

Databases and Copyright - Finding the Match

Maree Sainsbury

School of Law

University of Canberra

Introduction

1. Databases and digital technology have a complementary relationship. Using digital technology to create and maintain a database has many advantages. The two main ones are, first, vast amounts of information can be stored in a relatively small amount of space. Secondly, it is possible to create a search engine to search the database. This makes it easier and faster to retrieve information, or to search for information according to the needs of the user. As a consequence, it has become an increasingly common practice for information in a database to be converted into digital form.
2. Two recent decisions have highlighted the issues that the practice of creating digital databases creates for the application of copyright law. Each decision reflects a different perspective. The United States Supreme Court decision in *New York Times Co. Inc v Tasini* [\[1\]](#) (the *Tasini* decision) concerned the right of an author to prevent digital reproduction of his or her work as part of an electronic database. The decision of the Federal Court of Australia in *Telstra Corporation Limited v Desktop Marketing Pty Ltd* [\[2\]](#) (the *Telstra* decision) considered when the creator of a database, digital or otherwise, had the right to prevent reproduction of that database on the grounds of copyright infringement.
3. Both of these decisions are discussed below, together with the broader implication for the use of digital databases for the author of the original information, the creator of the database, and the user of the database.

Use of existing copyright material in a database

The *Tasini* decision: the facts

4. Jonathon Tasini is a freelance writer. He sold articles to various publishers, including *The New York Times*. The publishers had later sold the articles to University Microfilms, Inc and the MEAD Corporation for inclusion in their electronic databases. Unimpressed when his article also appeared on LEXIS-NEXIS and elsewhere in digital form, [\[3\]](#) Tasini took the publishers to court. Five other freelance authors who had written articles for various newspapers, a magazine published by the New York Times and other publishers, joined him in alleging that their copyright had been infringed. The issue was whether the publishers were entitled to reproduce, or permit reproduction of, the articles in an electronic form.

The law

5. The United States Copyright Act^[4] (the US Act), like its Australian counterpart, ^[5] grants copyright to the author of an original literary work. ^[6] Where a number of works are collated, a new copyright may also arise in the collation, or collective work. ^[7] This occurs where the collective work can itself be seen as an original literary work. ^[8] There are then two layers of copyright. First, the underlying works, in which copyright will have first vested in the original authors. ^[9] Secondly, the author of the collective work will own the copyright in the collective work itself.

6. Section 201(c) of the US Act^[10] provides:

'Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.'^[11]

7. In other words, the agreement of an author to contribute to a collective work, such as a database, does not affect the underlying copyright which the author may have in his or her contribution. The copyright vesting in the author of a collective work only extends to his or her original contribution to that collective work. The author of the separate contribution is free to continue to use his or her individual contribution, for example, by publishing it elsewhere. The author of the collective work has no rights in that contribution except as a part of the collective work.

8. In the *Tasini* decision, the publishers relied on section 201(c), alleging that this granted to them the right to 'reproduce and distribute' the authors' works including the reproduction in electronic databases. They further argued that a finding for the authors, and the granting of an injunction, would have devastating consequences. The databases served the purpose of providing easy access to complete newspaper texts going back decades. A ruling for the authors would mean that there would be gaps in this electronic history. The authors' argument was that the publication of the articles in electronic databases was outside the scope of section 201(c) as it did not amount to a use as a part of the collective work, but rather a different use. Consequently, as no permission had been given, it was argued that this was a breach of the authors' copyright.^[12]

History

9. In August 1997, the District Court found for the publishers on the basis that section 201(c) allowed the reproductions. ^[13] It found that this privilege could be transferred from the original publishers to the electronic publishers. The databases reproduced the original works as 'part of a ... revision of the collective work'. To qualify as a revision, works need only preserve some significant original aspect of the collective work. Here, the

databases preserved the original publisher's selection of articles.

10. The Court of Appeals for the Second Circuit reversed this decision in September 1999, [\[14\]](#) finding that copyright had been infringed. This was on the basis that the databases were not 'revisions' of the original periodicals. Instead, the databases constituted a new anthology of works, combining the resources of a number of periodicals.

