresolved by the parties' presentations, the Court resorted to the Section 201(c) presumption extending certain limited privileges to publishers.

#### B. The Presumed Privileges





(Cite as: 1997 WL 681314, \*3 (S.D.N.Y.))

The Court did not, as plaintiffs argue, act inconsistently with the language of Section 201(c) by applying the presumed privileges despite the existence of a contract between the parties. Just as it is a publisher's burden to demonstrate that it has acquired rights greater than the presumed privileges, it is an author's burden to demonstrate that any agreement between the parties limits a publisher to fewer than those privileges. Cf. *Bartsch*, 391 F.2d 150 (where contract language is broad enough to cover different technological uses, "the burden of framing and negotiating an exception should fall on the grantor"); *Bourne v. Walt Disney Co.*, 68 F.3d at 631 (placing burden on copyright holders to demonstrate that particular use of protected work is unauthorized under existing contract). In light of the deficiencies in its contract presentation, this is a burden that plaintiffs failed to meet.

Whitford seeks to avoid any responsibility for invoking his contract with Time Inc. by taking the position that, where a contract is in place between the parties, the Section 201(c) privileges do not apply, and it becomes the publisher's burden to demonstrate that its actions are authorized under the agreement. (Memo. Recon. at 2.) Contrary to plaintiffs' reading, however, Section 201(c) does not provide that the specified privileges apply "only" in the absence of an express transfer of rights. More precisely, the provision indicates that, in the absence of an express transfer of rights, publishers are presumed to acquire "only" the delineated privileges. 17 U.S.C. § 201(c). Though subtle, this difference is significant.

Instead of using the term "only" to limit those circumstances in which the specified privileges apply, Section 201(c) uses the term "only" to suggest that the specified privileges represent a floor--i.e., a minimum level of protection which, if unenhanced by express agreement, publishers are generally presumed to possess. In other words, it is implicit in the language of section 201(c)--and explicit in the House Report accompanying that provision--that in the absence of an express transfer of "more," a publisher is presumed to acquire, at

a minimum (i.e., "only"), the delineated privileges. H.R. Report No. 94-1476, at 122 (1976). Indeed, Congress viewed this minimum level of protection for the creators of collective works as an "essential counterpart" to the larger presumption favoring the authors of individual contributions. *Id.* Thus, because Time Inc. failed to demonstrate that it had obtained rights exceeding the Section 201(c) privileges (i.e., "more"), the Court limited Time Inc. to "only" those "essential" privileges. [FN4]

\*4 The Section 201(c) privileges, as already emphasized, are not framed as an absolute base line, but as a "presumed" baseline. 17 U.S.C. § 201(c). Where a publisher seeks more protection than these privileges provide, the burden is on that publisher to demonstrate that it has acquired the desired rights. Conversely, where a writer attempts to deny a publisher certain of the Section 201(c) privileges, as Whitford does, that writer must defeat the statutory presumption by demonstrating an express transfer reflecting the desired limitations. By failing to explain how--despite a seemingly pertinent contract provision--Time Inc. failed to acquire electronic rights under contract, and by failing in the alternative to allege a breach of that provision, Whitford did not make this required showing. Thus, the Court was left with an insufficient basis either to conclude that Time Inc. had exceeded its rights under the contract, or to hold that Time Inc. had breached that contract. The Court therefore evaluated Whitford's copyright claim pursuant to the Section 201(c) presumptions.

In sum, because both parties failed to displace the Section 201(c) presumption by which publishers are granted certain limited privileges in connection with the individual contributions appearing in their collective works, the Court extended those statutory privileges--and "only" those privileges--to Time Inc.

#### C. Defendants' Request For Reconsideration

As part of their opposition to plaintiffs' motion, defendants themselves ask the Court

to reconsider its determination that first publication rights do not reach NEXIS. According to defendants, nothing could be "more basic" than that the right "first to publish" in a particular "magazine" in no way "circumscribe [s]" a publisher's right to reissue that article in future publications of that same magazine, even in different formats. (Opp. at 8 n. 5, 9 n. 6.) There are at least two problems with this formulation which defendants deem so elementary.

