No. 00-201

IN THE
Supreme Court of the United States

THE NEW YORK TIMES COMPANY, INC.; NEWSDAY, INC.;
THE TIME INCORPORATED MAGAZINE COMPANY;
LEXIS/NEXIS AND UNIVERSITY MICROFILMS INTERNATIONAL,
Petitioners,

v.

JONATHAN TASINI; MARY KAY BLAKELY;
BARBARA GARSON; MARGOT MIFFLIN;
SONIA JAFFE ROBBINS AND DAVID S. WHITFORD,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF *AMICI CURIAE* OF THE AMERICAN LIBRARY ASSOCIATION AND THE ASSOCIATION OF RESEARCH LIBRARIES IN SUPPORT OF RESPONDENTS

PETER JASZI
WASHINGTON COLLEGE OF LAW
AMERICAN UNIVERSITY
4801 Massachusetts Ave., N.W.
Washington, DC 20016

ARNOLD P. LUTZKER
Counsel of Record
CARL H. SETTLEMYER, III
LUTZKER & LUTZKER, LLP
Suite 450
1000 Vermont Avenue, N.W.
Washington, DC 20005
(202) 408-7600

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

QUESTION PRESENTED

Whether the U.S. Court of Appeals for the Second Circuit erred in ruling that 17 U.S.C. §201(c) does not confer upon commercial electronic database publishers the privilege of reproducing and distributing Respondents' copyrighted articles in and through the commercial electronic databases described in the Second Circuit's ruling.

TABLE OF CONTENTS

TABLE OF CONTENTS—Continued

TABLE OF AUTHORITIES

TABLE OF AUTHORITIES—Continued

MISCELLANEOUS Page

INTERESTS OF *AMICI CURIAE*[1]

This brief *amici curiae* in support of Respondents is submitted by the American Library Association and the Association of Research Libraries ("*amici*") pursuant to Rule 37 of the Rules of this Court. *Amici* urge that the Court affirm the judgment of the U.S. Court of Appeals for the Second Circuit.

The **American Library Association** ("ALA") is a nonprofit educational organization of approximately 61,000 librarians, library educators, information specialists, library trustees, and friends of libraries representing public, school, academic, state, and specialized libraries. ALA is dedicated to the improvement of library and information services and the public's right to a free and open information society.

The **Association of Research Libraries** ("ARL") is a nonprofit association of 122 research libraries in North America. ARL's members include university libraries, public libraries, government and national libraries. Its mission is to shape and influence forces affecting the future of research libraries in the process of scholarly communication. ARL programs and services promote equitable access to and effective uses of recorded knowledge in support of teaching, research, scholarship and community service.

* * * *

Amici are organizations devoted to representing the interests of institutions and professionals responsible for collecting and preserving historical, scholarly and other records, including periodicals and other collective works, and for making these materials available to researchers and the

[1] Letters from all parties consenting to the filing of this brief have been filed with the Clerk of this Court. No counsel for a party authored this brief in whole or in part, and no person or entity other than *amici curiae*, or their counsel, made a monetary contribution to the preparation or submission of this brief.

public at large. These institutions and individuals assist their patrons in researching, retrieving and using these materials in traditional paper media, in microform, in CD-ROM and other multi-media formats and via online services and the Internet. A significant part of their mission is to make available reliable, accessible, comprehensive repositories of back issues of newspapers, magazines, journals and other periodicals. Many institutional and individual members of *amici* subscribe to the very electronic databases and CD-ROM products that are at issue in this case. For these reasons, *amici* submit this brief to assist the Court's understanding of the practical implications of the issues at stake in this case.

SUMMARY OF ARGUMENT

The Second Circuit held that the narrow privilege defined in Section 201(c) of the Copyright Act does not confer upon commercial electronic database publishers the privilege of reproducing and distributing the copyrighted works of freelance authors in and through certain online electronic databases and certain CD-ROM products. This ruling potentially presents significant challenges and costs to the publishing community and indeed to libraries. But the ruling is consistent with a copyright system designed to further the public interest through rewarding the creative labor of authors. Although the challenges it presents are significant, affirming the Second Circuit's judgment need not unleash the dire consequences predicted by Petitioners and their supporting *amici.* This Court should not be persuaded to adopt a strained reading of Section 201(c) in order to avert those potential consequences. *Amici* suggest that there are constructive ways for this Court to address the remedial phase of this case so as to protect both the interest in fairness to freelance authors and the public interest in access to their works without precipitating the crisis Petitioners envision.