The Supreme Court decision

11. Justice Ginsburg delivered the majority opinion of the Court. Justice Stevens, with whom Justice Breyer agreed, delivered a dissenting judgment.
12. The majority found that the actions of the publishers were not within section 201(c) as the articles had not been distributed as a part of the collective work. It was found that the databases reproduced and distributed the articles standing alone and not in context. As a result, both the print and electronic publishers had infringed the authors' copyright.
13. According to the Court, the databases did not constitute 'revisions' of the original publications. The articles were presented in a very different way. Divorced of the original context, each article could be retrieved as a separate item. In one of the digital products the graphics and formatting were also different. Therefore, it could not be said that the digital products reproduced the articles as 'part of' or as a 'revision' of the original publication. The articles could more readily be viewed as part of a new compendium, or, alternatively, as no longer part of a collective work at all, as presented individually. [\[15\]](#)
14. The publishers attempted to make an analogy between their products, and microfilm and microfiche, arguing that the transfer of a work between media should not alter the character of that work for copyright purposes. The Court found this analogy wanting. [\[16\]](#) Microfilm typically contains a photographic reproduction of a periodical. Articles appear in exactly the same context, and with exactly the same formatting, as they did in the original publication. The process of placing the individual articles in a digital database was more than just conversion from one media to another. The publication of works in a database overrides the author's rights to control the individual reproduction and distribution of each article.
15. The dissenting judgement found that the electronic databases were 'revisions' of the collective works in which the articles were originally published for the purposes of section 201(c). The aggregation of a number of editions of periodicals within one database did not change the equation. The individual contributions had not been modified, nor published in an entirely different way. A collection of articles from a single edition of the newspaper, converted into electronic form, could be seen as a revision, as 'one of the hallmarks of copyright policy... is the principle of media neutrality'. [\[17\]](#) It did not matter that the revisions might look and feel quite different from the original as a result of the different medium being used. Therefore, the emphasis that the majority placed on the differences in formatting and context was unwarranted. As long as each electronic reproduction specifically referred to the name of the publication in which

the article first appeared, the edition of that publication and the location of the article within that publication, it could be seen as a part of a revision. The electronic files contained the entire editorial content of the original edition of the New York Times for that day. The articles, therefore, did not stand-alone. The collection of a number of editions of the publications was analogous to placing single editions in a large public library or bookstore. [18] The fact that an individual user could view or print copies of the individual articles did not change the nature of the database as a revision. This was again a media-specific necessity, and no different, for example, than storing a newspaper on microfiche.

16. Stevens J looked at the policy behind the enactment of section 201(c). At the time it was enacted, the developments in digitisation which provided the background to this litigation would not have been anticipated. Copyright laws should only restrict the dissemination of writings insofar as necessary to encourage their production. [19] It should also promote the broad public availability of literature, music and the arts. [20] According to Stevens J, the majority had discounted the effect its decision would have on the availability of digital databases. It may mean that electronic archives would remove freelance pieces from their databases. Also, it was not clear that the individual freelance writers would suffer any detriment. Section 201(c) made it clear that they still retained copyright protection. It was unlikely that the user of an electronic database would be looking for a stand-alone article of a particular author. Instead, the database was used for its search functions - to locate articles on a particular subject. Therefore, on balance, according to the minority, a finding for the publisher better advanced the purposes of copyright law.

The position under Australian law

17. The *Tasini* decision turned on the interpretation of one section in the US Act. The Australian Act does not have an equivalent provision to section 201(c). [21] Where a freelance author authorises a publisher to use an article as part of a collective work, the uses which the publisher can make of the article will depend on the nature of the authorisation. [22]
18. There are a number of different situations which may exist, each of which will give rise to different considerations in determining whether a publisher is entitled to make use of an article in an electronic database. [23]
19. First, there may be a written or verbal express agreement between the author and the publisher. In this case, the rights of the publisher to use the article will depend upon the terms of the agreement. In order to permit publication of the article, the agreement will either include a licence, or an assignment of copyright. [24] Secondly, the author may simply send an article to a potential publisher for publication. The issue of copyright may never be expressly addressed. This situation will give rise to one of two situations. Where the publisher accepts the work for publication and provides payment to the author, there will be an implied contract. The rights of the publisher in relation to the work will depend upon the implied terms of this contract. If there is no binding contract between the parties, the rights of the publisher will depend on the scope of the implied licence which has been granted by the author. [25] These situations are considered below.