First, the Court has never accepted defendants' characterization that NEXIS carries the same "magazine" in which Whitford's article initially was published; NEXIS, which strips away many of the elements present in the publishers' hard copy periodicals, carries a revised version of that magazine. While this satisfies the "any revision" language of Section 201(c), the contract provision upon which Time Inc. relies includes no similar language. Thus, there is no basis for interpreting Time Inc.'s "first" publication right to encompass the right first to publish Whitford's article in its hard copy magazine and then again--a considerable time later--in a revised electronic version of that magazine.

Second, in defendants' initial motion, Time Inc. invoked its "first" publication right as the source of its authority to place Whitford's article on NEXIS, but defendant now suggests only that this contract provision in no way "circumscribe[s]" the publisher's existing electronic rights. (Opp. at 8 n. 5.) In other words, defendants tacitly accept that Time Inc.'s right to republish Whitford's article on NEXIS originates from some source other than the cited contract provision. In particular, this authority necessarily derives either from one of the contract provisions that neither party invoked, or from the "privilege" language of Section 201(c) as applied by this Court in its August 13 Opinion.

\*5 In sum, in light of the arguments advanced by the parties, the Court properly determined, in its August 13 Opinion, that Time Inc.'s "first" publication rights do not reach NEXIS, and that the Section 201(c)

privileges nevertheless apply in favor of Time Inc.

## II. Section 201(c) As Applied To The Undisputed Facts

In reaching its determination that the disputed technologies carry permissible "revisions" under Section 201(c), the Court rejected numerous arguments advanced by the plaintiffs, all of which were offered in support of two basic conclusions: (i) plaintiffs argued that a revision cannot exist in a medium different from the work that preceded it, and (ii) plaintiffs argued that even if an electronic revision of a hard copy periodical is a theoretical possibility, the particular systems involved in this litigation are incapable of preserving enough of a collective work to generate such a revision.

For purposes of this motion for reconsideration, plaintiffs do not refute the Court's conclusion that it is at least possible to reproduce or revise a collective work within a medium different than the one in which that work initially appeared. [FN5] Instead, plaintiffs argue that the Court improperly resolved a factual dispute by determining that the technologies at issue in this case actually succeed at preserving plaintiffs' articles as a part of revised versions of the particular collective works in which those articles first appeared.

### A. The Court's Analysis Under Section 201(c)

As a first step in determining whether a recognizable version (i.e., "any revision") of each of the publisher defendants' periodicals is preserved electronically, the Court sought to identify--within the context of a media neutral statute--the defining characteristics of a collective work. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, at \* 18-20. Because collective works are a species of compilation, the Court consulted those cases involving copyright infringement claims brought by the creators of other types of compilations, typically factual compilations. *Id.* The Supreme Court has determined, in such cases, that compilations

are protected original creations only to the extent that they evince an original selection or arrangement of materials. See *Feist Publications, Inc. v. Rural Telephone Services Co.*, 499 U.S. 340, 349, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991). In other words, a compilation--and thus a collective work--gets its unique character not from its individual parts, but from the original manner in which those parts are combined into a collective whole.

Having determined that a distinguishing characteristic of any collective work is its original selection of materials, the Court set out to identify this defining attribute of the disputed periodicals. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, at \* 20. In a conclusion that plaintiffs do not contest, the Court found that each publisher's selection of articles for inclusion in their collective works reveals significant originality and editorial discretion. *Id.* Drawing upon its earlier conclusion that the broad "any revision" language of Section 201(c) permits even major revisions, the Court reasoned that this original article selection, if preserved in a subsequent creation, would render that creation at least a recognizable version of the hard copy periodical that preceded it.