First, commercial electronic database publishers overstate their role as the nation's "electronic archives" and the extent

to which the "physical library has been replaced by the electronic archive." (Brief for Advance Publications, Inc., *et al.* ("Publishers' Brief") at 5.) As applied to Petitioners' products, the terms "electronic libraries" and "electronic archives" are misnomers. Despite the utility and wide availability of commercial electronic databases, they are collections of information designed to meet particular market demands and do not fulfill the traditional roles of libraries and archives. Further, access restrictions and licensing practices of many commercial electronic database publishers are designed to limit access to digital copies of works. These restrictions perpetuate a system of payment by end-users of ongoing subscription fees and/or "pay per use" fees to obtain access to works, often to the detriment of legitimate fair use and archival concerns.

Second, Petitioners and their *amici* exaggerate the consequences of the Second Circuit's decision. They insist that it necessarily will force commercial electronic database publishers to delete articles from databases, destroy CD-ROM products, and take other drastic actions that will devastate archives and prevent the public from having "meaningful access" to back issues of periodicals. In making these broad pronouncements, however, Petitioners ignore the discretion that Congress has reposed in the courts in the remedial provisions of the Copyright Act. These provisions would permit the courts to balance the public interest in access to the works at issue in this case and the freelance authors' interest in compensation for their exploitation.

Section 502(a) of the Act provides that "[a]ny court having jurisdiction of a civil action arising under this title *may*...grant temporary and final injunctions *on such terms as it may deem reasonable* to prevent or restrain infringement of a copyright." 17 U.S.C. §502(a) (emphasis added). As has been recognized in the jurisprudence of this Court, this discretion clearly includes withholding injunctive relief and awarding damages to a complaining plaintiff. It also enables

courts to fashion prospective relief that preserves public access to works while ensuring that freelance authors are fairly compensated. In the view of the *amici*, the public interest militates against courts imposing ordinary injunctive relief in special circumstances like those in this case.

The potential difficulties of identifying and obtaining permissions from a large group of freelance authors can be greatly simplified according to how the remedy is structured. The courts and/or the parties can devise and administer a system of monetary relief to compensate freelance authors for past acts of copying and distribution of their works and pay them continuing royalties for future use of their works by commercial electronic database publishers. There are statutory, private and judicially devised models for systems that would enable commercial electronic database publishers to maintain digital collections that would remain accessible to the public, while at the same time guaranteeing that freelance authors are fairly compensated.

Finally, even if Petitioners and similarly situated parties ultimately choose to remove certain works from commercial online databases, these works will remain available through other avenues. Hard copies and microform copies of these works will not cease to exist. Publicly accessible, non-commercial libraries and archives are entitled, under circumstances described in Sections 107 and 108 of the Copyright Act, to reproduce and distribute works that are not otherwise available on the market or that are used by scholars. This ruling should not jeopardize future uses of traditional media compilations of entire issues of a series of collective works like print and microfilm editions. These versions have typically involved the reproduction and distribution of individual works "as part of" the entire, original collective works in which they had originally appeared, thus falling squarely within the Section 201(c) privilege.

ARGUMENT

The Second Circuit held that the narrow privilege defined in Section 201(c) of the Copyright Act does not confer upon commercial electronic database publishers the privilege of reproducing and distributing the copyrighted works of freelance authors in and through certain online electronic databases and certain CD-ROM products. While this ruling presents significant challenges to commercial electronic database publishers, and indeed libraries, it need not mean that scholars, libraries, and other institutions will be denied access to recent, digitized records. The ruling clearly requires payment of remuneration to the freelance authors whose works have been reproduced in online electronic databases and CD-ROM products and distributed to the public in a manner other than "as part of" the types of collective works specified by Section 201(c). It may entail potentially high transaction costs associated with identifying and negotiating use licenses with individual freelance writers or their heirs. There is understandable concern with the potential adverse consequences of the scenarios predicted by the commercial electronic database publishers and their supporting *amici*—both to their commercial interests and to the public interest—that could arise should this Court affirm the Second Circuit's ruling. Nevertheless, the dire consequences anticipated by the Petitioners and their supporting *amici* are hardly preordained. By affirming the Second Circuit's ruling and ordering relief that would permit an efficient system of payment to freelance authors, this Court would ensure that the creative labors of freelance authors are compensated when their works are exploited in the digital environment.