An express agreement

20. The Australian Act grants to the author of an original literary work the following rights:

- a) to reproduce the work (in a material form);
- b) to publish the work;
- c) to perform the work in public;
- d) to communicate the work to the public;
- e) to make an adaptation of the work; and
- f) to do any of the acts set out in paragraphs (a) to (d) above in relation to an adaptation of the work. [\[26\]](#)

21. In this context, it is important to note the definition of 'communicate'. It means make available online or electronically transmit (whether over a path, or a combination of paths, provided by a material substance or otherwise) a work or other subject-matter. [\[27\]](#)

22. A copyright owner may deal with each of these rights separately. [\[28\]](#) For example, a journalist may assign, or grant a licence in respect of, the right to reproduce the work, while retaining the right to communicate the work. Consequently, the owner of the right of reproduction (or the holder of a licence) would have to seek the permission of the author to make the work available on-line, or electronically transmit the work. However, the right to reproduce the work will include the right to reproduce the work electronically, unless that is specifically excluded. The right of communication will only be required where the work is to be made available on-line or transmitted in that form.

An implied term or implied licence

23. Where there is a contract between the author and publisher, the terms of which do not grant the publisher a right to publish the work in electronic form, the publisher may be able to argue that there is an implied term to this effect.

24. Terms may be implied in fact (usually to give business efficacy to the contract or to reflect custom, usage or a course of dealing), in law (given the nature of the contract itself) or by statute. [\[29\]](#) In this context, the most likely argument is that there is a term implied in fact, to give business efficacy to a contract.

25. The circumstances in which a court will imply a term to give business efficacy to a contract were outlined by the Privy Council in *BP Refinery (Westenport) Pty Ltd v Shire of Hastings*, [\[30\]](#) the Board emphasising that any implication must be based on the presumed or imputed intention of the parties. Their Lordships expressed the relevant principles as follows:

'...for a term to be implied, the following conditions (which may overlap) must be satisfied: (1) it must be reasonable and equitable; (2) it must be necessary to give business efficacy to the contract, so that no term will be implied if the contract is effective without it; (3) it

must be so obvious that 'it goes without saying'; (4) it must be capable of clear expression; (5) it must not contradict any express term of the contract.' [\[31\]](#)

26. In applying these principles, the circumstances of the author and the publisher will vary greatly. In determining whether publication in an electronic database is reasonable and equitable, the nature of the article, and the nature of the publication to which the author has sent it, will be relevant. Any detriment caused to either party will be considered.
27. Including the work in a digital database may have an adverse effect on the author, in some circumstances enabling the author to argue that an implied term is inequitable. Disadvantages for the author include that alteration of the work is easier to achieve and difficult to detect. It is harder for the owner to control use of the work. A digital work is much easier to distribute, being easily compressed and easily transmitted to many different locations and across national boundaries. The nature of the work may be such that it cannot be digitally reproduced with accuracy. [\[32\]](#) All of these factors may suggest that such a term is inequitable.
28. An even greater obstacle to the existence of an implied term may prove to be establishing that a term allowing digital reproduction or reproduction in an electronic database is necessary to give business efficacy to the agreement and so obvious that it goes without saying. It will only be in particular circumstances that this will be the case. It may be that the author is aware that the publisher was envisaging electronic publication, for example, because that is the publisher's practice in the ordinary course of its business or that it is in some way vital to the publisher's business.
29. Like an implied term in a contract, the existence and scope of an implied licence will depend upon the facts of the case. The main difference is that a publisher will be able to argue on the basis of an implied licence even where there is no binding contract between the parties. Further, a third party may be able to establish an implied licence as a defence to a claim for copyright infringement. In some instances, the test applied by the courts to determine whether there is an implied licence may be seen as analogous to the test used to determine whether there is an implied term in the contract. [\[33\]](#)
30. The Federal Court in *Acohs Pty Ltd v R A Bashford Consulting Pty Ltd* (*Acohs*) considered comprehensively the situations in which an implied licence will exist. [\[34\]](#) Applying the principles set down in *Beck v Montana Constructions Pty Ltd* [\[35\]](#) (*Beck*) the Court set out three questions which must be answered:
 - i. Is there an implied licence to use the copyright material to carry out a particular purpose?
 - ii. What is the purpose?
 - iii. Is the use by the alleged infringer in accordance with the licence conferred?
31. Therefore, determining whether any implied licence exists is only the first step in establishing a defence to copyright infringement. The scope of the licence must also be considered and a determination made as to whether the defendant's actions are within the scope of that licence. [\[36\]](#)
32. One situation where the purpose for which the copyright material is

