

FREELANCE AUTHORS FOR FREE:
Globalization of Publishing, Convergence of Copyright Contracts and
Divergence of Judicial Reasoning

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Introduction

The publishing industry in recent decades has become more globalized in scope. We witness publishers in the print industry merging with other print publishers, as well as mergers with other conglomerates from cultural industries such as film. As they move at this accelerated pace it is even difficult to identify their latest formation.¹ Publishing has become an international enterprise and has acquired the technological know-how to exploit creative content. Indeed, alongside this globalization, is the convergence of digital publishing practices seen at its best with publishers' legal treatment of freelance authors. By convergence of publishing practices, I mean the increasing streamlined approach of contracting with freelance authors of newspapers and magazines wherein publishers attempt to buy up all of their copyrights. While in the period pre-dating electronic publication (before 1990s) there were no written contracts as only key terms like submission date and word count were agreed upon, in recent years practices have changed. In the quest to appropriate ownership of future copyright so that publishers may recycle authors' works in any media now known or unknown, publishers impose unilateral non-negotiable standard terms. While publishers term this convergence of practices as necessary for their risky investments in the digital era,² some commentators

believe this simply reflects a ‘symptom of existential insecurity, because publishers have no idea what the future has in store for them, and for the works created by “their” authors.’³ As a result, the globalization of publishing and convergence of their copyright contract practices, has cemented freelancers’ economic subjugation. Freelancers have no bargaining power because if they do not capitulate and assign rights to such conglomerates they risk being blacklisted.⁴ If they are blacklisted, publishers who have close to a monopoly control (indeed they are fewer and more powerful) prevent freelancers from publishing their works and earning a living. Effectively, this type of creative prostitution means that either freelancers agree to strip away their rights and get published, or walk away tarred. And so, the globalization of publishing and convergence of their practices means that freelancers are ironically no longer free. The only bargaining tool for freelancers is their copyright. If the market was more competitive and freelancers and publishers were equal players, then freelancers could have a better opportunity to negotiate their digital copyrights.

Freelancers world-wide protest the results of the convergence of these publishing tactics in the courts. There have been a series of cases litigated across North America and continental Europe but none (yet) in Britain. Freelancers maintain that publishers of newspapers and magazines exploit their works not only in print form but also digitally, often by making them available through their own websites 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. Publishing conglomerates justify that because of contracts previously made with their freelancers they can exploit new uses of such works. 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,⁵ but for freelancers who base their livelihoods on each new contract, the issue is a vital one as they are legally cast as independent contractors and should retain copyright ownership over their works unless otherwise agreed. The ownership of recycled works in new media is a problem that will persist as it implicates copyright law and its future. The development of new technologies will continue to open up new markets of exploitation and with this, renewed challenges to the publishing industry and in turn copyright law. Freelancers' royalties should not continue to subsidize publishers' exponential growth. Solutions are therefore necessary.

But these seem very far-reaching because of the divergence of legislation and judicial approaches in addressing this problem across the common law and civilian world. Indeed, while publishing practices have converged, we witness a divergence of judicial practices in interpreting previous unwritten freelance contracts. The caselaw illustrates the differences between the common law and *droit d'auteur* jurisdictions. In Canada and the US, courts struggle in applying vague copyright law provisions, and vainly focus on copyright infringement issues by examining differences between print and digital versions of freelance work. While continental European countries feature more progressive and express legislation favouring authors, there are still some reservations. This paper thus finally suggests that legislative intervention is necessary and the answer lies somewhere between the common law and *droit d'auteur* systems.

This paper is structured in four parts. First, I discuss the globalization of publishing in the context of the changes due to digital technology. I outline that the

effects of such conglomeration undermines copyright policy objectives as freelancers are increasingly beholden to publishers.⁶ Second, I examine the convergence of publishing practices, where publishers increasingly stipulate non-negotiable standard form contracts. This convergence of contracting practices does nothing to re-equilibrate the author-publisher imbalance. Third, I canvass the divergence of judicial approaches in resolving the resulting problem of unfair publishing practices: whether contracts contemplated new electronic publishing rights. In Britain, while the issue has been very much alive,⁷ there is little legislation on point and therefore it is very difficult to anticipate how a court would rule. Consequently, because of the lack of express legislation and the undesirable adoption of some principles like the foreseeability rule, in the final section, we are led to explore some potential solutions. Such measures, rooted in legislative intervention, attempt to pre-empt this dilemma or at least help courts better resolve this issue. In the end result, such mechanisms endorse a more unified approach: it may be most desirable for North America and Britain to embrace some of continental Europe's legislative features and for continental Europe to discard some of its own.

I GLOBALIZATION OF PUBLISHING INDUSTRY

Copyright policy objectives and the publishing industry

The publishing industry has grown increasingly global in scope. This expanse has strained copyright law and places in doubt its very objectives. On the one hand, 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.'⁸ At the same time, copyright law

should balance the interests of copyright owners with those of users.⁹ Thus, copyright law seeks to promote an equilaterally sided balance of interests between authors, publishers, and users.¹⁰ However, current societal developments, like the establishment of entrepreneurial copyright, instil antagonism between authors or users and those who exploit works.¹¹ Consequently, as Willem Grosheide argues, this phenomena has led to the demise of copyright's once idealistic "golden triangle" of interests.¹² The current developments of digital recycling of freelance works, and the burgeoning of publishing industries, incite discord between authors and publishers.

Conglomeration of Publishing

Over the past three or four decades, 'publishing has been transformed from an industry dominated by vision to one dominated by financial concerns.'¹³ Authors increasingly face an ever-competitive capitalist market, wherein publishers are owners vying for increased protection of authors' original 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.¹⁴ André Schiffrin's book¹⁵ 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 publishing conglomerates now control 80 per cent of American book sales, while independent storeowners enjoy a decreased share in the market from about 15 to 17 per cent;¹⁶ some studies have

confirmed independent storeowners make up low as 1 per cent of the publishing market.¹⁷ To maximize their revenues the major US publishing groups insist on a profit margin of 12 to 15 per cent, compared to the traditional average for the sector at 1 to 4 per cent.¹⁸ The same trend can be seen in the newspaper industry.¹⁹ Indeed, conglomeration is also seen in the wider cultural industries. For instance, Fiona Macmillan argues that the impetus for the “acquisition of copyright based monopolies” has been vital to the creation of the exponential growth of the film industry structure.²⁰ This conglomeration in publishing and across all cultural industries has been possible through both horizontal mergers (where publishers merge with publishers of similar sectors such as print) and via vertical integration (where publishers merge with dissimilar media companies such as print and televisions).²¹ Through such mergers publishers can achieve economies of scale.²² Today, around twenty publishing corporations control the industry worldwide and most of these have businesses in magazines, newspapers, TV and radio as well as books and journals. The key multinational publishing conglomerates include a handful from Europe,²³ Australia²⁴ and the US.²⁵ Globally, the US leads all western cultural industries with Viacom, then AOL Time Warner and Disney.²⁶

Such a convergence 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.²⁷ Moreover, without the agents (and lawyers) representing them, authors are further disadvantaged.²⁸ Literary agencies have also become more international and have opened up larger offices worldwide.²⁹ The agent is equally guided by moneymaking and as a result, cannot represent all authors, especially the nameless freelance authors. Only celebrity authors

such as JK Rowling 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.

II CONVERGENCE OF PUBLISHING PRACTICES

Freelancers and Digital Publishing

The globalization of publishing has led to the convergence of publishing practices and affected the treatment of freelance authors. Before we examine current practices, it is important to understand the freelancers' economic realities. Often, freelance authors earn a living by selling specialized and heavily researched articles. Such freelance works are prized commodities since their use is often timeless. Obtaining work can be difficult due to the lack of available freelance jobs, and the need for substantial self-promotion and marketing.³⁰ Without any support staff, freelancers work long hours writing, editing, and researching. Besides freelancers' low rates of pay, many freelancers spend years without any earnings.³¹ And many do not enjoy any of the benefits that their employed counterparts receive, including sick leave and pension. It is thus not surprising that freelancers have been commonly cast as the modern day sweatshop workers. According to a recent study, average freelance earnings in Britain are GBP£16 000 per annum, with 46 per cent earning under GBP£5 000.³² US freelancers earn an average of US\$7 500 per

annum.³³ Only 16 per cent of all full-time freelancers earn US\$30 000 or more.³⁴ Freelancers are typically paid by the thousand words. Larger British national newspapers such as *The Independent* or *The Guardian* pay about GBP£240 per thousand words for a feature article.³⁵ Freelancers in Scotland make considerably less, as low as GBP£100 for the same article. And so if a freelancer produces on average of three articles per month—which may be ambitious—they would gross about GBP£720 or GBP£300 per month. In regional and provincial newspapers the freelance rates are much lower.³⁶

As Lionel Bently suggests, when these figures are considered against the backdrop of cultural industries earning GBP£110 billion per annum, and that the average wage is over GBP£20 000 ‘we can be left in no doubt that, as a society, we are failing to reward the majority of creators anywhere near what they need or deserve.’³⁷ Importantly, most publishers’ revenue, at least in large daily newspapers and magazines, is generated through electronic exploitation to which freelancers are typically not entitled. For example, based on freelancers’ syndication earnings alone for large daily newspapers, freelancers could earn GBP£25-600 more per article.³⁸ Of course, payment for freelance use in CD-ROM and third party databases could also add to this revenue stream. As a result, retaining control of copyright ownership in their works would considerably improve freelancers’ ability to earn a decent living.

Publishing Practices and Digital Recycling

Up to the 1990s, industry practice was for freelancers to submit articles without an express written contract,³⁹ typically for one-time print publishing.⁴⁰ And because of the

quick turn-around time with print deadlines, the writers' fees were agreed upon and paid once the articles were published. Besides the additional flat fee received, freelancers customarily obtained additional fees for translations, reprints, and other modifications of the work.⁴¹ Over the last few years, with the increase in digitization of works, publishers across western industries 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. Bently's work is the first British work in recent years to document how through a host of tactics, publishers claim rights in future works even when these are not needed.⁴² Similarly, Macmillan's analysis on the wider media conglomerates, and the film industry in particular, is apposite to publishers; in buying future copyrights, publishers are under no obligation to exploit these future rights once they have acquired them, 'but of course no-one can do so without their permission'.⁴³ It is as if the legal advice to publishers is: 'You have the power. Take everything you can. Collect up the rights. Hoard them. Then if something happens, you will get the windfall.'⁴⁴