I. THE "ELECTRONIC ARCHIVE" HAS NOT "REPLACED" THE "PHYSICAL LIBRARY"

A. Petitioners And Their Supporting Amici Portray Themselves As Modern Libraries When They Are Not

Petitioners and their supporting *amici* portray themselves as modern, multifaceted libraries, equating computer files with works in a library collection, and computer servers with library storage stacks. (Petitioners' Brief at 3, n.2.) These parties dramatically overstate their role as the nation's "electronic archives" and the extent to which the "physical library has been replaced by the electronic archive." (Publishers' Brief at 5.) Despite the utility and wide availability of commercial electronic databases, it is a misnomer to characterize them as "libraries" or "archives."

Commercial electronic database publishers are not "libraries" in some very fundamental respects. Although their rhetoric suggests that they are altruistic custodians of the nation's knowledge, open to all comers, this is not the case. Commercial electronic database owners are sophisticated business enterprises that derive substantial sums from licensing online electronic databases and CD-ROM products to end-users who incur subscription charges, transactional search fees, and/or charges for time spent online. Petitioners' databases are widely available and provide an important resource to researchers and the public, but usually only upon payment of significant fees by individual end-users or institutional subscribers who make them available to their patrons. Those researchers and members of the public who are less affluent, and who are on the wrong side of the "digital divide" in this country, still rely and will continue to rely on traditional, "brick and mortar" libraries and archives. These institutions provide the public with access to works in allegedly outmoded and old-fashioned paper and microform copies, and likewise endeavor to provide the public with

access to many electronic resources at low or no cost to the end-user. Such access is possible as not-for-profit libraries expend well over $2 billion per year for information resources.

There is no support for the sweeping claim that "the physical library has been replaced by the electronic archive." (Publishers' Brief at 5.) The "physical library" has been augmented, but not "replaced," by electronic archives, just as traditional library services in general are being augmented by new forms of technology.[2] Institutional libraries remain vital to researchers and to our communities. "Libraries do not serve merely individual, informational, and recreational interests, but are part of the essential fabric of our society—its fragile cultural and social ecology." Arthur Curley, *Towards a Broader Definition of Public Good*, in *Libraries, Coalitions and the Public Good* 36 (E.J. Josey, ed., 1987).

B. Petitioners' Archival Claims Are Exaggerated

Use of the term "electronic archive" to refer to the Petitioners' products is also a misnomer. Electronic databases make it much easier to access information resources, and make possible the manipulation and use of data in powerful ways not possible with analog media. But this does not translate into the ability of any particular electronic medium to serve an archival or preservation function. It may be true that some libraries have reduced their analog media holdings and make growing use of digital information collections. But for research libraries, for whom

[2] Over the course of history, "libraries" have evolved and these institutions have preserved works in all media, from ancient means of communication, like clay tablets, papyrus, and parchment, to paper writings, drawings, and maps, to analog photographs, sound recordings, film, video, and now digital media. Recent federal legislation, for example, specifically targets improvement of information access at libraries through technology. Library Services and Technology Act of 1996, 29 U.S.C. §9121.

preservation and access are central to their mission, retention of paper and microfilm continues because these are the only proven preservation media. Indeed, a growing number of research libraries (almost eighty) rely upon offsite storage facilities to accommodate the burgeoning growth of their physical collections.[3]

Electronic media may have some advantages over other media for preservation purposes and may be the only viable means for preserving certain fragile material. (*See* Brief of *Amici Curiae* Ken Burns, *et al.* ("Historians' Brief") at 10.) But what the Historians' Brief fails to note is that the same Library of Congress report they cite goes on to observe that electronic media "may introduce new preservation problems of their own."[4] In fact, digital reformatting is not yet considered a standard preservation strategy. Abby Smith, Council on Library and Information Resources, Why Digitize? at 3-7 (1999) ("Smith"). Though digitization of content is sometimes loosely referred to as "preservation," digitization does not yet afford the permanence and authenticity[5] necessary for it to serve as a true preservation

---

[3] Even research libraries that are investing heavily in electronic resources are approaching the replacement of their paper resources with caution. *See* Peter Allison & Carolyn Mills, *Library Investing Heavily in Electronic Journals*, UCONN Libraries, Feb./Mar. 2001, at 6.

