

COPYRIGHT TREATMENT OF FREELANCE WORK IN THE DIGITAL ERA

Giuseppina D'Agostino†

*Without formal petition
Thus stands my condition:
I am closely blocked up in a garret,
Where I scribble and smoke,
And sadly invoke
The powerful assistance of claret. . .*

—Thomas Brown, *The Poet's Condition*¹

I. INTRODUCTION

More than three centuries ago, Thomas Brown, a graduate of Oxford,² wrote about the debt-ridden fate of London hack writers. Patron-less, they wrote for money. As Philip Pinkus details in his elaborate study of the colorful and skillful Grub Street³ writers, “there were arid moments when they could not squeeze a shilling from their publisher or an ounce of credit from the tavern-keeper.”⁴ Whilst their works have been at times cast as mere “doggerel” as they were not the Swifts or Popes of the era, the seventeenth century hacks revealingly dispel the dire condition of the common writer. Writing in destitute times, these writers deliberately chose subjects, which appealed to their readers, from politics to thorny themes like marriage. And although hacks like Thomas Brown led austere lives, they still dared

† Lecturer in Law and DPhil Candidate, St. Peter's College, University of Oxford; Barrister & Solicitor, Law Society of Upper Canada; MStud in Legal Studies, St. Peter's College, University of Oxford; LLB Osgoode Hall Law School; Hon BA York University. The author is most grateful to David Freedman for his constant support and insight in bringing this work to completion.

1. PHILIP PINKUS, GRUB ST. STRIPPED BARE: THE SCANDALOUS LIVES & PORNOGRAPHIC WORKS OF THE ORIGINAL GRUB ST. WRITERS 160 (1968).

2. *Id.* Thomas Brown was ‘the most renowned of the Grub Street hacks.’ Born in 1663, he was educated at Christ Church, Oxford.

3. *Id.* at xi. Grub Street refers to a particular time and place: London at the turn of the seventeenth century. “But Grub Street is itself a metaphor, evoking the eternal spirit of the hack writer,” PINKUS, *supra* note 1, at xi.

4. *Id.* at 14.

to dream and aspired for something better. Today, Thomas Brown is the twenty-first century freelance writer. In part because they are not the Rushdies or Kings of our times, freelancers illustrate the current plight of the aspiring writer as they are subject to similarly unfavorable economic, social, and legal conditions.

This Article examines the current legal state of freelancers as they attempt to earn a living through their writing. To do so, I will begin to explore the angst of freelancers throughout the history of the western world in relation to copyright law. I argue that copyright law, which was purported to address the needs of the author through protection of works and thus create incentives to produce and bolster societal well-being, has insufficiently met these objectives. In practice, freelancers have typically become at the behest of publishers—the real right holders—receiving a disproportionate benefit.

The current proliferation of digital technologies expands the publisher's exploitation powers. Increasingly, publishers exploit freelancers' works not only in print form but also digitally, often by making them available through their own Web sites or by selling them to third party databases. Freelancers argue that they receive no notice, give no consent, and obtain no payment for the exploitation of their works through these new digital uses. In justification, publishing conglomerates seize on ambiguous contracts⁵ previously made with their freelancers to read in allowable new uses. The central issue is whether the authors' contracts, by which copyright is transferred for publishers to print their works, contemplate electronic publication rights. For staff writers, it is a moot point,⁶ but for freelancers who base their livelihoods on each new contract, the issue is a vital one. This is not solely an issue of contract law. While contract doctrines may be material, the question of freelancers' transfer rights necessarily implicates copyright law. Copyright law therefore requires a management system that is attuned to such intangible goods. This issue similarly concerns copyright law and its

5. Many such contracts are oral or 'handshake' contracts as per the publishing industry custom, but there is evidence that this is changing; Bernie Corbett, *Freelance Briefing Paper*, THE FREELANCE, July, 2000, at <http://media.gn.apc.org/fl/0007grab.html> (last visited Dec. 12, 2002) (detailing various British and American publishers which have sent legal letters to their contributors asking for absolute rights to their works).

6. It is beyond the scope of this Article to address employed writers which in most jurisdictions fall under the purview of separate legal doctrines; in the United Kingdom, the Copyright, Designs and Patent Act provides that works produced during the course of one's employment belong to the employer. Copyright, Designs & Patent Act, 1988, ch. 48, § 11(2) (Eng.) [hereinafter CDPA].

future, since the development of new technologies will continue to open up new markets of exploitation and with this, renewed challenges to copyright law.⁷

Such phenomena cannot be viewed as a temporary reflection of market forces, and that with time new industry customs will develop to resolve the current uncertainty in copyright conveyancing of new uses.⁸ Should such a *laissez-faire* approach be adopted, publishers who are in a better position of power will continue to extol a disproportionate benefit from their freelancers. More and more, publishing is not so much a “public trust” but part of a multi-million dollar industry wherein multimedia conglomerates vie for a greater share of the online market.⁹ This problem is indeed reflective of a relationship of historical imbalance now exacerbated through these new uses.

While arguably publishers who have benefited from these new uses did not—at the onset of electronic publishing—appreciate the extent of their rights, it is unfathomable that publishers are presently informed of their rights and yet continue to charge forth with their digital publishing agenda or, conversely, terminate contracts to avoid appropriate solutions with fair compensation schemes. Indeed, while copyright laws facilitate advantageous terms for publishers, they do little for authors and, as will ultimately become apparent, little for users of such works.¹⁰ This conduct is unfair and calls for a re-evaluation of copyright law. While I do not believe that copyright alone is the panacea for safeguarding freelancers’ rights, I do contend that together with other mechanisms (such as government and industry forces), copyright can be an effective tool for social policy; at the very least, we should want it to be.

In this Article, I plan to specifically study freelancers’ rights vis-à-vis publishing conglomerates that own daily newspapers or magazines. Increasingly, freelancers have turned to the courts to vindicate their rights. They allege that publishers are liable for copyright infringement, and should duly compensate them for new

7. Sidney A. Rosenzweig, *Don't Put my Article Online: Extending Copyright's New-Use Doctrine to the Electronic Publishing Media and Beyond*, 143 U. PA. L. REV. 899, 900 (1995).

8. Copyright law has coped despite the past influx of new technologies from the creation of Edison's phonograph (1877) to compact discs (1982). Anthony Murphy, *Queen Anne and the Anarchists: Can Copyright Survive the Digital Age?*, Oxford Intellectual Property Research Center Seminar Series 26 (Feb. 2002).

9. See generally ANDRE SCHIFFRIN, *THE BUSINESS OF BOOKS* (2000).

10. E.g., F. Willem Grosheide, *Copyright Law from a User's Perspective: Access Rights for Users*, 23(7) E.I.P.R. 321, 321 (2001).

uses of their works. This phenomenon can be seen around the western world: Canada, the United States, the Netherlands, Germany, France, Belgium, and Austria have all experienced such claims. Interestingly, Britain has yet to litigate such a case. These mainly favorable decisions have nonetheless proven unsettling to British publishers. For instance, one of Britain's major publishing houses made plans to have all of its freelancers give up copyright in all future media when submitting articles for print.¹¹ As a result, my objective will be to look for guiding legal principles in these other jurisdictions and advance proposals in order to help safeguard freelancers' rights in Britain, and generally across the western world.

There is much to glean from the current case law. It has been argued that the continental European cases are more supportive of authors' rights as the laws stem from the *droit d'auteur* tradition, in contrast to the American cases which enforce publishers' interests as these are rooted in the common law tradition.¹² In part, it will be interesting to see to what extent this commentary is borne out in my analysis, especially when we consider Britain's "mixed" law tradition.¹³

My research confirms that a reasonable body of literature has recently developed dealing with digital technologies and freelancers' digital uses, most of which is American. Such commentators, who have mainly studied one US decision,¹⁴ have predominantly neglected to look beyond their domestic system.¹⁵ In Canada and Europe, very

11. American Society of Journalists & Authors, *Contracts Watch*, at <http://www.asja.org/cw/cwfiles/cw951101.php> (last visited Dec. 12, 2002) (on EMAP Business Publishing, a leading British house of business and computer magazines and professional journals). See Corbett, *supra* note 5 (for other current accounts of "rights grabs").

12. W. R. CORNISH, *INTELLECTUAL PROPERTY* 377 (4th ed., Sweet & Maxwell London 1999).

13. The British tradition features a tension between the common law and civilian based approaches to copyright wherein there is no difference between creators and investors in the former, and authors' rights are distinctly celebrated in the latter; in Britain, the CDPA 1988 obliterated this division which previously would have made the British system more akin to the civilian tradition. See *id.*

14. *Tasini v. New York Times Co.*, 533 U.S. 483 (2001); see generally Michael Spink, *Authors Stripped of Their Electronic Rights in Tasini v. New York Times Co.*, 32 J. MARSHALL L. REV. 409 (1999); Laurie A. Santelli, *New Battles Between Freelance Authors and Publishers in the Aftermath of Tasini v. New York Times*, 7 J.L. & POL'Y 253 (1999); and Yuri Hur, *Tasini v New York Times: Ownership of Electronic Copyrights Rightfully Returned to Authors*, 21 LOY. L.A. ENT. L. REV. 65 (2000). While these works are somewhat dated since the decision, the principles of such works are nonetheless relevant and will be duly considered.

15. Irene S. Ayers, *International Copyright Law & the Electronic Media Rights of Authors & Publishers*, 22 HASTINGS COMM. & ENT. L.J. 29, 63 (1999) (examining freelancers' case law in various countries but is not undertaking a historical or theoretical analysis).

little legal commentary exists,¹⁶ and very few scholars have taken into account the history and theory of publishing practices relating to freelancers.¹⁷ More importantly, there is an insignificant amount of literature that analyses the British system and its treatment of freelancers in the digital era.¹⁸ My aim is to fill this gap. At the same time, I also recognize that there is a burgeoning body of commentary that evaluates the efficacy of copyright to cope with the blitz of digitization. At least two scholarly camps have evolved which align themselves with either the “copyright is dead”¹⁹ or “copyright can cope”²⁰ ethos. I wish to be part of neither. I offer that copyright law can and should cope. The important proviso is that it should by no means do so alone: government, industry players, authors’ and publishers’ groups, and collective societies must cooperate in reconfiguring the copyright system.

This Article is divided into eight sections. Section II explores freelancers’ current state of imbalance vis-à-vis their publishers in the digital milieu alongside copyright policy objectives. Section III analyses copyright’s historical underpinnings, illustrating that while copyright law was purported to protect the author, it was established for, and has been primarily exploited by, publishers. The remaining sections (IV-VII) concern freelancers’ legislative and judicial copyright treatment from both a national and international perspective. Since Britain has yet to decide a case on point, section VII examines other copyright sectors, such as the film industry, relating to conveyancing of copyright, to provide some insight in the judicial interpretation of new uses. Finally, section VIII advances preliminary proposals for re-crafting the copyright treatment of

16. Much of the commentary is by way of newspaper articles and publishing industry periodicals, which I draw upon. The issue has yet to be explored in the legal academic community. Some case commentary exists in Europe; see P. Bernt Hugenholtz & Annemiek de Kroon, *The Electronic Rights War*, Institute for Information Law—University of Amsterdam (2000), at <http://www.ivir.nl/publications/hughenholtz/e-rights.html> (last visited Dec. 19, 2002).

17. Wendy J. Gordon, *Fine-Tuning Tasini: Privileges of Electronic Distribution & Reproduction*, 66 BROOK. L. REV. 473 (2000) (considering the issue from a theoretical perspective only).

18. Tim Naprawa, *Secondary Use of Articles in Online Databases Under UK Law*, 9 TRANSNAT’L LAW. 331 (1996) (providing an overview of applicable British law with very little commentary).

19. See generally John P. Barlow, *Selling Wine Without Bottles: The Economy of the Mind on the Global Net*, Electronic Frontier Foundation, at http://www.eff.org/IP/idea_economy.article (last visited Dec. 10, 2002); David Nimmer, *The End of Copyright*, 48 VAND. L. REV. 1385 (1995); and Marshall Leaffer, *Protecting Author’s Rights in a Digital Age*, 27 U. TOL. L. REV. 1 (1995).

20. See generally Douglas J. Masson, *Fixation on Fixation: Why Imposing Old Copyright Law on New Technology Will Not Work*, 71 IND. L.J. 1049 (1996).

freelancers in the digital world.

II. FREELANCERS AND COPYRIGHT IN THE DIGITAL ERA

A. Defining Copyright Law

Before we examine the freelancer's current condition vis-à-vis her publisher, it is instructive to have a basic understanding of copyright law. Copyright is a western invention. Copyright law falls under the umbrella of "intellectual property law," and is consequently distinct from real property.²¹ While real property protects *tangible* objects, copyright law protects *intangible* property as the expression of one's ideas.²² The key objective of copyright is to grant exploitation rights to owners of original works. As defined in Britain's Copyright, Designs & Patent Act (CDPA),²³ copyright initially grants various enumerated exploitation rights to an "author" who "creates" a work.²⁴ The CDPA grants protection to a number of categories of works. My focus is on original literary works. A literary work is defined in the CDPA as a written work, other than dramatic or musical, that may include computer programs or compilations.²⁵ Freelancers' articles are thus literary works whether in print or digital form.

The concept of "originality" is important when recognizing copyright protection.²⁶ The test for a work's uniqueness "is a matter

21. DAVID VAVER, INTELLECTUAL PROPERTY LAW 293 (1997).

22. Of course, for Lord Hailsham, it all depends on what is meant by an "idea." See *L.B. Plastics Ltd. v. Swish Prods. Ltd.*, RPC 551 (1979), where copyright in production drawings for knock-down furniture drawers prevented one company from copying the commercial furniture produced by a competitor. The idea/expression dichotomy may not be very useful if the concept of idea is not fully understood.

23. Copyright, Designs & Patent Act, ch. 48.

24. Copyright, Designs & Patent Act, ch. 48 § 2(1), exploitation rights delineated further in Section II. For comparative purposes in Canada's Copyright Act, copyright means the sole right to reproduce, perform or publish a work and procure any profits therefrom. Copyright Act, R.S.C., ch. C-42 § 3 (Can.).

25. Copyright, Designs & Patent Act, ch. 48 § 3(1).

26. *Univ. of London Press Ltd. v. Univ. Tutorial Press Ltd.*, 2 Ch. 601, 609 (1916).

Copyright Acts are not concerned with the originality of ideas but with the expression of thought. . . . The originality, which is required, relates to the expression of the thought. But the Act does not require that the expression must be in an original or novel form, but that the work must not be copied from another work—that it should originate from the author.

Or "originality" is as Jessica Litman states, used for dividing "... privately-owned from the commons and to draw lines among the various parcels of private ownership." Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965, 1000 (1990). This piece is not dedicated to undertaking a detailed analysis of originality of copyright. Suffice it to say that there are various views on the subject that elide clear definitions.

of degree depending on the amount of skill, judgment, or labor involved in its making.”²⁷ Consequently, not only must creative intellectual activity produce the right kind of work, but “the author’s input must satisfy a certain minimum standard of effort.”²⁸ The author is an individual who is solely responsible and exclusively deserving of the credit for the creation of a unique work.²⁹

It is argued that Britain has moved towards a “mixed system” of copyright law.³⁰ Typically, the common law tradition, which admits protection both of individuals and corporate bodies, stands in contrast to the continental European tradition based on the individual protection of the author. William Cornish notes that the once distinct mechanism of protecting authors and neighboring rights, as done in the civilian system, has been abolished with the adoption of the CDPA.³¹ Moreover, unlike many other European countries, Britain allows waiver of moral rights by contract or estoppel,³² as practiced in Canada and the US. In these respects, Britain’s system is more akin to those of the common law tradition, and less to those of the civilian, *droit d’auteur* systems in continental Europe.

B. Copyright Policy Objectives and the Publishing Industry

Copyright law purports to promote culture and the dissemination of works, “by providing incentives to authors and artists to produce worthy work and to entrepreneurs to invest in the financing, production, and distribution of such work.”³³ At the same time, copyright law should balance the interests of copyright owners with those of users.³⁴ Thus, copyright law seeks to promote an equilaterally sided balance of interests between authors, publishers, and users.³⁵ However, current societal developments, like the establishment of entrepreneurial copyright, instill antagonism between authors or users and those who exploit works.³⁶

27. WILLIAM CORNISH, *supra* note 12, at 382; *Slumber-Magic Adjustable Bed Co. Ltd. v. Sleep-King Adjustable Bed Co. Ltd.*, 3 CPR (3d) 81 (1984).

28. CORNISH, *supra* note 12, at 382; *Ladbroke (Football) Ltd. v. William Hill (Football) Ltd.* 1 All E.R. 465 (1964).

29. Martha Woodmansee, *The Genius & the Copyright: Economic & Legal Conditions of the Emergence of the “Author,”* EIGHTEENTH-CENTURY STUDIES 425, 426 (1984).

30. CORNISH, *supra* note 12, at 377.

31. CORNISH, *supra* note 12.

32. Copyright, Designs & Patent Act ch. 48 § 87.

33. VAVER, *supra* note 21, at 22.

34. Grosheide, *supra* note 10.

35. VAVER, *supra* note 21.

36. Grosheide, *supra* note 10.

Consequently, as Willem Grosheide argues, this phenomenon has led to the demise of copyright's once idealistic "golden triangle" of interests.³⁷

Authors face an ever-competitive capitalist market, wherein publishers are owners vying for increased protection of their copyrights. The concept of "author" and "owner" are more and more mutually exclusive. Copyright is concerned primarily not with "lonely starving artists" but with companies—ranging from small and not-for-profit concerns to huge multi-million dollar contracts.³⁸ André Schiffrin's recent book³⁹ is an informative critique of the book publishing industry, and his comments are equally applicable to the general print industry. Schiffrin provides a glimpse of past and recent developments: the ever-growing greed of publishers that impacts and drives author-publisher legal arrangements. He details how five major conglomerates now control 80% of American book sales, while independent storeowners enjoy a decreased share in the market from about 17% to 15%.⁴⁰ The same trend can be seen in the newspaper industry.⁴¹ Such a change in the structure of publishing from the small to large media conglomerates has affected the type of contractual arrangements between publisher and author and, in turn, the quality and diversity of publishing. Moreover, without the agents representing them, authors are further disadvantaged.⁴² The agent is equally guided by moneymaking and as a result, cannot represent all authors, especially the nameless freelancers. Only celebrity authors such as Stephen King can maximize revenue for agents and publishers. Yet, without the agents, and the industry supporting them, authors derive little benefit from copyright law as they vainly attempt to publish their works. In essence, contractual relationships and other industry elements comprise a vital dimension to the management of copyright law. Therefore copyright policy objectives cannot be seen in a vacuum, but must necessarily contemplate publishing industry dynamics that typically undermine authors.

37. Grosheide, *supra* note 10.

38. JOHN GURNSEY, *COPYRIGHT THEFT* 17 (1995).

39. SCHIFFRIN, *supra* note 9.

40. SCHIFFRIN, *supra* note 9, at 2.

41. See, e.g., The Guild Reporter, *Taking the Fight for a Free Press to the Hill*, THE NEWSPAPER GUILD, at http://www.newsguild.org/gr/gr_display.php?storyID=675 (last visited Dec. 9, 2002).

42. In Canada, there are only about 20 agents. See THE WRITERS' UNION OF CANADA, *DEAR WRITER* (1998).

C. Freelancers and Digital Publishing

. . . writers are as interchangeable as and abundant and skilled
as plankton.⁴³

1. The Freelancer

Often, freelance authors earn a living by selling specialized articles. Obtaining work can be difficult due to the lack of available freelance jobs, and the need for substantial self-promotion and marketing.⁴⁴ Without any support staff, freelancers work long hours writing, editing, and researching. According to a recent study, US freelancers earn only an average of \$7,500 per annum.⁴⁵ Only 16% of all full-time freelancers earn \$30,000 or more.⁴⁶ Many freelancers spend years without any payment.⁴⁷ And many do not enjoy any of the benefits that their employed counterparts receive. It is thus not surprising that freelancers have been commonly cast as the modern day sweatshop workers. In contrast, it is important to underscore the main advantages of freelancing: the freedom to choose assignments, not to have to answer to a supervisor or confront office bureaucracy, mobility, and ability to take full-time employment or contract for assignments on a regular or intermittent basis. This independence poses problems since it is difficult for freelancers to organize themselves and make each other aware of their rights and consequently lack effective bargaining power to negotiate contracts with publishers.

2. The Freelancer-Publisher Relationship

Previous industry practice for freelancers was to submit articles without an express written contract,⁴⁸ typically for one-time print publishing.⁴⁹ And because of the quick turn-around time with print deadlines, the writers' fees were agreed upon and paid once the

43. Kim Goldberg, *Taking on Newspaper Chains*, 3(3) MEDIA 7, 24 (1996).

44. Santelli, *supra* note 14, at 262.

45. Nancy DuVergne Smith, *The Composite Writers' Lot*, National Writers Union (1995), available at <http://members.aol.com/nancyds/wlot2.html> (last visited Jul. 4, 2002).