More often than not, the new use of freelancers' works occurs without their permission. Very recently, the major publishing houses of newspapers and magazines such as The Daily Telegraph in Britain, have instituted the practice of sending letters to their contributors which state "you will retain copyright". In brief, through standard form letter agreements publishers unilaterally impose non-negotiable terms:⁴⁵ world-wide unlimited rights to publish the works in any media now known or unknown.⁴⁶ While publishers are paid through subscription fees and by third parties for the new uses of such

works, and attempt to build lucrative electronic publishing houses,⁴⁷ authors continue to go uncompensated.⁴⁸ 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.’⁴⁹ For publishers, websites and databases are mere extensions of the original newspaper or periodical, and not separate media mandating separate payment to authors.⁵⁰ Media conglomerates’ strategy is to produce as much copyrighted material as possible.⁵¹ Publishers are indeed investing millions in the use of such new technologies.⁵² Because of the Internet’s moneymaking potential, many publishers are eager to protect online intellectual property via existing copyright law.⁵³ Out of the approximately 2 000 large daily and weekly newspapers across North America, 1 500 have online services.⁵⁴ The same figures can be seen in Britain and across continental Europe.⁵⁵ And while publishers complain about, *inter alia*,⁵⁶ digital piracy, the cost savings outweigh such alleged theft.⁵⁷ Electronic publishing eliminates the publishing industry middleman—the printer—which accounts for 40 per cent of costs,⁵⁸ and existing data can be supplemented with little or no turnaround time at a marginal cost of zero.⁵⁹ While publishers save on the cost of printing,⁶⁰ they increasingly charge for use of their own digitized newspaper edition on their websites.⁶¹ And even though some publishers may not (yet) charge users for clicking on their web sites,⁶² they can still make money. *New Scientist*, for instance, increased its classified advertising rates by 10% because of its web site.⁶³ None of this additional revenue goes to freelancers. Publishers traditionally only bargained for the 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.⁶⁴ As a result, digital (and yet to be defined) publishing rights are valuable commodities and publishers realize that with respect to freelancers they should obtain all such rights, for the best (or lowest) possible price.⁶⁵

Independent Contractors, Contract and Copyright Law

Freelancers as Independent Contractors

Today, the vast majority of writers in all genres are freelancers.⁶⁶ Across western industries, the number of freelance authors is growing. Increasingly conglomerates outsource their work for limited contract periods. According to the Organisation for Economic Cooperation and Development (OECD), there has been a “partial renaissance” in self-employment including changes in industrial organization, technology, and efforts to avoid regulation.⁶⁷ The OECD reports an increase in self-employment over the past three decades in all of its member countries and especially in Canada, Germany and Britain.⁶⁸ In Canada, in 1993, the rate of self-employment in the cultural sector was twice that of the general workforce, 29 per cent as compared to 15 per cent.⁶⁹ A detailed British study focussing specifically on the book publishing industry reveals that since the 1980s there has been a steady increase in the number of its freelance workers.⁷⁰ Such studies focus on pull and push factors; pull factors, would be incentives for freelancers such as the desire for flexibility and independence; and push factors, would be factors such as downsizing and subcontracting in the publishing conglomerates that leaves freelancers no choice but to pursue freelance work.⁷¹ While the OECD report does not causally

connect growth in freelance work to any one factor, Celia Stanworth and John Stanworth's study attributes this increase to push factors such as cost-cutting.⁷² These changes are very likely to be permanent and irreversible since the lower cost structures have been absorbed and generalized into the industries' operations systems.⁷³ Therefore, contracting freelancers for literary services seems to be the status of future work. Most authors will continue to be contractually bound to their publishers and such prospects necessitate an informed response from copyright law.

Contract and copyright law

For independent contractors, the central issue is whether authors' contracts, by which copyright is transferred to publishers for printing freelancers' works, contemplate electronic publication rights. Contract law governs the agreement between freelancer and publisher. In order to publish a freelance work, the publisher must have an agreement with the author granting the publisher an assignment or licence to publish the work. Given that freelancers often had a "handshake" contract with their publishers, such is regarded by custom as an implied non-exclusive licence to publish the work.⁷⁴ In other words, it is likely that in the absence of a contract, the only rights a publisher acquires from a freelancer are one-time usage rights.⁷⁵

A licence may be either oral or implied by conduct and may be exclusive or non-exclusive. Similar in scope to assignments,⁷⁶ exclusive licences must be in writing authorizing the licensee the power to exercise a right to the exclusion of all other persons including the licensor.⁷⁷ In the case of freelancers, their non-exclusive licences imply that other licensees (publishers) may be appointed to compete with one another and the

freelancer.⁷⁸ 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.⁷⁹ Assignments and licences can be partial. For example freelancers may licence only print rights. In Britain, future copyright can be assigned,⁸⁰ thereby vesting copyright in the assignee once the future work comes into existence. Moral rights can be waived in writing but cannot be assigned.⁸¹ Had freelancers granted assignments or exclusive licences, these would have been in writing. In this way, the contemplation of secondary uses could have likely been more easily discernible.

The question therefore is whether the scope of the implied licence 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 contractual 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.

III DIVERGENCE IN JUDICIAL TREATMENT OF FREELANCE WORK

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. Many publishing conglomerates of newspapers and magazines are 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 US\$2.5-\$600 billion in damages for illegally reproducing freelance work alone.⁸² But while the cases proliferate across North America and Continental Europe there is no clear approach in resolving these cases. As we will first see in North America, courts apply vague and purportedly "neutral" copyright law provisions, and vainly focus on copyright infringement issues by examining differences between print and digital versions of freelance work.

US: *Tasini*

The case that has received the most publicity and invited the most commentary is the US decision of *Tasini v New York Times Co.*⁸³ 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.'⁸⁴ In *Tasini*, six freelance writers, led by Jonathan Tasini,⁸⁵ launched an action against three print publishers: The 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.'⁸⁶ However, the publishers, under separate licensing agreements with database and CD-ROM companies,

(LEXIS/NEXIS 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 in a 7–2 decision, held that section 201(c) of the US Copyright Act of 1976⁸⁷ on the privilege of reproduction and distribution of collective works did not authorize the copying at issue.⁸⁸ The publishers were 'not sheltered by section 201(c) because the databases reproduce and distribute articles standing alone and not in context.'⁸⁹

The publisher's privilege under section 201(c)

The Supreme Court's analysis focused on the interpretation of section 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.⁹⁰

According to the court, section 201(c) both describes and circumscribes the “privilege” that a publisher acquires when an author contributes to a collective work.⁹¹ 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.’⁹² The court ruled that the reproduced works were not “revisions” but that the publishers indirectly achieved the result of “selling” copies of the articles to the public by ‘providing multitudes of “individually retrievable” articles.’⁹³ To rule otherwise would “diminish” the authors’ “exclusive rights” in the articles.⁹⁴ Importantly, both the majority and dissent failed to consider whether the section 201(c) privilege was transferable to third parties.⁹⁵

The majority adopted a purposive reading of the legislation by analyzing the legal meaning of section 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.’⁹⁶ 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...’⁹⁷ The court stated that Congress sought to ‘clarify and improve [this] confused and frequently unfair legal situation with respect to the rights in contributions.’⁹⁸ As such, the court suggests that Congress aimed to remedy the historical author-publisher imbalance.

Stevens J's dissent also considered the history of section 201(c) but held that 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 modified the articles nor published them in a 'new anthology or an entirely different magazine or other collective work',⁹⁹ 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 honoured by a pro-freelancer finding.¹⁰⁰

As a result, the majority's ruling appears to be pro-freelancer, while the dissent's, pro-publisher. Based on the court division, the next section analyzes three opposing arguments underpinning the freelancer-publisher debate.¹⁰¹ The court's focus is mainly on the issue of digital reproduction amounting to copyright infringement.

Tasini Reasoning

Argument 1: Print to Electronic Media

Both the majority and the dissent disagree on how to define the revised electronic nature of the freelancers' print articles for the purpose of section 201(c).¹⁰² 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.¹⁰³ 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.¹⁰⁴ 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 dissent points out is the most important creative element that the collective author can contribute)¹⁰⁵ 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 advertisements¹⁰⁶ distinguish the publication's ideologies¹⁰⁷ 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,¹⁰⁸ may instil in authors a fear of being tainted and likely being less credible as they become associated with online fora with which they desire no alliance.

Argument 2: Media Neutrality

The majority 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.¹⁰⁹ 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.'¹¹⁰ The New York Times argued that it 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), therefore it should have the right to reproduce these electronically.¹¹¹

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.¹¹² Additionally, the current form of the 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,¹¹³ microfilm does not yield the profits that digitized articles do.¹¹⁴ 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.¹¹⁵ As noted earlier, while publishers save on the cost of printing, they charge for use of their own digitized newspaper edition on their websites.¹¹⁶ This additional revenue does not go to freelancers but yet could so easily be regulated through micro-

payments of tallied number of downloads per article, for instance. Also, it is arguable that publishers prefer to have text online because it takes up less memory in their databases. For instance, digitizing the entire newspaper edition which would include, the masthead, images, advertisements, colour fonts and the text, would be a significantly larger file size in contrast to the much smaller file size of the individual digitized text of an article. Therefore the cost savings of storing smaller text files validates business decisions to store articles as individualized digital text and not an articles as part of its particular collective edition. 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. Bernt Hugenholtz puts it best: '[i]n a multimedia environment analogies are dangerous animals.'¹¹⁷ Equating hard-copies or microfilm to CD-ROM or electronic mechanisms, suggests that there is 'very little understanding of the ongoing media revolution.'¹¹⁸

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.'¹¹⁹ 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.'¹²⁰ Rather than narrowly focusing on authors' rights as per the majority, the dissent purports to favour the public of users in order to promote the 'broad public availability of literature, music, and the other arts.'¹²¹

For Stevens J, publishers will have difficulties in locating individual freelancers and the potential for statutory damages will likely force electronic archives to purge works from their databases.¹²² 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.¹²³

While it is laudable that the dissent 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).'¹²⁴ The court acknowledges that the parties 'may enter into an agreement allowing continued electronic reproduction of the [a]uthor's works.'¹²⁵ 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,¹²⁶ a court 'is not free to construe statutes in the manner most efficient. Instead, the court must follow the intent of Congress as expressed in the term of the statute.'¹²⁷ As Josh May indicates, authors may still retain control of electronic distribution of their works through collecting rights organizations, for instance.¹²⁸ While commercial copyright transactions can be prohibitively expensive for individuals, this is not so for collecting societies.¹²⁹ Indeed, 'if necessary the courts and Congress may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution.'¹³⁰ 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.¹³¹

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 favour. And, while the majority also focuses on users' interests, on the whole, it remains worrisome that *Tasini* does not provide a comprehensive understanding of the current digital conundrum authors face and thus may reinforce a myopic understanding of the issues.

***Tasini* and the conveyancing of copyright conundrum**

While *Tasini* is arguably a triumphant ruling for authors, which highlights 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 District¹³² and Appeals¹³³ courts, were no longer an issue. While all the writers who submitted their articles for publication to The 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 articles¹³⁴ and thus were not limited to those privileges set out in section 201(c). Newsday unsuccessfully relied upon cheque legends, issued to authors for payment, authorizing it to include the plaintiffs' articles “in electronic library archives.”¹³⁵ 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 featured 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.¹³⁶ Relying on a motion picture decision,¹³⁷ Time argued that this language included no "media-based limitation" and consequently, its first publication rights must be interpreted to extend to NEXIS.¹³⁸ While the District Court ruled in Time's favour (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.¹³⁹ On appeal, the court answered the question: Time's enforcement would have meant that it abide by its licence 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 licence granted in paragraphs (b) and (c) thereof.'¹⁴⁰ This outcome suggests that publishers like Time will enforce existing contracts at their convenience and ultimately expect digital uses of freelancers' works outright.