[4] *Commission on Physical Sciences, Mathematics, and Applications, National Research Council, LC21: A Digital Strategy for the Library of Congress* at 6-2 (2000) ("Library of Congress Report").

[5] It may be difficult to ascertain the authenticity and integrity of an image, database, or text when it is in digital form. In essence, one can change the bit stream of a file and leave no record that it has been altered. By contrast with traditional media, where evidence of a forgery is often carried in the physical medium itself (e.g., the chemical composition of the ink and the date of the paper, physical signs of modification or erasure), it is more difficult to detect a forgery in the digital environment. Smith, *supra*, at 6. This level of authenticity may not be routinely necessary to most researchers, but it is important to keep in mind that this

medium that is free "from physical deterioration." (Publishers' Brief at 2.)

> Microfilm, the preservation reformatting medium of choice, is projected to last several centuries when made on silver halide film and kept in a stable environment. It requires only a lens and a light to read, unlike computer files, which require hardware and software, both of which are developed in often proprietary forms that quickly become obsolete, rendering information on them inaccessible.

Smith, *supra*, at 4. Certain digital media, like magnetic tape, are inherently unstable and can degrade within a decade, *id.*, and their use as archival media presents significant logistical hurdles. *See* 36 C.F.R. § 1234.30 (regulations of National Archives and Records Administration on maintenance of electronic records storage). Even so, magnetic tape remains the archival choice over CD-ROMs, which are not at this time considered an archival medium.[6]

All libraries and archives face a number of challenges in dealing with the preservation of digital objects: fragile storage media, technology obsolescence and legal questions surrounding copying and access.[7] These challenges were recognized just recently by Congress in its appropriation of

---

distinguishes digital media from true preservation media for archival purposes.

[6] The stability of the media is not the only issue. There is also the issue of media obsolescence. The Copyright Act recognizes that a format has become obsolete "if the machine or device necessary to render perceptible a work stored in that format is no longer manufactured or is no longer reasonably available in the commercial marketplace." 17 U.S.C. §108(c). In order to keep data fresh and encoded in readable file formats, it is necessary for digital data to migrate from one format to another. Smith, *supra*, at 4.

[7] Library of Congress Report, *supra*, at 4-2.

$100 million to the Library of Congress to establish "a national digital information infrastructure and preservation program." The agreement calls for up to $75 million of the appropriation to be matched by non-federal contributions and singles out "the information and technology industry that has created this new medium" to be "a contributing partner in addressing digital access and preservation issues inherent in the new digital information environment." 146 Cong. Rec. H12304, H12309 (Dec. 15, 2000). The solutions to these challenges are being sought, but they are not yet available.

C. Petitioners Are Not Altruists Serving The Public-At-Large, But Are Commercial Businesses Requiring Licensed Access To Collections

Further separating these so-called "electronic archives" from traditional archives are the contractual obligations that restrict the use and preservation of "electronic archives." For example, an online version of a work in a collective database, such as NEXIS, may be subject to a variety of payment, time and use limitations. Commercial databases and CD-ROMs are also often subject to electronic access controls that end-users may not circumvent without violating contractual provisions and, most recently, Section 1201 of the Copyright Act.[8] A library can acquire a paper or microform copy of a

