Tasini: the Perils of Using Independent Contractor Content

A recent decision of the Second Circuit underscores just how important careful contract drafting is when dealing with rights transfers in non-employee contexts. In Tasini v. New York Times, the appeals court held that publishers and owners of electronic databases do not, without a specific transfer of rights, have the authority to reuse electronically individual articles originally submitted for periodical print publication. Significantly, even though some of the world's most preeminent publishers were involved in the transactions underlying Tasini, they still neglected to expressly transfer the rights that they ultimately needed.

The district court had permitted the New York Times and several other large publishers and owners of electronic databases to reuse periodical articles without the permission of freelance writers who had retained copyrights in their individual articles. In the lower court, the writers had argued that their copyrights in the individual articles were infringed when the publishers provided the articles to the electronic databases. The publishers acknowledged that the writers still retained the copyrights to the individual articles, but the publishers maintained that as part of their collective works they had the right to revise the individual elements. The district court accepted this argument, holding that placing the articles in the databases constituted a revision of the individual articles.

The Second Circuit disagreed. On appeal, the court considered whether the electronic databases were a revision of the individual periodical issues from which the articles were taken. Section 201(c) of the Copyright Act provides a publisher with the authority to reproduce and distribute individual articles of its particular collective work, a revision of that work and later collective works in the same series.

The appellate court reasoned that the electronic databases do not qualify for any of the three clauses of section 201(c): the first clause refers to a specific edition or issue of a periodical; the second clause incorporates a revision of a particular edition of a specific periodical; and, finally, the third clause extends to later collective works in the same series, including, for example, a new edition of a dictionary or encyclopedia. The databases contain hundreds or thousands of editions of different periodicals, so they do not constitute a revision of any one. In fact, it was particularly significant to the court that the electronic databases were comprised of elements from many periodicals, since this showed that the selection and arrangement of any one was lost, as was most of the content of any particular edition. It is unclear, however, whether the court's reasoning would have been different had the electronic databases been more limited and incorporated verbatim or near verbatim digital versions of the underlying texts.

The Second Circuit also rejected the publishers' argument that an electronic database does not infringe upon an individual author's article if the other articles published in the particular edition were also individually available. Since section 201(c) would not allow a publisher to sell hard copies of articles to the public even if it also offered all the other articles from the particular edition, the court said, the publisher should not be permitted to do this indirectly through electronic databases.

In short, it is a fundamental tenet of the Copyright Act that creators own the rights to their works unless they affirmatively license these rights or they create works within the scope of an employment relationship (a so-called "work for hire" relationship). For the users of copyrighted works -- particularly those such as multimedia producers who generally do not create all of their own content -- it is therefore very important to secure the rights that you will wish to use when you rely on independent contractors, rather than employees, to originate materials.