\*6 In some of the same compilation infringement cases that the Court had already consulted, it had been established that, in order to preserve an original selection of materials, a subsequent creation must incorporate that selection nearly in full. See, e.g., *Kregos v. Associated Press*, 937 F.2d 700, 710 (2d Cir.1991) (deeming it unlikely that defendant infringed plaintiff's form of baseball pitching statistics by devising a competing form including only 6 of the 9 categories of statistics identified by plaintiff); cf. *Beudin v. Ben & Jerry's Homemade, Inc.*, 95 F.3d 1, 2 (2d Cir.1996) ("Where the quantum of originality is slight and the resulting copyright 'thin' --as in the case of a compilation--infringement will be established only by very close copying ..."). Importing this principle into the Section 201(c) context, the Court found it significant that the electronic systems carry the publisher defendants'

complete selection of articles, and that--once selected for review--those articles are identified according to the periodicals in which they originally appeared. Indeed, largely because it was undisputed that a defining original characteristic of the publisher defendants' periodicals is fully preserved both online and on disc, the Court held that the electronic systems are home to revised versions of the publisher defendants' collective works. [FN6] *Tasini*, 972 F.Supp. 804, 1997 WL 466520, \* 21.

After finding that the NEXIS and the CD-ROM technologies qualified as revised versions of their hard copy predecessors, the Court noted the extent to which certain terms of art employed in the compilation infringement context lend further credence to its conclusions. Specifically, the Court contrasted the "substantial similarity" test employed in compilation infringement cases with the broad "any revision" language of Section 201(c). It would present something of an anomaly, the Court reasoned, if a work could be deemed 'substantially similar' to a particular collective work for some copyright purposes without at least qualifying as "any revision" of that same collective work for other purposes under the Act. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, \* 22-23. The Court accepted this possibility, however, and emphasized that the electronic systems are substantially similar to their hard copy counterparts, not merely as a technical matter, but in such a way as to preserve the "basic character" of those periodicals.

Finally, the Court acknowledged that its specific holding probably was not contemplated by the framers of Section 201(c). Nevertheless, in enacting a media neutral statute employing a broad "any revision" standard, Congress left open the possibility that publishers might ultimately garner--as they now do--tremendous profits from then nascent technologies. Addressing the possibility that modern developments have thereby undercut the original Congressional purpose of protecting authors, this Court simply did not consider it an appropriate judicial function to rework the language or

structure of Section 201(c). See Tasini, 972 F.Supp. 804, 1997 WL 466520, \* 23-24.

#### B. Plaintiffs' Alleged Factual Dispute

\*7 Purporting to accept the Court's legal framework, at least for purposes of their present motion, plaintiffs contend that there is a disputed question as to whether the electronic reproductions are in fact substantially similar to the defendants' hard copy publications. In support of their argument, plaintiffs identify a litany of ways in which the electronic services are visually unlike their hard copy counterparts. Most notably, and except for General Periodicals OnDisc, those services do not display the photographs, columns and page layout of the hard copy newspapers and periodicals. Moreover, as plaintiffs emphasize, the electronic services contain millions of articles, almost countless more than any particular issue of any one of the disputed publications.

Aside from reiterating matters squarely addressed by the Court in its August 13 Opinion, Tasini, 972 F.Supp. 804, 1997 WL 466520, \* 21-23, plaintiffs' reformulated argument--tied to the Court's discussion of "substantial similarity"--quite simply misses the point. In the case of a collective work, a substantial similarity exists where either an original selection or an original arrangement is copied into a subsequent work. See, e.g., Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc., 945 F.2d 509,514 (2d Cir.1991) ("If the Galore directory is substantially similar to the 1989-90 Key directory with regard to that arrangement of categories or that selection of businesses, then a finding of infringement can be supported."). Moreover, where it is apparent that an entire original selection of materials has been copied into a subsequent work, that work shares a substantial similarity with the work that preceded it, even if the subsequent work includes numerous additional materials, as well. See CCC Information Services, Inc. v. MacLean Hunter Market Reports, Inc., 44 F.3d 61 (2d Cir.1994) (holding that computer data base provider infringed plaintiffs copyright in book of used car valuations by