Freelancers as the triumphant party? Evaluating *Tasini*

The Supreme Court summed up the copyright transfer issue in a footnote, since neither of the publishers pressed the claim.¹⁴¹ Apparently, the publishers could not win, or as seen in Whitford's case, did not wish to win by enforcing potential electronic rights clauses in the Whitford Contract. Instead, they relied on the privilege conferred by section 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 honouring

their bargains. Or as seen with the endorsed cheques, 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 reading of section 201(c) of the USCA. Doing otherwise would have indirectly ascribed transfer of ownership rights from freelancers to publishers. This result would have been at odds with authors' exclusive rights. Therefore *Tasini's* contractual analysis indicates that agreements purporting to transfer electronic rights must be clear, utilizing plain language identifying each transferred right.¹⁴²

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 section 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.'¹⁴³ 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.¹⁴⁴ 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.¹⁴⁵

***Tasini* Aftermath**

After the Supreme Court decision, The New York Times adopted a new 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 The New York Times' infringement in connection with that work.¹⁴⁶ Consequently, following the ruling, The New York Times began to purge approximately 115 000 affected articles.¹⁴⁷ 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 favour 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.¹⁴⁸ 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. Following the purging of the articles, The New York Times justified that it was "obliged" to do so and, as somewhat of a peace offering, posted a self-administered "Request for Restoration" notice to freelancers.¹⁴⁹ If freelancers decide to "restore" their works in the archives, and decline any recompense, they may also affect their rights in new pending claims.

After *Tasini*, the freelancers responded by running their own advertisements, demonstrating in front of The New York Times' headquarters and filing another lawsuit claiming that The New York Times forced authors to sign waivers by threatening to withhold future freelance assignments.¹⁵⁰ The New York Times has required express transfer of all of its freelancers' electronic rights since 1995. Hence, while the author-publisher imbalance, on a symbolic level, appears to be equalized in *Tasini* by adopting a purposive reading of section 201(c) of the USCA, the aftermath may dull any justice for freelancers. Rather than working out compensation schemes, The New York Times, as the dominant party, executes retributive payment schemes. As several commentators have concluded, future freelancers may be unable to retain their electronic rights due to the 'lopsided power dynamic between authors and publishers.'¹⁵¹ Indeed, The New York Times' post-1995 express transfers do not preclude a future phase of litigation; freelancers may launch additional claims including remuneration for newer rights that may be exploited under these new contracts. There are indeed a number of very recent class actions launched by the Author's Guild, the American Society of Journalists and Authors (ASJA) and several freelancers against Lexis/Nexis and Dow Jones Interactive and other media moguls. These lawsuits claiming copyright infringement for works dating back to 1978, have been joined and recently ordered into mandatory mediation.¹⁵² The outcome of these cases is uncertain and still ongoing. 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.'¹⁵³

Canada: *Robertson*

*Robertson v Thomson Corp*¹⁵⁴ is Canada's version of *Tasini* and indeed displays a similar decision-making approach. 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 The Globe may have infringed the plaintiff's copyright, whether it may have an implied licence or implied term defence.¹⁵⁵ However, unlike *Tasini*, where there were individual joined plaintiffs, in *Robertson*, Heather Robertson headed a class of plaintiffs.¹⁵⁶ Robertson is a well-known Canadian writer who contributed two individual works in the newsprint edition of The Globe and Mail (The 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.¹⁵⁷ Similar to the publishing giants in *Tasini*, Thomson Corporation is a large multimedia company in the business of publishing newspapers like The Globe, with various subsidiaries.

In contrast to *Tasini* where there were no written agreements except for the plaintiff Whitford's, in *Robertson*, The 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, The 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 The Globe or its assignees and products (electronic and otherwise) derived therefrom.¹⁵⁸

Since the copyright infringement claim essentially adopts the analysis employed in *Tasini*, I will mostly limit my comments 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. Based on the complexity of the licensing facts, the court found a genuine issue for trial and could not grant Robertson summary judgment.

Transfer of copyright by implied terms and implied licence

While the court did not ultimately rule on the conveyancing of copyright, spent some time articulating its stance on the issue. Section 13(4) of the Canadian Copyright Act (CCA),¹⁵⁹ is accepted to apply to assignments and proprietary licences, and states that these can be made in whole or in part and must be in writing.¹⁶⁰ It is clear that a mere licence, which does not grant an interest in the copyright, need not be in writing.¹⁶¹ In *Robertson*, The Globe alleged that it had a licence, either through implied terms in the contract or through an implied licence.¹⁶² The 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.'¹⁶³ 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.¹⁶⁴ As a result, the plaintiff freelancer contended that the defendant must comply with section 13(4) of the CCA in order for the licence to be valid. Nonetheless, the court ruled that the licence did not need to be in writing because it did not convey a proprietary interest. The Globe's licence was 'arguably nonexclusive' since the freelancer 'retains the rights to publish and re-sell the individual work.'¹⁶⁵

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 licence between the parties and more specifically of what type. The decision, for instance, does not preclude the possibility that the defendant could be entitled to a licence in the new electronic uses of the works. Conflicting evidence regarding the licence 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 The Globe's new electronic publishing practices. The court noted that the freelancers were possibly aware of the existence of the database, InfoGlobeOnline, which featured online versions of freelance articles long before 1996.¹⁶⁶ The court thus suggests that in 1996 The 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.¹⁶⁷ But again given the nature of the conflicting evidence (as the freelancers testified to only granting one-time print rights), the court could not make a determinative ruling.

Freelancers as less triumphant? Evaluating *Robertson*

Cumming J suggested that given the complexity, uncertainty, and importance of the copyright issue in *Robertson*, The Globe could have contracted expressly with freelancers from the very inception of its electronic database in 1977.¹⁶⁸ This oversight was peculiar given The Globe's practice to only accept freelance articles that could be distributed electronically,¹⁶⁹ and that as a media giant, it was in the best position to contract for electronic rights. It is therefore ironic that The 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"¹⁷⁰ and does not logically result in payment to freelancers or acknowledgement that they lack any input in establishing the custom. The Globe may have simply 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*.

While *Robertson* and *Tasini* did not squarely address the publisher-author contractual imbalance, both courts alluded to it. Cumming J found it unusual for The Globe not to have contracted for its purported rights by arguing for a mere implied licence yet desiring a proprietary interest. And in *Tasini*, the court found Time 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 licence issue alongside the defences of laches and acquiescence.¹⁷¹ 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. In this way, both decisions show a similar approach to resolving the issue.

New and improved freelancer claims

There is a new class action again headed by Heather Robertson in Ontario which will soon make its way in the courts.¹⁷² This time there are a host of new defendants joined which include some of the largest multi-media moguls in North America like The Gale Group Inc, Torstar Corporation and Canwest Publications Inc. The lawsuit worth close to CDN \$1 million also alleges moral rights violations. In the plaintiff's pleading,

[t]he plaintiff states that the infringement of copyright by the Defendant Class members occurred as a result of the Defendant Class members' high-handed and arrogant conduct and their wanton and callous disregard for the rights of the Plaintiff Class members. For reasons of monetary gain, the Defendant Class members knowingly violated the rights of the Plaintiff Class members and attempted to appropriate to themselves the proprietary rights of the Plaintiff Class members in the Works.¹⁷³

As seen with *Tasini* this new claim indicates that freelancers' suits will be litigated for some years to come, in the belief that publishers are knowingly violating their rights for monetary gain.

Similarly, there are a series of class actions being fought in Québec for copyright infringement of unauthorized reproduction of freelancers' works in electronic media.¹⁷⁴ While the cases have not yet gone to trial, from some of the preliminary motions, the cases are to be hotly contested. In *AGIQ*,¹⁷⁵ an authors' association brought forward a motion to dispense with an order of releasing a list of its class members. The association successfully argued that its members would likely suffer economic retaliation at the hands of the various defendants. Recalling *Tasini*'s aftermath, this is not an unreasonable argument.

Given Québec's civil law tradition, in contrast to the common law system of the rest of Canada, it will be interesting to see how the decisions will be handed down. The court may look to *Robertson*, in its neighbour common law province Ontario, and/or it may consult with the continental European caselaw. Québec courts have in the past applied notions of Canadian copyright law to the interpretation of a Québec statute.¹⁷⁶ As a rule, Canadian courts can consult interpretations of similar words appearing in related legislation, and even in foreign ones.¹⁷⁷ Though in any event the outcome in Québec will be difficult to predict with any certainty especially since *Robertson* is still in its early stages. In contrast, the jurisprudence in continental Europe is much more developed and it is to that body of caselaw that we will now turn to.

Continental Europe

Across continental Europe freelancer caselaw 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, the judicial approach in resolving these claims differs significantly. In continental Europe, rather than vainly applying “neutral” copyright law provisions, courts apply express legislation. Consequently, in continental Europe various unifying interpretative tools can be gleaned from the judiciary’s reading of the specific enactments. From this end, the differences between the common law and civilian jurisdictions are all the more apparent despite recent international harmonization copyright mechanisms.¹⁷⁸ Yet, while continental European countries feature more progressive and specific legislation, and render more favourable freelance rulings, some national provisions such as the foreseeability principle are still disadvantageous to freelancers and indeed indicate a curious similarity between the two systems.

Judicial interpretation principles

Foreseeability Principle

Foreseeability of technology is a predominant judicial interpretive tool codified in national laws. Pursuant to French law,¹⁷⁹ 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.¹⁸⁰ In *Union of French Journalists and National Syndicate of Journalists v SDV Plurimédia*¹⁸¹ several French journalists and their trade unions directly launched a copyright infringement suit not against their publisher, but against a third party,

the on-line service provider, *Plurimédia*. At issue was the on-line dissemination of articles licensed by Dernières Nouvelles d'Alsace¹⁸² to Plurimédia. The court ruled in favour of the authors, holding that the collective agreement was concluded in 1983 when on-line 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.¹⁸³ Article 2(2) of the Dutch Copyright Act (DCA)¹⁸⁴ limits the scope of the transfer to rights specifically enumerated or necessarily implied by the nature or purpose of the agreement. But 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.'¹⁸⁵ The Association had been unsuccessfully negotiating with various publishers over additional remuneration for the electronic reuse of journalistic works.¹⁸⁶ *De Volkskrant* had been reusing the plaintiffs' contributions on its website and CD-ROM. The Amsterdam District Court held for the plaintiffs, finding copyright and moral rights infringement¹⁸⁷ because CD-ROMs and websites constituted independent means of communication. The court also applied article 2(2) of the DCA because in the 1980s, when the licences were granted, the plaintiffs could not have foreseen that their contributions would be included in electronic media.¹⁸⁸

But the foreseeability factor does not always favour freelancers. In Germany, the Publishing Act of 1901¹⁸⁹ supplements the more modern German Copyright Act (GCA)¹⁹⁰ and features specific rules on publishing agreements.¹⁹¹ Transfers, whether in writing, oral or implicit, are impossible under German law, only exclusive or non-

exclusive licences are allowed.¹⁹² This results from the monist theory of German law where economic and moral rights are so interwoven that they cannot be separated.¹⁹³ Article 31(4) of the GCA declares void any obligation relating to uses that were unknown at the time the licence was granted. Under this rule, the moment of the party's knowledge of a new use is vital in determining the scope of the licence.¹⁹⁴ In a decision before the Regional Court of Hamburg,¹⁹⁵ *Freelens*, an association of about 70 freelance news photographers, sued the magazine *Der Spiegel* for copyright and moral rights infringement.¹⁹⁶ 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 licences were granted, the photographers had implicitly licensed this form of use. The trial level decision proves to be of particular interest for the foreseeability principle. At the trial level, the Hamburg Court held for the publisher¹⁹⁷ 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 photographers could not invoke article 31(4) of the GCA because the uses were known. 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.