46. *Id.*

47. Santelli, *supra* note 14, at 262.

48. Rosenzweig, *supra* note 7, at 906. *But see* Corbett, *supra* note 5 (indicating increasing attempts to formalize the relationship). Absent fieldwork, it is difficult to accurately gauge the current contractual nature of the author-publisher relationship.

49. Santelli, *supra* note 14, at 261.

articles were published. Besides the additional flat fee received, freelancers customarily obtained additional fees for translations, reprints, and other modifications of the work.⁵⁰ Over the last few years, with the increase in digitization of works, publishers across the western world have begun to use the digital economy as a new venue to profit from authors' works. After authors' works have been published in print, publishers have begun to reproduce such works in their own databases, sell these to third party databases, or make these works available on Web sites or CD-ROMs, often under the same pre-existing oral contracts.

More often than not, this new use of freelancers' works occurs without their permission. While publishers are paid for the new use of such works, and attempt to build lucrative electronic publishing houses,⁵¹ authors continue to go uncompensated. And so in the battle for electronic rights, freelancers maintain that their livelihoods depend on whether they can control the copyright in their works.

On the other hand, publishers maintain that they have a vested interest in securing their digital rights and to own "whatever the next technological wave brings in."⁵² For publishers, Web sites and databases are mere extensions of the original newspaper or periodical, and not separate media mandating separate payment to authors.⁵³ Media conglomerate strategy is to produce as much copyrighted material as possible.⁵⁴ Publishers are indeed investing millions in the use of such new technologies.⁵⁵ Because of the Internet's moneymaking potential, many publishers are eager to protect online property via existing copyright law.⁵⁶ Since 1996, over 50% of large daily and weekly newspapers already had online services.⁵⁷ And while publishers complain about, *inter alia*,⁵⁸ illicit digital piracy, the

50. *Id.*

51. Ann Diamond, *The Year of the Rat*, CANADIAN FORUM 19, 20 (1996).

52. Santelli, *supra* note 14, at 265.

53. Diamond, *supra* note 51.

54. *E.g.*, SIVA VAIDYANATHAN, COPYRIGHTS AND COPYWRONGS: THE RISE OF INTELLECTUAL PROPERTY AND HOW IT THWARTS CREATIVITY (2001).

55. Joia Shillingford, *Internet: Copyright Reservations*, THE GUARDIAN, June 8, 1995, at T4.

56. *Id.*

57. David J. Loundy, *Authors Waging Fight in Brave New World*, CHICAGO DAILY L BULLETIN, March 7, 1996.

58. For instance, many writers like Stephen King self-publish on the Web, thereby supplanting publishers' incomes. Yet, not many freelancers can do this and obtain the same readers or returns that King does as most are nameless; unless specific queries are entered in search engines, freelancers remain undiscovered.

cost savings outweigh such alleged theft.⁵⁹ Electronic publishing eliminates the publishing industry middleman—the printer—which accounts for 40% of costs,⁶⁰ and existing data can be supplemented with little or no turnaround time at a marginal cost of zero.⁶¹ Publishers traditionally only bargained for first publication rights since the value of publishing lay almost entirely in being the first to print. The Internet turned this principle on its head by allowing publishers to publish cheaply online, where content remains readily available.⁶² As a result, digital publishing rights are valuable commodities and publishers realize that with respect to freelancers they should obtain all such rights, for the best possible price.⁶³

3. The Freelancer's Digital Disadvantages

Publishing conglomerates of newspapers and magazines are all in the process of resolving infringement suits lodged against them. The US National Writer's Union (NWU) estimates that the US publishing industry could face between \$2.5 to \$600 billion in damages for illegally reproducing freelance work alone.⁶⁴ Nonetheless, despite freelancers' mainly successful mobilization in the courts, many freelancers' financial situations are worsened by publishers' continued electronic exploitation of their works.⁶⁵ Many writers, often the best, have been forced to stop writing and consequently sever relations with publishers.⁶⁶ For instance, when Montreal-based travel writer, Nancy Lyon, learned that the Montreal Gazette sold hundreds of her articles without her consent to third party databases, she refused to sign an uncompromising digital rights contract that sought to insulate the newspaper from a possible infringement suit. As a result, she was forced to forfeit her column.⁶⁷ One is therefore compelled to question the quality of publishing that eventually filters to the users of such works, when even the best

59. Christine McGeever, *E-Book Piracy Doesn't Frighten Publishers*, COMPUTER WORLD, Apr. 10, 2001, available at <http://www.computerworld.com/news/2000/story/0,11280,44382,00.html> (last visited Nov. 23, 2002).

60. *Id.*

61. Hanno Ronte, *The Impact of Technology on Publishing*, 16(4) PUB. RES. Q. 11, 17 (2001).

62. Matthew Hoff, *Tasini v. The New York Times: What the Second Circuit Didn't Say*, 10 ALB. L.J. SCI. & TECH. 125, 163–64 (1999).

63. Ronte, *supra* note 61.

64. Simmon Houpt, *Freelancers Win Pay for Electronic Rights*, G & M, June 6, 2001.

65. Diamond, *supra* note 51, at 23.

66. Jim Carroll, *One Author's Vigilance*, 3(3) MEDIA 8, 89 (1996).

67. Diamond, *supra* note 51, at 23.

writers, such as Lyon, have difficulties in disseminating their works. And while many freelancers like Lyon refuse to sell all their rights and are terminated,⁶⁸ the vast majority capitulates and signs newer draconian publishing contracts,⁶⁹ often with waiver of moral rights and “retroactive rights”⁷⁰ clauses without any extra compensation.

Freelancers are vulnerable for any number of reasons: they desperately need the money, lack an industry reputation, or simply feel subordinate to publishers in their unstable profession. On the other hand, publishing conglomerates have legal in-house shops with the knowledge and power to bargain and draft favorable agreements. As a result, writers either witness their freelancing opportunities or their potential earnings shrink, while publishers grow more savvy and appropriate the use of works that they would otherwise be required to license. Even though publishers may not (yet) charge users for clicking on their Web sites, they can still make money. *New Scientist*, for instance, increased its classified advertising rates by 10% because of its Web site.⁷¹ Moreover, even after favorable rulings, freelancers continue to be vulnerable to publishers that purge authors’ works from any electronic archives instead of devising payment schemes.⁷² And here it cannot go unnoticed that the losers are also the users of such works who experience decreased access to works that would otherwise be electronically available.⁷³ As noted, and as will be more fully explored in sections IV through VII, publishers feel justified in their current behavior. While publishers may not have understood the extent of their rights when they began electronic publishing, publishers are now very likely advised of their rights, yet unabashedly pursue such digital exploitation. Possibly, the publishing business is reacting to its “competitive advantage. . .by reallocating intellectual property rights, making cyber-publishers’ commercial transactions

68. Various New York Times columnists have been terminated because they refused to sign the newer ‘digitally-friendly’ contracts. Goldberg, *supra* note 43, at 24.

69. Such “all rights” contracts ask freelancers to relinquish all future publications rights in applicable works “in any medium or format, now known or later developed, for no additional fee.” See Jonathan T. Elder, *Legal Update: Supreme Court to hear Arguments on Electronic Database Copyrights For Freelance Journalists*, 7 B.U. J. SCI. & TECH. L. 406, 410 (2001).

70. Such contracts absolve the publishers of any copyright liability for past republication of the authors’ articles in electronic databases or other media. *See id.* at 410.

71. Mike Holderness, *A Few Things You Should Know About Copyright*, FREELANCE, Nov. 22, 2001, available at <http://media.gn.apc.org/c-basics.html> (last visited Oct. 30, 2002).

72. Jane Martinson, *New Media: David Versus Goliath in the Supreme Court*, THE GUARDIAN, July 2, 2001, at 50 (publishers removed about 115,000 articles written by 27,000 journalists between 1980–98 upon the ruling of *Tasini v. New York Times*), *see Tasini v. New York Times*, 533 U.S. 483 (2001).

73. *See Elder, supra* note 69, at 411.

faster and cheaper by putting the burden of transactional costs on authors instead.”⁷⁴ Put differently, authors appear to be subsidizing publishers’ entry into the “potentially lucrative electronic world” for very little in return.⁷⁵

4. The Freelancer and the Law

The central issue is whether authors’ contracts, by which copyright is transferred for publishers to print freelancers’ works, contemplate electronic publication rights. Contract law governs the agreement between freelancer and publisher.⁷⁶ In order to publish a freelancer’s work, the publisher must have an agreement with the author granting the publisher an assignment or license to publish the work. Given that freelancers often have a “handshake” contract with their publishers, such is regarded by custom as an implied non-exclusive license to publish the work.⁷⁷ In other words, absent a contract, the only rights a publisher acquires from a freelancer are one-time usage rights.

A license may be either oral or implied-by-conduct and may be exclusive or non-exclusive. Similar in scope to assignments,⁷⁸ exclusive licenses must be in writing authorizing the licensee the power to exercise a right to the exclusion of all other persons including the licensor.⁷⁹ In the case of freelancers, their non-exclusive licenses imply that other licensees (publishers) may be appointed to compete with one another and the freelancer.⁸⁰ It also means that in contrast to assignments wherein there is a transfer of ownership, the freelancers retain ownership—the right to exclude everyone other than the licensees from use of their works.⁸¹ Assignments and licenses can be partial. For example freelancers may license only print rights. In Britain, future copyrights can be

74. See Ayers, *supra* note 15, at 56.

75. Goldberg, *supra* note 43, at 24.

76. My object is not to look at the general principles of contract law. Rather, the objective is to look at special rules relating to assignments and licenses of copyright between freelancers and publishers.

77. See Gordon, *supra* note 17, at 477.

78. The distinction between licenses and assignments “is not always so clear-cut,” an exclusive license of all rights to run until the rights expire is in practical reasons like an assignment. And so, “it is not so much what the contract is called but the effect of the transaction which decides whether there is an assignment or a license.” HILLARY E. PEARSON & CLIFFORD MILLER, *COMMERCIAL EXPLOITATION OF INTELLECTUAL PROPERTY* 344 (1990).

79. Copyright, Designs & Patent Act ch. 48 § 92(1).

80. VAVER, *supra* note 21, at 238.

81. See PEARSON & MILLER, *supra* note 78, at 343.

assigned,⁸² thereby vesting copyright in the assignee once the future work comes into existence. Moral rights can be waived in writing but cannot be assigned.⁸³ Clearly, had freelancers granted assignments or exclusive licenses, such would have been in writing and the contemplation of secondary uses would have most likely been more easily discernible.

The question therefore is whether the scope of the implied license extends to online media, absent express terms. While this matter is to some extent evidentiary and interpretive in kind as it necessitates an analysis of copyright infringement, it speaks more fundamentally to the nature of the freelancer-publisher relationship and, ultimately, to the ways in which such new uses challenge the very justifications of copyright law and its purported policy objectives. And so before we can analyze the contemporary legal construction of such digital contracts, it is necessary to first explore the freelancer-publisher relationship from a historical perspective, and then the evolution of copyright in Europe which was the springboard for both the Anglo-American and continental European traditions.⁸⁴

III. THE HISTORY OF COPYRIGHT IN RELATION TO THE FREELANCER

A Early Forms of Copyright

1. The System of Privileges

In Britain and across other parts of Europe generally,⁸⁵ copyright during the early sixteenth and seventeenth century served to control the printing and distribution of books, rather than protect authors' rights.⁸⁶ Until the eighteenth century, in England, this form of protection took the form of privilege or a monopoly handed by the Crown to certain printers.⁸⁷ After the introduction of the printing

82. Copyright, Designs & Patent Act, ch. 48 § 91.

83. See Copyright, Designs & Patent Act, ch. 48 § 94–95.

84. As I have argued elsewhere and will not develop further in this Article, the once distinct continental European tradition celebrated for championing authors' rights has diluted to assimilate to the more capitalistic Anglo-American model; Giuseppina D'Agostino, *The Globalisation of Copyright: A Comparative Analysis of the Anglo-American and Continental European Copyright Laws in Relation to the Author*, 2 HIBERNIAN L. J. 35 (2001).

85. In Italy, printing in the first twenty years of the sixteenth century occurred in forty-nine different places. ELIZABETH ARMSTRONG, BEFORE COPYRIGHT 11 (1990).

86. Justice Laddie, *Copyright: Over-strength, Over-regulated, Over-rated*, 5 EIPR 253-260, at 253 (1996).

87. In 1529, a parliament of Henry VIII enacted a statute (*Cum privilegio regali as impremdum solum*) to control the printing of works by Royal prerogative. Select printers under the statute were known as "King's Printers." E.D. SKONE JAMES, COPINGER & SKONE

press, Crown licenses were used to regulate the English book trade and to protect printers against pirates.⁸⁸ Authorities also used these privileges as an instrument of censorship.⁸⁹ The chosen printers⁹⁰ thus enjoyed an economic advantage, exclusively authorized to print a select work for a prescribed period of time.⁹¹ Since privileges were valid only within the jurisdiction of the granting authority, the area in which the privilege was effective was relatively small.⁹² The invention of the printing press, and the possibility to print multiple copies of books cheaply, enabled the public to access manuscripts and books—a privilege previously enjoyed only by the society's most affluent.⁹³ Notably, the printing press made several innovations possible: (1) duplications became easier and more accurate, (2) mass distribution became feasible, and, (3) a larger and more literate reading public developed. Accordingly, “who owned information and profited from printed work became crucial questions as this market developed.”⁹⁴

In order to profit and adapt to these new means of literary exploitation, publishers faced several new issues. A consistent theme present in these early provincial presses was that book production by patronage was no longer viable in the age of the printed book.⁹⁵ As John Feather observes, “[t]o produce a single copy of a printed book was a commercial and technological nonsense,” but to produce large quantities of books mandated a marketing and distribution system that the patrons did not have.⁹⁶ Simultaneously, the expanse of printing and the increasing competition among printers led to a situation in all the major European countries in which “piracy was born, so to speak,

JAMES ON COPYRIGHT (Skone James ed., Sweet & Maxwell, London 1998).

88. Edward Earle, *The Effect of Romanticism on the 19th Century Development of Copyright Law*, 6 INTEL. PROP. J. 269, 271 (1991).

89. *Id.*

90. Throughout this Article the terms “printer,” “bookseller,” “stationer,” and “publisher” will be used interchangeably. Much of the canvassed literature on the history of copyright often blurs these terms. PINKUS, *supra* note 1.

91. When William Caxton introduced printing into England in 1476, he sought no privilege as he enjoyed the support of the Yorkist dynasty. His business flourished without the need for protection against competitors on his territory. Caxton is cast as an entrepreneur of his times, by making a profitable business by carefully selecting titles that would sell to a small but well-defined market. JOHN FEATHER, *THE HISTORY OF BRITISH PUBLISHING* 10 (1988).

92. See ARMSTRONG, *supra* note 85, at 10–11.

93. GILLIAN DAVIES, IIC STUDIES MAX PLANCK INSTITUTE MUNICH, COPYRIGHT AND THE PUBLIC INTEREST 13 (1994).

94. DEBORA J. HALBERT, *INTELLECTUAL PROPERTY IN THE INFORMATION AGE: THE POLITICS OF EXPANDING OWNERSHIP RIGHTS* 3 (1999).

95. See FEATHER, *supra* note 91, at 15.

96. *Id.*

with the art itself.”⁹⁷ The printers and publishers soon forged powerful guilds and petitioned the authorities for protection against unfair competition.⁹⁸ With the Cromwellian Revolution, a series of Parliamentary ordinances abolished the system of privileges.⁹⁹ These ordinances prohibited a book to be printed unless it was first licensed.¹⁰⁰ In 1662, the Licensing Act¹⁰¹ was passed which granted perpetual protection to those who registered a work with the Stationers’ Company.¹⁰² Any book had to be first licensed and then registered as a copy with the Stationers. The Licensing Act further prescribed regulations as to printing books that were hostile to the Church or government and prohibited the import of any work, without the consent of the owner.¹⁰³ Under the Stationers’ guild only its members could hold copyright. In other words, the Stationers had a virtual monopoly over all printed material. Where did authors fit in? How did they earn a living under these early regimes?

2. *Authors in the Early Days*

The literature canvassed on these early times suggests that authors were not duly considered.¹⁰⁴ Under the early system of privileges, the select printers who were familiar with the taste of their public would commission an author to write certain works.¹⁰⁵ But this arrangement was quickly abused to protect industrial interests. Booksellers had to make more costly investments, and revenue came later and less reliably and competition in the form of counterfeit copies became severe.¹⁰⁶ Many bankruptcies resulted. According to Michèle Vessillier-Ressi, in order to protect the owners of capital, the authority granted privileges and, in doing so, forgot about the authors

97. See DAVIES, *supra* note 93, at 16.

98. E.g., MARK ROSE, THE AUTHORS PROPRIETOR: DONALDSON V. BECKET AND THE GENEALOGY OF MODERN AUTHORSHIP IN OF AUTHORS AND ORIGINS 25 (1994).

99. See DAVIES, *supra* note 93, at 18.

100. *Id.*

101. Licensing Act 1662 13 & 14 Car 2 c. 33 (Eng.).

102. The Stationer’s Company, a descendant of certain craft guilds of printers who had moved to the City of London in the early sixteenth century, was created by Henry VIII and chartered in 1557 by Philip and Mary to create a specific organization through which the Crown could maintain the status quo. See FEATHER, *supra* note 91, at 13.

103. See SKONE JAMES, *supra* note 83, at 2–11.

104. I make no distinction between authors and freelancers, “partly because the categories overlap, partly because journalism can hardly be identified as a separate profession before, say, the 1700s.” VICTOR BONHAM-CARTER, AUTHORS BY PROFESSION 5 (1978). To the extent that specific commentary is available pertinent to freelancers, I will incorporate accordingly.

105. For instance, almanacs and astrological and medical ‘prognostications.’

106. MICHELE VESSILLIER-RESSI, THE AUTHOR’S TRADE 13 (1993).

who were “relegated to the sphere of private agreements and, by the force of economic necessity, to a condition of inferiority in relation to the businessmen.”¹⁰⁷ As a result, authors had no explicit, recognized place in this scheme.¹⁰⁸ Once the system of privileges was abolished, not much changed as authors faced similarly unfavorable circumstances since “[t]he emergence of copyright endorsed the Stationer’s Company right to copy rather than the author’s right to own.”¹⁰⁹ Nonetheless, Stationer’s did acknowledge an obligation to pay authors and obtain permission prior to printing their works.¹¹⁰ But not all authors were commissioned. Patron-less authors would think up a title and propose the future work to the first bookseller who was willing to pay anything for it.

By the seventeenth century, publishers customarily offered *honoraria* to the writers for the works the publishers conceded to print.¹¹¹ But institutions, in *honorarium*, gave authors a mere acknowledgement. Consequently, writers were not afforded value for their work. Moreover, while the more respectable writers, the gentlemen, supported themselves by some means of patronage (by way of some direct gift or a political sinecure) for which they paid with some fulsome dedications and political loyalty, the vast majority had to supplement their income with other types of employment.¹¹² Some freelance authors would typically earn two or three shillings per title.¹¹³ The hacks had no patron and depended entirely on their own efforts. Those in Grub Street wrote in a “highly competitive cut-throat society, dominated by a handful of entrepreneurs. . . .”¹¹⁴ The

107. *Id.* at 13.

108. F. Willem Grosheide, *PARADIGMS OF COPYRIGHT LAW, OF AUTHORS AND ORIGINS: ESSAYS ON COPYRIGHT LAW 203* (Brad Sherman & Alan Stowel eds., Clarendon Press Oxford 1994).

109. See HALBERT, *supra* note 94, at 4.

110. Often the author would receive a small advance if the title inspired confidence. He could then proceed to produce the manuscript. There were four arrangements possible when a book was written: (1) lump sum payment or free copies (most popular arrangement); (2) publishing by subscription in the case of encyclopedias; fee determined in advance but only rendered once volumes were delivered; (3) profit share once printing cost recovered (seldom used and certain to substantially disadvantage authors since publishers would ‘cook’ the books regarding printing expenses) and; (4) self-publishing. See VESSILLIER-RESSI, *supra* note 106, at 14.

111. See Woodmansee, *supra* note 29, at 434.

112. The author received some type of security in the form of a job as a secretary, tutor, chaplain, actor, librarian or political agent; profits from monopolies and property were also possible. See CARTER, *supra* note 104, at 12.

113. See CARTER, *supra* note 104, at 13. The period’s account-books indicate that bread was a shilling a loaf and a plain suit 2.14 pounds. PINKUS, *supra* note 1, at 14.