[8] 17 U.S.C. §1201, *et seq.*, was adopted as part of the Digital Millenium Copyright Act, Pub. L. No. 105-34 (1998) ("DMCA"). The DMCA adds legal force to previously privately enforced contractual clauses. Exemptions are few. When the U.S. Copyright Office initiated a rulemaking proceeding to evaluate the nature and scope of possible exemptions from prohibitions on circumvention of access controls, commercial interests aggressively challenged any proposed exemptions. *See* 65 Fed. Reg. 64,555 (2000). In its Final Rule, the Copyright Office describes concerns that Congress had in the development of marketplace realities that could restrict access to copyrighted materials in the digital environment. "Possible measures that might lead to such an outcome included the elimination of print or other hard-copy versions, permanent encryption of all electronic copies and adoption of business models that restrict distribution and availability of works." *Id*. at 64,557-58.

book or periodical through an outright purchase of the copy. A library can preserve and access this copy indefinitely and convey it to others, with some limitations. *See* 17 U.S.C. §109(a). By contrast, a CD-ROM copy of the same work will often be subject to licensing restrictions imposed by the publisher to prevent the end-user from making various uses of the copy or from reselling it to others. A digital copy of a work can be encoded so as to prevent access to it after a certain time has elapsed and can be readily structured to permit access to it only on a "pay-per-use" basis. Although there are narrow exemptions in the statute for nonprofit library, archive and educational institutions and for public broadcasting entities, one may not circumvent these access restrictions without risk of incurring civil and/or *criminal* penalties for doing so. *See* 17 U.S.C. §1201, §§1203-04.

II. THE COPYRIGHT ACT DOES NOT REQUIRE DELETION OF WORKS FROM ELECTRONIC DATABASES OR DESTRUCTION OF CD-ROMS, AND THE COURTS CAN REQUIRE PAYMENT OF FAIR COMPENSATION IN THE FORM OF PAST AND CONTINUING ROYALTIES FOR USE OF THESE WORKS

A. The Argument That Electronic Files Must Be Destroyed Ignores Discretionary Provisions Of Section 502(a) Of The Copyright Act And The Courts' Authority To Shape Balanced Relief

Petitioners and their supporting *amici* insist that the Second Circuit's decision necessarily will force commercial electronic database publishers to delete articles from databases, destroy CD-ROM products, and take other drastic actions that will devastate archives and prevent the public from having "meaningful access" to back issues of periodicals. For example, Petitioners state that if the Second Circuit's ruling is affirmed, "Petitioners and those similarly

situated will have no alternative but to destroy any CD-ROMs that contain freelance articles and remove all freelance contributions from electronic libraries. . . ." (Petitioners' Brief at 49.) Petitioners and their supporting *amici* also insist that it would be infeasible to remunerate freelance authors due to the large numbers of works involved and the difficulty and expense of locating freelance contributors and obtaining their authorization for republication in those forms. (*See, e.g.*, Petitioners' Brief at 14, 49; Publishers' Brief at 3, 10; Brief of the Software & Information Industry Association, *et al.* ("SIIA Brief") at 24.)

In making these alarmist pronouncements, Petitioners and their supporting *amici* ignore the discretion that Congress has reposed in the courts in the remedial provisions of the Copyright Act. Section 502(a) of the Act provides that "[a]ny court having jurisdiction of a civil action arising under this title *may* . . . grant temporary and final injunctions *on such terms as it may deem reasonable* to prevent or restrain infringement of a copyright." 17 U.S.C. §502(a) (emphasis added). Indeed, it is notable that neither Petitioners nor their supporting *amici* appear to have cited or discussed Section 502 in support of their assertions that they will be "required" to delete and destroy the materials in question. While it is *possible* that the parade of horribles that Petitioners envision could come to pass, it is neither inevitable nor likely, particularly if this Court is careful to emphasize and clarify the law on this point. Certainly, a less drastic alternative is a ruling that ensures fair compensation to freelance authors, while permitting commercial electronic database publishers to continue to reproduce and distribute freelance submissions under a manageable licensing system. This solution is not only within the authority of the courts, it is also a sound balancing of the interests of freelance authors in being compensated for the exploitation of their works and the public interest in access to those works.

As has been recognized in the jurisprudence of this Court even before enactment of Section 502(a), the courts' discretion to issue injunctions against copyright infringement includes the discretion to withhold injunctive relief and to award damages to a complaining plaintiff for past or prospective infringement. Likewise, a court could condition denial of injunctive relief upon a defendant's payment of damages on either a retroactive or prospective basis.