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.¹⁹⁸ Indeed, once *Freelens* made its way to the Federal Supreme Court of Germany, the court ruled in

favour of the authors and no longer relied on the foreseeability principle, but almost exclusively on the purpose-of-grant rule.¹⁹⁹ It noted that, in the former proceedings, an assumption was made as to when CD-ROM was a known use ‘to the benefit of the defendant.’²⁰⁰ Instead, the Federal Supreme Court found it more useful to focus on whether the contracting parties ‘individually refer[red] to CD-ROM rights’ in the contract.²⁰¹ According to the purpose-of-grant rule, 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. The court did not find that CD-ROM rights were made express and therefore ruling otherwise would go beyond the purpose of the contract. According to the court,

This [purpose-of-grant rule] rule of interpretation expresses the notion that the copyright powers tend to remain with the author as far as possible so that he can enjoy a *reasonable participation* in the profits from his work.²⁰²

Here the court recognized the need and desire to have authors retain control over their works, at least maintain a reasonable participation. Indeed, the parliamentary history of this clause, ‘demonstrates that its primary aim is to prevent the “young and inexperienced” authors in their dealings with “cunning” publishers from “rashly” giving away their copyrights.’²⁰³ Consequently, the court noted that to give further effect to the spirit of this rule, it must not solely weigh whether the use in question ‘is an independent type of use.’²⁰⁴ By contrast, in the North American courts, independence of use, such as the difference between print to CD-ROM, is crucial to a finding of copyright infringement. For the German court, the independence of a use can be *one of several* other factors, not limited to the weighing of the individual circumstances of the case.²⁰⁵

Several other countries, including the Netherlands and France, also have a purpose-of-grant principle.²⁰⁶ In France, while also specifying the need for the foreseeability of the technology and a royalty provision in order for a valid transfer, the CPI provides that the modes of exploitation must also be expressly delineated.²⁰⁷ In the Netherlands, as adopted in relation 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.²⁰⁸ According to Hugenholtz, the Dutch courts have by analogy applied this transfer rule to licences.²⁰⁹ Consequently, licences are strictly interpreted, and in the case of freelancers often mean solely non-exclusive, one-time print rights.²¹⁰

Pro-Author Interpretation

Some European courts have adopted legislation that expressly favours the author. Section 3(1) of the Belgian Copyright Act (BCA)²¹¹ 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 favour of the author. In *General Association of Professional Journalists v Central Station*,²¹² freelancers and employed journalists represented by the Belgian Union of Journalists sued ten publishers who had founded a consortium, Central Station. Since 1996, Central Station operated a web site containing a cross-section of various articles for fee-paying users to access.²¹³ The Brussels Court held that the publishers needed the freelancers' written consent pursuant to section 3(1) of the BCA.

In some respects even the German Federal Supreme Court implicitly adopted this approach as it recognized the author's unique position. In obiter, the court found it important to discuss the nature of authorship in freelance writing. Academic authors may often be interested in a maximum distribution of their work and only secondarily interested in a fee, but freelancers generally depend on their fees.²¹⁴ Indeed,

in the case of self-employed journalists it must be assumed that they will want to negotiate separately on a use that promises its own commercial return in order to ensure that they enjoy a reasonable participation in this additional commercial exploitation of their achievement.²¹⁵

In some ways, the court is very true to Germany's *droit d'auteur* tradition in finding authors deserve to control the fruits of their labour through all or any means. At the same time, the court is cognizant of the publishing industry practices and that there may be other players in this contracting; as such it notes once again that authors deserve a "reasonable participation". Ultimately, the court strives for balancing the interests of authors and publishers: no participation would unreasonably prejudice authors and tip the scales disproportionately in favour of publishers. In short, authors require a reasonable participation in the future control of the exploitation of their works.

Other unifying principles in continental Europe

Print to electronic media

While European courts also examine copyright infringement as in North America, they do not solely focus on the technical differences between print and electronic media. 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.²¹⁶ Thus authors are only deemed to have granted publishers those licensing rights to bring their articles to the newspapers' specific public audience.²¹⁷ Similarly, at the Federal Supreme Court in *Freelens*, the court recognized that while CD-ROM and microform are initially "apparently comparable," the former has a 'complete different market potential despite its restricted use as compared with other digital data storage media.'²¹⁸ Indeed, 'the [CD-ROM] subscribers would be an additional circle of potential purchasers.'²¹⁹ The court suggested that there may be more consumers of CD-ROM purchases for annual volumes than there would be in the printed edition.²²⁰ As a result, the court observed the increased monetary returns obtained from digital media not otherwise possible through print media. The European courts therefore recognize some of the oversights noted earlier in *Tasini* and *Robertson*: audience, market potential, and monetary returns are all factors which vary from the print to digital world.

Settlement

Against *Tasini*'s outcome, parties appear more willing to settle 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.'²²¹ Thus the publisher justified not compensating its authors due to its risky investment in the digital world. But the Dutch court did not find the publisher's "proposal" to withhold compensation plausible and

substantiated its ruling by finding that the defendant had in principle acknowledged rewarding the freelancers for new uses.²²² Settlement also occurred in *Central Station*, where the Belgian publishers agreed that they would no longer electronically distribute freelance articles in the consortium without the freelancers' consent.²²³ 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 byline originally appearing in the publication of the articles.'²²⁴ In *Plurimédia*, the parties also reached an agreement after the ruling, and the appeal only dealt with the reuse issue of televised news items.

Understanding the differences between North American and Continental European Caselaw

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.²²⁵ While her article does not detail the reason for this attitude, from an analysis of the examined caselaw the answer seems simple. While European courts may perhaps be pro-author because of their *droit d'auteur* tradition, they also have clearly drafted legislation. With the exception of the Netherlands, where courts nonetheless applied the assignment transfer rule to licences, these European enactments are, in contrast to the Canadian and US statutes, better able to clarify the ambiguities plaguing the conveyancing 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.²²⁶ The French copyright provision precisely addressed royalty payments to authors to the extent that new uses were exploited.²²⁷ The

German and Dutch acts allowed the reading of no more rights than necessary to give effect to the contract's purpose.²²⁸ In other words, courts did not appear to struggle with substantive copyright infringement questions but merely applied the appropriate statute.

The more conciliatory pro-author European environment indicates a publishing culture that is not only author-friendly in its tradition, but also seeks reasonable resolution of disputes with 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.'²²⁹ Albeit imperfect, settlement contracts still persuasively 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.²³⁰ 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. Lastly, the conciliatory nature of the European social climate may be due to publishers' knowledge of these laws and their perceived risk of contesting freelancers' claims in court acting as a strong deterrent.²³¹

Drawbacks: Foreseeable Fixation

It is nonetheless disconcerting that judicial reasoning in the examined jurisdictions features a fixation on the foreseeability of the new medium of exploitation.²³² 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. Even the Canadian court that did not mention the foreseeability principle, alluded to it, in discussing the inception of InfoGlobeOnline's practice and freelancers' imputed knowledge of this new custom. In the US, a series of new use cases in other industries also frequently focus on finding foreseeability.²³³ 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.²³⁴ 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.²³⁵

Rosenzweig is one of the few scholars to address the issue of new uses, albeit exclusively focusing on the US copyright system. From a utilitarian standpoint and relying on *Bartsch's* reasoning,²³⁶ 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 favour the publisher.²³⁷ He defines a new use as "an accretion or unearned increment" that is a "windfall" that occurs after the production of a work.²³⁸ And since the new use was beyond the intentions of the parties, 'the author, as a result, could not have expected to profit from such future medium.'²³⁹ The one-time windfall from a new use is therefore used to subsidize the licensee or publisher in his risky investment to develop the new medium.²⁴⁰ 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.²⁴¹

Rosenzweig does not take enough account 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?²⁴² Authors, especially freelancers, are professionals who attempt to earn a living. Authors royalties cannot and should not be expected to fund the growth of publishers. 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. Indeed, if publishers were to ask freelancers if they expected to lose copyright control over of their works, the answer would likely be no. Rosenzweig's argument gives authors very little credit for their dealings with publishers and emerging media. Although there may be information asymmetry with freelancers as the unsophisticated party, 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. The choice of which party benefits from the "windfall" is based simply on Rosenzweig's preference. Should authors be not in a better position to reap from their work especially given their financially vulnerable position? Lastly, the proposition that 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.²⁴³ For instance, as noted earlier, having more power in the hands of a few media companies 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 definition be foreseeable, thereby making foreseeability perpetual,²⁴⁴ freelancers will continue to be the disadvantaged party. Rather than blindly applying presumptive principles that would effectively favour only publishers, other solutions mindful of the ongoing imbalanced freelancer-publisher relationship are necessary.

Freelancers in Britain

Britain has yet to see litigation on the issue of whether freelancers' contracts, which allowed publishers to print their works, contemplated electronic publishing rights.²⁴⁵ Yet, the issue has been very much alive. Bently details the abuses that freelancers face 'in the UK media market-place.'²⁴⁶ Recently, Britain saw one of its large daily newspapers reach a substantial out of court settlement and there have been other settlements reached with other publishers over similar issues.²⁴⁷

The Guardian Settlement²⁴⁸

The Guardian settlement could have been Britain's version of *Tasini*. Since 1996 the National Union of Journalists, the Society of Authors and the Writers' Guild, spearheaded a three-year long negotiation with The Guardian newspaper, one of Britain's largest dailies, to stop its "rights grab." At the same time, key literary figures like Fay Weldon led a grand campaign against the newspaper. In 1999, a settlement was reached

with some key terms, which include that the Guardian: (1) stop the practice of coercing freelancers to assign copyright with non-payment of work (2) stop the practice of posting letters stating that its ‘willingness and ability’ to publish work depends on freelancers’ copyright assignment and (3) give freelancers 50 per cent of spot sales. While the first two terms are commendable as they expressly ban the newspaper’s bullying tactics, the latter term remains insufficient. A spot sale is the individual sale of an article to another newspaper, which does not include systematic sales. Systematic sales generate the most wealth through worldwide syndication pursuant to lucrative subscriber agreements. If freelancers were to get full syndication rights, they could earn GBP£25-600 more per article.²⁴⁹ But through The Guardian settlement, freelancers are only entitled to spot sales, which yield a poor return by comparison. As a result, a settlement that was in the best position to provide freelancers with more adequate remuneration, as well as clarify the ownership of future uses for all parties, fails to do so. Indeed, there is no reason why a future freelancer lawsuit could not materialize in Britain especially given the current converging industry practices.