114. See CARTER, *supra* note 104, at 28.

system of patronage only ensured a relative degree of independence and security for the author. Mainly because "patronage was a personal link, it would often end on the death (or disgrace or ruin) of the patron. It was also biased, irregular and unfair; it encouraged flattery as much as talent."¹¹⁵

In the 1690s, for the first time, it seemed possible for hacks to live by their writing: "[i]t was a precarious independence, but it gave them the kind of moral assurance, in that heavy interval between their cups and their whores, to sneer at patron-seekers like Dryden."¹¹⁶ This independence was due to a convergence of circumstances; Pinkus highlights four main factors: (1) more readers, (2) less enforcement, (3) a compact market, and (4) powerful political parties who needed writers.¹¹⁷ But importantly, the hack's independence often landed him in another kind of bondage, to his bookseller-publisher.

These were the enterprising business-men like the 'unspeakable Curll', who kept stables of writers, slept them three to a bed, according to Amory, advanced them money for work which, it must be confessed, they sometimes had no intention of completing but, finished or not, was never sufficient for expense after they had paid their wine bill. The result was a familiar pattern. They got in debt, they went hungry, they skulked the streets to avoid the bum-bailiffs set on them by their landlord or their tailor, they even went without their wine.¹¹⁸

The publisher also took on a different status, becoming less and less the stationer and bookseller and more the publisher competing to protect his property rights as we see today.

The Licensing Act of 1662 had been continued by several Acts of Parliament but expired in 1679.¹¹⁹ The system had fallen into disrepute since the power of the Stationer's members to claim copyright in perpetuity caused price increases and a lack of availability of books.¹²⁰ Two main streams of copyright protection

115. See VESSILLIER-RESSI, *supra* note 106, at 11.

116. PINKUS, *supra* note 1, at 15. Several factors made this possible including, *inter alia*, the political alliances that writers forged. When William III came to the throne, the political party, not the court, became the center of patronage, and the political value of the writer increased. The great political leaders wooed him. By the beginning of the eighteenth century all the great writers of the time—Addison, Steele, Swift, Prior, Defoe—were involved in politics on one side or another of the party war.

117. *Id.* at 17.

118. *Id.* at 17.

119. See SKONE JAMES, *supra* note 87, at 2–12.

120. See SKONE JAMES, *supra* note 87, at 2–11.

with some key differences were born:¹²¹ the Anglo-American tradition in Britain, following the first English copyright in 1710 and the continental European tradition in other parts of Europe, following the French revolutionary laws of 1791 and 1793.¹²²

B. *The Birth of Modern Copyright Law*

1. The Genesis of British Copyright: The Statute of Anne

Since the Licensing Act expired, the Stationers petitioned the House of Commons for further legislation in order to reinstate perpetual protection.¹²³ In response to these applications, the Statute of Anne¹²⁴ officially ended the system of privileges, granted the author copyright protection, and aimed to encourage the composition of socially desirable works and prevent the practice of piracy.¹²⁵ The Statute limited the term of protection for unpublished works to fourteen years, and for published authors who had not transferred their rights and booksellers who had acquired the copy of any book in order to print them, to twenty-one years.¹²⁶ The publication had to be listed with the Stationer's Company, and nine copies had to be delivered to certain libraries.¹²⁷ The author technically gained the right to control the publishing of his work and protect it against piracy.¹²⁸ But in reality, "an author had to assign the copyright in order to be paid—otherwise, no bookseller would publish the work, and without a printed book there could be no copyright."¹²⁹ Authors often sold their works for a flat fee and gave up rights to publication

121. The protection of literary works came to be recognized as a fundamental right of man in the American Constitution (1787) and in the Declaration of the Rights of Man (1789) premised on the French Constitution (1791). GIUSEPPE SENA, *OPERE DELL'INGEGNO IN DIGESTO DELLE DISCIPLINE PRIVATISTICHE: SEZIONE COMMERCIALE, MODE-PATRI X 356, 357* (1994).

122. In the aftermath of the French Revolution, a 'clean break' had been made with the past. The relationship between authors and their works was celebrated. This relationship is based on *gius-naturalistiche laiche*, a concept derived from the celebrated dictum of Le Chapelier: "*la plus sacrée, la plus personnelle de toutes les propriétés est l'ouvrage, fruit de la pensée d'un écrivain.*" C. UBERTAZZI 'DIRITTO D'AUTORE' IN *DIGEST CIV IV C UBERTAZZI* (ED) 368 (1989).

123. See SKONE JAMES, *supra* note 87.

124. 8 Anne c 19 (1710) (Eng.) (hereinafter "the Statute").

125. See DAVIES, *supra* note 93, at 23.

126. See Earle, *supra* note 88, at 274.

127. See SKONE JAMES, *supra* note 87, at 2–15.

128. N.N. Feltes, *International Copyright: Structuring "The Condition of Modernity"* in *British Publishing*, 10 CARDOZO ARTS & ENT. L.J. 535, 539 (1992).

129. LYMAN PATTERSON & STANLEY W. LINDBERG, *THE NATURE OF COPYRIGHT* 27 (1991).

and any further royalties because booksellers printed works at will.¹³⁰

There are various perspectives advanced as to why, in 1710, the first copyright act was born. According to a prevailing view, the Statute was “the result of lobbying by and for established London-based publishers and booksellers seeking new legal weapons against down-market competition spawned by the proliferation of print-technology.”¹³¹ Others argue that copyright grew directly out of the efforts at suppression of piracy.¹³² And yet others maintain that while the Stationers justified that the system prevented the publication of seditious works, they were more interested in preserving their monopoly.¹³³ On the other hand, Parliament’s main objective in limiting the term of copyright and, for the first time, in introducing the author into its provisions, was to restrain the London booksellers’ monopoly.¹³⁴ Some scholars thus offer that the Statute was not intended as a copyright protection act, but as a book trade regulation act.¹³⁵ My interest here is not to choose the best perspective, but rather to highlight that these viewpoints share the same underlying principle: the Statute was not an author’s statute, but a publisher’s statute. Copyright has traditionally been a publisher’s right and not an author’s right.¹³⁶ Both parliament and publishers were interested in some type of regulation—whether this was to stymie publishers’ competition or to stymie publishers’ monopoly is beyond the scope of this Article.

2. The Authorship Debate

To understand why copyright became associated with protection of the author, at this juncture, it is important to contextualize the intellectual dimensions of the author-publisher relationship. At the time, publishers deployed the emerging discourse on authorship to advance the publishers’ cause for copyright protection. As Ray

130. See HALBERT, *supra* note 94, at 5.

131. Peter Jaszi, *On the Author Effect: Contemporary Copyright and Collective Creativity*, 10 CARDOZO ARTS & ENT. L.J. 293, 296 (1992). See also ROSE, *supra* note 98, at 23; MARK ROSE, *AUTHORS AND OWNERS* (1993); Laddie, *supra* note 86, at 253; LYNETTE OWEN, *SELLING RIGHTS* 26 (3d ed., Routledge London (2001)).

132. David Lange, *At Play in the Fields of the Word*, 55 L & CONTEMP. AFFAIRS, 127-135, 128 (1992).

133. See OWEN, *supra* note 131, at 9. Publishers were suffering as a result of unlicensed copyists, in a regime where common law remedies were ineffective. See Laddie, *supra* note 86. But see HALBERT, *supra* note 94, at 5 (stating that the Stationers’ Company was not automatically affected by the loss of the Licensing Act because they were a book cartel).

134. L.R. PATTERSON, *COPYRIGHT IN HISTORICAL PERSPECTIVE* 143 (1968).

135. See HALBERT, *supra* note 94.

136. See ROSE, *supra* note 98, at 27.

Patterson offers, “although the author had never held copyright, his interest was always promoted by the stationers as a means to their end.”¹³⁷ In contrast to the fifteenth and sixteenth century, where the author was merely a craftsman or the vehicle relaying the divine, in the eighteenth century the author became the actual “genius” innately inspired and thus capable of producing original work.¹³⁸ While Mark Rose studied the emergence of the proprietary author in England, Martha Woodmansee focused on Germany. Woodmansee acknowledges the work of Edward Young¹³⁹ as he makes “a writer’s ownership of his work the necessary, and even sufficient condition for earning the honorific title of “author” and he makes such ownership contingent upon a work’s originality.”¹⁴⁰ This change was partly due to the fact that writers were no longer dependent on patrons for remuneration, as they had an expanding public audience. In addition to a larger and more literate audience, “writings would get sold not because they were skilful variants, but because they were original.”¹⁴¹

However, it is not entirely accurate to paint the need to protect a work solely as an urgency to preserve in perpetuity the romantic notion of “originality.”¹⁴² Authors still wanted to earn their livelihood through their authorship. Once writers were compensated with a flat sum for any work rendered, they lost their rights to any further profits flowing from the work. As a result, writers found difficulty in “keeping up the pretence” of a just arrangement, and were no longer content about not being appropriately compensated for their work.¹⁴³

137. PATTERSON, *supra* note 134.

138. William Wordsworth (1770–1850) championed this aura of originality as intrinsic in the author. In the ‘Recluse’ Wordsworth celebrated the ‘exquisite individual Mind.’ WILLIAM WORDSWORTH, “THE RECLUSE” IN *SELECTED POEMS AND PREFACES* 45 (J. Stillinger ed., Houghton Mifflin Boston 1965).

139. Edward Young spurred German theorists, like Herder, Goethe, Kant and Fichte to claim ownership over the products of their labor in the form of copyright nearly half a century earlier. Edward Young, *Conjectures on Original Composition in a Letter to the Author of Sir Charles Grandison*, *ENGLISH CRITICAL ESSAY, SIXTEENTH, SEVENTEENTH AND EIGHTEENTH CENTURIES* (Jones ed., OUP London 1975).

140. See Woodmansee, *supra* note 28, at 431.

141. Thomas Mallon, *The Origins and Ravages of Plagiarism*, 43 J. COPYRIGHT SOC’Y. 37, 38 (1995).

142. Essentially the view espoused by Earle; see Earle, *supra* note 84.

143. See Woodmansee, *supra* note 29, at 436. Woodmansee and Rose’s views on authorship do not stand uncontested. Halbert highlights the eighteenth century French experience referring to Carla Hesse’s *Enlightenment Epistemology and the Laws of Authorship in Revolutionary France, 1777–1793*, wherein Hesse argues that the French Revolution provided a different starting point for the debate over authorship. On the one hand, there was the notion of the public good and on the other, the notion of the proprietary author—both important to understanding copyright law. “It is clear that these tensions continue to prevail today.” See HALBERT, *supra* note 94, at 10.

In order to extend their monopolies, the English booksellers appropriated the concept of authorship as a justification with positive connotations to designate literary activity as socially meritorious.¹⁴⁴ One of the main arguments lodged by the booksellers to reinstate copyright protection was that failure to continue with exclusive printing rights was a disincentive to authors. Barring such protection to encourage authors, the public interest would be harmed by the decreased flow of books.¹⁴⁵ To substantiate such submissions, several scholars¹⁴⁶ posit that the booksellers co-opted the Lockean discourse of possessive individualism to justify the new literary property market. The author was a proprietor inherently deserving of the fruits of his labor. The author as owner of ideas was likened to an owner of property threatened by trespassers on his land.¹⁴⁷ The literary work began to be seen as a “form of estate.”¹⁴⁸ Such ideas therefore contributed to a new way of thinking about literature. Although Locke opposed licensing as leading to unreasonable monopolies injurious to learning, in addition to the Stationers’ pleas in 1690 he “demanded a copyright for authors which he justified by the time and effort expended in the writing of the work which should be rewarded like any other work.”¹⁴⁹ And so, all of these developments, the emergence of the mass market of books, the valorization of the original genius, and the development of the Lockean discourse of possessive individualism occurred in the same period as the long legal and commercial struggle over copyright.¹⁵⁰

3. The Battle of the Booksellers

In 1731, twenty-one years after the Statute was passed, the Stationer’s monopoly of printing books already in print had expired. Printers in Scotland and other provinces re-issued editions of old books and the London booksellers filed suits to prevent this in a series of cases before the English and Scottish courts.¹⁵¹ The booksellers argued that at common law authors had a perpetual right to authorize

144. See Jaszi, *supra* note 131, at 296.

145. PATTERSON, *supra*, note 134.

146. See ROSE, *supra* note 98, at 31; Daniel Burkitt, *Copyrighting Culture*, 2 INTELL. PROP. Q. 146 (2001); See SKONE JAMES, *supra* note 87, at 2–13.

147. MARK ROSE, *AUTHORS AND OWNERS* 17 (1993).

148. See Lange, *supra* note 132, at 128. “Indeed, were it not for the press, relentlessly propagating the linear text, intellectual property as we know it simply could not exist.”

149. See SKONE JAMES, *supra* note 87, at 2–13; J. LOCKE, *TWO TREATIES OF GOVERNMENT* 27 (P. Laslett ed., Cambridge University Press Cambridge 1988).

150. See Earle, *supra* note 88, at 272.

151. BENJAMIN KAPLAN, *AN UNHURRIED VIEW OF COPYRIGHT* 12 (1967).

printing rights, which had been assigned to them.¹⁵²

At issue was whether copyright was an inherent form of property arising from the act of creation or a limited right of control or monopoly bestowed by the Statute. This battle again used the developing discourse on authors' rights as its tool.¹⁵³

In 1774, *Donaldson v. Becket*¹⁵⁴ finally overturned *Millar v. Taylor*'s earlier decision¹⁵⁵ holding that copyright was a statutory right and was to be treated as statutory property. Consequently, the Statute extinguished the common law copyright in published works. The Statute succeeded in fixing the idea that copyright was an author's right. And even though future law limited this right, it began with the important assumption that authors had rights invested in their works.¹⁵⁶ Yet, while copyright had been transformed from a publisher's to an author's right it ultimately benefited the booksellers. According to Patterson:

The change, however, was less a boon to authors than to publishers, for it meant that copyright was to have another function. Rather than being simply the right of a publisher to be protected against piracy, copyright would henceforth be a concept embracing all rights that an author might have in his published work. And since copyright was still available to the publisher, the change meant also that the publisher as copyright owner would have the same rights as the author.¹⁵⁷

Thus, although the battle of the booksellers did not result in a perpetual copyright, it helped further advance the legal concepts of proprietary author and literary work underpinning western copyright.¹⁵⁸

4. Battling for More Copyright

In the eighteenth and nineteenth century, the idea of literary

152. *Id.* at 12.

153. See HALBERT, *supra* note 94, at 6.

154. *Donaldson v. Beckett*, 98 Eng. Rep. 257 (H.L. 1774).

155. *Millar v. Taylor*, 98 Eng. Rep. 201, 217 (K.B. 1769) (holding in favor of perpetual right by a majority—the Statute did not take the common law right away).

156. See HALBERT, *supra* note 94.

157. PATTERSON, *supra* note 134, at 151.

158. Feather notes that *Donaldson* reversed the "entire tradition of the law of copyright" and moved towards the definition of two key concepts in copyright law: the development of "intellectual property law" as a creation of the author's intellect, and that of the "public domain" which terminated the author's ownership, but not his creation. John Feather, *Publishers and Politicians: The Remaking of Copyright in Britain 1774–1842*, 24 PUBLISHING HISTORY 49 (1988).

property, the theft of such property, and the struggle for an international copyright law all took center stage.¹⁵⁹ In 1724, the first commercial publishing house had been founded in Britain, under the family firm name Longman. Arguably, the first British publishing house was born when the University of Cambridge received a Royal Charter to print in 1534, followed by the University of Oxford in 1586.¹⁶⁰ There was a real burgeoning of commercial houses in Britain and across the western world. Yet, we can see the ongoing worldwide injustice of the copyright regime through the lens of the common writer.¹⁶¹ Paul Gleason notes that the US, which adopted its first copyright law in 1790, commonly reprinted European, mainly English, works “without either requesting permission or making payment...”¹⁶² And though this was clearly piracy for the Europeans, as Charles Dickens and Sir Walter Scott publicly condemned, it was completely legal for the US to protect only its national authors.¹⁶³ Compelled to protect the products of their intellect, in early 1870, many authors who had works pirated by European publishers publicly supported international copyright law and protection for local artists.¹⁶⁴ Authors were concerned mainly with moral rights,¹⁶⁵ objecting to publication without consent, false attribution of authorship, and modifications to the text that were harmful to their reputation.¹⁶⁶ The genesis of the modern intellectual property law system was established.

5. Conclusions

Copyright has traditionally been “a publisher’s, not an author’s right.”¹⁶⁷ Copyright emerged because of the economic interests of the booksellers. First, they wanted protection, then they wanted it forever, then they settled with what they could get, and then they

159. Jerrald Ranta, *Dickinson’s “Alone and in a Circumstance” and the Theft of Intellectual Property*, 41 ESQ 65, 65 (1995).

160. See OWEN, *supra*, note 131, at 4.

161. Emily Dickinson’s *Alone in a Circumstance* (1870), reveals the property-laden ethos filtering her epoch’s copyright discourse where copyrightless authors’ works were appropriated without remuneration.

162. Paul Gleason, *Major International Copyright Conventions*, 15 ACQUISITION LIBRARIAN 5, 7 (1996).

163. E.g. JOHN FEATHER, PUBLISHING, PIRACY AND POLITICS 6, 166–69 (1994); N.N. Feltes, *International Copyright: Structuring “The Condition of Modernity” in British Publishing*, 10 CARDOZO ARTS & ENT. L.J. 535, 539 (1992).

164. Ranta, *supra* note 159, at 74.

165. See DAVIES, *supra* note 93, at 17.

166. *Id.*

167. See ROSE, *supra* note 98, at 27.

protected it from any perpetrator. To summarize copyright law's historical underpinnings, it is useful to quote Jeremy Waldron's story:

The reasoning goes like this. The overall social good is served by the progress of science and useful arts. The progress of science and useful arts is served by the encouragement of authors. The encouragement of authors is secured by providing them with the incentive of legally secured monopoly profits from the sale and circulation of their works over a limited period of time. Incentives work by conferring benefits on those whose activity we are trying to encourage. Such a benefit may be seen as a reward for their efforts. Rewards are what we characteristically provided for moral desert; we reward the deserving and penalize the undeserving. Therefore, authors deserve the intellectual property rights that are secured to them in the name of social policy. The thought moves from *encouragement* to *incentive* to *benefit* to *reward* to *desert*, so that something which starts off as a matter of desirable social policy ends up entrenched in an image of moral entitlement.¹⁶⁸

Missing from this traditional account is, "the step where authors transfer their bundles of sticks to the publisher who then holds sole proprietary interest over the work and continues to profit with very little going back to the authors."¹⁶⁹ From the early days, publishers sought to exploit new lucrative technologies, like the press, with very little regard for authors.

It is not surprising then that in practice, the new "authors' rights" did not remain with authors for long, as writers continued to sell their works outright for lump sum payments.¹⁷⁰ Whereas before the Statute's enactment, the author had to sell his copyright outright, after the enactment he was "required to sell only one edition or only for a period of fourteen years—that is, if he was prepared to brave the wrath of the publisher upon whom he depended for his livelihood."¹⁷¹ Historically, the author appeared to be both a pawn for the booksellers and for the draftsmen, and less the object of social policy.

168. Jeremy Waldron, *From Authors to Copiers*, 68 CHI.-KENT. L. REV. 841, 851 (1993) (emphasis added).

169. See HALBERT, *supra* note 94, at 18.

170. See CARTER, *supra* note 104, at 17–25.

171. Sampson, *Copyright & Electronic Publishing*, 75 COPYRIGHT WORLD 22-6 (1997).

IV. INTERNATIONAL COPYRIGHT MECHANISMS AND DIGITAL PUBLISHING

A. *International Copyright Mechanisms*

1. The Berne Convention

United under the leadership of authors, various groups of artists called for changes in their social position on an international legal scale, which eventually led to the establishment of the Berne Convention.¹⁷² Signed in 1886, the Berne Convention for the protection of Literary and Artistic Works¹⁷³ was the culmination of numerous efforts to establish a multilateral arrangement for the protection of authors' rights that would replace the previous piecemeal and incomplete network of bilateral agreements. The Chairman of the final conference, Numa Droz said of the occasion: "the spectacular affirmation of the awakening of the universal conscience in favor of authors."¹⁷⁴ Not surprisingly, Berne—at its inception—did not contemplate digital uses of authors' works, but has become applicable to many online activities.¹⁷⁵

Berne has three key obligations. First, Berne prohibits signatory states from requiring procedural formalities as a prerequisite for national treatment of copyrighted works.¹⁷⁶ Second, Berne's "national treatment" grants the same copyright protections for foreign nationals as those given to works of national origin.¹⁷⁷ This eliminates the need for a formal reciprocity inquiry, and overcomes many of the historical imbalances of copyright protection.¹⁷⁸ Third, Berne adopts certain minimum standards of protection for foreign authors; albeit subject to national implementation and interpretation, every Berne signatory country must give authors the exclusive right to

172. Grosheide, *supra* note 108, at 215.

173. Berne Convention for the Protection of Literary & Artistic Works, Sept. 9, 1886, T.S. No. 185 (hereinafter "Berne").