including same selection of vehicles and same price estimates into larger online system), cert. denied, --- U.S. ---, 116 S.Ct. 72, 133 L.Ed.2d 32 (1995); cf. Harper & Row Publishers v. Nation Enterprises, 471 U.S. 539, 565, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985) ("no plagiarist can excuse the wrong by showing how much of his work he did not pirate.") (quoting Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49, 56 (2d Cir.1936)). Thus, where it can be established that an original selection of materials has in fact been copied into another work, it is appropriate for a court considering a motion for summary judgment to determine--as a matter of law--that a substantial similarity exists. [FN7] See, e.g., Lipton v. Nature Co., 71 F.3d 464 (2d Cir.1995); cf. Rogers v. Koon, 960 F.2d 301, 307 (2d Cir.1992) (explaining that, where it is clear that an original element of one work has been copied into another, it is appropriate for a court to determine, at summary judgment, that a substantial similarity exists between the two).

\*8 In this case, there can be no dispute, and has been no dispute, with respect to two critical facts. First, the selection of articles included in each of the disputed periodicals constitutes an original and defining characteristic of those periodicals. Second, all of the articles printed in each issue of the disputed hard copy periodicals are made available electronically and, once online or on disc, those articles are displayed with headers identifying the hard copy periodicals in which they originally appeared. (Pl.s' Memo. Supp. Mot. Summ. J. at 21 ("each display ... contains not only the text of the articles or stories that have been copied, but also ... the title of the article, the author's name, the origin of the article (publication and date) ...").) On the basis of these undisputed facts, and as other courts have done in the analogous circumstances of compilation infringement cases, this Court was able to determine--as a matter of law--the extent of the similarity between the different works before it.

By listing the numerous ways in which the electronic reproductions are different from the paper periodicals, and by suggesting that a



(Cite as: 1997 WL 681314, \*10 (S.D.N.Y.))

"in connection" with the magazine. In any event, if there is some persuasive evidence that the provision does not apply in such circumstances, Whitford never brought it to the Court's attention. Cf. *Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150, 155 (2d Cir.) (holding that where contract language is broad enough to cover different technological uses, "the burden of framing and negotiating an exception should fall on the grantor."), cert. denied, 393 U.S. 826, 89 S.Ct. 86, 21 L.Ed.2d 96 (1968); *Bourne v. Walt Disney Co.*, 68 F.3d 621, 631 (2d Cir.1995) ("in cases where only the scope of the license is at issue, the copyright owner bears the burden of proving that the defendant's copying was unauthorized."), cert. denied, --- U.S. ---, 116 S.Ct. 1890, 135 L.Ed.2d 184 (1996).

FN4. The Court recognizes that the circumstances of this case reveal a gap in the language of Section 201(c). By implying that an "express transfer of ... rights" would necessarily leave a publisher with "more" than the statutory privileges, Congress seemingly assumed that any single "right" necessarily encompasses all of the specified "privileges." H.R. Report No. 94-1476, at 122 (1976). Even under plaintiffs' narrow reading of the term "privileges," however, it is possible for an express transfer of rights--such as a transfer of "one time" publication rights, or, as here, "first" publication rights--to leave a publisher with less protection than it would otherwise possess under Section 201(c). By failing to take this into account, Section 201(c) speaks directly only to those situations in which there is either no express transfer--in which case the privileges apply--or an express transfer clearly broad enough to displace the presumption limiting a publisher to "only" the specified privileges. The provision is less direct in dealing with those instances, like the present, in which a contract potentially alters the statutory base line, perhaps even in an author's favor, but neither party has invoked or adequately explained the pertinent contract language. For the reasons explained, the Court finds that, in such a situation, the Section 201(c) presumption applies, leaving a publisher with the specified privileges, and "only" those privileges.

FN5. In reaching this conclusion, the Court detected nothing in the language or history of Section 201(c) supporting the sort of media

restriction favored by plaintiffs. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, at \* 12-17. The Court further reasoned that any such limitation would be inconsistent with the forward looking and media neutral approach characterizing the Copyright Act generally. *Id.* Finally, the Court noted that plaintiffs themselves struggled with the copyright status of microfilm, a nonprint photographic reproduction of newspapers and other periodicals. *Id.* at \* 12, n. 7.