licensed may include electronic publication is where that use is common and well known in the particular industry. In *Acohs* the copyright material consisted of material safety data sheets (MSDS's) containing safety information about hazardous substances and other chemicals used in workplaces throughout Australia. Acohs was a company providing computerised chemical information management services using a database management system based on a database of product information sheets. The copyright dispute arose when one of the respondents claimed copyright in a number of the MSDS's. The Worksafe Australia Standard for Control of Workplace Hazardous Substances (1994) imposed obligations on manufacturers, importers, suppliers and employers to make MSDS's available for all hazardous substances which they supplied or used. A National Code of Practice specifically referred to the possibility of providing access to MSDS's by computerised database (clause 8.6). The Court therefore found that copying of the MSDS's for use in a computerised database and for safety purposes fell within the scope of an implied licence.

33. At this stage, it is unlikely that an analogy could be drawn between the facts of *Acohs* and the situation of a publisher compiling an electronic database. The freelance author is not providing information which is to be used for the purpose of providing information to others concerning industrial safety matters. The public interest element in allowing reproduction of this type of material was one component of the Courts reasoning in *Acohs*. [37] Ordinarily, the freelance author is providing material to a publisher for the purpose of publication in the course of that publisher's business, to earn income for the journalist and to enhance his or her reputation. Where it is in the course of the publisher's business to include material in an electronic database, and the author is aware of that fact, then it is likely an implied licence will be found to allow that use. Where that is not the case, it is arguable that inclusion in an electronic database may contribute to enhancing the author's reputation. However, a publisher would be taking a risk in relying such an untested, and debatable, proposition. [38]
34. According to *Beck*, determining the scope of an implied licence will hinge on the purpose for which the copyright material is to be used. Where an author submits a work for publication, this purpose will include that publication. However, whether or not that purpose includes electronic publication or inclusion in a database will depend on the facts. As with implied terms, where the author is aware that the publisher ordinarily publishes work electronically or includes work in an electronic database an argument based on an implied licence is likely to succeed. However, the scope of the licence will be limited. It will only extend to publication in the type of database in which the publisher ordinarily includes material. Where the publisher ordinarily keeps an online database, then the licence may extend to the inclusion of the work in that database, but not to authorising a third party to include the work in a database of a different nature. The decision in *De Garis & Moore v Neville Jeffress Pidler* [39] supports this proposition. It was stated there that a freelance writer submitting material for publication impliedly licences the relevant media organisation to publish it. But if a freelance journalist submits an article to a media organisation for publication in a particular newspaper or magazine or submits a film or recording for broadcast by a particular station, a licence to publish it in another publication or to broadcast it on another station is not, ordinarily, implied

35. In determining the terms or scope of any implied licence, one issue which may arise is whether the implied licence is an irrevocable one. If not, the author would be able to revoke the licence at any time, insisting that the publisher remove the article or pay compensation as the continued inclusion of the article in the database would then infringe the author's copyright. Heerey J in *Trumpet Software Pty Ltd v OzEmail Pty Ltd (Trumpet)* considered the circumstances in which an implied licence may be revocable. [40] It was found that a bare licence (i.e., a non contractual licence) could be revoked at any time by the licensor. However, where the licensee was able to establish that it had acted upon the licence to its detriment, the licensee may be able to establish that the licensor should be estopped from revoking the license. [41] Where the publisher has acted on the basis of an implied licence and taken steps to include the work in a database, then detriment could be established.
36. Where a journalist receives payment for an article, any implied licence will be contractual and the reasoning in *Trumpet* will not apply. Consideration was given to the implications of revocation of a contractual licence in *Cowell v Rosehill Racecourse Co Ltd* [42] Where no proprietary interest was granted, it was found that a contractual licence could be revoked, subject to there being a remedy available for breach of contract. The issue then could be whether a court would grant an order for specific performance as a remedy, or whether damages would be adequate. [43] Where the removal of the article would cause hardship or injustice to the publisher then specific performance would be the appropriate remedy. [44] It would be a matter for the courts discretion, in balancing the claims of both parties, to decide on the most appropriate remedy.