174. Grosheide, *supra* note 108, at 215.

175. Sampson, *supra* note 171.

176. Berne, *supra* note 173, at art. 5(2).

177. Craig Karpe, *Towards a Unifying Law: international copyright conventions, the GATT TRIPs Agreement and Related EC Regulations*, 5(2) INFO. & COMMS. TECH. L. 95, 97 (1996).

178. This principle applies to both substantive and procedural areas of law and consequently simplifies international relations as countries no longer have to negotiate and maintain bilateral arrangements. MARSHALL LEAFFER, *THE BUREAU OF NATIONAL AFFAIRS, INTERNATIONAL TREATIES ON INTELLECTUAL PROPERTY* 6 (2d ed., Washington 1997).

authorize the exploitation of their copyright materials.¹⁷⁹ Marshall Leaffer offers that Berne's minimum rights principle provides a "common denominator" of legal protection to all member countries and helps harmonize international laws.¹⁸⁰

Nonetheless, Berne cannot be said to be entirely an author's statute. An author's exploitation rights under Berne include the right to reproduce, perform, recite, and communicate literary works to the public.¹⁸¹ Yet, since neither "work" nor "author" are defined terms, the law of the contracting state has to decide what is a work and who is an author.¹⁸² Moreover, while Berne protects an author's *droit moral* or, moral rights, it was not until the Rome revision of 1928 that moral rights were established.¹⁸³ Grosheide suggests that Berne only protected the pecuniary interests of authors.¹⁸⁴ Additionally, while the author can claim authorship and challenge any distortion, mutilation, modification of the work, or other derogatory action in relation to it which would be prejudicial to the author's honor or reputation,¹⁸⁵ such rights are curtailed by certain exceptions. The CDPA, for instance, does not provide for derogatory actions in the case of freelancers' works.

Additionally, Paul Sampson argues that authors are at a disadvantage when important national differences complicate electronic publishing matters.¹⁸⁶ Berne's copyright protection of 50 years compared to that of the EU of 70 years for instance means that authors and publishers have to enforce their own copyrights against infringers using these different laws, and the outcome may vary in different countries. As a result, publishers using the Internet need to obtain legal advice to assess their risk in every country. Sampson maintains that this may mean that publishers have to abandon an online project because of problems in a few countries.¹⁸⁷ While perhaps unrealistic, authors may face less public exposure not so much because of the problems outlined at the outset vis-à-vis the

179. Sampson, *supra* note 171, at 24.

180. LEAFFER, *supra* note 178, at 7.

181. Berne, *supra* note 173, at art. 2.

182. This distinction lies in the differences that existed between the signatories on these points; namely, those of the continental European *droit d'auteur* tradition and those of the Anglo-American tradition. Grosheide, *supra* note 108, at 218. *But see*, David Vaver, *Copyright in Foreign Works: Canada's International Obligations*, CANADIAN BAR REVIEW 76 (1987).

183. Grosheide, *supra* note 108, at 216.

184. *Id.* at 216.

185. Berne, *supra* note 173.

186. Sampson, *supra* note 171, at 24.

187. *Id.* at 24.

entrepreneurial publishers, but more because of the publishers' management of the uneven nature of the legal system. And while ways to overcome this issue are available,¹⁸⁸ the structural issues that underpin the freelancer-publisher relationship can be exacerbated in this scheme. Also, because copyright law has been integrated with the laws of unfair competition and intellectual property, by its very nature, it serves the competitive process of market-driven societies.¹⁸⁹ To this end, Sampson argues that Berne has divided the world into different markets wherein authors and publishers can charge more in one country than they can in another, since printed copies cannot move without the author's permission.¹⁹⁰ This is justifiable since the demand and cost of materials, labor, and distribution are different in every part of the world and this has to be reflected in the sale price. But as noted, because online publishing eliminates printing costs, there should be no substantial pricing differences among countries. While both authors and publishers can profit from this outcome, the law does not state that authors remain the right holders warranting a share in the online revenue. As a result, assuming publishers do take advantage of Berne's pricing barriers, the extra revenue will unlikely be passed on to authors.¹⁹¹ Berne was therefore established to hasten the quick turnover of publishing capital, and ensure reciprocity in the treatment of authors "or most often, of publishers [the author's 'lawful representatives'] within signatory nations."¹⁹² Berne, like the Statute of Anne, was not entirely initiated to protect authors' rights, or at least in practice does not appear to. Indeed, Berne like the Statute of Anne is only of symbolic significance for authors since once authors assign copyright they lose any entitlement to their work. Berne does not do much to advance authors' interests; authors remain subject to publishers or nations, and nations are arguably also subject to publishers.

2. TRIPS

The Uruguay Round (1986-1994) of the GATT negotiations concluded with the addition of broad initiatives in intellectual property rights as embodied in the section "Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in

188. *Id.* at 24. (proposing that as an alternative to enforcing rights in national courts, enforcing copyright through internet service providers is "as good as an injunction").

189. Grosheide, *supra* note 108, at 219.

190. Sampson, *supra* note 171, at 24-25.

191. *Id.* at 25 (explaining that the Treaty of Rome provides sanctions within the EU against publishers who charge more in one country than in another).

192. Feltes, *supra* note 128, at 540.

Counterfeit Goods” (TRIPS).¹⁹³ TRIPS was intended to be a comprehensive plan to strengthen and harmonize standards of international intellectual property protection and tackle growing multi-billion dollar piracy problems. Especially heralded by western copyright industries, TRIPS was meant to facilitate and encourage the trade of products and services involving copyrighted works.¹⁹⁴ TRIPS offers aggressive measures to suppress copyright infringers, including trade sanctions, injunctions, and seizure of infringing goods.¹⁹⁵ Further, in stipulating minimum standards of protection, TRIPS gives leeway to member nations to implement more extensive legal protection. Consequently, many pro-business commentators have favored TRIPS mainly because of its enforcement powers.¹⁹⁶

While TRIPS mirrors the Berne provisions and specifically requires signatories to comply with Berne’s appendix and Articles 1-21, it does less for authors. Authors’ moral rights are expressly excluded from TRIPS.¹⁹⁷ TRIPS is thus said to adopt a Berne-minus clause.¹⁹⁸ Various commentators speculate that this concession was a result of appeasing US demands.¹⁹⁹ TRIPS may facilitate exploitation by publishers who are not obliged to fully respect the creator. Moreover, like Berne, TRIPS does not define the foundational concept of “author.” In the common law world, copyright’s purpose is to protect investments of time, effort, and capital in the creation of literary work, whether these are made by individual authors or corporations, whereas in authors’ rights jurisdictions, copyright’s purpose is to protect authors’ inherent entitlements.²⁰⁰ It is thus unclear the extent to which authors across common law and civilian jurisdictions would be protected. Lastly, TRIPS does not adequately contemplate digital issues, let alone those concerning authors.

193. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15 1994, Marrakesh Agreement Establishing the World Trade Organization [hereinafter WTO Agreement], Annex 1C, Legal Instruments-Results of The Uruguay Rounds vol. 31-33 I. L. M. 1197 (1994) [hereinafter TRIPS Agreement].

194. Karpe, *supra* note 177, at 96.

195. TRIPS Agreement, *supra* 193, at art. 44 (providing that domestic courts can order the closure of any operation to bar infringing goods from market entry).

196. C. LEVY, INSTITUTE FOR RESEARCH & PUBLIC POLICY HALIFAX, THE UNITED STATES PERSPECTIVE ON INTELLECTUAL PROPERTY AND THE GATT 167 (G. Smith ed., 1991).

197. TRIPS Agreement, *supra* 189, at art. 9(1).

198. Alexander Caviedes, *International Copyright Law: Should the European Union Dictate its Development*, 16 BU INT’L L.J. 165, 199 (1998).

199. Carlos Correa, *Harmonization of Intellectual Property Rights in Latin America: Is There Still Room For Differentiation*, 29 N.Y.U. J. INT’L L. & POL. 109, 129 (1997).

200. *Id.* at 127-28.

B. Digital Copyright Mechanisms

1. WIPO Copyright Treaty

As a result of WIPO's December 1996 diplomatic conference, the WIPO Copyright Treaty (WCT)²⁰¹ was instituted to supplement Berne and usher copyright law into the digital era. To fully implement the WCT, countries have to upgrade their copyright laws. The WCT confirms Berne and boasts added digital obligations on subscribing countries. Copyright holders are explicitly given control over putting material online or making it available.²⁰² Further, states must include sanctions against: (1) persons who engage in activities related to the circumvention of technological measures that inhibit infringement (for example, encryption), and (2) deliberate interference with electronic rights management information (for example, digital watermarking).²⁰³ The logic here is to facilitate authors' calculation and collection of royalties.²⁰⁴

In relation to authors' moral rights, the WCT does not require more moral rights obligations than what Berne sets as minimum.²⁰⁵ Also, Article 6 on the "right of distribution" empowers neighboring rights or distributors of copyright materials such as publishers, to prevent copying to the distributed form of the work. Moreover, the WCT adopts Berne's Article 9 on the right of reproduction and equally permits contracting states to provide limitations and exceptions as long as these do not conflict with the normal exploitation of the work and prejudice the legitimate interests of the author.

While some commentators reason that the WCT provides a "measured and balanced response to the digital age,"²⁰⁶ others argue

201. WIPO Copyright Treaty, Dec. 20, 1996, Doc. CRNR/DC/89 [hereinafter WCT]; The WIPO Performances and Phonograms Treaty, Doc. CRNR/DC/90 (negotiating to bring "neighbor rights in the digital era). Together these two treaties are commonly referred to as the "Internet Treaties." International Intellectual Property Alliance at <http://www.iipa.com/multilateral.html> (last visited Nov. 7, 2001) (stating the WCT is formerly referred to as the Berne Protocol and is not yet in effect since 24 countries to date have ratified it and a total of 30 signatory countries is necessary).

202. WCT, *supra* note 201, at art. 8.

203. Industry Canada, *Consultation Paper On Digital Copyright Issues*, at <http://www.Strategis.ic.gc.ca> (last visited Jun. 22, 2001).

204. Sampson, *supra* note 171, at 23-25.

205. David Vaver, *Internationalizing Copyright Law: Implementing the WIPO Treaties*, OXFORD ELECTRONIC JOURNAL OF INTELLECTUAL PROPERTY RIGHTS (Jan. 1998), at <http://www.oiprc.oxacuk/EJWPO199.html>.

206. Thomas C. Vinje, *The New WIPO Copyright Treaty: A Happy Result in Geneva*, 19(5) EIPR 230, 230 (1997).

that the WCT's basic purpose was to strengthen the rights of the copyright industries in the digital age.²⁰⁷ For Pamela Samuelson, the WIPO digital agenda resulted largely from American influence to promote its national interest in protecting its burgeoning exports of copyrights.²⁰⁸ The WCT offers very little consideration to authors since "WIPO officials do not seem to have noticed that copyright industries have lately been posturing themselves in the international intellectual property policy arena as though their interests and the interests of authors coincide when, in fact, they diverge in some significant respects."²⁰⁹ Indeed, the WCT's legislative focus concerns issues that are more suited to right holders, such as the appropriate treatment for automatically-made transient copies and infringement-enabling technologies which undercut their potential revenue.²¹⁰ Arguably, such measures are antithetical to copyright policy, let alone authors' interests.²¹¹ It is thus somewhat of a challenge to analyze the WCT and its contemplation of authors' rights because it really does not concern authors. But just because WIPO officials have ignored authors does not mean that contracting states should. Yet, states have a vested interest to support substantive digital protection measures since these strengthen a commercial agenda.

Shira Perlmuter highlights the many silences in the WCT²¹² which, while explicitly not part of the WIPO mandate, may merit contemplation in light of freelancers' digital issues. Functional systems for online licensing are still matters to be resolved within the contracting states since the WCT no more than sets the stage for adoption and implementation.²¹³ Consequently, issues of relevance to authors generally, such as the divergence of national decisions on freelancers' digital rights that may pose legal problems for international trade in copyrighted works²¹⁴ or the online transfer of copyrights, are not addressed. And so, irrespective of the merits of the WCT's added rights, in order for freelancers to benefit from these technologies, they must necessarily hold the copyrights. And in the

207. Vaver, *supra* note 205.

208. Pamela Samuelson, *Challenges for the World Intellectual Property Organization and the Trade-related Aspects of Intellectual Property Rights Council in Regulating Intellectual Property Rights in the Information Age*, 21(11) EIPR 536, 536, 578-591, (1991).

209. *Id.*

210. Vinje, *supra* note 206, at 230.

211. Industry Canada, *supra* note 203.

212. Shira Perlmuter, *Convergence and the Future of Copyright*, 2 EIPR 111, 114 (2001).

213. *Id.*

214. Ayers, *supra* note 15, at 29 (discussing the private international law aspects of enforcing author's rights).

absence of concise and favorable copyright transfer agreements in the digital environment, it is more likely that the right holder is the publisher. Also, some stakeholders have commented on the ill-consideration for the users of copyrighted materials consistent with important public policy objectives; WCT shuns educational institutions, libraries, museums, and archives,²¹⁵ all of which freelancers heavily rely on for their works. Finally, it should not go unmentioned that, like Berne, the WCT lacks enforcement power.²¹⁶ Essentially, legislation that purportedly supplemented Berne and was in an ideal position to address authors' digital issues does not provide much assistance.

2. The EU Copyright Directive

The intention of the EU Copyright Directive²¹⁷ is two-fold: (1) to implement the WIPO "Internet Treaties" and, (2) to harmonize certain aspects of substantive copyright law.²¹⁸ It has been suggested that the EU has worked with WIPO to make WIPO's copyright agenda reflect that of the EU.²¹⁹ In this light, it is not surprising that the Directive does not offer significant ameliorations to the WCT. Some argue that authors' heightened need for protection in the digital world cloaks the underlying need to protect right holders all at the expense of users of such works.²²⁰ Similar to the WCT, the Directive leaves the most important copyright problems of the digital environment unresolved. According to Bernt Hugenholtz, the Directive "does not do much for authors at all."²²¹ It is mainly geared to the "main players" in the information industry and not to the creators. Significantly, the Directive fails to protect authors against publishers imposing standard form "all rights" buy-out contracts; rather, Recital 30 and Article 9 emphasize that the Directive does not affect the law of

215. Industry Canada, *supra* note 203.

216. Vaver, *supra* note 205. "The International Court of Justice was supposed to adjudicate disputes, but in practice it never has—mainly because of the cumbersome nature of proceedings and because of practical difficulties in enforcing its orders." *Id.*

217. Council Directive 01/29 on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society, 2001 O.J. (L 167) 10 (hereafter "the Directive").

218. This will set the stage for joint ratification by the Member States and the EU, which must be implemented by December 22, 2002; see B. Hugenholtz *Why the Copyright Directive is Unimportant, and Possibly Invalid*, 22(11) EIPR 2000 499.

219. David Vaver, *Copyright in the Digital Age: The Recent European Directive*, THE COMMODIFICATION OF INFORMATION (2002).

220. Mark Wing & Ewan Kirk, *European/US Copyright Law Reform: Is a Balance Being Achieved*, 2 I.P.Q. 139 (2000).

221. B. Hugenholtz, *supra* note 218, at 501.

contract.²²² Article 9 also indicates the Directive's failure to address the interface between contract and copyright exemptions, an issue at the fore of freelancers' digital rights.²²³ Moreover, relating to rights management provisions instituted by the WCT, "the Directive assumes that right holders will always employ rights management systems for legitimate purposes."²²⁴ Still, these systems may be deployed in ways that do not comply with EU privacy laws or to track distributors who lawfully use material that right holders aim to dissuade. Again, how the Directive advances authors' rights is not entirely clear.

3. Conclusions

I have shown how legislation on an international and continental level does very little to advance authors and original entitlements. Rather, these initiatives proceed from bad to worse in their focus on facilitating and protecting business exploitation. Berne, which was triumphed as the author's statute, merely paid lip service to such rights. TRIPS, perhaps most skewed to advancing corporate interests, shuns any recognition of moral rights and parades a host of aggressive remedies to help right holders. The WCT is no improvement. Meant to usher copyright in the digital age, it does so solely for industry by way of encryption and watermarking technology provisions. The Directive is again geared to the main actors in the information industry, such as publishers, and thus explicitly denounces contract regulation—which remains a pressing issue for freelancers.

V. JUDICIAL TREATMENT OF FREELANCE WORK IN NORTH AMERICA

Across the western world, freelance authors of articles previously published in newspapers have launched copyright infringement actions against publishers and owners of electronic databases after their articles were made available online. The case that has received the most publicity and invited the most commentary is the US decision, *Tasini v New York Times Co.*²²⁵ As Sidney Rosenzweig argues, while both freelancer and publisher sides have diametrically opposed views on the dispute, both agree on one point: "this issue will have wide ranging consequences for the publishing industry no matter which side prevails."²²⁶

222. *Id.*

223. *Id.* at 501.

224. *E.g.*, to track the source of potentially infringing copies; see Vaver, *supra* note 205.

225. *NY Times v. Tasini*, 533 U.S. 483 (2001).

226. Rosenzweig, *supra* note 7, at 908 (citing Rosalind Resnick, *Writers, Data Bases Do*

A. *The US: The Tasini Case*

In *Tasini*, six freelance writers launched an action against three print publishers: New York Times Company, Newsday, Inc. and Time, Inc. The dispute centered on twenty-one articles written by the freelancers between 1990 and 1993, in which they had registered copyrights. The petitioner publishers registered collective works copyrights in each edition in which the articles originally appeared. The publishers engaged the authors as independent contractors under contracts that “in no instance secured consent from an Author to placement of an Article in an electronic database.”²²⁷ However, the publishers, under separate licensing agreements with database and CD-ROM companies, (LexisNexis and University Microfilms International respectively), and without the consent of their freelancers, permitted copies of the freelancers’ articles to appear in electronic media. Granted a *writ of certiorari* to the US Supreme Court, the respondent publishers contested a Second Circuit ruling that had reversed a District Court decision stating that the publishers had infringed the freelancers’ copyright in their individual works.

At issue was whether the reproduced articles were collective works and specifically, “revisions” of the original newspaper in which the articles first appeared. Justice Ginsburg speaking for the majority held that § 201(c) of the US Copyright Act of 1976²²⁸ on the privilege of reproduction and distribution of collective works, did not authorize the copying at issue.²²⁹ The publishers were “not sheltered by § 201(c) because the databases reproduce and distribute articles standing alone and not in context.”²³⁰

1. The Publisher’s Privilege under Section 201(c)

The Supreme Court’s analysis focused on the interpretation of § 201(c) of the USCA which reads:

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.²³¹

Battle, 1 NEW L. J. 28 (1998)).

227. *Tasini*, 533 U.S. at 484.

228. Copyright Act of 1976, 17 U.S.C. § 101 *et seq.*

229. *Tasini*, 533 U.S. at 487.

230. *Id.*

231. *Id.* (emphasis added).

According to the Court, § 201(c) both describes and circumscribes the “privilege” that a publisher acquires when an author contributes to a collective work.²³² Absent a contract stating otherwise, a publisher is privileged to reproduce or distribute a freelancer’s contributed article, only “as part of” any (or all) of the three enumerated categories of collective works. However, “a publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work.”²³³ The court ruled that the reproduced works were not “revisions” but that the publishers indirectly achieved the result of “selling” a copy of the articles to the public by “providing multitudes of ‘individually retrievable’ articles.”²³⁴ To rule otherwise would “diminish” the authors’ “exclusive rights” in the articles.²³⁵ Importantly, both the majority and dissent failed to consider whether the § 201(c) privilege was transferable.²³⁶

The majority adopted a purposeful reading of the legislation by analyzing the legal meaning of § 201(c) in light of its history. While copyright in the initial contribution vests in the author, copyright in the collective work vests in the collective author or newspaper company, extending only to its contributed creative material and not to the “pre-existing material employed in the work.”²³⁷ The Court explained that prior to the 1976 revision of the USCA, authors risked losing their rights when they placed an article in a collective work, since “publishers, exercising their superior bargaining power over authors, declined to print notices in each contributor’s name. . . .”²³⁸ The Court stated that Congress sought to “clarify and improve [this] confused and frequently unfair legal situation with respect to the rights in contributions.”²³⁹ As such, the Court suggests that Congress aimed to remedy the historical author-publisher imbalance.

Justice Stevens’s dissent also considered the history of § 201(c) but held that the publishers possessed the privilege to reprint the subject works since: (1) such a finding did not affect the copyright of the freelancers’ individual contributions as the publishers neither

232. *Tasini*, 533 U.S. at 496.

233. *Id.* (citing H.R. Rep. No. 94-1476, at 122 (1976)); .S. CODE CONG. & ADMIN. NEWS 5659, 5738 (1976).

234. *Tasini*, 533 U.S. at 492.

235. *Id.* at 498.

236. *See Tasini*, 533 U.S. at 511, n. 6.

237. 17 U.S.C. § 103(b).

238. *Tasini*, 533 U.S. at 495.