FN6. The Court's holding did not follow automatically from the fact that the electronic systems preserve a significant original aspect of their hard copy counterparts, but was based also upon the Court's observation that each of the electronic systems could fairly be analogized to a library in which complete issues of hard copy periodicals are made available to researchers interested in locating particular articles of interest. In other words, the electronic systems do not destroy the publishers' collective works; those systems make revisions of those works available--for traditional purposes--in new and advanced ways. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, \* 23.

FN7. By invoking the "ordinary observer" test commonly employed in infringement cases, plaintiffs ignore the unique considerations operating upon that standard as it applies in the compilation context. In many circumstances, a finding of substantial similarity depends upon whether an ordinary observer would consider two works to have a common aesthetic appeal. See *Knitwaves, Inc. v. Lollytags Ltd.*, 71 F.3d 996, 1002 (2d Cir.1995). In the case of a compilation, however, this test looks more narrowly to whether "the protectible elements, standing alone, are substantially similar." *Id.* Thus, where an entire original selection of materials is copied, even into a work that plainly would not be mistaken for its predecessor, a finding of substantial similarity is appropriate. In *Lipton*, for instance, the Second Circuit detected a substantial similarity between plaintiff's book of terminology and a scarf adorned with "essentially the same" terms selected by plaintiff for inclusion in his compilation. *Lipton*, 71 F.3d 464, 471. In *CCC*, as here, the Court identified a substantial similarity between a computer data base and a hard copy publication. 44 F.3d 61.

jury might therefore have found an absence of any substantial similarity, plaintiffs attempt to turn the Court's legal analysis on its head. As explained at length in the August 13 Opinion, a revision is identified on the basis of what it retains of a prior work and not on the basis of what it loses. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, \* 21-23. This grows out of the fact that the "any revision" language of Section 201(c) contemplates even major revisions to a collective work. A major revision, by its very nature, will be different in substantial ways from the work that preceded it. So long as a work retains a significant defining characteristic of an earlier work, however, it remains a recognizable version of that work. This is generally enough to qualify a work as "any revision" of a particular collective work for purposes of Section 201(c), and it is enough also to qualify two works as substantially similar for other purposes at copyright law. Thus, because there is no factual dispute as to whether the disputed technologies preserve the complete original selection of articles included in the publisher defendants' periodicals, the Court had ample factual basis--within the legal framework that it employed--to hold in defendants' favor.

Finally, it is worth reiterating that the Court did not, strictly speaking, hold for defendants under Section 201(c) based solely upon its determination that a substantial similarity exists between the hard copy periodicals and their electronic counterparts. It is true that much of the Court's analysis was informed by the compilation infringement cases, which necessarily implicate questions of substantial similarity. More important for the Court's purposes, however, those decisions provide guidance in identifying the distinguishing original characteristics of any particular collective work, an inquiry necessarily critical whenever it is a court's task to compare such a work with a subsequent creation. Having made this inquiry, this Court was able to determine, as a matter of law, that the disputed systems store revised versions of the publisher defendants' hard copy periodicals.

### III. "General Periodicals OnDisc" Abstracts

\*9 Plaintiffs finally argue that they had objected that the article abstracts provided as a part of "General Periodicals OnDisc" themselves constitute unauthorized derivative versions of their articles, and that--in a footnote--the Court mistakenly accepted defendants' representation that the issue had never been raised. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, \* 18, n. 12 (declining to consider "whether the abstracts infringe plaintiffs' copyrights in their individual articles."). This reflects both a misunderstanding as to exactly which issues the Court declined to consider, and a mischaracterization as to exactly which issues plaintiffs had advanced.