In *Dun v. Lumbermen's Credit Ass'n*, 209 U.S. 20 (1908), this Court held that lower courts "wisely exercised" discretion in refusing an injunction against the defendant's infringing work and requiring the copyright owner to seek damages at law for infringement. In *Dun*, most of the defendant's work consisted of non-infringing material, combined with a relatively small amount of infringing material. 209 U.S. at 23. Similar circumstances may obtain here, where there is apparently a substantial amount of non-infringing material in the electronic databases and CD-ROMs in question, and where the allegedly infringing material may only comprise a fraction of the databases and CD-ROM products as a whole.

This Court has more recently recognized the discretionary nature of injunctive relief in copyright infringement cases in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994). The Court stated there:

> [C]ourts may also wish to bear in mind that the goals of the copyright law, "to stimulate the creation and publication of edifying matter," [Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1134 (1990)], are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use. *See* 17 U.S.C. §502(a) . . . ; Leval 1132 (while in the "vast majority of cases, [an injunctive] remedy is justified because most infringements are simple piracy," such cases are "worlds apart from many of those raising reasonable contentions

> of fair use" where "there may be a strong public interest in the publication of the secondary work [and] the copyright owner's interest may be adequately protected by an award of damages for whatever infringement is found"); *Abend v. MCA, Inc.*, 863 F.2d 1465, 1479 (9th Cir. 1988) (finding "special circumstances" that would cause "great injustice" to defendants and "public injury" were injunction to issue), [*aff'd sub nom. Stewart v. Abend*, 495 U.S. 207 (1990)].

510 U.S. at 578 n.10. *See also New Era Publications Int'l, ApS v. Henry Holt, Co.*, 884 F.2d 659, 661 (2d Cir. 1989) (Miner, J., concurring in denial of rehearing in banc) ("All now agree that injunction is not the automatic consequence of infringement and that equitable considerations always are germane to the determination of whether an injunction is appropriate."); *see generally* 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §14.06[B] (2000). As these cases show, an injunction should not be the "automatic consequence" of a finding that commercial electronic database publishers have been infringing the copyrights of freelance authors.

B. Special Circumstances Support Payment Of Fair Compensation To Authors While Ensuring Public Access To Published Works

There are a number of "special circumstances" present in this case, and the public interest militates in favor of courts withholding injunctive relief, provided that commercial electronic database publishers pay just compensation to freelance writers who seek it for past and continuing uses of their works. This case is similar to the situation the U.S. Court of Appeals for the Ninth Circuit addressed in *Abend v. MCA, Inc.*, 863 F.2d 1465 (9th Cir. 1988), *aff'd sub nom. Stewart v. Abend*, 495 U.S. 207 (1990). In *Abend*, the Ninth Circuit found that the plaintiff owned the renewal copyright on a story underlying the defendants' allegedly infringing

film. The court stated that it would be appropriate to withhold injunctive relief and award only monetary compensation to the plaintiff in the form of actual damages and an apportionment of the defendants' profits. 863 F.2d at 1479-80. The "special circumstances" that justified withholding injunctive relief were that the success of the defendants' infringing work "resulted in large part from factors completely unrelated to" the plaintiff's work. *Id.* at 1479. An injunction would have prevented defendants from exploiting the new matter that comprised their work since it was not feasible for them to separate out the new matter from the plaintiff's work. *Id.* Moreover, an injunction against the defendants' work would have caused "public injury by denying the public the opportunity to view [the defendants'] classic film for many years to come." *Id.* Finally, the plaintiff could be compensated adequately for the infringement by a monetary award. *Id.*

In the instant case, the success of the Petitioners' commercial electronic databases may well result principally from the availability of authorized works, the utility of the search engine software, and numerous other factors unrelated to the inclusion of freelance articles. It may be extremely difficult to separate out the freelance articles from Petitioners' authorized content. The difficulty and transaction costs associated with seeking and obtaining permissions from freelance authors or their heirs may be high. Removal of the freelance articles also has the potential to occasion public injury. The number of works in question is unknown, but loss of access to any appreciable amount of content harms the public. There is great social value in preserving public access to these works, particularly in light of the academic and research nature of many potential uses. Even though the "electronic libraries" and "electronic archives" in question in this case are not true libraries or archives, they are useful services that are of significant value and utility to numerous individuals and institutions. To the extent that their utility is

diminished or their cost increases, the public interest is harmed.