239. *Id.* (citing H.R. Rep. No. 94-1476, 122 (1976), U.S. CODE CONG. & ADMIN. NEWS 5659, 5738 (1976)).

modified the articles nor published them in a “new anthology or an entirely different magazine or other collective work,”²⁴⁰ and (2) the history of the provision was meant to preserve authors’ rights in a contribution, and did not justify that such an objective could only be honored by a pro-freelancer finding.²⁴¹

As a result, the majority’s ruling appears to be pro-freelancer, while the dissent’s, pro-publisher. Based on the Court’s division, the next section analyzes three opposing arguments underpinning the freelancer-publisher debate. The Court’s focus is mainly on the nature of digital reproduction.

2. Tasini Reasoning

(a.) Argument 1: Print to Electronic Media

Both the majority and minority disagree on how to define the revised electronic nature of the freelancers’ print articles for the purpose of § 201(c).²⁴² The dissent claims that the correct focus should be on how the articles are stored and made available to the databases, whereas the majority emphasizes the users’ perception of the articles that are stored and made available to the public.²⁴³ According to the majority, when the user conducts the required search to find a given article, each article appears as a separate item within the search result—without the graphic, formatting or other articles with which the article was initially published.²⁴⁴ Conversely, for the dissent, the electronic versions of the articles are part of a collection of text files of a particular edition of the newspaper, and appear online cross-referenced to that edition.

Yet the majority and the dissent lack a sophisticated understanding of the implications of revising freelancers’ articles from print to electronic media. While the electronic articles may have references to the complete collection of that day’s print edition of the New York Times, the original elements that distinguish a newspaper and qualify it as a revision of a collective work are not necessarily preserved. Both judgments ignore that the newspaper’s opinion section and the editorial content of that day’s edition (which as the

240. *Tasini*, 533 U.S. at 511.

241. *Id.*

242. *Id.* While the dissent found that these articles were part of a collection of articles from a single edition of the NY Times, and thus a simple “revision,” the majority found that they constituted individual works, and were not part of a collection. *Id.*

243. *Tasini*, 533 U.S. at 498.

244. *Id.* at 517.

dissent points out is the most important creative element the collective author can contribute)²⁴⁵ do not accompany the individual article. And so, the most important creative contribution of the newspaper can only be accessed with a specific search, or not at all. Therefore this lack of contribution can be an additional ground as to why the publishers contravened the freelancers' copyright. Moreover, additional creative elements, like editorials and advertisements,²⁴⁶ distinguish the publication's ideologies²⁴⁷ often projecting a certain political perspective perceived by its readers and ultimately its contributors. As a result, the presence of these elements or perhaps the existence of others,²⁴⁸ may instill in authors a fear of being tainted and likely being less credible as they become associated with online foray with which they desire no alliance.

(b.) Argument 2: Media Neutrality

The majority of the Court challenges the dissent's endorsement of the publishers' media neutrality argument. Media neutrality is the notion that the transfer of a work between media does not change the character of that work for copyright purposes.²⁴⁹ For the dissent, the concept of media-neutrality is preserved since the publishers' decision to convert a single edition of a newspaper, or a collective work, into a collection of individual files can be explained "as little more than a decision that reflects the different nature of the electronic medium."²⁵⁰ Just as the New York Times has the right to reprint issues in Braille, in a foreign language, or in microform (even though such versions may look and feel quite different than the original), it has the right to reproduce these electronically.²⁵¹

Still, analogizing new digital uses to past publishers' practices is somewhat far-reaching. These freelancers were paid additional fees for different uses, while the works were not exposed to the volatility of the digital world where there is greater potential for alteration or infringement by third parties.²⁵² Additionally, the current form of the

245. *Id.* at 515

246. Michael Spink, *Authors Stripped of their Electronic Rights in Tasini v. New York Times Co.*, 32 J. MARSHALL L. REV. 409, 432. (1999).

247. For instance, newspapers may be known to showcase certain political parties either through their editorials or advertising.

248. Tasteless advertising for instance on a Web site containing an author's work.

249. *Tasini*, 533 U.S. at 502.

250. *Tasini*, 533 U.S. at 512–13.

251. *Id.*

252. Arnold Vahrenwald, *The Publishing Industry Faces Technological Change*, 7 ENT. L. REV. 50, 50 (1996).

databases is not completely attributable to the nature of the electronic media, but more to the nature of the economic market served by the databases. The publishers' and dissent's analogy in likening the long standing practice of freelancers tacitly consenting to microfilm versions of periodicals to the natural technological evolution of electronic storage is erroneous. Besides the noted differences in medium,²⁵³ microfilm does not yield the profits that digitized articles do.²⁵⁴ Irene Ayers comments that while freelancers receive no further compensation for their works, hard copy publishers sell these works to electronic publishers for large sums of money, which in turn make greater profits from user fees.²⁵⁵ In between the lines is the idea that formats must be digitized and archived to provide quick and easy access to users who pay for such services. As a result, it is not so easy to endorse the publishers' argument that freelancers have implicitly waived their rights since they did not object to microfiche reproduction. Hugenholtz puts it best: "[i]n a multimedia environment analogies are dangerous animals."²⁵⁶ Equating hard-copies or microfilm to CD-ROM or electronic mechanisms, suggests that there is "very little understanding of the ongoing media revolution."²⁵⁷

(c.) Argument 3: Policy Considerations

The dissent argues from a utilitarian perspective that copyright is "a tax on readers for the purpose of giving a bounty to writers."²⁵⁸ The tax restricts the dissemination of works, but only insofar as necessary to encourage their production. Put differently, "the primary objective of copyright is not to reward the author, but to secure the general benefits derived by the public from the labors of authors."²⁵⁹ Rather than narrowly focusing on authors' rights as per the majority, the dissent purports to favor the public of users in order to promote the "broad public availability of literature, music, and the other arts."²⁶⁰ For Justice Stevens, publishers will have difficulties in locating individual freelancers and the potential for statutory damages

253. For instance, unlike the digital version, the microfilm article appears in context; *Tasini*, 533 U.S. at 517.

254. Ayers, *supra* note 15.

255. *Id.*

256. P. Bernt Hugenholtz, *Electronic Rights and Wrongs in Germany and the Netherlands*, 22 COLUM.-VLA J.L. & ARTS 151, 158 (1998).

257. *Id.*

258. *Tasini*, 533 U.S. at 519.

259. *Id.*

260. *Id.* at 520 (citing *Twentieth Century Music Corp v. Aiken*, 422 U.S. 151 (1975)).

will likely force electronic archives to purge works from their databases.²⁶¹ As publishers and many commentators also argue, this effect would eliminate a section of world history by outlawing all digitally archived copies of freelancers' works.²⁶²

While it is laudable that the dissent specifically uses policy reasons for resolving ambiguities in the USCA, the majority points out the shortcomings of this perspective. The majority observes: "speculation about future harms is no basis for the Court to shrink authorial rights Congress established in section 201(c)."²⁶³ The Court acknowledges that the parties "may enter into an agreement allowing continued electronic reproduction of the [a]uthor's works."²⁶⁴ Furthermore, although it may be sensible to allocate the right of distribution to publishers since they can best handle the task from an efficiency perspective, as the appellate court also pointed out,²⁶⁵ a court "is not free to construe statutes in the manner most efficient[.] [i]nstead, the court must follow the intent of Congress as expressed in the term of the statute."²⁶⁶ As Josh May indicates, authors may still retain control of electronic distribution of their works through collective rights organizations, for instance.²⁶⁷ While commercial copyright transactions can be prohibitively expensive for individuals, this is not so for collective groups.²⁶⁸ Indeed, "if necessary the courts and Congress may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution."²⁶⁹ To this effect, the dissent does acknowledge that government is more equipped to study the nature and scope of the problem and devise an appropriate licensing remedy.²⁷⁰

Should these digital issues remain in the judicial arena, in light of the majority's decision based on the imbalance between freelancer and publisher, it is arguable that future freelancers' disputes will be resolved in their favor. However, it remains worrisome that *Tasini*

261. *Tasini*, 533 U.S. at 520.

262. See Elder, *supra* note 69.

263. *Tasini*, 533 U.S. at 505–06.

264. *Id.* at 505.

265. *Tasini v. New York Times Co.*, 206 F.3d 161 (2d. Cir. 1999) [hereinafter *Tasini Apps*]; *Tasini v. New York Times Co.*, 184 F.2d 350 (S.D. N.Y. 2001) (also adopting a utilitarian perspective).

266. *Ryan v. Carl Corp.*, 23 F.2d 1146, 1151 (N.D. Cal. 1998) (relied on *Tasini v. New York Times Co.*).

267. Josh May, *Intellectual Property: Copyright Acquisition and Ownership Tasini v. New York Times Co.*, 16 BERKELEY TECH. L.J. 13, 26 (2001).

268. *Id.*

269. *Tasini*, 206 F.3d 161 at 505.

270. *Id.* at 520 n. 18.

does not provide a comprehensive understanding of the current digital conundrum authors face and thus may reinforce a myopic understanding of the issues.

3. *Tasini* and the Conveyance of Copyright Conundrum

While *Tasini* is arguably a triumphant ruling for authors and does highlight the current digital issues plaguing freelancers vis-à-vis publishers, the case falls short of properly addressing the copyright management problems that first underpinned the relationship between the parties. By the time the case made its way to the Supreme Court, the contractual claims, which were argued at the District²⁷¹ and Appeals²⁷² courts, were no longer an issue. While all the writers who submitted their articles for publication to New York Times did not have any written agreements, at the District Court Newsday and Time contended that their freelancers had “expressly transferred” the electronic rights in their articles²⁷³ and thus were not limited to those privileges set out in § 201(c). Newsday unsuccessfully relied upon check legends authorizing it to include the plaintiffs’ articles “in electronic library archives.”²⁷⁴ Time, on the other hand, unsuccessfully relied upon the “first right to publish” secured in its written contract with one of the plaintiffs.

Since written contracts have rarely existed in the freelancer-publisher relationship, it is insightful to briefly examine one of the *Tasini* plaintiff’s written agreements with Time. Time’s argument was based on section 10(a) of its written agreement with the plaintiff Whitford.²⁷⁵ Relying on a motion picture decision,²⁷⁶ Time argued

271. *Tasini v. New York Times Co.*, 972 F. Supp. 804 (S.D. N.Y. 1997) (ruling for summary judgment in favor of the defendant publishers); *Tasini v. New York Times Co.*, 981 F. Supp. 841 (S.D. N.Y. 2001) (denying authors’ motion for reconsideration).

272. *Tasini*, 206 F.3d 161 (reversing judgment and ruling in favor of freelancers).

273. *Tasini*, 972 F. Supp. at 809.

274. *Id.* at 807 (considered 17 U.S.C. § 204(a) stating that any valid transfer of copyright must be in writing).

275. Whitford and Sports Illustrated (owned by Time) entered into a written contract specifying the content and length of the purchased article, the date due, and the fee to be paid by the magazine (“Whitford Contract”). The contract also provided Sports Illustrated the following rights:

- (a) the exclusive right first to publish the Story in the Magazine;
- (b) the non-exclusive right to license the republication of the Story whether in translation, digest, or abridgement form or otherwise in other publications, provided that the Magazine shall pay to you fifty percent (50%) of all net proceeds it receives for such republication; and
- (c) the right to republish the Story or any portions thereof in or in connection with the Magazine or in other publications published by The Time Inc. Magazine Company, its parent, subsidiaries or affiliates, provided that you shall be paid the

that this language included no “media-based limitation” and consequently, its first publication rights must be interpreted to extend to NEXIS.²⁷⁷ While the District Court ruled in Time’s favor (but was reversed on appeal), in *obiter* the court wondered why Time did not enforce its rights pursuant to clauses (b) and (c) of the Whitford Contract in order to both validate its electronic rights and defend itself against the infringement allegation.²⁷⁸ On appeal, the court answered the question: Time’s enforcement would have meant that it abide by its license and compensate Whitford for new uses of his works. As the Appeals Court intuited, “Time took this position, of course, because it did not compensate Whitford pursuant to the agreement and could not, therefore, convincingly invoke the conditional license granted in paragraphs (b) and (c) thereof.”²⁷⁹ This outcome suggests that publishers like Time will enforce existing contracts at their convenience and ultimately expect digital uses of freelancers’ works outright.

4. Conclusions

The Supreme Court summed up the copyright transfer issue in a footnote, since neither of the publishers pressed the claim.²⁸⁰ Apparently, the publishers could not win, or as seen in Whitford’s case, did not wish to win by enforcing payment terms in the Whitford Contract. Instead, they relied on the privilege conferred by § 201(c) in the alternative. It is arguable that publishers will rely on existing contractual language only to their advantage, such that they may not respect comprehensive electronic rights clauses if these mean that they will owe freelancers monetary consideration for honoring their bargains. Or as seen with the endorsed checks, publishers will manipulate any semblance to an agreement to prove freelancers’ consent in contracting with them for electronic rights. To this end, against the expansive reading of the District Court, both the Appeals and Supreme Court decisions were sensible in construing a narrow

then prevailing rates of the publication in which the Story is republished.

Id.

276. *Bartsch v. Metro-Goldwyn-Mayer Inc.*, 391 F.2d 150, 154–55 (2d Cir. 1968), (holding that the right to ‘exhibit’ motion picture included the right to exhibit movie on television), *cert. denied*, 393 U.S. 826, (1968).

277. *Tasini v. New York Times Co.*, 972 F. Supp 804, 811 (S.D. N.Y. 1997).

278. Recall that Time alleged only ‘first publication’ rights pursuant to Whitford Contract clause (a).

279. *Tasini*, 206 F.3d at 171.

280. *Newsday* waived its defense; Time’s argument was rejected on its merits. *Tasini*, 533 US at 489.

reading of § 201(c). Doing otherwise would have indirectly ascribed transfer of ownership rights from freelancers to publishers. This result would have been hideously at odds with authors' exclusive rights. It is sensible that when courts are in doubt they should construe publishers' rights narrowly in relation to those of its freelancers.²⁸¹ *Tasini*'s contractual analysis indicates that agreements purporting to transfer electronic rights must be clear, utilizing plain language to identify each transferred right.²⁸² However, it remains insufficient to leave such decisions at the behest of courts since as we have seen in the dissent and majority opinions, judges differ widely as they attempt to read in government intent or interpret contractual clauses. As Rod Dixon observes on reading future technology clauses, "the outcome will depend on how narrow or broad a reading is given to the actual words of the grant."²⁸³ The challenge is therefore to what extent laws and contracts should be drafted to account for both commercial certainty and judicial flexibility.

While *Tasini* exposed a variety of issues underpinning the freelancer-publisher relationship, it did not come without its oversights. *Tasini* did not account for contractual imbalances, or for the ideological and political dimensions obscured by digital reproduction. One wonders why the freelancers did not also advance moral rights violations since, *inter alia*, issues of accurate attribution of their works were in question. On a more fundamental level, Wendy Gordon questions *Tasini*'s interpretation of § 201(c) because "[r]egardless of whether the making of a digital collection infringes a freelancer's right of reproduction, the publisher and his database licensee clearly infringe the *right of distribution* when they make the article available for individual downloads."²⁸⁴ Accordingly, infringement can still occur because freelancers not only have a reproduction right, but also an exclusive right of distribution, which is a separately recognizable right.²⁸⁵ Yet given that the inquiry did not completely capitalize on delineating authors' rights, Gordon's judicial oversight is not surprising. In light of these shortcomings, it is questionable to deem freelancers as the triumphant party in *Tasini* as many commentators have done.²⁸⁶

281. See May, *supra* note 265, at 25.

282. Santelli, *supra* note 14, at 277.

283. Rod Dixon, *Profits in Cyberspace: Should Newspaper and Magazine Publishers Pay Freelance Writers for Digital Content?* 4 MICH. TELECOMM. TECH. L. REV. 127, 138 (1998) available at <http://www.mttr.org/volfour/dixon.pdf> (last visited Dec. 14, 2002).

284. Gordon, *supra* note 17 (emphasis added).

285. *Id.*

286. See generally Yuri Hur, *Tasini v. New York Times: Ownership of Electronic*

5. *Tasini* Aftermath

After the Supreme Court decision, New York Times adopted a policy to accept only freelance works for which authors expressly surrendered all of their copyright. The publishing house also posted a notice on its Web site stating that any freelancers' work affected by *Tasini* would be removed from the electronic databases unless the writer executed a release of all claims arising out of New York Times' infringement in connection with that work.²⁸⁷ In the near future, New York Times intends to remove each of the approximately 115,000 affected articles.²⁸⁸ Pursuant to this "Hobson's choice," the newspaper company forces freelancers to choose between two options: (1) whether to press for compensation, or (2) forego compensation in favor of keeping their articles in the electronic databases at a time when these writers have limited information, since the damage awards from the Supreme Court decision have not yet been determined.²⁸⁹ The subtext is that if freelancers choose the first option their articles will be purged from the databases and, more significantly, appear as the recalcitrant authors hard-pressed to secure future contracts with the big publishers. Hence, while the author-publisher imbalance, on a symbolic level, appears to be equalized in *Tasini* by adopting a purposive reading of § 201(c) of the USCA, the aftermath may dull any justice for freelancers. Rather than working out compensation schemes, New York Times, as the dominant party, executes retributive payment schemes. As several commentators have concluded, future freelancers will be unable to retain their electronic rights due to the "lopsided power dynamic between authors and publishers."²⁹⁰ Ultimately, in Yuri Hur's words, what the *Tasini* line of decisions highlight is the "continuing struggle between freelance writers and publishers over compensation for the electronic publication of copyrighted material."²⁹¹

B. Canada: *The Robertson Case*

*Robertson v. Thomson Corp*²⁹² is Canada's version of *Tasini*.

Copyrights Rightfully Returned to Authors, 21 LOY. L.A. ENT. L.J. 65 (2000).

287. *Tasini* has recently challenged the New York Times regarding a release agreement asking freelance writers to release their compensation claims. New York Times has also notified freelancers about the release agreement through ads in its daily newspaper. *Tasini*, 184 F. Supp. 2d 350, 352–53 (S.D.N.Y. 2001).

288. *Id.*

289. *Tasini*, 184 F.2d at 350.

290. Dixon, *supra* note 283, at 150.

291. Hur, *supra* note 286, at 67.

292. *Robertson v. Thomson Corp.*, No. 96-CU-110595, 2001 A.C.W.S.J. LEXIS 22426

However, unlike *Tasini*, where there were individual joined plaintiffs, in *Robertson*, Heather Robertson headed a class of plaintiffs.²⁹³ Robertson is a well-known Canadian writer who contributed two individual works in the newsprint edition of *Globe and Mail* ("Globe"). These works were subsequently retained electronically and made available to the public for a fee via various electronic media, including CD-ROM and Internet databases.²⁹⁴ Similar to the publishing giants in *Tasini*, Thomson Corporation is a large multimedia company in the business of publishing newspapers like *Globe*, with various subsidiaries.

In contrast to *Tasini*, where there were no written agreements save for the plaintiff Whitford's, in *Robertson*, *Globe* entered into a letter agreement with Robertson's publisher McClelland & Stewart in August 1995 for one-time usage of one of her works for a fee, which made no reference to electronic rights. Beginning in February 1996, *Globe* entered into a written contract with numerous freelancers, which it revised in December 1996 in order to expand the electronic rights clause, which read: "...for perpetual inclusion in the internal and commercially available databases and other storage media (electronic and otherwise) of *Globe* or its assignees and products (electronic and otherwise) derived therefrom."²⁹⁵

Like *Tasini*, *Robertson* is a copyright infringement case dealing with the issues of: (1) whether electronic reproduction violates the individual copyright of the owner or whether such reproduction falls within the copyright of the collective author and, in the alternative, (2) although *Globe* may have infringed the plaintiff's copyright, whether it may nevertheless be within its rights by an implied license or implied term in its contract.²⁹⁶ Since the copyright infringement claim essentially adopts the analysis employed in *Tasini*, the comments here are mostly limited to the licensing issues. While the Ontario court also found copyright infringement, as the reproductions constituted copies of the freelancers' individual works in which Robertson alone had copyright, the licensing issues were problematic.

(Oct. 3, 2001).

293. According to the Statement of Claim, the class has been defined as, "anyone who created literary or artistic work published in Canada in the print media and which has been reproduced through computer databases since April 24, 1979 (the date InfoGlobe was launched)." See C. Down, *Suing Thomson: It's a Classic David and Goliath Story*, 5(4) MEDIA 14-5 (1999).

294. *Robertson*, 2001 A.C.W.S.J. LEXIS 22426, at *2.

295. *Id.* at *22.

296. *Id.* See also *Tasini*, 533 U.S. 483 (against *Robertson*, *Tasini* argued the statutory action of copyright infringement in the alternative).

Based on the complexity of the licensing facts, the court found a genuine issue for trial and could not grant Robertson summary judgment.