Plaintiffs' basic position throughout this litigation has been that the electronic defendants disassemble the publishers' collective works in order to obtain value in plaintiffs' individual articles. This argument had its greatest force in connection with NEXIS and "The New York Times OnDisc," both of which are text based systems which store and display articles individually. Plaintiffs had a considerably more difficult time advancing their position in connection with "General Periodicals OnDisc," an image based system which photographically reproduces complete of The New York Times. Indeed, plaintiffs struggled to find some way in which to distinguish this system from microfilm, a photographic reproduction which plaintiffs could not readily deem impermissible under Section 201(c). (Mot. Recon. at 15-16.) It is in connection with this effort that plaintiffs invoked the article abstracts.

As they recount in their present motion, plaintiffs argued that the article abstracts render General Periodicals OnDisc a "marriage between two data bases." (Memo. Supp. Recon. at 13, 16.) More particularly, plaintiffs reasoned that General Periodicals OnDisc is not a pure image based system, but a hybrid system including a text based component. *Id.* This text based component, plaintiffs argued, operates to dismantle the publishers' collective works by permitting

users to identify and to access individual articles appearing within the system. In short, plaintiffs maintained that the abstracts render General Periodicals OnDisc more akin to NEXIS and The New York Times OnDisc than to microfilm. (Memo. Supp. Recon. at 18.)

Because the Court found that even NEXIS and The New York Times OnDisc qualify as a permissible revisions, plaintiffs' efforts at finding a text based component to General Periodicals OnDisc amounted to an exercise in futility. Whether conceived as a text based or image based or hybrid system, General Periodicals OnDisc--like NEXIS and The New York Times OnDisc--preserves enough of each disputed periodical (i.e., the publisher defendants' original selection of articles) to qualify under the "any revision" language of Section 201(c). In whatever way plaintiffs' articles are accessed and displayed, they are preserved within the disputed systems as part of revised versions of the periodicals in which they initially appeared. Having reached this conclusion, the Court did not overlook plaintiffs' argument that General Periodicals OnDisc is not a true image based system; the Court simply considered that argument inconsequential.

\*10 In expressly declining to address the possibility that the individual article abstracts infringed plaintiffs' rights in their articles, the Court was responding to a concern unrelated to the "part-text/part-image based" argument that plaintiffs had actually raised in their pleadings. This concern grew out of the Court's determination that Section 201(c) broadly permits revisions of collective works but only narrowly allows for reproductions of individual articles. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, at \* 16. In light of this, the Court raised the possibility that the article abstracts--depending upon their content--might constitute unauthorized derivative versions of each article, instead of something akin to a simple index useful for retrieving the full text of those articles from within the system. It is this narrow concern--a concern which plaintiffs never raised--which the Court declined to consider in its August 13 Opinion. Moreover,

plaintiffs never presented the Court with excerpts from the potentially infringing abstracts. Even if it had been their intention to argue that those abstracts constitute unauthorized derivative versions of the corresponding articles, plaintiffs thereby failed to make out a prima facie case of infringement. See *Eckes v. Card Prices Update*, 736 F.2d 859, 861 (2d Cir.1984) (explaining that it is the burden of any plaintiff claiming copyright infringement to prove that an allegedly infringing work copies protected elements of the copyright holder's protected work).

### CONCLUSION

For the reasons set forth above, plaintiffs motion for reconsideration is DENIED.

### SO ORDERED.

FN1. In its August 13 Opinion and Order, the Court set out a detailed explanation of the facts and allegations pertinent to this dispute. *Tasini*, 972 F.Supp. 804, 1997 WL 466520, at \* 1-4. Familiarity with those facts is presumed.

FN2. Section 201(c), which the Court analyzed at length in its August 13 Opinion, provides as follows: 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 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).

FN3. Whitford argued only indirectly that NEXIS dissembles *Sports Illustrated* to such an extent that it can not even be said that articles are placed online "in connection" with the magazine. This is unconvincing. By placing all of the articles appearing in each issue of *Sports Illustrated* online, and by identifying each of those articles by the *Sports Illustrated* issue in which they appeared, NEXIS plainly republishes articles, like Whitford's,

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Page 11

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