“You Retain Copyright” Letter Agreements

Large dailies such as The Guardian, The Times, The Daily Telegraph, The Independent have recently begun the practice of sending letters to their freelance contributors advising them of the newspapers’ policies.²⁵⁰ These letters advise freelancers that they “retain their copyright”, but with conditions that are not limited to: the newspaper’s unlimited and world-wide right to use the work in any publication or service that it owns or controls, in

whatever media. In light of the freelancer caselaw, it is quite plausible that these letters will be subject to future litigation. For instance, the new use terms are so vague that when a new means of technology is developed—a dispute may arise as to whether the contract captures such rights. And if this dispute were to occur it is unclear as to how a British court would rule without any express precedent on point. Ultimately, would a British court follow the North American caselaw or that of continental Europe? At this juncture, one can only speculate. Based on Britain’s common law tradition and given that there are few rules restricting alienability,²⁵¹ one would expect Britain to follow the North American caselaw, at least in its approach. Indeed, in contrast to continental Europe, Britain does not feature the exclusive protection of authors’ rights.²⁵² It is argued that Britain has moved towards a “mixed system” of copyright law.²⁵³ 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 neighbouring rights, as done in the civilian system, has been abolished with the adoption of the CDPA.²⁵⁴ Moreover, unlike many other European countries, but similar to Canada and the US, Britain allows waiver of moral rights by contract or estoppel.²⁵⁵ In these respects, albeit there are a number of EC directives which increasingly compel Britain to harmonize its laws,²⁵⁶ its 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. According to Bently,

There are no provisions recognizing the special status of creators and their contributions to our culture, no provisions recognizing their

typically weak bargaining power, and none which attempt to ensure that such creators receive proper levels of remuneration.²⁵⁷

It is equally possible that a British court could resort to examine general new use jurisprudence in other copyright sectors²⁵⁸ or other avenues such as competition law.²⁵⁹ Still, this lack of legislative resolve reinforces the need for some type of legislative intervention.

IV SOLUTIONS

As we consider solutions for Britain and other jurisdictions across the western world, 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, and certainly new use case law, courts should adopt clear principles, especially in light of the indeterminate methods of interpretation gleaned from the caselaw of Canada and the US. In this fashion, it is wise that the North American approach becomes more like that of continental Europe featuring express legislation.



Express legislation to address the conveyancing of new uses is essential. As suggested, 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 settlement but more the ways copyright laws are constructed. Concise laws are therefore necessary to encourage such outcomes.

More unified national and international legislative initiatives

As the *Tasini* dissent appropriately stated, legislation can determine the “nature and scope” of the problem and fashion solutions more easily than courts.²⁶⁰ This reconfiguration must be vigilant of policy objectives that firmly focus on freelancers’ historical and contemporary legal predicament. I propose that Britain, the US, and Canada codify a pro-freelancer default rule.

Default rules are already codified in some of continental Europe’s copyright statutes and are used in contract law to fill the gaps in incomplete contracts. Defaults cover the parties’ legal obligations unless parties contract around them.²⁶¹ Contracts may be incomplete because the transaction costs of express contracting for a specific contingency are greater than the benefits.²⁶² 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.²⁶³ Ian Ayres and Robert Gertner posit that default rules can be adjusted to the individual needs of the parties.²⁶⁴ Specifically, defaults can serve as penalty defaults set at ‘what the parties would not want—in order to encourage the parties to reveal information to each other or to third parties.’²⁶⁵ Conversely, without such defaults, a more informed party may strategically withhold information that could augment the total gains or “size of the pie” from contracting.²⁶⁶

The more informed party may thus prefer to have ‘inefficient precaution’ rather than pay a higher price for the good. Thus by introducing penalty defaults lawmakers ‘can reduce the opportunities for this rent-seeking, strategic behaviour.’²⁶⁷ Similar examples of such an approach can be seen in the common-law doctrine of construing ambiguities in contracts against the drafter.²⁶⁸

Express provisions

Nationally we have already seen that many European countries delineate laws both cognizant of emerging technologies as well as parties’ responsibilities. Provisions stipulating that contracts are made as specific as possible, delineating terms of future use and duration are therefore useful. Moreover, a royalty provision mandating that freelancers be compensated in case of future exploitation, as the French provision provides, or that contracts be re-opened in case of a windfall, or in the event of lack of exploitation on the part of the publishers, are equally worthy of investigation.

No foreseeability

We have already discussed the drawbacks of the foreseeability factor and so will not repeat that discussion here. What remains pressing is that this principle is codified in several European countries, and used in the common law approaches of Canada, US and Britain in resolving new use caselaw.²⁶⁹ Given the noted arguments, it is suggested that the approaches become more unified: common law countries rely less on this principle, and European countries recognize the inadequacy of such a principle in its future copyright law revisions. In this fashion, Pierre-André Dubois and Colleen Chien, 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.’²⁷⁰

Internationally

Recognizing that this may be ambitious, Once more freelancer-friendly international mechanisms are in place, national governments may be more compelled to make domestic changes. While not analysed in this paper, internationally, freelance authors are not at all considered.²⁷¹ A starting point would be to revisit the Berne Convention and the World Copyright Treaty (WCT) with a view to including new provisions on copyright contract principles.²⁷²

There are of course some drawbacks to legislative intervention. 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. And so, 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 and to the inevitable exploitation of works in new technologies.

**More unified judicial interpretation principles:
Restrictive contract interpretation and default rule**

Irrespective of legislative change, and given the often imprecise nature of bargaining between freelancers and publishers, courts particularly in North America and Britain, should adopt a restrictive approach to statutory interpretation. This conservative approach may support a default rule favouring freelancers where courts construe publishers' rights narrowly. Many cases endorse this approach. In *Ray*, the court acknowledged that absent express terms, a default rule should favour the grantor. *Tasini's* purposive holding on the "publisher's privilege" in USCA's section 201(c) would arguably support such an approach.²⁷³ Moreover, *Tasini's* contractual analysis indicates that agreements purporting to transfer electronic rights must be clear, utilizing plain language identifying each transferred right.²⁷⁴ Commentators also state that when in doubt, courts should construe rights narrowly.²⁷⁵ In this way, the purpose of the grant would also be taken into account in a restrictive fashion, 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.

Presumptive Licence 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. In the spirit of strict interpretation, courts should presume the existence of a licence on the basis of the 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.

Unconscionability principles

As one assesses ways in which the judiciary may approach this issue,²⁷⁶ the doctrine of unjust enrichment potentially could be used as a pro-freelancer theory.²⁷⁷ Although this theory will not be fully extrapolated here, Justice Jacob noted that ‘the principle of unjust enrichment is capable of elaboration and refinement.’²⁷⁸ 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.²⁷⁹ Goff and Jones detail the various branches of the doctrine.²⁸⁰ 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.²⁸¹ 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 collecting 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”²⁸² to the benefit of defendant publishers.

In a recent British software industry case of *Vedatech v Crystal Decisions*,²⁸³ 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.²⁸⁴ In the freelancers’ cases, to argue that freelancers spent additional time and materials on exploiting the new technologies may be untenable. On the other hand, as Justice Jacob maintains the “principle of unjust enrichment is in large part founded on conscience.”²⁸⁵ 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 doctrine²⁸⁶ and while there is strong opposition to any broad extension of this doctrine,²⁸⁷ a court could favour 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.



III-Advised contract interpretation methods

Industry Custom

Besides favourable proposals, revisiting methods and approaches put forth in the caselaw is useful in highlighting factors that should *not* be adopted. We have already discussed the disadvantages of adopting a foreseeability principle. 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."²⁸⁸ 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.²⁸⁹ 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 freelancer-friendly or promotes the freelancers' interest. Therefore to await for publishers to mobilize change in this area, and for the courts to simply endorse this practice, makes for undemocratic and biased reform.

Judicial policy considerations

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' collecting societies are available while still endorsing a utilitarian stance.

However relying exclusively on the judiciary for redress remains insufficient since as seen in *Tasini's* 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.'²⁹⁰ The challenge is therefore to what extent laws and contracts should be drafted to account for both commercial certainty and judicial flexibility.

Industry mechanisms

Collecting Societies

Collecting societies in Britain, Canada, the US and continental Europe 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.²⁹¹ These collecting 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.²⁹² 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 per cent of the total collected fees to the member authors.²⁹³ 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.

Contracting, Settlement, and Authors' Rights Groups

As seen in the caselaw, a large part of the freelancer problem was due to the ambiguity imbued in freelancers' verbal agreements. At a minimum, publishers across all jurisdictions should be required to inform their contributors of their intentions in advance and maintain some record of these discussions.²⁹⁴ As Gallant and Russell suggest, publishers wishing to exploit works in new media should re-obtain licences 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.²⁹⁵ Presumably, not all authors may be compensated depending on the type of medium used.²⁹⁶ 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.²⁹⁷ As some commentators state, each transferred right should at least be enumerated.²⁹⁸

Also, since standardized contracts may undermine the individual needs of some writers,²⁹⁹ 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 centre for freelance writers, keeping them informed about the latest terms and negotiations in the publishing industry.³⁰⁰ 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 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 lucrative industry and its view that commerce is valued above culture,³⁰¹ which is highly unrealistic, other mechanisms,

such as contracting and settlement in conjunction with more tailor-made decision-making, become necessary.

Final remarks

I began this paper by showing how the publishing industry is increasingly global: there are fewer but stronger publishers. Alongside this globalization, I explained the convergence of publishing practices where publishers expect copyright ownership of freelance authors' works. Publishers impose unilateral non-negotiable standard terms to exploit works not only in print but also digitally. While publishers grow richer, freelancers do not receive any of this additional revenue, nor are they consulted. As seen, 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 favourable agreements. As a result, writers either witness their freelance opportunities or their potential earnings shrink, while publishers appropriate the use of works that they would otherwise be required to licence. 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 (indeed they have begun codifying their practices), yet pursue such digital exploitation. Possibly, the publishing business is reacting to its 'competitive advantage...by reallocating intellectual property rights, making cyber-publishers' commercial transactions faster and cheaper by putting the burden of transactional costs on authors instead.'³⁰² Put

differently, authors appear to be subsidizing publishers' entry into the "potentially lucrative electronic world" for very little in return.³⁰³ Solutions rooted in copyright law are necessary.

While copyright law solutions are necessary to re-equilibrate this imbalance, they seem far-reaching. Indeed, as this problem becomes multi-jurisdictional and publishing practices converge, I argued that the civil and common law copyright systems diverge in dealing with this issue. While common law courts applied vague copyright law provisions, continental European courts provided clearer and more favourable laws. Yet, the foreseeability principle remained a pressing problem in both jurisdictions. In order to advance solutions for freelancers in Britain, and across the western world, I suggested that both jurisdictions should rely less on foreseeability principles and that common law countries adopt express provisions such as the continental European default rules. Contract law and persuasive economic arguments also support this approach. Of course, judicial and legislative means are only the first step; the cooperation of copyright industry mechanisms like authors' groups are necessary to effectively help shape and enforce policy on the bargaining table so that freelancers are no longer for free.



¹ Eg AOL merged with Time Warner becoming AOL/Time Warner though recently changed its name back to Time Warner; Time Warner recently attempted to merge with EMI; Columbia Journalism Review ‘Who Owns What?’ <<http://www.cjr.org/tools/owners/timewarner.asp>>(31 May 2004).

² “Freelens” or “Spiegel-CD-ROM” Federal Supreme Court (Bundesgerichtshof) (5 July 2001) Case No I ZR 311/98 tr (2003) 34 IIC 227.

³ B Hugenholtz ‘The Great Copyright Robbery’ (A Free Information Ecology in a Digital Environment Conference New York School of Law 31 March-2 April 2000).

⁴ L Bently *Between a Rock and a Hard Place* (The Institute of Employment Rights London 2002) 7; see also Tasini Aftermath *infra* n 146.

⁵ It is beyond the scope of this discussion to address employed writers which in most jurisdictions fall under the purview of separate legal doctrines; in Britain, the Copyright, Designs and Patent Act as amended 1988 c 48 s 11(2) provides that works produced during the course of one’s employment belong to the employer.

⁶ For a historical evaluation of publisher’s treatment of authors see G D’Agostino ‘Copyright Treatment of Freelance Work in the Digital Era’ (2002) 19 Santa Clara Computer and High Technology Law Journal 37.