1. Transfer of Copyright by Implied Terms and Implied License

While the court did not ultimately rule on the conveyance of copyright, it nonetheless found it important to spend some time articulating its stance on the issue. Section 13(4) of the Canadian Copyright Act (CCA)²⁹⁷ is accepted to apply to assignments and proprietary licenses, and states that these can be made in whole or in part and must be in writing.²⁹⁸ It is clear that a mere license, which does not grant an interest in the copyright, need not be in writing.²⁹⁹ In *Robertson*, Globe alleged that it had a license, either through implied terms in the contract or through an implied license.³⁰⁰ Globe claimed that it was entitled to a “continuing right in perpetuity to reproduce the plaintiff’s freelance articles throughout the world through electronic on-line databases via the Internet.”³⁰¹ In response, the plaintiff freelancer argued that such a grant connoted “an assignment or license in the nature of the grant of a *proprietary interest* in the freelancer’s copyright.”³⁰² As a result, the plaintiff freelancer contended that the defendant must comply with § 13(4) of the CCA in order for the license to be valid. Nonetheless, the court ruled that the license did not need to be in writing because it did not convey a proprietary interest. Globe’s license was “arguably nonexclusive” since the freelancer “retains the rights to publish and re-sell the individual work.”³⁰³

While the court cannot confer a proprietary interest in the copyright as the defendant would like, the court conversely leaves open the question of whether there was in fact a license between the parties and more specifically of what type. The decision, for instance, does not preclude the possibility that the defendant could be entitled

297. Copyright Act RSC cl. C-42 (1985) (Can.) [hereinafter CCA].

298. CCA § 13(4)(7) (on assignments and proprietary licenses, respectively); CCA § 13(4) (also applies to proprietary licenses, but not to nonexclusive or implied licenses); JOHN S. MCKEOWN, *FOX CANADIAN LAW OF COPYRIGHT AND INDUSTRIAL DESIGN* (3d ed., Carswell Scarborough 2000).

299. *Id.* at 388.

300. The Globe’s alternative defenses were of consent, acquiescence, the applicable limitation period, and laches. *Robertson*, 2001 A.C.W.S.J. LEXIS 22426, at *4.

301. *Id.* at *71.

302. *Id.* (emphasis added).

303. *Id.* at *72.

to a license in the new electronic uses of the works. Conflicting evidence regarding the license could not allow the court to make a ruling and consequently, the court conveniently side-stepped a final decision.

Moreover, the court found considerable evidence regarding Globe's new electronic publishing practices. The court noted that the freelancers were aware of the existence of the database, InfoGlobeOnline, which featured online versions of freelance articles long before 1996.³⁰⁴ The court thus suggests that in 1996 Globe merely codified the existing practice of electronically publishing freelancers' works in its new standard contract. Hence, the court speculates that if the freelancers wanted to restrict their rights, they were obliged to do so expressly.³⁰⁵ But again given the nature of the conflicting evidence (as the freelancers testified to only granting one-time print rights), the court did not make a determinative ruling.

2. Conclusions

Justice Cumming suggested that given the complexity, uncertainty, and importance of the copyright issue in *Robertson*, Globe could have contracted expressly with freelancers from the very inception of its electronic database in 1977.³⁰⁶ This oversight was peculiar given Globe's practice to only accept freelance articles that could be distributed electronically,³⁰⁷ and that as a media giant, it was in the best position to contract for electronic rights. It is therefore ironic that Globe used its customs and practices to validate its electronic business activity but would overlook the practice of properly codifying this new custom. Gordon challenges publishers' reliance on custom. She asserts that the "so-called custom is unilateral"³⁰⁸ and does not logically result in payment to freelancers or acknowledgement that they lack any input in establishing the custom. Globe simply may have assumed that it was entitled to all future uses of its freelancers' printed works. This possible patronistic stance is not unusual given that the same was likely assumed in *Tasini* and given the imbalanced history of publishers and authors.

While *Robertson* and *Tasini* did not squarely address the

304. *Id.* at *78.

305. "A freelancer who knows the uses to be made of a work and expresses no limitations can arguably be said to impliedly license the publisher to make use of the work within those contemplated uses." *Id.* at *69.

306. *Robertson*, 2001 A.C.W.S.J. LEXIS 22426, at *75.

307. *Id.* at *11.

308. Gordon, *supra* note 17, at 495.

publisher-author contractual imbalance, both courts alluded to it. Justice Cumming found it unusual for Globe not to have contracted for its purported rights by arguing for a mere implied license while also desiring a proprietary interest. And in *Tasini*, Time was found not to have enforced its written electronic rights provisions. As seen in *Tasini*, publishing giants expect freelancers' works outright since they will either, (1) not contract for these expressly as required by law, or, (2) if these are contracted for, avoid enforcement to the extent compensating freelancers is necessary. On appeal, *Robertson* is expected to make a determinative ruling on the implied license issue alongside the defences of laches and acquiescence.³⁰⁹ Lastly, *Robertson* like *Tasini*, did not consider freelancers' moral rights, nor any ideological or political implications associated with the new uses of freelancers' works and, consequently, yet again obscured the various facets of the author-publisher digital dilemma.

VI. JUDICIAL TREATMENT OF FREELANCE WORK IN CONTINENTAL EUROPE

Across continental Europe, freelancer case law showcases similar arguments as seen in North American jurisprudence. Publishers claim copyrights in new electronic uses pursuant to implied agreements, while freelancers contend that they merely contract for one-time print rights and never intended or consented to grant rights for new modes of exploitation. In all these cases, agreements are oral and terms on new use rights are vague, if not absent. Importantly, however, various unifying interpretative tools can be gleaned.

A. Judicial Interpretation Principles

Distinct from *Tasini* and *Robertson*, express national legislation eases judicial interpretation across continental Europe. In Canada and the US, I illustrated how courts struggled in applying vague copyright law provisions, and vainly focused on copyright infringement issues by examining differences between print and digital versions of freelance work. Yet, while continental European countries feature more progressive and express legislation, and render more favorable freelance rulings, some national provisions such as the foreseeability principle are still disadvantageous to freelancers.

309. Wendy Matheson, *Robertson* Defense Counsel, Phone Interview (July 18, 2002) (noting that appellate hearing date is yet to be announced).

1. Foreseeability Principle

Foreseeability of technology is a predominant judicial interpretive tool codified in national laws. Pursuant to French law,³¹⁰ the reproduction of writers' works in a new publication requires their express authorization. This permission can only be conveyed if at the time of contracting the technology was foreseeable, the contract expressly covered the new modes of exploitation, and there was a royalty provision for authors in the event of a new exploitation.³¹¹ In *Union of French Journalists and National Syndicate of Journalists v. SDV Plurimédia*³¹² several French journalists and their trade unions directly launched a suit not against their publisher, but against a third party, the online service provider, *Plurimédia*. At issue was the online dissemination of articles licensed by *Dernières Nouvelles d'Alsace*³¹³ to Plurimédia. Favoring the authors, the court ruled that the collective agreement was concluded in 1983 when online technology was unforeseeable.

In the Netherlands, the Netherlands Association of Journalists filed a suit against one of the largest Dutch newspapers, *De Volkskrant*, also relying on the codified foreseeability principle.³¹⁴ Article 2(2) of the Dutch Copyright Act (DCA)³¹⁵ limits the scope of the transfer to rights specifically enumerated or necessarily implied by the nature or purpose of the agreement. The *imprévision* rule of Article 6:258 of the Dutch Civil Code allows for "dissolution of a contract if unforeseen circumstances no longer justify the contract to continue under its original terms."³¹⁶ The Association had been unsuccessfully negotiating with various publishers over additional remuneration for the electronic reuse of journalistic works.³¹⁷ *De Volkskrant* had been reusing the plaintiffs' contributions on its Web

310. Code de Propriété Intellectuelle, Art. L 131-6 (Fr.) [hereinafter CPI].

311. *Id.*

312. *Union of French Journalists v. SDV Plurimedia*, Tribunal de Grande Instance de Strasbourg, Ordonnance de Refere Commercial, (1998), translated in 22 COLUM.-VLA J.L. & ARTS 177, 199 (1998) [hereinafter *Plurimédia*]. While the case exclusively concerned employed writers, and applied both intellectual property and labour law it is still worth noting that as found with the journalists, the court would have also held the freelancers to have granted only limited rights to first publication pursuant to the CPI on the basis of foreseeability.

313. News items from programmes broadcast by channel FR3 were also at issue.

314. *Heg, Mulder & Stam v. De Volkskrant*, No D 3 (Amsterdam Dist. Ct. 3d 1997), translated in 22 COLUM.-VLA J.L. & ARTS 177, 181-89 (1998).

315. Copyright Act of September 23, 1912, Staatsblad 308 (1973), 9 Copyright 181 [hereinafter DCA].

316. P. Bernt Hugenholtz, *Electronic Rights and Wrongs in Germany and the Netherlands*, 22 COLUM.-VLA J.L. & ARTS 151, 157 (1998).

317. *Id.* at 155.

site and CD-ROM. The Amsterdam District Court held for the plaintiffs, finding copyright and moral rights infringement³¹⁸ because CD-ROMs and Web sites constituted independent means of communication. The court also tacitly invoked Article 2(2) of the DCA because in the 1980s, when the licenses were granted, the plaintiffs could not have foreseen that their contributions would be included in electronic media.³¹⁹

But the foreseeability factor does not always favor freelancers. In Germany the main source of copyright law is the German Copyright Act (GCA).³²⁰ The Publishing Act of 1901,³²¹ featuring specific rules on publishing agreements, supplements the GCA. Transfers, whether in writing, oral or implicit, are impossible—only exclusive or non-exclusive licenses are allowed.³²² Article 31(4) of the GCA declares void any obligation relating to uses that were unknown at the time the license was granted. Under this rule, the moment of the party's knowledge of a new use is vital to determining the scope of the license.³²³ In a decision before the Regional Court of Hamburg,³²⁴ Freelens, an association of about 70 freelance news photographers, sued the magazine *Der Spiegel* for copyright and moral rights infringement.³²⁵ Between 1989 and 1993, the freelancers had sold photographs to *Der Spiegel*, which were available on CD-ROM since 1993. *Der Spiegel* alleged that since CD-ROMs were a well-known use in 1989, when the original print licenses were granted, the photographers had implicitly licensed this form of use. At the trial level, the Hamburg Court held for the publisher³²⁶ because when the licences were granted (in 1989 or later) CD-ROM was a known use despite the lack of market success at the time. Therefore, the

318. The DCA expressly allows for the transfer of copyright in writing, either in full or in part, and irrespective of a complete transfer, authors retain moral rights pursuant to its *droit d'auteur* tradition; DCA, *supra* note 315, at art. 2, 25.

319. *Volkskrant*, 22 COLUM.-VLA J.L. & ARTS at 181-89.

320. German Copyright Act of September 9, 1965 [Urheberrechtsgesetz], Bundesgesetzblatt I, 1273, No. 51 (September 16, 1965), translated in 1 COPYRIGHT 251 (1965) [hereinafter GCA].

321. German Publishing Act of 1901 [*Verlagsgesetz*], translated in, UNESCO Copyright Laws and Treaties of the World, Germany Item 3 (1975).

322. Hugenholtz, *supra* note 316, at 152.

323. P. Bernt Hugenholtz & Annemique de Kroon, *The Electronic Rights War*, 6 INT'L INTELL. PROP. L. & POL'Y 88-1 (2000).

324. *Freelens v. Der Spiegel*, 308 O. 284/96 (Reg. Ct of Hamburg 1997), translated in 22 COLUM.-VLA J.L. & ARTS 177, 178 (1998).

325. Hugenholtz, *supra* note 316, at 151.

326. The court did not determine whether re-use on CD-ROM constituted a new independent use for the purposes of article 31(4) of the GCA; see *Freelens*, 308 O. 284/96, at 179.

photographers could not invoke Article 31(4) of the GCA. The court reasoned that: (1) the photographers had never previously objected to republication of their works in microfilm, and (2) the digital medium was, as publishers have argued elsewhere, a mere substitute for microfilm or print.

2. Purpose-of-Grant Rule

While the German court in *Freelens* relied more heavily on the foreseeability rule, the court still noted the “purpose-of-grant” rule as a second “author-friendly” provision.³²⁷ Essentially, whenever the contract terms do not specifically identify the uses for which rights are granted, the author is deemed to have granted no more rights than are required by the purpose of the contract. Moreover, as adopted relating to the foreseeability of technology principle, Article 2(2) of the DCA limits the scope of the transfer to rights specifically enumerated or implied by the agreement’s purpose.³²⁸ According to Hugenholtz, the Dutch courts have by analogy applied this transfer rule to licenses.³²⁹ Consequently, licenses are strictly interpreted, and in the case of freelancers often mean solely non-exclusive, one-time print rights.³³⁰

3. Pro-Author Interpretation

Some European courts have adopted legislation that expressly favors the author. Section 3(1) of the Belgian Copyright Act (BCA)³³¹ regulates the transfer of economic rights and mandates a written transfer contract. Importantly, it provides that both the scope of the grant and the means of exploitation need to be identified and interpreted narrowly in favor of the author. In *General Association of Professional Journalists v. Central Station*,³³² freelancers and employed journalists represented by the Belgian Union of Journalists won against ten publishers that had founded a consortium, Central

327. Hugenholtz & Kroon, *supra* note 323, at 7.

328. “Do print licenses imply a right of electronic re-use?” is the question. Hugenholtz, *supra* note 316, at 157.

329. It is unclear as to whether the purpose-of-grant rule prevalent in Germany has effectively been codified in the DCA. Irrespective, it is clear that article 2(2) of the DCA warrants a restrictive interpretation on copyright transfers. *Id.*

330. But unlike Belgium and Germany, the Netherlands has no special provision on publishing agreements or copyright contracts in general. To this end, the DCA does not contain the equivalent of the ‘revision’ rule seen in *Tasini*.

331. Law on Copyright and Neighboring Rights of 1994 [Loi relative au droit d’auteur et aux droits voisins], MONITEUR BELGE 27 (1994) (Belg.) [*hereinafter* BCA].

332. Association Generale des Journalistes Professionnels de Belgique v. SCRL Central Station, 1998 E.C.C. 40 (Oct. 16, 1996).

Station. Since 1996, Central Station operated a Web site containing a cross-section of various articles for fee-paying users to access.³³³ The Brussels Court held that the publishers needed the freelancers' written consent pursuant to section 3(1) of the BCA.

B. Other Unifying Principles

1. Nature of Electronic Media

As in North America, European courts are also mindful of general digital reproduction issues. In *Central Station*, the court stated that reproduced articles are "destined for the specific public of a particular periodical, not for the largest possible public that might be interested."³³⁴ The appellate court recognized one of the silences with respect to authors' undermined position in the digital era, left unaddressed in both *Tasini* and *Robertson*. The court delineated the differences between print and digitized works, thereby showing a more profound understanding of authors' legal predicament in the digital world. To the Belgian court, authors are only deemed to have granted publishers those licensing rights to bring their articles to the newspapers' specific public audience.³³⁵ Similarly, on appeal, the German court reversed the lower court decision since CD-ROM is a new independent and very different means of exploitation. Of interest is the German Court's pronouncement that through electronic reproduction "there is no loss of quality, with obvious negative consequences to the rights of authors."³³⁶ The Dutch courts also looked at the digital reproduction of articles as distinct to print to find against the publishers.³³⁷

However, while *Plurimédia* also distinguished the print and electronic media as seen in the Belgian, American, and Canadian decisions, the case nonetheless had a matter-of-fact approach to enforcing the authors' rights pursuant to the French Code of Intellectual Property Law. Put differently, the court did not appear to struggle with substantive copyright infringement questions but merely applied the appropriate statute. Further, in *Plurimédia*, a number of journalists and their trade union brought legal action, not against their newspaper publisher but the online service provider. The court

333. *Id.* at 41.

334. Jane C. Ginsburg, *Electronic Rights in Belgium and France*, 22 COLUM.-VLA J.L. & ARTS 161, 161-63 (1998).

335. *Id.*

336. Hugenholtz & Kroon, *supra* note 323, at 7-8.

337. *Volkskrant*, 22 COLUM.-VLA J.L. & ARTS at 187.

asserted that the online service provider should have verified the validity of the grants. Online reproduction was subject to the author's, not the newspaper company's, consent; if the newspaper company never received those rights, the company had no right to transfer them to a third party.

2. Settlement

In Europe, parties appear more prone to settlement both prior and post litigation. In *De Volkskrant*, the evidence indicates the first time a publisher is forthcoming in working out a compensation scheme prior to the dispute. But while the publisher was willing to compensate the plaintiffs for digital reuse of their works, it asked for a three-year freeze upon making any payment since "the operation of the electronic media [was] still in an experimental stage."³³⁸ The Dutch court did not find the publisher's "proposal" completely reasonable and substantiated its ruling by finding that the defendant had in principle acknowledged rewarding the freelancers for new uses.³³⁹ In *Central Station*, the Belgian publishers settled that they would no longer electronically distribute freelance articles in the consortium without the freelancer's consent.³⁴⁰ Moreover, in response to the freelancers' moral right of attribution claim, the publishers committed to "stop the online distribution of the works without crediting the by-line originally appearing in the publication of the articles."³⁴¹ In *Plurimédia*, the parties also reached an agreement after the ruling, and the appeal only dealt with the re-use issue of televised news items.

C. Comparing North American and Continental European Case Law

1. Progressive Legislation

According to Jane Ginsburg, a comparison of the decisions and national laws on freelancers to date indicates that European courts are more author-friendly in contrast to American courts which protect publishers.³⁴² While her article does not detail the reason for this attitude, from an analysis of the examined case law the answer seems simple. While European courts may perhaps be pro-author because of

338. *Id.* at 182.

339. *Id.* at 187.

340. *Central Station*, 1998 E.C.C. at 43.

341. *Id.*

342. Ginsburg, *supra* note 334, at 164.

their *droit d'auteur* tradition, European courts apply clearly drafted laws. With the exception of the Netherlands, where courts nonetheless applied the assignment transfer rule to licenses, these European enactments are, in contrast to the Canadian and American statutes, better equipped to elucidate the ambiguities plaguing the conveyance of new uses resulting from the onslaught of digital media. The Belgian statute endorsed a strict pro-author interpretation when rights were not clearly delineated.³⁴³ The French copyright provision precisely addressed royalty payments to authors to the extent that new uses were exploited.³⁴⁴ The German and Dutch acts allowed the reading of no more rights than necessary to give effect to the contract's purpose. Pierre-André Dubois and Colleen Chien, therefore seem correct in saying that "contract terms cannot be enlarged to include new uses enabled by advances in technology after the formation of an agreement, unless specifically contemplated or bargained for."³⁴⁵

2. Conciliatory Environment

Against *Tasini*'s dire outcome, some European cases worked out settlement contracts. For example, in the Belgian case, the parties settled prior to the ruling.³⁴⁶ This conciliatory aftermath is perhaps indicative of a publishing culture that is not only author-friendly in its laws, but also reasonable in its industry's treatment of authors. As some commentators have argued, this scenario bodes well for the US, "demonstrating that authors and publishers are capable of reaching agreement in the management of electronic rights."³⁴⁷ Albeit imperfect, settlement contracts are still persuasive ways to foster or, at least, establish decent relations among publishers and authors. Furthermore, European advocates appear more attuned to authors' interests in constructing moral rights violations in their pleadings. Neither the American or Canadian courts heard such claims, which as stated could have been sensibly grounded based on the available evidence. Additionally, the European courts did not entirely concern themselves in delineating the legal nature of the collective work of the newspaper as distinct from the individual freelancers' works—the focus was more on the contractual nature of the new use rights. It is

343. BCA, *supra* note 331.

344. CPI, *supra* note 310.

345. Pierre-André Dubois & Colleen Chien, *Tasini: Moving Towards a Global Model for the Use of Journalists' Works?*, COPYRIGHT WORLD 12, 12 (Sept. 2001).

346. *Volkskrant*, 22 COLUM.-VLA J.L. & ARTS at 181.

347. Dubois & Chien, *supra* note 345, at 14.

however also possible that the conciliatory nature of the European social climate is due to publishers' knowledge of these laws and their perceived risk of contesting freelancers' claims in court.³⁴⁸

3. Drawbacks: Foreseeable Fixation

It is nonetheless disconcerting that judicial reasoning in most of the examined jurisdictions features a fixation on the foreseeability of the new medium of exploitation. Although a fiction, courts have adopted a foreseeability factor as an interpretive tool. Courts decide based on either when the medium was developed or when the technology became commercially available in order to interpret ambiguous new use clauses in contracts. In some respects, even the Canadian court that did not mention the foreseeability principle, alluded to the issue, in discussing the inception of InfoGlobeOnline's practice and freelancers' imputed knowledge of this new custom. Scholars like Sidney Rosenzweig argue that absent clear intent or a finding of unconscionability in a contract, courts should examine the foreseeability of the new medium.³⁴⁹ The logic is that if the technology was unforeseeable, the grantor retains rights, whereas if the technology was invented, though not commercialized, the rights are granted to the grantee along with those of the pre-existing medium.³⁵⁰

Rosenzweig's work is invaluable in that he is one of the few scholars to address the issue of new uses, albeit from an American perspective. From a utilitarian standpoint and relying on *Bartsch's* reasoning,³⁵¹ he contends that because the publisher is in the better position to exploit new media with smaller transaction costs, vague contracts should always be interpreted to favor the publisher.³⁵² He defines a new use as "an accretion or unearned increment" that is a "windfall" that occurs after the production of a work.³⁵³ And since the new use was beyond the intentions of the parties, "the author, as a

348. The lack of empirical evidence and scholarship makes such motivating factors speculative. The publishers' motivation could perhaps be ascertained with some fieldwork, which is at this stage beyond the bounds of time and space.