Implications of the Tasini decision

37. The *Tasini* decision has important implications for freelance writers and publishers in the United States. The fact that compiling an electronic database is seen as an infringement of the author's rights means that the writer whose works have been used in this way without his or her consent will be entitled to compensation. Further, to prevent future or ongoing infringement, the publishers who compile electronic databases may have to remove articles from their databases. [45] The Supreme Court dismissed arguments based on this fear as 'unavailing', stating that the ruling did not mean publishers would be forced not to include articles in databases. The court could award an appropriate remedy, which may mean compensation. However, this does not mean that requiring the publisher to remove the work will never be an appropriate remedy.
38. In reality, it may be that the authors and publishers reach some compromise which allows the authors to receive payment. This solution is likely to be in the best interests of the authors, publishers and the public. Jonathon Tasini has been quoted as stating that his desire is 'to put out the olive branch to the media industry and ... avoid all that (legal wrangling)'. [46]
39. Another consequence of the decision is that publishers who wish to compile, or authorise others to compile, electronic databases, will need to obtain consent from the author. This may mean requiring freelance writers to assign the right to publish the works electronically before articles are accepted for publication. As noted in the dissenting judgment in *Tasini*, the

New York Times has since 1995 required freelance authors to grant to the Times the 'electronic rights' to articles. [47] In the majority of cases the publisher, with a superior bargaining power, will be able to insist on this as another clause in a standard form contract. It may also mean that written contracts are used more often. This is a positive development, meaning that the rights of all parties can be clearly defined. However, given the superior bargaining power of most publishers, this advantage may prove to be artificial.

Copyright and collective works - some observations

The existence of copyright in a collective work

40. A collective work will itself attract copyright protection where it is original. [48] Depending upon the nature of the collection, for the purposes of the Australian Act it will most likely be classified as a literary work, which is defined to include a compilation. [49]
41. Determining when a collective work or compilation is original enough to attract copyright protection has been the subject of much debate, both judicial and academic. [50] The recent Federal Court decision in *Telstra Corporation Limited v Desktop Marketing Pty Ltd* [51] illustrates the issues. Telstra Corporation Limited (Telstra) had alleged that Desktop Marketing Pty Ltd had infringed its copyright in the white and yellow pages telephone directories (the directories).
42. The respondent, Desktop Marketing Systems Pty Ltd (DtMS) had produced three CD Rom products which Telstra alleged infringed its copyright in the directories. These were:
 - i. The CD Phone Directory - a product containing the white and yellow pages listings data. It could be searched by name.
 - ii. Phonedisk - containing the same information, but allowing more sophisticated searching options.
 - iii. Marketing Pro - enabled businesses to be classified by type and reference to various other classification codes. It also included additional information where available, such as the number of employees, AusDoc number, facsimile number and whether or not the business wanted to be canvassed for marketing purposes. All this information could be accessed by doing various searches.
43. The primary data for all these products came from the Telstra directories, although the information was changed in some minor respects (for example, the expansion of abbreviations, and the incorporation of some different headings).
44. The Telstra directories were literary works for the purposes of the Australian Act. The issue before the court was whether the directories possessed the required level of originality for the purposes of that Act.
45. There is no copyright in a fact, however, where an author compiles facts, this compilation can be original for the purposes of copyright. The facts themselves will not be protected, rather the way the facts have been published or compiled. There are two general theories as to when a

compilation of facts will be original for copyright purposes:

- i. The 'sweat of the brow' theory. According to this point of view, so long as the author has exerted some effort in compiling the facts, this time and labour will be rewarded by a grant of copyright. This is the approach which is favoured in the United Kingdom. For example, in *Walter v Lane*, [52] the copying down and publication of speeches of the Earl of Rosebery was found to attract copyright protection. The exact level of exertion required is an issue which has never been clearly decided (see the discussion in *Kalamazoo (Aust) Pty Ltd v Compact Business Systems Pty Ltd* [53]).
 - ii. The need for intellectual effort in the selection or arrangement of the facts. This is the approach accepted in the United States, the leading case being *Feist Publications, Inc v Rural Telephone Service Co, Inc*. [54] The Supreme Court rejected the sweat of the brow theory, stating that the test for originality was that the choice in making the compilation must 'entail a minimal degree of creativity'. O'Connor J stated that in most cases this would be satisfied in the case of a compilation, however, there may be cases in which the 'creative spark is utterly lacking or so trivial as to be virtually nonexistent'. [55] Therefore, the standard of creativity is low, but it does exist.
46. In the *Telstra* decision, Finkelstein J considered that, as a judge sitting at first instance, the Australian approach of following UK authorities should continue. He found that copyright existed both in the directories (as there was much evidence that skill and effort had been employed in their creation) and also the headings used in the yellow pages directory (following the authority of *Lamb v Evans* [56] in which copyright was found to exist in the headings used in a trade directory.) [57]
47. Deciding the threshold of protection for a compilation of factual data involves balancing a number of policy issues, which were recognised in this decision. On the one hand, to grant protection too readily would limit the ability of authors to build on earlier works, which may impair progress. On the other hand, the collection of factual material is essential to the economy. Databases provide information to businesses, professionals and consumers and, as such, rewarding the efforts of the authors should encourage their development. [58]

Copyright and electronic databases - some conclusions

48. The two decisions discussed in this article illustrate the need to give consideration to copyright when compiling and using an electronic database. This is a matter which is often overlooked. Due to the relative novelty of the capacity to easily develop electronic databases, the exact nature of the copyright implications is still being realised. Yet, the electronic database is an extremely important resource, and one which is only going to grow in importance as technology progresses.
49. Both the *Tasini* decision and the *Telstra* decision illustrate one important point. If in doubt, seek permission. The *Tasini* decision has broader implications for any organisation which is considering, or has, digitised works. The decision offers protection for the author of a work, allowing

him or her to retain the right to decide if, and in what form, any electronic publication is to take place.

50. In an Australian context, given the differences in the law, the decision is not directly relevant. However, should a similar situation arise, the facts would test the willingness of a court to find an implied licence or implied contractual term allowing digital reproduction. It is submitted that the same conclusion would be reached and that, except in exceptional circumstances, a court would be reluctant to find a right to reproduce or distribute electronically in the absence of an express agreement.
51. The *Telstra* decision illustrates the courts willingness to protect those who take the time and effort to compile a database. Once again, this offers important protection for the author. The author of a collective work will not have to establish any intellectual effort, but will be rewarded for the time and effort expended in compiling what is often a useful, and economically valuable, business tool.
52. Both the *Telstra* decision and the *Tasini* decision are good ones. Both represent a warranted protection of the rights of an author. The rights of the users of copyright material are affected. However, on balance, the copyright user still possesses the ability to negotiate with the copyright owner and obtain the right to publish a work electronically or to reproduce a database. This enables the copyright owner to control the terms and conditions of these uses, a control which is important in a digital environment.

Notes

[1] Slip opinion, No 00-201, available at <http://www.supremecourtus.gov/opinions/00slipopinion.html/>. More detail on the law suit, and the history behind it, is available at <http://www.nwu.org/tvt/tvthomehtm/>.

[2] [2001] FCA 612, available from <http://www.austlii.edu.au/>

[3] LEXIS-NEXIS operate the database NEXIS, a computerised database containing articles in text only format from various periodicals. Subscribers can search the database and view, print or download articles. The formatting of the articles on the database will be very different from the way they appear in the original journal publication, as heading size and page breaks are not reproduced.

LEXIS-NEXIS also permitted reproduction of some of the articles on CD products, the New York Times OnDisc and General Periodicals On Disc. Both products are also searchable in a similar way to the database.

[4] 17 USC §101 (1994).

[5] Copyright Act 1968 (Cth) (the Australian Act).

[6] The US Act provides that 'copyright protection subsists ... in original works of authorship fixed in any tangible medium of expression ... from which they can be perceived, reproduced, or otherwise communicated'. 17

USC §102(a).

[7] For the distinction between a joint work and a collective work, see footnote 21. Another category of work is the derivative work (or adaptation) in which one or more pre-existing works are altered to form a new creation. With a collective work, alterations to the original contributions are minimal. See Smith, F H, 'Tasini v New York Times Co: A Copyright or a Right to Copy?' in *New England Law Review*, vol 32, no 4 (available at <http://www.nesl.edu/lawrev/vol32/32-4/smith.htm/>).

[8] As to which see paras 40-47.