⁷ In Britain, there has been a substantial out of court settlement with The Guardian and other similar settlements; see *infra* n 247-8.

⁸ D Vaver *Intellectual Property Law* (Irwin Law Concord 1997) 22.

⁹ WF Grosheide ‘Copyright Law from a User’s Perspective: Access Rights for Users’ (2001) 23(7) EIPR 321-5, 321.

¹⁰ *ibid.*

¹¹ Grosheide (n 9) 324.

¹² *ibid* 322.

¹³ J Lichtenberg ‘The Studio Model: Should Publishing Follow Hollywood’s Approach to the Creative Process?’ [1999] Publishing Research Quarterly 46.

¹⁴ J Gurnsey *Copyright Theft* (Aslib Gower New York 1995) 17.

¹⁵ A Schiffrin *The Business of Books* (Verso Press New York 2000).

¹⁶ *ibid* 2.

¹⁷ Office of Cultural Affairs (OCA) ‘Cultural Industries in the Latin American Economy: Current Status and Outlook in the Context of Globalization’ (Office of Cultural Affairs Washington 2004) http://www.oas.org/culture/series6_e.html (12 March 2004).

¹⁸ *ibid.*

¹⁹ See for instance, ‘Taking the Fight for a free Press to the Hill’ The Guild Reporter <http://www.newsguild.org/gr/gr_display.php?storyID=675> (3 March 2004)

²⁰ F Macmillan ‘The Cruel ©: Copyright and Film’ (2002) 24(10) EIPR 483, 489.

Macmillan attributes the widening corporate power to the contractual arrangements, and other aspects of copyright law such as strong distribution rights and the long period of copyright protection. In the interests of time, I will mainly contain my analysis to the contractual relationship between the parties.

²¹ F Macmillan ‘Copyright & Culture: A Perspective on Corporate Power’ (1998) 10 Media & Arts Law Review 71.

- ²² C Davis 'Conglomeration and Globalisation in Publishing' (Oxford Brookes University Oxford 2003)
<http://www.brookes.ac.uk/schools/apm/publishing/culture/conglom/congint.html> (12 March 2004).
- ²³ Bertelsmann, Holzbrinck, Largadere, WoltersKluwer, Reed-Elsevier and Pearson.
- ²⁴ News Corporation.
- ²⁵ AOL Time Warner, Viacom, Disney, Harcourt General and Thomson; Davis. Similar trends can be seen in South America; Office of Cultural Affairs 'Cultural Industries in the Latin American Economy: Current Status and Outlook in the Context of Globalization' (Office of Cultural Affairs Washington 2004). http://www.oas.org/culture/series6_e.html (12 march 2004).
- ²⁶ C Harland and F Gunther Global Media Environment (Morgan Stanley 16 Oct 2002) http://www.medientage-muenchen.de/archiv/pdf_2002/Harland_8.1.pdf (12 March 2004); In the newspaper industry in particular, companies can own up to 10-15 newspapers. In Canada, for instance, 14 companies own its 102 dailies. CanWest Corporation owns 13 newspapers across five provinces; there are only four independent newspapers in Canada; Canadian Newspaper Association < <http://www.cna-acj.ca/client/cna/cna.nsf/web/FactsOwnership>>(31 May 2004).
- ²⁷ A Diamond 'The Year of the Rat' (1996) Canadian Forum 19-23 detailing Montreal Gazette author Nancy Lyon resigning from her popular column to avoid any further exploitation by her publishers.
- ²⁸ In Canada, there are only about 20 agents; 'Dear Writer' (WUC Toronto1998).
- ²⁹ 'Literary Agents go Transatlantic' (Publishing Trends 2003)
<http://www.publishingtrends.com/copy/03/0310/0310agents.htm> (11 March 2004).
- ³⁰ LA Santelli 'Notes and Comments: New Battles between Freelancer Authors and Publishers in the Aftermath of Tasini v New York Times'(1998) 7 JL & Pol'y 253-300, 262
- ³¹ *ibid.*
- ³² Bently (n 4) 14 citing a study from the Society of Authors conducted in 2000 where 1,1711 members responded.
- ³³ N DuVergne Smith 'The Writers' Lot' (NWU Survey 1995)
 <<http://members.aol.com/nancyds/wlot1.html#top>> (3 March 2004); these figures are also similar in other countries like Canada; the annual income for independent contractors generally was of CDN\$13 032 and CDN\$19 769 for women and men respectively; Statistics Canada, Survey of Labour and Income Dynamics 1999, Special Run.
- ³⁴ N DuVergne Smith (n 33)
- ³⁵ NUJ <<http://media.gn.apc.org/rates/>>
- ³⁶ B Turner (ed) *The Writer's Handbook 2003* (Macmillan Publishers Ltd London 2003) 270.
- ³⁷ Bently (n 4)14.
- ³⁸ Documents from the archives of the Society of Authors London [on file with author]; figures documenting these digital earnings are fairly recent and in fact none have been found before 2000.
- ³⁹ NUJ 'Freelance briefing paper' <<http://media.gn.apc.org/fl/0007grab.html>>(29 June 2002) indicating increasing attempts to formalise the relationship. Absent fieldwork, it is

difficult to accurately gauge the current contractual nature of the author-publisher relationship.

⁴⁰ Santelli (n 30).

⁴¹ *ibid.*

⁴² Bently (n 4) 6 and Macmillan (n 20) 488 respectfully examine the publishing and film industry.

⁴³ Macmillan (n 20) 488.

⁴⁴ Bently (n 4) 6.

⁴⁵ Bently (n 4) 7.

⁴⁶ See *infra* n 250.

⁴⁷ Diamond (n 27) 20.

⁴⁸ Albeit get mere 50 per cent of spot sales see *infra* n 248.

⁴⁹ Santelli (n 30) 265.

⁵⁰ Diamond (n 27).

⁵¹ Eg S Vaidyanathan *Copyrights and Copywrongs: The Rise of Intellectual Property and How it Thwarts Creativity* (New York U Press New York 2001).

⁵² J Shillingford 'Internet: Copyright Reservations' *The Guardian* (8 June 1995) T4.

⁵³ *ibid.*

⁵⁴ Newspapers American Association

<http://www.naa.org/info/facts01/22_newsinteractive/>(3March 2004).

⁵⁵ See <http://www.wrx.zen.co.uk/britnews.htm>(13 March 2004) and

<http://www.thebigproject.co.uk/news/>(13 March 2004).

⁵⁶ 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.

⁵⁷ C McGeever 'E-Book Piracy Doesn't Frighten Publishers'

<http://www.computerworld.com/cwi/printer_Friendly_Version/0,1212,NAV47-81_STO44382-,00.html> (30 November 2001)

⁵⁸ *ibid.*

⁵⁹ H Ronte 'The Impact of Technology on Publishing' (2001) PRQ 11, 17.

⁶⁰ Wellcome Trust Commissioned Report--An Economic Analysis of Scientific Research Publishing (January

2003)<http://www.wellcome.ac.uk/en/images/SciResPublishing3_7448.pdf>(5 may 2004) while analyzing scholarly science publishing, analogies can be drawn in this context due to parallel cost-savings because of digitisation and similarly, as publishers increase subscription fees to libraries and other users whilst keeping all the profits.

⁶¹ The New York Times has recently launched NewsStand™ so that electronic editions of newspapers are also 'delivered' to one's personal computer for a fee. Once the edition is downloaded, the electronic edition is available on the user's computer for 7 days; see <<http://www.newsstand.com/index.cfm?fuseaction=signup>>(27 April 2004) (NewsStand™).

⁶² Though several have started to charge for online use; 'CanWest to Charge for Online Content' *Toronto Star* 19 Sept 2003, E3. Also, most newspapers and magazines do not provide free access beyond two weeks of archived articles from the date of search.

⁶³ NUJ 'A few things you should know about copyright' Freelance Newsletter November 2001 <<http://media.gn.apc.org/c-basics.html>> (3 March 2004).

⁶⁴ M Hoff 'Tasini v The New York Times: What the Second Circuit Didn't Say' (1999) 10 AlbLJSci & Tech 125-165, 163-4.

⁶⁵ H Ronte (n 59)

⁶⁶ DuVergne Smith (n 33)

⁶⁷ OECD 'Partial Renaissance of Self-Employment' *OECD Employment Outlook* (OECD Paris 2000) available at <http://www.oecd.org/dataoecd/10/44/2079593.pdf> (27 February 2004).

⁶⁸ *ibid.*

⁶⁹ Statistics Canada, *Canadian Social Trends* 87-004 (Statistics Canada Ottawa 1995).

⁷⁰ C Stanworth and J Stanworth 'Managing an Externalised Workforce: Freelance Labour--Use in the UK Book Publishing Industry' (1997) 28 *Industrial Relations J* 43, 54.

⁷¹ J Fudge, E Tucker and LF Vosko 'Changing Boundaries in Employment: Developing a New Platform for Labour Law' (2003) 10 *Canadian Labour & Employment LJ* 362, 373.

⁷² Stanworth and Stanworth (n 70).

⁷³ *ibid.*; such a trend is not limited to the book publishing industries.

⁷⁴ WJ Gordon 'Fine-Tuning Tasini: Privileges of Electronic Distribution and Reproduction' (2000) 66 *Brooklyn LRev* 473-500, 477.

⁷⁵ Though oral transactions may work in equity thus working against freelancers. See D Vaver *Copyright Law* (Irwin Law Toronto 2000) (n 48) 95 citing *Allen v Toronto Star Newspapers Ltd* (1997) 142 DLR (4th) 518; for the present time I will not consider this argument since it has never arisen in the freelancer caselaw to date, which is the main focus of discussion.

⁷⁶ The distinction between licences and assignments 'is not always so clear-cut'; an exclusive licence 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.' H Pearson and C Miller *Commercial Exploitation of Intellectual Property* (Blackstone Press Limited London 1990) 344.

⁷⁷ CDPA 1988 c 48 s 92(1)

⁷⁸ Vaver (n 75) 238.

⁷⁹ Pearson and Miller (n 76) 343.

⁸⁰ CDPA 1988 c 48 s 91

⁸¹ See CDPA 1988 c 48 ss 94-5

⁸² S Houpt 'Freelancers win pay for electronic rights' *G&M* (26 June 2001)

⁸³ 533 US 483, 121 S Ct 2381 (2001) ('*Tasini*').

⁸⁴ SA Rosenzweig 'Don't put my article online: Extending copyright's new-use doctrine to the Electronic publishing media and beyond' (1995) 143 *UPennLRev* 899-932, 908 citing R Resnick 'Writers, Data Bases Do Battle' *NLJ* (7 March 1998) 1, 28.

⁸⁵ National Writers' Union President since 1990 and long-standing labour and economics author.