349. See generally Rosenzweig, *supra* note 7.

350. To some extent, the German court conceded that the new medium must not only be invented but commercialized for this foreseeability factor to apply, consequently making it somewhat more author-friendly than Rosenzweig's proposition. *Id.* at 915.

351. *Bartsch v. MGM*, 391 F.2d 150, 154-55 (2d Cir. 1968), *cert denied* 393 U.S. 826 (1968).

352. Rosenzweig, *supra* note 7, at 922-23.

353. *Id.* at 925.

result, could not have expected to profit from such future medium.”³⁵⁴ The one-time windfall from a new use is therefore used to subsidize the licensee or publisher in his effort to develop the new medium.³⁵⁵ Rosenzweig further suggests that it is most opportune for publishers to retain electronic rights when the technology is not yet invented, and authors have even less expectations and are less likely to have diminished incentives to create.³⁵⁶

Rosenzweig’s work does not however show a clear understanding of fundamental principles of property, contract or trust law, let alone the freelancer’s predicament or the user communities he purports to benefit. First, why should the authors’ works subsidize publishers, when these media conglomerates are in a business with the expectation of making and losing money?³⁵⁷ Authors, especially freelancers, are professionals who attempt to earn a living. Second, it is unreasonable to assume that just because the technology was unforeseeable, that authors did not expect additional compensation, or more importantly, expected to lose control over the exploitation and management of their works in new media. Rosenzweig’s argument gives authors very little credit for their dealings with publishers and emerging media. Although many freelancers may in fact be unsophisticated, they should not be penalized for their inability to bargain express use rights in their contracts. Third, why cannot publishers reward authors for future uses of their works by some form of royalty scheme? The French media industry rewards authors through a royalty scheme. In this fashion, publishers could still use authors’ works for due consideration. Fourth, just as authors could not have expected to profit from the future use, the same case applies to publishers. Clearly the choice of which party benefits from the “windfall” is based on Rosenzweig’s bias. Should authors not be in a better position to reap from the work especially given their socially imbalanced position? Lastly, the publisher is in a better position to exploit works from a social efficiency perspective fails to consider whether this is appropriate for the public interest.³⁵⁸ For instance, having more power in the hands of a few media does not result in a greater variety of works or greater access to these works. Since there will likely always be new emerging modes of exploitation that will by

354. *Id.* at 925.

355. *Id.* at 926.

356. *Id.* at 925.

357. Grosheide characterizes this as an “economic flow back.” Grosheide, *supra* note 10, at 323.

358. On the other hand, this may be the strongest argument in favor of publishers and befitting the economic justification (still no reason for publishers not to pay rent for their uses).

definition be foreseeable, freelancers will continue to be the disadvantaged party. Rather than blindly applying presumptive principles that would effectively favor publishers, other solutions mindful of the ongoing imbalanced freelancer-publisher relationship are necessary.

VII. LAW OF FREELANCE WORK IN BRITAIN: PRE-EMPTING A DIGITAL DILEMMA

Britain has yet to see litigation on the issue of whether freelancers' contracts, which allowed publishers to print their works, contemplated electronic publishing rights.³⁵⁹ I therefore examine jurisprudence in other copyright sectors, such as the film industry, relating to conveyancing of copyright generally in order to provide some insight into the interpretation of new uses.

A. Overview

While the continental European jurisdictions featured specific national laws for interpreting freelance contracts, the same cannot be said for Britain. Similar in scope to assignments,³⁶⁰ the Copyright, Designs and Patent Act (CDPA) mandates that exclusive licenses be in writing.³⁶¹ Distinct from Germany, future copyright can be assigned in Britain, which may vest in the assignee once the future work comes into existence.³⁶² Also, moral rights can be waived in writing but cannot be assigned.³⁶³ Yet, besides these provisions, British freelancers and publishers must rely on industry custom. As elsewhere in North America and Europe, due to the informal nature of contracting between the parties, these legal relationships are regarded by custom as implied non-exclusive licenses to publish the work. While the CDPA provides for infringement claims, it unlikely provides freelancers with any other claims, such as the right of attribution,³⁶⁴ and the right against derogatory treatment,³⁶⁵ as seen in

359. Updated as at July 16, 2002.

360. The distinction between licenses and assignments "is not always so clear-cut;" an exclusive license of all rights to run until the rights expire is in practical reasons like an assignment. And so, "it is not so much what the contract is called but the effect of the transaction which decides whether there is an assignment or a license." See PEARSON & MILLER, *supra* note 78.

361. Copyright, Designs & Patent Act, ch. 48 § 92(1).

362. Copyright, Designs & Patent Act, ch. 48 § 92.

363. Copyright, Designs & Patent Act, ch. 48 §§ 94-95.

364. Chapter 48 § 77 of the CDPA is likely not applicable given the exceptions § 79(2)(c) (computer generated works), § 79(5)(current events reporting) and § 79(6)(a) (publications in newspapers, magazines or similar periodicals).

other European jurisdictions. In this sense, British copyright may be more aligned to the common law North American system, which in contrast to the continental European *droit d'auteur* tradition does not feature the exclusive protection of authors' rights.³⁶⁶

B. General New Use Jurisprudence in Britain

While one must be careful to analogize freelancers in the publishing industry to those in other sectors where written contracts are often in place and industry customs are different, the same fundamental issue remains: whether a copyright license embraces newer forms of technological exploitation. In relation to judicial interpretive techniques of new use clauses in these industries, although Rosenzweig argues that modern American courts ultimately will adopt the foreseeability test, Tim Naprawa contends that British courts likely will examine: (1) the intent of the parties, (2) the unfairness or unconscionability in bargaining terms, and (3) the foreseeability of the new media at the time of contract formation.³⁶⁷ While these factors certainly figure into decision-making, and to some extent the latter prevails, a fourth factor, the purpose-of-grant rule as codified in the German Copyright Act, also plays a role. As such, in order to speculate on the potential judicial treatment of freelancers' new use rights in Britain, it is useful to analyze the variety of available interpretive tools.

1. Film Industry: Intent, Foreseeability, and Fairness

Throughout the Commonwealth and the US, grantees in the film industry have prevailed in gaining control of new uses.³⁶⁸ In a leading British case, *Hospital for Sick Children v. Walt Disney Productions*³⁶⁹ concerning an implied license, Justice Salmon, *per curiam*, for the Court of Appeal, extended the meaning of "cinematograph or moving picture films" in the use clause to include "sound films." At the time of the contract in 1919, between the author of the play "Peter Pan"

365. See Copyright, Designs & Patent Act ch. 48 §§ 81(2)(3)(4) (for similar exceptions).

366. The common law tradition admits protection of both individuals and corporate bodies and thus protects a wide variety of creative endeavors. See generally DAVIES, *supra* note 93.

367. Tim Naprawa, *Secondary Use of Articles in Online Databases Under UK Law*, 9 TRANSNAT'L LAW. 331, 356 (1996). This is the only study found examining British case law on new uses. Naprawa adopts Rosenzweig's analysis of American judicial interpretive methods.

368. See DAVID. VAVER, COPYRIGHT LAW 229 (2000); see L. C. Page & Co. v. Fox Film Corp., 83 F.2d 196 (2d Cir. 1936).

369. Hosp. for Sick Children (Bd. of Governors) v. Walt Disney Prods., Inc., [1968] 1 Ch 52.

and a film company, only silent films were on the market.³⁷⁰ Ten years later, the author bequeathed his copyright in the play to the plaintiff hospital. The dispute arose in 1964, when the plaintiff hospital negotiated with a third party to make a motion picture of the play. Walt Disney, a licensee of Peter Pan pursuant to a 1919 contract by assignment, objected and the hospital lost the contract and sued for damages. Walt Disney argued that its use clause for silent films also warranted the right to make sound films.³⁷¹ Justice Salmon examined the terms of the 1919 contract as well as subsequent party dealings. Since there was no British case law on point, Justice Salmon applied two foreign rulings favoring grantees³⁷² and opined that the grant “carried with it all ancillary rights of development.”³⁷³ “[T]he test is not what was within the contemplation of the parties at the time of the agreement,” but what was within the “wide and embracing words” used in light of changing circumstances.³⁷⁴ Yet, while Justice Salmon would have granted the hospital the right to make the sound film, Lord Denning, arguing for the majority, refused and restricted the grant exclusively to silent films since sound films were not foreseeable at the time of contracting.

In the digital era, besides the first judicial requirement to intuit the parties’ intent,³⁷⁵ the case of *Hospital for Sick Children* may primarily support adopting a foreseeability test since the court was concerned with the timing of the contract and the inception of the new media. The foreseeability test yielded two distinct results based on its differential reading of the use clause in light of the industry’s technological developments. As noted earlier, the foreseeability test presents numerous drawbacks to freelancers and is unlikely to yield a positive ruling. Since the plaintiff hospital lost its right to re-use the play because of the film company, to what extent did court sympathy play a factor in deciding the local plaintiff hospital’s battle against the more “entrepreneurial” media conglomerate, Walt Disney? Or, to what degree did the court see Walt Disney’s conduct as unfair?

370. In 1927 talking pictures were introduced to the public upon the invention of the thermionic valve in 1923.

371. *Hospital for Sick Children*, [1968] 1 Ch 52 at 63.

372. See *Fox Film*, 83 F.2d at 196; *Williamson Ltd. v. MGM Theatres Ltd.*, [1937] 56 C.L.R. 567.

373. *Hospital for Sick Children*, [1968] Ch 52 at 59.

374. *Id.* at 60.

375. Courts customarily first assess the intent of the parties when resolving contractual ambiguities. Michael Fuller, *Hollywood goes Interactive: Licensing Problems Associated with Re-Purposing Motion Pictures into Interactive Multimedia Videogames*, 15 LOY. L.A. ENT. L.J. 599, 604 (1995).

Although the court does not elaborate, in *Hospital for Sick Children*, the foreseeability factor and to some extent the parties' intent and fairness appeared to have played a role in the judicial ruling in favor of the plaintiff hospital. The case also shows that in the absence of case law, British courts will readily look beyond their jurisdictions to apply foreign rulings.

2. Unconscionability in Bargaining?

British courts have held contracts invalid where there is a disparity of obligation between the parties or unfairness in bargaining.³⁷⁶ Based on these holdings, Walt Disney's conduct may have been unconscionable. By applying developments in the English film and music decisions,³⁷⁷ some commentators posit that authors could succeed by relying on the "revitalised [sic] doctrine of unconscionable bargains," provided that their vulnerability manifest disadvantage in the particular agreement, and specific instance of advantage-taking can be characterized as "exceptional, patent and egregious."³⁷⁸ While in these past rulings plaintiffs challenged copyright assignment clauses, the issue remains the same in freelancers' cases, namely, unfairness in bargaining. As Lord Denning stated in *Clifford*, in which the new publisher sought to produce a new album that would have infringed the plaintiff composer's copyrights, "there was such inequality of bargaining power that the agreement should not be enforced. . . ."³⁷⁹ The former publisher was expected to have the plaintiff composer seek independent legal advice.³⁸⁰ Applying the doctrine of equity may, however, challenge Lord Hoffman's principles of "practical considerations of business."³⁸¹ Essentially, the concept that equity will restrain the enforcement of legal rights provides courts with an undefined discretion to refuse contractual enforcement. Besides breeding uncertainty, equity's mere existence enables litigation to be used as a negotiating tactic.³⁸² While in the case of freelancers

376. Naprawa, *supra* note 367, at 349; *Schroeder v. Macaulay*, [1974] 3 All E.R. 616 (holding a contract between a music publisher and composer invalid because of their unequal bargaining position).

377. *Clifford Davis Mgmt Ltd. v. WEA Records Ltd.*, [1975] 1 All E.R. 237, 238.

378. Roger Brownsword, *Copyright Assignment, Fair Dealing, And Unconscionable Contracts*, 3 INTELL. PROP. Q. 311 (1998). The same considerations would apply if the challenge is based on a recognized relieving doctrine like undue influence.

379. *Clifford Davis Management*, 1 All E.R. at 241.

380. *Id.*

381. *Union Eagle, Ltd. v. Golden Achievement Ltd.*, [1997] 2 All E.R. 215, 218–19.

382. *Id.*

applying equity principles is highly premature in resolving disputes,³⁸³ it is nonetheless useful to recognize possible developments in other copyright sectors that may have some future applicability.

3. Software Industry: Intent and Purpose

In contrast to the film industry's rulings favoring grantees, more recently, the British software industry's interpretation of new uses in implied licenses has arguably yielded a more balanced result. In *Saphena Computing v. Allied Collection Agencies*,³⁸⁴ the Court of Appeal affirmed a High Court ruling and limited an implied license to the use of the computer program's source code³⁸⁵ for "repair purposes only" and not for further exploitation. The plaintiff, Saphena, was a software supplier and had licensed a software program to the defendant client. The issue was whether the source code was implied in the use of the license. For our purposes, the High Court judgment is more instructive in revealing the facts concerning the implied license. The High Court ruled that had the parties intended to include the use of the source code in the contract they would have done so expressly.³⁸⁶ However, the High Court found that because the software was not entirely "fit for its purpose", and it could not have reasonably been the parties' intention that bugs remained in the program, it was implicit that the defendant should have used the source code only for "the limited purpose of repairing such bugs."³⁸⁷ Notably, in *obiter*, the High Court stated that if the defendant had gone further with the use of the source code, such as sub-licensing it to third parties, it would be infringing the plaintiff's copyright. The purpose of the defendant client's business of a debt-collecting agency "do[es] not include lending or selling or hiring programs to any third party. . . except upon the . . . permission of the [supplier]."³⁸⁸ Lastly, the High Court found it important that if the opportunity arose, the plaintiff supplier could have licensed the software to other customers.³⁸⁹

383. "English law has no general doctrine of good faith in contracts generally, instead, 'it has developed piecemeal solutions in response to demonstrated problems of unfairness.'" *Interfoto Picture Library Ltd. v. Stiletto Visual Programmes Ltd.* [1989] Q.B. 433.

384. *Saphena Computing Ltd. v. Allied Collection Agencies, Inc.*, [1995] F.S.R. 616.

385. The source code is distinguishable from the object code. *Id.* at 636.

386. Rather, only the provision for the object code had been agreed upon, "because that was sufficient to fulfill the functions required." *Id.* at 637.

387. *Id.* at 637.

388. *Id.* at 638. The court did not decide whether the permission should be in writing.

389. *Id.* at 634.

In addition to analyzing the parties' intent during the agreement negotiation, the court stressed the importance of the purpose of the grant. While the case is distinguishable on the facts,³⁹⁰ the High Court's use of the purpose test may still be applied as a neutral tool to interpret ambiguous freelance licenses. Arguably, as newspaper companies are in the business of selling newspapers, the freelancer's implied license is to be limited to print copies, excluding electronic distribution to third parties. Conversely, newspaper companies could also sell newspapers through their own Web sites, or through third party databases. The result will turn on defining the business purpose of the newspaper company. Lastly, the purpose-of-grant rule, while ultimately a matter of interpretation could likely be advantageous to freelancers if used in light of *Saphena*'s narrow approach. This approach limited the purpose of freelancers' implied grants to mere print rights for publishers and placed the onus on grantees to contract for unexpressed rights.

4. Music Industry: General Contract Interpretation Principles and Purpose

As technology progresses, the music industry must also address the difficult issue of how to interpret new use rights. In *Robin Ray v. Classic FM*,³⁹¹ the English High Court used general contract principles of construction in analyzing an implied term in a consulting agreement between a contractor and his client, the British radio station Classic FM. The radio station had hired the contractor to assemble a play-list of songs compiled in a database. The dispute arose when the radio station made copies of the database and licensed those copies to foreign radio stations. However, the radio station's entitlement to make copies and use the database for the purpose of broadcasting from its radio station in Britain were not at issue, as the terms had been set out in a contract recital. Similar to *Saphena*, the English High Court examined the purpose of the written contract and ruled that the defendant had the right to use the play-list for the "indefinite future for this purpose and for this purpose only"—that is, broadcasting in Britain.³⁹²

The *Ray* court stated that the grantee has the burden of proving its copyright entitlement and found the grantor retained copyright in

390. Freelancers seldom have an ongoing relationship to 'maintain' or 'update' their articles, as does a software supplier. Freelance work ends upon submission. Still, this difference could likely work to freelancers' advantage since such 'repair' terms could not be ascribed.

391. *Robin Ray v. Classic FM, Plc.*, [1998] F.S.R. 622.

392. *Id.* at 510.

default of an express term.³⁹³ For a term to be implied, it must be, *intra alia*: (1) reasonable and equitable, (2) necessary to give business efficacy to the contract, such that it is not necessary to imply a term if the contract is effective without it, and (3) so obvious “it goes without saying.”³⁹⁴ More importantly, the implication of terms is “so potentially intrusive that the law imposes strict constraints on the exercise of this extraordinary power.”³⁹⁵

Ray could arguably be used to again limit the scope of the implied license in the freelancer’s favor. First, as in *Saphena*, the court adopted a minimalist approach. Second, just as the English Court found it unpalatable for the purpose of the license to allow the radio station to license its database copies to third parties, it may be equally inappropriate to license articles to third party databases which can be accessed across the globe. Like the plaintiff contractor who did not intend his work to be exploited beyond the radio station’s broadcasting range, similarly, freelancers do not intend their articles to be distributed beyond the reach of their print publications. Indeed, while the multi-media conglomerate could arguably have indefinite rights to articles, it could not exploit them outside the scope of the implied established territory. Publishing on the Internet would therefore violate this territorial restriction. Still, that the concept of applicable territory, however vague, was codified in a recital is an enviable difference with respect to freelancers’ verbal agreements that typically do not contemplate geographical area of use. Above all, given the court’s non-interventionist approach, *Ray*, along with *Saphena*, may support a favorable reading of implied licenses, especially in light of freelancers’ often uncoded terms.

5. Conclusions

As a brief overview of the British case law has shown, judges adopt a variety of factors in analyzing written implied licenses. Court decisions featured such factors like foreseeability, purpose-of-grant, contract construction principles, and to some extent the parties’ intent and fairness in the bargaining. British courts have not made clear which, if any factors, should be emphasized. While finding intent of the parties will always be an attractive test, the test is unhelpful since intent will seldom be found.³⁹⁶ As a result courts will be left to draw on other determinants.

393. *Id.* at 507.

394. *Id.* at 507.

395. *Id.* at 507.

396. M. Fuller, *supra* note 375, at 608.

While interpretive factors varied, one approach that British courts appeared to favor (other than in the film industry), was a minimalist one. This restrictive approach advantaged the plaintiff challenging the defendant's expansive use of the license or alternatively yielded a balanced result for both parties. This balance was achieved through the court's construction of the use grant to the extent necessary to give efficacy to the business transaction. In *Saphena*, the court granted sufficient use of the source code, or enough that would be "fit for its purpose" and in *Ray*, the court granted sufficient scope to exploit the play-list in Britain. Consequently, neither party lost or won more than they had initially bargained for in the agreement. In *Saphena*, the court highlighted that if a licensing opportunity presented itself the licensor should supply the software to third parties, and not the licensee company.

Contrary to what some commentators believe³⁹⁷ British law does not specifically deal with new use rights as practiced by its European counterparts. Therefore, British courts may need to consider: (1) general "new use" British cases, like *Hospital for Sick Children*, *Saphena* and *Ray*, and/or (2) foreign precedents on freelancers' electronic rights in North America and continental Europe. These various options which British courts may adopt, create difficulty in predicting the outcome of a potential freelancer dispute. Should British courts follow film industry rulings, then perhaps publishers will prevail. Still, the oral nature of freelancer agreements places a substantial limitation on interpreting the vast majority of such agreements. It is indeed difficult to look at contract construction principles when terms are unwritten.