[9] The general position is that it is the author of the work who is the original copyright owner. This is subject to a number of exceptions, the most important being works created in the course of employment. In this case, copyright will vest in the employer (section 201(b) of the US Act). For the Australian equivalent, see Copyright Act 1968 (Cth), section 35.

[10] See above, note 4.

[11] This section was introduced in 1976 to protect authors who had consented to their works being published as part of a collective work. The law prior to this amendment only recognised copyright when an article was printed with a copyright notice in the author's name (§18 of the Copyright Act of 1909, Stat. 1079). Many publishers refused to print notices attributing copyright to the individual contributors, meaning that the work became public domain (unless it had been assigned to the publisher). *New York Times Co v Tasini*, see above note 1, p 8.

[12] Another issue which arose in interpreting section 201(c) was whether the rights granted to the author of the collective work were transferable. The District Court found that they were (United States District Court, Southern District of New York, 93 Cir. 8678 (SS)). The Court of Appeal and the Supreme Court both found it unnecessary to decide the issue, finding that section 201(c) did not apply. See paras 11-16.

[13] United States District Court, Southern District of New York, 93 Cir. 8678 (SS).

[14] United States Court of Appeals for the Second Circuit, 972 F. Supp. 804 (SDNY 1997).

[15] *New York Times v Tasini*, see above note 1, p 15.

[16] *New York Times v Tasini*, see above note 1, p 16.

[17] *New York Times v Tasini*, see above note 1, p 7.

[18] *New York Times v Tasini*, see above note 1, p 12.

[19] *New York Times v Tasini*, see above note 1, p 15.

[20] Citing *Twentieth Century Music Corp v Aiken* 422 US 151, 156 (1975).

[21] There are express provisions dealing with works of joint authorship (ss 78-83), however a work of joint authorship is defined as 'a work that has been produced by the collaboration of two or more authors and in which the contribution of each author is not separate from the contribution of the other author or the contributions of the other authors'. Thus, a work of joint authorship is distinct from a collective work, which is the combination of the works of a number of authors in which the contribution of each author is clearly identifiable.

[22] Note that the position with regards to employed journalists will be different. Section 35(4) of the Australian Act grants copyright to the journalist in so far as it relates to reproduction of the work for inclusion in a book or reproduction of the work in the form of a hard copy facsimile, but not including reproduction by the proprietor of the magazine, newspaper or periodical for a purpose connected with publication. For all other purposes, the proprietor owns the copyright. Therefore, the proprietor would have the right to reproduce the work in an electronic database.

[23] The discussion in the article is limited to a commercial re-use of a work. Where the re-use is not commercial in nature, the user of the work may have a defence based on fair dealing. In relation to literary works, these defences are set out in the Australian Act in sections 40-42. A fair dealing will be allowed where it is for the purpose of research or study, criticism or review or the reporting of news. Where the purpose is for research or study, the Act gives some further guidance as to what will be a fair dealing. Factors such as the purpose and character of the dealing and the nature of the work are relevant (section 40(2)). It will be a fair dealing for the purposes of research and study where a reasonable portion is taken (section 40(3)). Ten percent of the number of pages of a work, or, where it is an electronic work, ten percent of the total work, is deemed to be a reasonable portion (section 10(2); section 10(2A)). Whether or not a greater amount constitutes a fair dealing will depend on the facts. The reproduction of an article by a publisher is unlikely to fall within any of the fair dealing categories. See the decision in *De Garis & Moore v Neville Jeffress Pidler Pty Ltd* (1990) 37 FCR 99, where Beaumont J rejected an argument that the reproduction and collation of news clippings was for the purposes of research and study. Although it may have been used for research or study, it was the purpose of the person making the reproduction that was relevant, and in this case that purpose was to make a commercial gain from providing a service. Further, it was held that the defence of fair dealing for the purpose of reporting of news was unavailable. This defence only applies where the reproduction is contained in a newspaper, magazine or similar periodical.

The situation may be different where an individual compiles a database for the purposes of their own research or study. However, the reproduction of an entire article is unlikely to be a reasonable portion, especially where the researcher already possesses a hard copy of the work.

[24] A complete assignment of copyright can only be achieved if it is in writing and signed by, or on behalf of, the assignor (section 196, Copyright Act 1968 (Cth)).