⁸⁶ *Tasini* (n 84) 484; 2382

⁸⁷ Copyright Act 1976 17 USC (USCA)

⁸⁸ *ibid.* 487; 2384

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- ⁸⁹ *ibid.* 487; 2384-85
- ⁹⁰ *ibid.* 488; 2384 [emphasis in case]
- ⁹¹ *ibid.* 496; 2389
- ⁹² *ibid.* 496; 2389 citing HR Rep No 94-1476, 122 (1976) US Code Congress & Admin News 1976, 5696, 5738.
- ⁹³ *ibid.* 492; 2387
- ⁹⁴ *ibid.* 498; 2390
- ⁹⁵ *ibid.* fn 4, 511; 2396; see s 201(d) of the USCA. Also, not discussed is the application of s 103(b) of the USCA equally stipulating the distinction between copyright of collective work from copyright in independent contributions.
- ⁹⁶ Copyright Act 1976 17 USC s 103(b)
- ⁹⁷ *Tasini* (n 84) 495; 2388.
- ⁹⁸ *ibid.* citing US Code (n 233 above).
- ⁹⁹ *ibid.* 511; 2396
- ¹⁰⁰ *ibid.*
- ¹⁰¹ The following argument categories are the author's formulated for analytical purposes.
- ¹⁰² While for the dissent these articles are part of a collection of articles from a single edition of the New York Times, and thus a simple 'revision,' for the majority, these constitute individual works and not part of a collection.
- ¹⁰³ *ibid.* 498; 2390
- ¹⁰⁴ *ibid.* 517; 2391
- ¹⁰⁵ *ibid.* 515; 2399
- ¹⁰⁶ M Spink 'Comment: Authors Stripped of their Electronic Rights in *Tasini v New York Times Co.*' (1999) 32 J Marshall LRev 409-436, 432.
- ¹⁰⁷ For instance, newspapers may be known to showcase certain political parties either through their editorials or advertising.
- ¹⁰⁸ Tasteless advertising for instance on a website containing an author's work.
- ¹⁰⁹ *Tasini* (n 83)
- ¹¹⁰ *ibid.* 512-13; 2397
- ¹¹¹ *ibid.* 512-13; 2397
- ¹¹² A Vahrenwald 'The Publishing Industry Faces Technological Change' (1996) 7(2) Ent LR 50-61, 50
- ¹¹³ For instance, unlike the digital version, the microfilm article appears in context; *ibid.* (n 84) 517; 2391.
- ¹¹⁴ IS Ayers 'International copyright law and the Electronic Media Rights of Authors and Publishers' (1999) 22 Hastings Comm & Ent LJ 29-63, 43.
- ¹¹⁵ *ibid.*
- ¹¹⁶ NewsStand™ (n 61).
- ¹¹⁷ B Hugenholtz 'Electronic Rights and Wrongs in Germany and the Netherlands' (1998) 22 Columbia-VLAJLA 151-9 ('Electronic Rights') 158.
- ¹¹⁸ *ibid.*
- ¹¹⁹ *Tasini* (n 84) 519; 2401
- ¹²⁰ *ibid.*
- ¹²¹ *ibid.* citing Twentieth Century Music Corp v Aiken 422 US 151, 95 S Ct 2040 (1975).
- ¹²² *ibid.*

¹²³ See JT Elder ‘Legal Update: Supreme Court to hear Arguments on Electronic Database Copyrights For Freelance Journalists’ 7 BUJSci & TechL 406-412.

¹²⁴ 533 US 483, 505-6; 121 S Ct 2381 (2001), 2394.

¹²⁵ *Tasini* (n 84) 505; 2393.

¹²⁶ *Tasini v New York Times Co* 206 F3d 161 (US Ct of Apps (2nd Cir), 1999)(‘*Tasini Apps*’); *Tasini* 184 F 2d 350 (NYSD Ct 2001) also adopted a utilitarian perspective.

¹²⁷ *Ryan v Carl Corp* 23 F 2d 1146, 1151 (ND Cal 1998) relied on *Tasini Apps* (n 126 above)

¹²⁸ J May ‘Intellectual Property: Copyright Acquisition and Ownership *Tasini v New York Times Co*’ (2001) 16 Berkeley Technology LJ 13-31, 26

¹²⁹ *ibid.*

¹³⁰ *Tasini* (n 84) 505; 2393

¹³¹ *ibid.* 520; 2402 fn 18

¹³² *Tasini v New York Times Co* 972 F Supp 804 (NYSD Ct 1997) ruling for summary judgment in favour of the defendant publishers and *Tasini v New York Times Co* 981 F Supp 841 (NYSD Ct 2001) denying authors’ motion for reconsideration. (*Tasini Dt*)

¹³³ *Tasini Apps* (n 126) reversing judgment and ruling in favour of freelancers.

¹³⁴ *Tasini Dt* (n 132) 809.

¹³⁵ *ibid.* 807; the District Court considered the US CA 17 USC (1976) s 204(a) stating that any valid transfer of copyright must be in writing.

¹³⁵ *Tasini Apps* (n 126); The endorsement read:

¹³⁶ 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 then prevailing rates of the publication in which the Story is republished.

¹³⁷ *Bartsch v Metro-Goldwyn-Mayer Inc* 391 F2d 150, 154-55 (2d Cir) cert denied 393 US 826, 89 S Ct 86 (1968) holding that the right to ‘exhibit’ motion picture included the right to exhibit movie on television.

¹³⁸ *Tasini Dt* (n 132) 811

¹³⁹ Recall that Time alleged only ‘first publication’ rights pursuant to Whitford Contract clause (a).

¹⁴⁰ *Tasini Apps* (n 126) 171

¹⁴¹ Newsday waived its defence, Time's argument was rejected on its merits; *Tasini* (n 84) 121 2385.

¹⁴² Santelli (n 30) 277.

¹⁴³ Gordon (n 74) 475 [emphasis added]

¹⁴⁴ *ibid.*

¹⁴⁵ See Y Hur 'Tasini v New York Times: Ownership of Electronic Copyrights Rightfully Returned to Authors' (2000) 21 Loy LA Ent LJ 65.

¹⁴⁶ Tasini has recently challenged The New York Times regarding a release agreement asking freelance writers to release their compensation claims. The New York Times has also notified freelancers about the release agreement through ads in its daily newspaper; *Tasini v New York Times* 184 F 2d 350 (NY D Ct 2002) 352, 353.

¹⁴⁷ *Tasini* (n 84); articles between 1978 and 1990s are affected. While users will have no access to these archives, they can remain aware of such purged articles through searching the inverted file index, though they will not be able to access the digital version of the article in question; A Naini 'Copyright Protection for Freelance authors' (2002) 17 Berkeley Technology LJ 19.

¹⁴⁸ *Tasini* (n 84)

¹⁴⁹ See <http://survey.nytimes.com/survey/restore/> (29 April 2004) the notice reads in part:

Because of a recent decision by the United States Supreme Court, The Times is obliged to remove from electronic archives, such as Nexis, the work of freelance writers that appeared from 1980 through 1995. If you wrote for the Times during that period and you would like to give The Times permission to restore your work to electronic archives, you may do so below ...

¹⁵⁰ See *infra* n 64; A Naini (n)

¹⁵¹ R Dixon (n 283 above) 150

¹⁵² The Author's Guild *Press Release* 2004 Update <<http://www.authorsguild.org/>> (29 April 2004)

¹⁵³ Y Hur (n 145)

¹⁵⁴ *Robertson v Thomson Corp* (2001) 109 ACWS 2d 137 (SCJ) ('*Robertson*')

¹⁵⁵ *ibid* [2]; in *Tasini* (n 84); against *Robertson*, *Tasini* argued the statutory action of copyright infringement in the alternative.

¹⁵⁶ 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 T Down 'Suing Thomson: it's a classic David and Goliath Story' (1999) 5(4) *Media* 14-5.

¹⁵⁷ *Robertson* (n 154) [2]

¹⁵⁸ *Robertson* (n 154) [22]

¹⁵⁹ Copyright Act RSC 1985 c C-42 ('CCA')

¹⁶⁰ *ibid* ss 13(4)(7) on assignments and proprietary licences, respectively; s 13(4) also applies to proprietary licences, but not to nonexclusive or implied licences; JS McKeown *Fox Canadian Law of Copyright and Industrial Designs* (3rd edition Carswell Scarborough 2000)

¹⁶¹ McKeown (n 160) 388

- ¹⁶² The Globe's alternative defences were of consent, acquiescence, the applicable limitation period, and laches; *Robertson* (n 154) [135]
- ¹⁶³ *ibid.* [168]
- ¹⁶⁴ *ibid.* [169][emphasis mine].
- ¹⁶⁵ *ibid.* [77]
- ¹⁶⁶ *ibid.* [160]
- ¹⁶⁷ '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.' *ibid.* [164-5]
- ¹⁶⁸ *ibid.* [23]
- ¹⁶⁹ *ibid.* [23-4]
- ¹⁷⁰ Gordon (n 74) 495.
- ¹⁷¹ W Matheson *Robertson* Defence Counsel, Phone Interview (18 July 2002); the case was heard 23 February 2004 but has thus far reserved judgement (5 May 2004).
- ¹⁷² The author is advised that the defendants are currently retaining counsel; W Matheson Defence Counsel (5 May 2004).
- ¹⁷³ *Robertson v The Gale Group Inc* (Statement of Claim, Ontario Superior Ct J, Toronto 24 July 2003)[on file with author].
- ¹⁷⁴ *Association des Journalistes indépendants du Québec (AJIQ) c. Cedrom-SNI* [1999] JQ no 4609 (QSC); *Electronic Rights Defence Committee(ERDC) c Southam Inc* [1999] JQ no 349 (QBC).
- ¹⁷⁵ *ibid.*
- ¹⁷⁶ B Gamache 'Quebec Court uses copyright law to Interpret Provincial Cinema Act' (1992) 5 WIPR 155-56 citing *Attorney General of Quebec c. Boutique de Sexe Ultra-Mag Inc. et al.*, (1992) J.E. 92-625 (C.Q. - Ch.Crim.) applying Copyright Act, R.S.C. 1985, c. C-42, which uses the words "in public" at s 3(1) to Quebec's Cinema Act, R.S.Q., c. C-18.1 on whether an exhibition had been made "to the public".
- ¹⁷⁷ Pierre Côté, *The Interpretation of Legislation in Canada*, 2nd ed. (Y Blais Cowansville 1991) 453.
- ¹⁷⁸ eg TRIPS and WIPO.
- ¹⁷⁹ Code de Propriété Intellectuelle art L 131-6 (Fr) ('CPI')
- ¹⁸⁰ *ibid.*
- ¹⁸¹ (3 February 1998)(Tribunal de Grande Instance de Strasbourg – Ordonnance de Référé Commercial) tr (1998) 22 Columbia-VLAJLA 199('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.
- ¹⁸² News items from programmes broadcast by channel FR3 were also at issue.
- ¹⁸³ *De Volkskrant* No D 3.1294 (24 September 1997)(DCt of Amsterdam) tr (1998) 22 Columbia-VLAJLA 181
- ¹⁸⁴ Copyright Act of 23 September 1912 Staatsblad 308 tr (1973) 9 Copyright 181 ('DCA')
- ¹⁸⁵ Hugenholtz, *Electronic Rights* (n 117) 157.
- ¹⁸⁶ *ibid.* 155