In summary, a British court could consider any of the following:

Factors

- Intent of the parties (initial factor in all cases)
- Industry custom (*Robertson*)
- Purpose of grant (*Freelens* and *De Volkskrant* albeit codified in statute, *Saphena*, *Ray*)
- Foreseeability (*Robertson*, *Plurimédia*, *De Volkskrant*, *Freelens* lower court)
- Unfairness in bargaining (*Hospital for Sick Children*)
- Contract Interpretation principles: absent express term, default rule favors grantor (*Ray*)
- General nature of electronic distribution of articles (*Tasini*, *Robertson*, *Central Station*)

397. Naprawa, *supra* note 367, at 331.

Approaches

- Purposive reading of statute in context of historically disadvantaged freelancers (*Tasini* majority)
- Expansive approach (*Hospital for Sick Children, per curiam*, foreign commonwealth film industry decisions)
- Minimalist approach to statute and contract interpretation, absent expressly enumerated rights (*Tasini* on USCA § 201(c) and *Robertson* on CCA section 13(4), *Hospital for Sick Children, Saphena, Ray*)
- Onus on grantee (*Saphena, Ray*) on grantor (*Robertson, Tasini* dissent, *Bartsch, Nimmer*)

Besides this range of factors and approaches, freelancers will be at the behest of the judiciary, making the outcome of cases even harder to predict. Moreover, freelancers may face the danger that upon favorable rulings, publishers may retaliate and expunge freelance articles from digital circulation or force freelancers into unfair settlement agreements.³⁹⁸ Alternative laws are therefore necessary which consider freelancers' historically and presently imbalanced condition vis-à-vis their publishers.

VIII. SEARCHING FOR FREELANCER-FRIENDLY SOLUTIONS

No man but a blockhead ever wrote, except for money.

—Samuel Johnson³⁹⁹

A. Judicial Interpretation of Freelance Contracts

As we consider solutions for Britain and other jurisdictions across the western world, namely North America, leaving freelancers to litigate their rights is not the preferred approach—time and cost are a few of the main deterrents. It is nonetheless important that since courts will likely continue to adjudicate freelancers' cases, courts should adopt clear principles, especially in light of the indeterminate methods of interpretation gleaned from the canvassed case law.

In contrast to the absence of British scholarly works and the

398. See generally *Tasini*, 184 F. Supp. 2d 350.

399. JOHN BARTLETT, FAMILIAR QUOTATIONS 355 (Emily Morison Beck et al. eds., 1980).

noted commentary on freelancer cases, US scholarship provides a more fertile body of literature on new use rights. Michael Fuller and, more recently, Stacey Byrnes has examined this issue. While Fuller concludes that the court lacks any methodology from his outline of a variety of factors adopted by American courts,⁴⁰⁰ Stacey Byrnes proposes an analytic founded on copyright policy and theory and challenges Melville Nimmer's default rules favoring either licensor or licensee.⁴⁰¹ In brief, Nimmer posits that absent ascertainable intent, a court will construe a license to either: (1) restrict any rights not expressly set out, thereby favoring the licensor or author, or (2) repurpose the work in any medium that the language of the license could reasonably permit, thereby favoring the licensee.⁴⁰²

Based on her analytic theory, Byrnes suggests that Nimmer's categories contravene copyright policy considerations meant to inform interpreting ambiguous copyright licenses.⁴⁰³ Byrnes reasons that because of the transformative nature of derivative works publicly disseminated,⁴⁰⁴ society is enriched by the work, thereby fulfilling one of the primary US copyright objectives, namely, "to stimulate artistic creativity for the general public good."⁴⁰⁵ She argues that because many "truly transformative works" may eclipse the original work's value to the public, to adopt a pro-licensor rule would discourage any further improvement or creativity by the licensee.⁴⁰⁶ On the other hand, adopting a pro-licensee rule would "automatically subordinate the interests of the author of the underlying work to those of the derivative work."⁴⁰⁷ Rather than endorsing Nimmer's default rules, Byrnes offers that policy should infuse the judicial analysis, beginning with the framing of the contract to the framing of the question in court.⁴⁰⁸ For instance, one of the questions that parties may ask themselves when drafting a contract, or likewise a court may later ask when interpreting ambiguous contracts, is whether the parties intended to restrict the dissemination of works.⁴⁰⁹

400. Foreseeability, fairness, contractual language including future advance and reservation of rights clauses are some factors. Fuller, *supra* note 375, at 604, 623.

401. Stacey Byrnes, *Legal and Business Issues in the Digital Distribution of Music*, 20 LOY. L.A. ENT. L. REV. 243, 251 (2000).

402. *Id.* at 257.

403. *Id.* at 271.

404. For instance, films are often based on pre-existing copyright material, such as novels.

405. Byrnes, *supra* note 401, at 264.

406. *Id.* at 270.

407. *Id.* at 273–74.

408. *Id.* at 279.

409. *Id.* at 279.

While Byrnes' approach to consult copyright policy is a sensible and flexible way to tackle issues of ambiguity relating to conveyances of new uses, and one which is often silenced in most decisions, we are left with few concrete solutions. First, it is unrealistic to assume that parties will be sufficiently sophisticated to appreciate policy considerations in drafting contracts, especially when the freelance industry often uses verbal contracts. Second, adopting Byrnes' policy infused approach, while on its face neutral or "pro-public," would be essentially undermining creators' rights. Freelancers' historically imbalanced position cannot be so easily dismissed. Third, assuming Byrnes' policy considerations will permeate at the contracting stage, and later in decision-making, whether the most appropriate ruling will ensue is questionable. Absent clear contracts or clear laws, judicial tinkering will vary across jurisdictions due to many other factors at play.

More fundamentally, the ambiguity of freelancers' rights in the digital era creates difficulty in analogizing their state to Byrnes' licensors. Byrnes bases her assumption on the notion that the licensee adds some value to the transformed work. In the freelancer's case, it is not apparent how the newspaper company's digital reproduction of articles online or, through third party Web sites, adds value to these underlying articles. Indeed, the converse may be true. By disseminating freelance works in often ideologically incompatible media, licensee publishers may cause authors to be tainted, consequently making them less credible. Nonetheless, conceding that the licensee publishers add some value to the benefit of society, what about the authors? Should they not eat or drink? Should copyright law not also work for them?⁴¹⁰ Also, freelancers cannot be assumed to be on an equal contracting scale as publishing conglomerates, no more than a nameless novelist is with a Hollywood movie tycoon. In the end, we again face the conundrum of weighing copyright policy in the construction of new use licenses: whose interests should copyright policy address? How can it achieve a balance?

1. Pro-Freelancer Default Rule

Given the often imprecise nature of bargaining between freelancers and publishers, and the general lack of express legislation, particularly in North America and Britain, courts should apply a default rule favoring freelancers. Many cases support this approach. In *Ray*, the court acknowledged that absent express terms, a default

410. David Vaver, *Agnostic Observations on Intellectual Property Law*, 6 INTEL. PROP. J. 125, 129 (1991).

rule should favor the grantor. *Tasini*'s purposive holding on the "publisher's privilege" in USCA § 201(c) would arguably support such an approach.⁴¹¹ Commentators also state that when in doubt, courts should construe rights narrowly.⁴¹² In this way, the purpose of the grant would also be taken into account in a restrictive fashion. Moreover, as one influential economic law theory suggests, defaults can usefully function to press a party with better knowledge, typically the publisher, to be explicit in contract formation,⁴¹³ especially when contracting with the right to use new technology. Both directly and indirectly, the pro-freelancer default rule could therefore eventually account for the unfairness in the bargaining process underpinning the freelancer-publisher relationship and exacerbated in the digital era.

2. Presumptive License Rule

As gleaned in *Robertson*, courts do not read the grant in question as an assignment, for such would constitute a proprietary interest and contravene copyright policy principles. As an alternative to the pro-freelancer default rule, courts should presume the existence of a license on the basis of public interest. And while courts may not find such assignments to be illegal, they should be deemed unenforceable. In this way, the actual grant is constructed in a narrow fashion to protect the interests of the grantor. However, this practice may lead to unimagined consequences since publishers may begin to insert waiver clauses in their contracts, thereby pre-empting the presumption against assignments, in order to avoid such an adverse finding. A court may then be faced with examining grounds of unconscionability and inequality in bargaining, which it probably may not find so as not to interfere with private ordering and commercial practices.

3. Unconscionability Principles

As one assesses ways in which the judiciary may approach this issue,⁴¹⁴ the doctrine of unjust enrichment potentially could be used as a pro-freelancer theory.⁴¹⁵ Although this theory will not be fully

411. See generally Gordon, *supra* note 17.

412. See May, *supra* note 267, at 25.

413. Irene Ayres & Robert Gertner, *Filling Gaps in Incomplete Contracts: An Economic Theory of Default Rules*, 99 YALE L.J. 87, 97 (1989). Indeed natural law theorists would likely also support such an approach.

414. Steven Hedley, *Unjust Enrichment—A Middle Course?*, 4 OXFORD UNIV. COMMONWEALTH L. J. (forthcoming January 2003) (observing the expansive application of the unjust enrichment doctrine to extend to various grounds of liability).

415. While there is no case law or literature on point, since 2000 there has been a flurry of

extrapolated here, Justice Jacob noted that “the principle of unjust enrichment is capable of elaboration and refinement.”⁴¹⁶ The theory could be relevant from the framing of the contract to the framing of the question in court. To find unjust enrichment, all three elements must be present: (1) there must be a benefit conferred to the defendant, (2) at the plaintiff’s expense, and (3) it must be unjust to allow the defendant to retain that benefit.⁴¹⁷ Goff and Jones detail the various branches of the doctrine.⁴¹⁸ Particularly on the benefit element, they argue that one must have attained an objective benefit in the sense of a realizable gain or a saved expense.⁴¹⁹ All three elements could be present in the freelancer’s case. First, the defendant publishers received the benefit of additional profit, not only from the articles’ print sales but indirectly by Web site advertising and more importantly through third party databases and CD-ROMs. Second, the benefit is at the plaintiff freelancers’ expense since they could have licensed these works themselves or through a collective society and charged a fee. And third, based on the past and present imbalanced freelancer-publisher relationship, it is unjust that the defendant publishers retain this profit. The plaintiff freelancers had “no intention of making a gift”⁴²⁰ to the benefit of defendant publishers.

In a recent British software industry case of *Vedatech v. Crystal Decisions*,⁴²¹ Justice Jacob applied the doctrine of unjust enrichment to find for the plaintiff software company consultant. In that case, the consultant software company undertook work for the benefit of an English software company attempting to penetrate the Japanese market. The consultant company provided the use of its employees, and its translation and banking services, but they did not agree to any specific terms. Distinguishable from the case and the facts of *William v. Lacey* is that compensation was afforded for extra time and materials spent and participation in success of the product.⁴²² In the freelancers’ cases, to argue that freelancers spent additional time and materials on exploiting the new technologies may be untenable. On

commentary on restitution, the remedy of unjust enrichment. *Id.*

416. *Vedatech v. Crystal Decisions (UK) Ltd.*, [2002] E.W.H.C. 818 (Ch.).

417. ROBERT GOFF & GARETH JONES, *THE LAW OF RESTITUTION* 16 (5th ed., Sweet & Maxwell London 1998).

418. *Id.* at 21.

419. *Id.* at 21.

420. *Banque Financiere v. Parc*, [1999] 1 A.C. 221, 237.

421. *See Vedatech*, [2002] E.W.H.C. 818.

422. *Vedatech*, [2002] E.W.H.C. 818, at para. 71(citing *William v. Lacey*, [1957] 1 W.L.R. 932).

the other hand, as Justice Jacob maintains the “principle of unjust enrichment is in large part founded on conscience.”⁴²³ In the freelancers’ cases, can the publishers, as the receivers of a benefit, “hang on to it without paying?” Furthermore, with an unjust enrichment claim there is no issue of whether there was a contract or whether the plaintiff freelancers relied on the prospects of further profit from their works. Consequently, while each jurisdiction has its own approach to interpreting the doctrine⁴²⁴ and while there is strong opposition to any broad extension of this doctrine,⁴²⁵ a court may favor adopting the doctrine of unjust enrichment. At the very least, such a doctrine could provide a unifying principle to the disparate determinants currently at play in freelancer jurisprudence.

4. Ill-advised Contract Interpretation Methods

(a.) Industry Custom

Besides favorable proposals, revisiting methods and approaches put forth in the case law is useful in highlighting factors that should not be adopted. We have already discussed the drawbacks of the foreseeability factor. Other determinants, like industry custom, are equally problematic in advancing a solution for freelancers because relying on industry custom has not served freelancers well. Since the publisher’s retention of an implied non-exclusive license for a one-time print right is the industry practice, scholars argue that with time, “assuming a new custom develops, the courts may be more inclined to imply a wider license to permit reproduction in other formats.”⁴²⁶ Waiting for a new custom in industry to develop is not the best means to solve freelancers’ issues. As Gordon has suggested, the publishers’ agenda is unilaterally imposed on the freelancers.⁴²⁷ In *Robertson*, industry custom worked to the freelancers’ disadvantage as the plaintiff should have known that the electronic distribution custom existed and was supposed to have restricted her rights accordingly. Also, partly because in *Robertson* the court placed excessive weight on custom, the court found contradictory evidence that resulted in an inconclusive finding. Furthermore, in light of the recent freelancer disputes, publishers are unlikely to develop a custom that is either

423. *Vedatech*, [2002] E.W.H.C. 818, at para. 74.

424. GOFF & JONES, *supra* note 417, at 16.

425. See Hedley, *supra* note 414.

426. Simon Gallant & Mary Russell, *Publish and Be Damned?*, 92(7) L. SOCIETY GAZ. 20 (1995).

427. Gordon, *supra* note 17, at 495.

freelancer-friendly or promotes the freelancers' interest. Therefore, to wait for publishers to mobilize change in this area, and for the courts to simply endorse this practice, makes for undemocratic and biased reform.

(b.) Policy

While adopting policy considerations is necessary, appropriate ones should guide such an approach. For instance, a utilitarian policy as per the *Tasini* dissent, erroneously assumes that it would be best to leave electronic distribution to publishers. Again, an examination of copyright policy and theory would be invaluable. Suffice it to say, as some commentators indicated, alternatives like authors' collective societies are available.

B. Industry Mechanisms

1. Collective Societies

Collective societies can control the electronic distribution of freelancers' articles and maintain efficient licensing schemes to distribute the articles to the public. As May observes, "[c]ommercial copyright transactions require negotiation, monitoring, and enforcement that can be prohibitively costly for individuals" but feasible for such an organization.⁴²⁸ These collective societies may devise general rules that duplicate contracting terms between two parties at substantially lower transaction costs. Recently, in the US, the National Writer's Union spear-headed the Publication Rights Clearinghouse (PRC) to license and enforce the copyrights of freelance writers.⁴²⁹ In this scheme, writers assign to their agents the limited right to act on their behalf in licensing the non-exclusive secondary right for publishers to use their works for a fee. Also, the PRC is responsible for collecting fees from secondary users and distributing them to authors. The PRC gives 75% to 90% of the total collected fees to the member authors.⁴³⁰ Thus, this organization works to the authors' advantage by permitting them to retain the right to grant further exploitation of their works, enabling public access to their works, and being paid without relying on publishers.

428. See May, *supra* note 267.

429. *Id.* at 27.

430. *Id.*

2. Contracting, Settlement, and Authors' Rights Groups

As seen in the case law, a large part of the freelancer problem was due to the ambiguity imbued in freelancers' verbal agreements. At a minimum, publishers should be required to inform their contributors of their intentions in advance and maintain some record of these discussions.⁴³¹ As Gallant and Russell suggest, publishers wishing to exploit works in new media should re-obtain licenses for each new use, or in the case of older printed works, make best efforts to notify, obtain consent, and pay the author if necessary.⁴³² Presumably, not all authors may be compensated depending on the type of medium used.⁴³³ Contracts should also aim to be specific and avoid all-rights clauses, such as "by all means whether known or unknown" to cover future technologies.⁴³⁴ As some commentators state, each transferred right should at least be enumerated.⁴³⁵

Also, since standardized contracts may undermine the individual needs of some writers,⁴³⁶ freelancers should become more aware of their legal rights by carefully reading specific contractual clauses and negotiating tactics (or lack thereof) that publishers may use. While helpful, freelancers should also be wary of enlisting agents to assist in bargaining on their behalf. Many authors' rights groups advocate that contracts should be drafted outlining clearly the terms of the freelancer-agent arrangement. Information is becoming more readily available for freelancers. For example, "Contracts Watch" is a free electronic newsletter from the Contracts Committee of the American Society of Journalists and Authors (ASJA) which serves as a contract information center for freelance writers, keeping them informed about the latest terms and negotiations in the publishing industry.⁴³⁷ Organizations, such as Britain's National Union of Journalists, also provide essential information and support during a potential dispute and settlement.

Compared to Canada, the US, and Britain, in particular, the European courts have led the way for a better dispute settlement method. Against litigation, grievance boards could also provide more

431. See Gallant & Russell, *supra* note 426.

432. *Id.*

433. It could be argued that a non-profit consortium should not warrant compensation to authors upon informed consent.

434. COPINGER & SKONE, *supra* note 87, at 5–21.

435. Santelli, *supra* note 14, at 277.

436. *Dear Writer*, WUC Toronto (1998).

437. See generally American Society of Journalists and Authors, at <http://www.asja.org/cw/cwissues.php> (last visited Dec. 19, 2002).

effective, personalized, and less expensive ways to address freelancers' rights. Still, drawbacks remain since if the bargaining practice is flawed *ab initio*, so too may be the settlement process, however informal. Thus, unless the publishing industry changes its mantra that publishing is a "cash cow" and its view that commerce is valued above culture,⁴³⁸ other mechanisms, such as contracting and settlement in conjunction with more tailor-made decision-making become necessary.

C. National and International Legislative Initiatives

In order to meaningfully address the freelancer's plight in the digital world, legislative initiatives must permeate at the national and international level. Indeed, it is insufficient to simply grapple with unifying judicial interpretation principles and speculate on the applicability of other doctrines of law. As the *Tasini* dissent appropriately stated, legislation can determine the "nature and scope" of the problem and fashion solutions more easily than courts.⁴³⁹ This reconfiguration must be vigilant of policy objectives that firmly focus on freelancers' historical and contemporary legal predicament. I propose that legislation codify the pro-freelancer default rule. Nationally we have already seen many European countries delineate laws both cognizant of emerging technologies as well as parties' responsibilities. A royalty provision mandating that freelancers be compensated in case of future exploitation, as the French provision provides, is a sound model. These laws should also contemplate third party involvement.

Internationally, since the freelance author is not at all considered, efforts are paramount. Once more freelancer-friendly international mechanisms are in place, national governments may be impelled to make domestic changes. Additionally, because as some scholars offer the law is not human-readable,⁴⁴⁰ drafting should also be more commensurate to people's understanding. Indeed many freelancers have no idea what their rights in copyright are.

Importantly, the continental European cases may have been freelancer-friendly not so much because the industry practice is one which is more conciliatory, or because Europe boasts the *droit d'auteur* tradition, but because the laws are constructed in such a predictable way that publishers already know what they stand to lose. Therefore, it is not entirely the appeasing culture that induces

438. See generally SCHIFFRIN, *supra* note 9.

439. *Tasini*, 533 U.S. at 520.

440. Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965 (1990).

settlement but more the ways copyright laws are constructed. Concise laws are therefore necessary to encourage such outcomes. Also, in common law countries where copyright is meant to facilitate exploitation and trade, legislators will be hard pressed to enact laws that interfere with the private ordering of business. Essentially parties are presumed to be independently sophisticated to bargain for themselves to arrive at the best solution. While such legislative initiatives will not likely prevail in the near future, a fertile body of scholarship needs to develop which posits how copyright laws should be devised in relation to the socio-economically disadvantaged freelancer.

D. Final Remarks

The socio-economic and legal state of today's freelancers has not improved dramatically from that of their seventeenth century predecessors. Patron-less they still vainly attempt to earn a living through their works. Today, the vast majority of writers in all genres, except staff writers, are freelancers.⁴⁴¹ From a policy perspective it is too important a problem to ignore. And given that newer technologies will continue to be developed and add to the complexity of contract terms, the issue will not go away. Current copyright treatment of freelancers in the digital era is vastly inadequate.

I have shown how national and international copyright mechanisms are insufficient to grapple with these new use problems. Countries in continental Europe seem to provide clearer and more favorable laws contemplating ambiguous new uses of copyrighted works. Yet, when these disputes reach the courts, freelancers are subject to non-friendly judicial interpretive methods, such as the foreseeability principle. In order to advance solutions for freelancers in Britain, and across the western world, I advocate a more freelancer-friendly approach. At both the national and international levels, default rules favoring freelancers should be codified and adopted across the judiciary. Even *Tasini's* dissent, albeit in passing, was mindful of the freelancer-publisher imbalance and the need to compensate authors for their works. Section 201(c) of the US Copyright Act was re-crafted to address this shortfall. Of course, judicial and legislative means are only the first step; the cooperation of industry mechanisms like authors' groups are necessary to effectively both help shape and later enforce policy on the bargaining table.

441. DUVERGNE SMITH, *supra* note 45.

Ultimately, this Article has explored issues which relate to the theoretical justifications of copyright law, as seen from the development of copyright's history to the legislative and judicial treatment of freelancers in advancing solutions on a policy level and otherwise. All of these theoretically grounded issues demonstrate the complexities of copyright law and how the interests of authors and publishers should be rebalanced. From this preliminary study, we have learned that the system has been skewed far too long in favor of publishers. The time has come for the scales to tip the other way.