Even though injunctive relief should not be ordered, past and continued use of freelance authors' works has generated and will generate income streams that now flow solely to the commercial electronic database publishers. It is fair for courts to afford monetary relief to freelance authors who come forward to seek payment for uses of their works that are not privileged or otherwise authorized. Although they overstate their function as "archives" and "libraries," Petitioners and their supporting *amici* understate the extent to which this case is ultimately about money. The case is fundamentally about the allocation between freelance authors and commercial electronic database publishers of income streams generated by useful—and lucrative—products that contain the works of freelance authors. The reproduction of these freelance articles into electronic databases enhances the value of the databases as a whole. Even if they are only listed as citations containing responsive search results, they give the end-user confidence in the completeness of the search. This, in turn, enhances the goodwill of the commercial electronic database publisher. The distribution of articles on an individual basis is also undoubtedly valuable to such entities.

The system of remuneration for these uses should be fair to freelance authors and not administratively burdensome for commercial electronic database publishers if such a system is to satisfy the public's concern with access.[9] The particulars

[9] The authors would certainly appear to have incentives to assist in devising a fair system of remuneration. As noted in the Publishers' Brief, "the vast majority of freelancers might prefer continued inclusion in electronic libraries or on CD-ROM" in order to obtain the "intangible benefits of continued electronic publication and the 'free publicity' and boost to personal reputation it offers." (Publishers' Brief at 9.) (*See also* SIAA Brief at 25.) This may not be sufficient inducement for some

of such a system are surely within the abilities of the courts and interested parties to develop. But as an example of how such relief could be structured, commercial electronic database publishers could be required to pay for works on a group basis, such as is done with the voluntary system of blanket performance licenses of musical compositions administered by ASCAP and BMI. Proceeds could be placed into a trust account and distributed to freelance authors or their representatives according to agreed upon criteria.[10] It may also be appropriate to develop criteria for freelance authors to "opt out" of the system under certain conditions. But regardless of the specific structure of relief, there are ways around the "all or nothing" dilemma envisioned by Petitioners and their supporting *amici*.

---

writers, however. Many writers may prefer instead to license their works and make them broadly available to the public in exchange for the same type of financial rewards that have induced the nation's commercial electronic database publishers to make these works available heretofore.

[10] Copyright law has been amenable to various legislative solutions that do not require users of works to engage in excessively burdensome clearance procedures. For example, Sections 111 and 119 were fashioned as solutions permitting retransmission of broadcast signals to cable and satellite subscribers when the cable and satellite systems pay fees to compensate program owners. *See* 17 U.S.C. §§111 and 119. Section 114 contains a compulsory licensing mechanism for the use of sound recordings in the digital environment, provided that the sound recording copyright owners are compensated for these uses. *See* 17 U.S.C. §114. The ASCAP consent decree cases in the U.S. District Court for the Southern District of New York demonstrate that the courts are equipped to supervise the reasonableness of royalty rates charged to end-users of copyrighted material. *See generally*, *Broadcast Music, Inc. v. Columbia Broadcasting System, Inc.*, 441 U.S. 1, 10-12 (1979) (discussing history of ASCAP consent decrees and rate-setting provisions thereof); *Buffalo Broadcasting Co., Inc. v. American Society of Composers, Authors and Publishers*, 744 F.2d 917, 922-23 (2d Cir. 1984) (same).

III. THE WORKS WILL REMAIN OR BECOME AVAILABLE THROUGH OTHER AVENUES

If the Court affirms the Second Circuit's ruling with the result that certain works were to be removed from commercial electronic databases, these works would remain available through other avenues, as other commentators have acknowledged. (*See* Historians' Brief at 12.) Hard copies and microform copies of these works will not cease to exist, and there is no credible suggestion that such copies would need to be pulled from library shelves or microfilm collections and destroyed.