- ¹⁸⁷ 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 (n 184) arts 2, 25
- ¹⁸⁸ *De Volkskrant* (n 183) 187.
- ¹⁸⁹ Publishing Act (*Verlasgesetz*) of 9 September 1965 tr UNESCO Copyright Laws and Treaties of the World, Germany Item 3 (1975-76)
- ¹⁹⁰ Copyright Act of 9 September 1965 I p 1273 no 51 tr (1965) 1 Copyright 251('GCA')
- ¹⁹¹ But as Hugenholtz points out its rules are not mandatory, may be overridden by contract and are largely outdated; in practice the Publishing Act of 1901 "no longer plays an important role." Hugenholtz (n 3).
- ¹⁹² B Hugenholtz (n 316 above)152
- ¹⁹³ Bently (n 4) 27.
- ¹⁹⁴ Hugenholtz and de Kroon (n 194) 7
- ¹⁹⁵ *Freelens* (1997) No 308 O 284/96 (Regional Ct of Hamburg) tr (1998) 22 Columbia-VLAJLA 178 ('*Freelens* RCT').
- ¹⁹⁶ Hugenholtz 'Electronic Rights' (n 117).
- ¹⁹⁷ The court did not determine whether re-use on CD-ROM constituted a new independent use for the purposes of art 31(4); see *Freelens* (n 195) 179.
- ¹⁹⁸ Hugenholtz and de Kroon (n 194) 7
- ¹⁹⁹ "Freelens" or "Spiegel-CD-ROM" Federal Supreme Court (Bundesgerichtshof) (5 July 2001) Case No I ZR 311/98 tr (2003) 34 IIC 227, 229 thereby upholding the appeals court decision which reversed the first instance judgement explored above ('*Freelens*').
- ²⁰⁰ *ibid.* 229.
- ²⁰¹ *ibid.* 228.
- ²⁰² *ibid.* 228 [emphasis added].
- ²⁰³ Hugenholtz (n 3)
- ²⁰⁴ Indeed this position is in contrast to the appeals court decision where 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.' Hugenholtz and de Kroon n 194) 7-8.
- ²⁰⁵ Such as the nature of freelance authors versus academic authors, as the former write primarily for a fee; *Freelens* (n 199) 229.
- ²⁰⁶ Also featured in Spain Copyright Act of 23 April 1996 art 43(2) and Greece Law No 2121/1993 of 3 March 1993 art 15(4).
- ²⁰⁷ Code de Propriété Intellectuelle art L 131-6 (Fr) ('CPI')
- ²⁰⁸ 'Do print licenses imply a right of electronic re-use?' is the question; Hugenholtz, Electronic Rights (n 117) 157
- ²⁰⁹ 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 DCA art 2(2) warrants a restrictive interpretation on copyright transfers; *ibid.* 157
- ²¹⁰ 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*.
- ²¹¹ Copyright Act of 30 June 1994, 27 Moniteur Belge 1994 (Belgium)('BCA')

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- ²¹² [1988] ECC 40 (High Ct of Brussels)(‘*Central Station*’)
- ²¹³ *ibid.*
- ²¹⁴ *ibid.* 229.
- ²¹⁵ *ibid.*
- ²¹⁶ JC Ginsburg ‘Electronic Rights in Belgium and France’ (1998) 22 *Columbia-VLAJLA* 163
- ²¹⁷ *ibid.*
- ²¹⁸ *Freelens* (n 199) 229.
- ²¹⁹ *ibid.* The Dutch courts also looked at the digital reproduction of articles as distinct to print to find against the publishers. *De Volkskrant* (n 183) 187
- ²²⁰ *Freelens* (n 199) 229.
- ²²¹ *De Volkskrant* (n 183) 182
- ²²² *ibid.* 187
- ²²³ *Central Station* (n 211)43
- ²²⁴ *ibid.* 43
- ²²⁵ Ginsburg (n 216) 164
- ²²⁶ Copyright Act of 30 June 1994, 27 *Moniteur Belge* 1994 (Belgium)(‘BCA’)
- ²²⁷ Code de Propriété Intellectuelle art L 131-6 (Fr) (‘CPI’)
- ²²⁸ PA Dubois and C Chien ‘Tasini: Moving towards a Global Model for the Use of Journalists’ Works?’ [2001] *Copyright World* 12-14,12
- ²²⁹ *ibid.* 14
- ²³⁰ See *infra* (n 172).
- ²³¹ 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.
- ²³² [See also *Wiener Gruppe*, Austrian Supreme Court (*osterreichisch Oberste Gerichtshof*) 12 August 1998, *Multimedia und Recht* 1999, 275; while not discussed as not concerning freelance works, the case also applied the foreseeability principle between two publishers—holding for the grantor as in 1984 (at the time of contracting) internet and CD-ROM were either unknown media, or uses which could not have been foreseen for their economic impact. Include?]
- ²³³ *Bartsch v Metro-Goldwyn-Mayer Inc* 391 F 2d 150, 154-55 (2d Cir) cert denied 393 US 826, 89 SCt 86 (1968)
- ²³⁴ Rosenzweig (n 84).
- ²³⁵ To some extent, the German court conceded that the new medium must not only be invented but commercialised for this foreseeability factor to apply, consequently making it somewhat more author-friendly than Rosenzweig’s proposition; *ibid.* 915.
- ²³⁶ *Bartsch* (n 233); *Bourne Co v Walt Disney Co* 68 F 3d 21 (2d Cir 1995 cert denied 116 SCt 1890, 1996).
- ²³⁷ Rosenzweig (n 84) 922-23
- ²³⁸ *ibid.* 925
- ²³⁹ *ibid.* 925
- ²⁴⁰ *ibid.* 926
- ²⁴¹ *ibid.* 925
- ²⁴² Grosheide casts this as an ‘economic flow back’; Grosheide (n 9) 323.

²⁴³ On the other hand, this may be the strongest argument in favour of publishers and befitting the economic justification (still no reason for publishers not to pay rent for their uses). These policy related arguments are explored further in G D'Agostino (work in preparation).

²⁴⁴ See *Bourne* (n 236) 'if the disputed use was not invented when the parties signed the agreement, that use is not permitted under the contract'.

²⁴⁵ Updated as at 31 May 2004.

²⁴⁶ Bently (n 4).

²⁴⁷ Christopher Floyd 'Publish and Parish?' (Mock Trial OIPRC Oxford 27 May 2004).

²⁴⁸ The research used for these next two sections was kindly obtained from the archives of the Society of Authors, London June 2003. I am very grateful to Mark Le Fanu for allowing me to access these confidential materials.

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²⁵⁰ Around the same time as the *Tasini* decision was handed down in 2001.

²⁵¹ Bently (n 4) 26.

²⁵² The common law tradition admits protection of both individuals and corporate bodies and thus permits a wide variety of creative endeavour to enjoy protection; G Davies *Copyright and the Public Interest* (IIC Studies Max Planck Institute Munich 1994) 13.

²⁵³ WR Cornish WR Cornish *Intellectual Property* (4th edition Sweet & Maxwell London 1999) 377; D Vaver *The Copyright Mixture in a Mixed Legal System: Fit for Human Consumption?* [2000] *Juridical Review* 101.

²⁵⁴ WR Cornish (n 253).

²⁵⁵ CDPA 1988 c 48 s 87.

²⁵⁶ See Directive 96/9EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases implemented by the Copyright and Rights in Databases Regulations 1997 (UK); Vaver (n 253).

²⁵⁷ Bently (n 4) 27-8.

²⁵⁸ For instance, in the film industry *Hospital for Sick Children(Board of Governors) v Walt Disney Productions Inc* [1968] Ch 52 or in the music industry *Robin Ray v Classic FM plc* [1998] ECC 488 (Ch D); see D'Agostino (n 178).

²⁵⁹ Bently (n 4).

²⁶⁰ *Tasini* 533 US 483, 121 S Ct 2381 (2001) 2402 fn 18

²⁶¹ I Ayres and R Gertner 'Filling Gaps in Incomplete Contracts: An Economic Theory of Default Rules' (1989) 99 *Yale Law Journal* 89.

²⁶² *ibid.* 92.

²⁶³ *ibid.* 97 natural law theorists would likely also support such an approach; G D'Agostino (work in preparation).

²⁶⁴ Undertaking a detailed discussion of the various and, in their view, discouraged type of defaults such as 'what the parties would've wanted defaults' is beyond the scope of the current discussion. Ayres and Gertner (n 261) 103.

²⁶⁵ *ibid.* 91.

²⁶⁶ *ibid.* 94.

²⁶⁷ *ibid.*

- ²⁶⁸ Also in other aspects of the law as in evidentiary presumptions in litigation, the party who is more likely to be informed has a burden of producing evidence on. See fn 92 in Ayres and Gertner (n 261) 107.
- ²⁶⁹ *Hospital for Sick Children* (n 258).
- ²⁷⁰ Dubois and Chien (n 228).
- ²⁷¹ D’Agostino (178); Bently (n 4).
- ²⁷² G D’Agostino (work in preparation).
- ²⁷³ Gordon (74) 498.
- ²⁷⁴ The same restrictive interpretation was adopted in another case dealing with freelance photographers where s 201(c) was found to confer publishers a privilege and not a “right”: *Greenberg v National Geographic Society* 244 F 3d 1267 (2001) (11th Cir (US)).
- ²⁷⁵ See May (n 147) 25.
- ²⁷⁶ S Hedley ‘Unjust enrichment – A Middle Course?’ (2002) 2(2) OUC LJ 155 observing the expansive application of the unjust enrichment doctrine to extend to various grounds of liability.
- ²⁷⁷ While there is no caselaw or literature on point, since 2000 there has been a flurry of commentary on restitution, the remedy of unjust enrichment; S Hedley (n276)
- ²⁷⁸ *Vedatech v Crystal Decisions(UK)Ltd* [2002] EWHC 818 (Ch D) [67](‘*Vedatech*’)
- ²⁷⁹ Goff and Jones *The Law of Restitution* (5th edition Sweet & Maxwell London 1998)16
- ²⁸⁰ *ibid.* 21
- ²⁸¹ *ibid.*
- ²⁸² *Banque Financiere v Parc* [1999] 1 AC 221, 237
- ²⁸³ *Vedatech* (n 278)
- ²⁸⁴ *William v Lacey* [1957] 1 WLR 932 cited in *ibid.*
- ²⁸⁵ *Vedatech* (n 278) 74
- ²⁸⁶ Goff and James (n 279) 16
- ²⁸⁷ S Hedley(n 276)
- ²⁸⁸ S Gallant and M Russell ‘Publish and be damned?’ (1995) 92(7) LS Gaz 20.
- ²⁸⁹ Gordon (n 74) 495.
- ²⁹⁰ R Dixon ‘Profits in Cyberspace: Should Newspaper and Magazine Publishers Pay Freelance Writers for Digital Content?’ (1998) 4 Mich Telecomm Tech LRev 127 <<http://www.mttr.org/volfour/dixon.pdf>>
- ²⁹¹ May (n 129).
- ²⁹² *ibid.* 27
- ²⁹³ *ibid.*
- ²⁹⁴ Gallant and Russell (n 288).
- ²⁹⁵ *ibid.*
- ²⁹⁶ It could be argued that a non-profit consortium should not warrant compensation to authors upon informed consent.
- ²⁹⁷ ED Skone James *Copinger and Skone James on Copyright* (Sweet & Maxwell London 1998) [5-21]
- ²⁹⁸ Santelli (n 30) 277
- ²⁹⁹ ‘Dear Writer’ (WUC Toronto1998)
- ³⁰⁰ ASJA<<http://www.asja.org/cw/cwissues.php>>(23 May 2002)
- ³⁰¹ Schiffrin (n 15).

³⁰² Ayers (n 114) 56.

³⁰³ K Goldberg 'Taking on Newspaper Chains' (1996) 3(3) Media 7, 24, 24.