Moreover, publicly accessible, non-commercial libraries and archives are entitled, under circumstances described in Sections 107 and 108 of the Copyright Act, to reproduce and distribute works that are not otherwise available on the market. Section 108, in particular, provides a "safe harbor" for certain acts of reproduction and distribution of copyrighted works by libraries and archives that are open to the public or available to all researchers working in a specialized field. *See* 17 U.S.C. §108(a)(2). The copying and distribution under this section must be for the purposes specified in the statute. These include preservation, security, replacement of copies that are damaged, deteriorating, lost, or stolen; obsolescence of the existing format in which the work is stored; and unavailability of a copy at a fair price. *See* 17 U.S.C. §108(b)-(e). These provisions minimize the risk that works at issue in this case would disappear completely from scholarly and public accessibility.[11]

---

[11] Section 108 expressly states that nothing therein shall in any way affect "the right of fair use as provided by section 107 . . . ." 17 U.S.C. §108(f)(4). Thus, other acts of library and archival reproduction and distribution of works may also constitute fair use, particularly if they are for purposes of scholarship, are non-commercial in nature, and do not usurp the copyright owner's market for the original. *See* 17 U.S.C. §107. Note, however, that Section 108 also does not affect "any contractual obligations assumed at any time by the library or archives when it

Nor should traditional print or microfilm compilations of collective works cease to be reproduced and distributed. Petitioners and their supporting *amici* claim that the Second Circuit's decision effectively renders unlawful practices such as the reproduction of multiple issues of a periodical onto a single roll of microfilm (*e.g.*, a roll of microfilm containing, in chronological order, all the issues of *Time* magazine from January through June of 1999) and the distribution of the microfilm to the public. (*See, e.g.*, Petitioners' Brief at 19, 45; Publishers' Brief at 3.) This prediction surely overstates the effect of the Second Circuit's decision.

It is permissible under Section 201(c) as construed by the Second Circuit for the owner of a collective work to reproduce an exact facsimile of a complete collective work, whether in paper or microform. This would be true even if multiple, exact reproductions were combined into a single package in which several entire issues of a series of collective works would be distributed as a unit (like traditional microfilm). When one distributes the constituent works in this form, one is both reproducing and distributing them "as part of" the original collective works, as provided for in Section 201(c), including all of the selection, coordination, and arrangement of the original collective works. These practices are therefore not problematic under the Second Circuit's decision,[12] and suggestions to the contrary are unfounded.

---

obtained a copy or phonorecord of a work in its collections." 17 U.S.C. §108(f)(4). Thus, if a work only exists in a digital format—like an encrypted CD-ROM subject to a highly limiting "click wrap" license purporting to restrict fair use copying—the CD-ROM's publisher might attempt to prevent the library or archive from exercising the rights provided under Section 108. The publisher itself could thereby perhaps defeat preservation and public accessibility of the works embodied in the disk.

[12] By contrast, many works at issue in this case are effectively distributed on an "a la carte" basis in the form of custom-ordered (to the specifications of the end-user) new anthologies of disaggregated works

CONCLUSION

For the foregoing reasons, the judgment of the court of appeals should be affirmed.

Respectfully submitted,

PETER JASZI
WASHINGTON COLLEGE
OF LAW
AMERICAN UNIVERSITY
4801 Massachusetts Ave., N.W.
Washington, DC 20016

ARNOLD P. LUTZKER
Counsel of Record
CARL H. SETTLEMYER, III
LUTZKER & LUTZKER, LLP
Suite 450
1000 Vermont Avenue, N.W.
Washington, DC 20005
(202) 408-7600

February 16, 2001

---

culled from multiple collective works (like the NEXIS online database). In that context, the constituent works are being distributed in a manner other than "as part of" a Section 201(c) collective work. (This is an issue distinct from whether the initial reproduction of the works onto the NEXIS servers was permissible). End-users may be responsible for "manipulation of the retrieval system" that allows "articles to be 'recombined' with other articles in a new anthology or downloaded individually" (Petitioners' Brief at 48). But end-users not having in their possession copies of the works they seek cannot "distribute" copies of those works. They can request that works matching certain criteria specified in their search be transmitted to their disk drives or printers. It is the database provider who publicly distributes to the end-users the copies requested, on an article-by-article basis, not "as part of" any qualifying collective work.