[25] There is an overlap between the implied licence and implied contractual term, as a licence may exist as a contractual term. The

distinction is that a licence may also exist in the absence of a binding contract. See *Interstate Parcel Express Co Pty Ltd v Time Life International (Nederlands) B.V.* (1977) 138 CLR 534.

[26] Copyright Act 1968 (Cth), s 31(1).

[27] Copyright Act 1968 (Cth), s 10(1).

[28] Copyright Act 1968 (Cth), s 196.

[29] Carter, J W and Harland, D J, *Contract Law in Australia*, 3 ed, Butterworths, Sydney, 1996, p 237.

[30] (1994) 180 CLR 266 - decided by the Privy Council in 1977, on appeal from the Full Court of the Supreme Court of Victoria.

[31] (1994) 180 CLR 266 at 283.

[32] For example, an art work. However, literary works may also be different when reproduced electronically.

[33] *Trumpet Software Pty Ltd v OzEmail Pty Ltd* (1996) 34 IPR 481 at 499. However, where there is no agreement of any kind between the parties, the contractual approach will not be applicable. (See Van Caenegem, W, *Intellectual Property*, Butterworths, Sydney, 2001, p 338).

[34] (1997) 37 IPR 542.

[35] (1963) 80 WN (NSW) 1578.

[36] For example, in *Trumpet Software Pty Ltd v OzeMail Pty Ltd* (1996) 34 IPR 481, it was held there that although an implied licence existed for the distribution of shareware, it did not extend to the distribution of that shareware in an altered form. Therefore, even where an implied licence is found to exist, its scope will need to be carefully considered.

[37] This was relevant to the decision, as one of the grounds for the Court refusing the relief sought was that it would be contrary to the public interest for the Court to grant an injunction preventing publication of the MSDS's for safety reasons. It was stated that was difficult to conceive of a situation where a court would grant an injunction the effect of which would deprive members of the public of the benefit of information necessary for their safety.

[37] (1997) IPR 542.

[38] The test for proving an implied licence exists has proven to be a hard one to satisfy in other contexts. For example, in *Fylde Microsystems Ltd v Key Radio Systems Ltd* [1998] Info TLR 374 the defendant had requested the plaintiff to develop a circuit board for a mobile radio which were to be loaded with software known as Keyport. The defendant had also used the software in its own radios. The defendant argued that, if the plaintiff owned the copyright in the software (which was in dispute), the defendant had an implied licence to use it. This argument was put forward on the basis that there had been a collaborative venture where neither party paid

the other for work done, and as a result, a licence for each party to use the outcome should be implied for reasons of commercial efficacy. Laddie J found that such a term was neither necessary nor reasonable.

See also the recent decision of the United States District Court of the Southern District of New York in *Ransom House Inc v Rosetta Books* (01 Civ. 1728 (SHS)), where Stein J found that the granting of the right by an author to a publisher to 'print, publish and sell the work[s] in book form' did not give the publisher the right to publish the books in electronic format.

[39] (1990) 37 FCR 99.

[40] (1996) 34 IPR 481.

[41] On the basis of *Walton Stores (Interstate) Ltd v Maher* (1988) 164 CLR 387.

[42] (1937) 56 CLR 605.

[43] *Hewett v Court* (1983) 149 CLR 639 at 665.

[44] See the discussion below at 4 'Implications of the Tasini decision'.

[45] See Mayfield, K, 'Writers Fight for E-Rights' in Wired News, <http://www.wired.com/news/prin/0,1294,42538,00.html/> where it was stated that 'This result will have unexpected, unprecedented and irreversible consequences for the integrity and accessibility of the historical record and the progress of historical scholarship'.

[46] McGuire, D, 'Supreme Court to Create More Freelancer Wrangling' in Newsbytes, <http://www.newsbytes.com/im.display.printable?client.id=newsbytes@story.id-16725/>

[47] *New York Times v Tasini*, see above note 1, per Stevens J, p 17.

[48] As to the nature of a collective work, paras 5-6.

[49] Section 10(1), Copyright Act 1968 (Cth).

[50] See, for example, Bannister, J, 'Originality and access; copyright protection of compilations and databases' in *Journal of Law and Information Science*, 10 (2) 1999 : 227-245; Trimmer, A, 'Copyright protection of compilations of facts' in *Computers And Law*, (30) September 1996: 46-47.

[51] [2001] FCA 612.

[52] [1900] AC 539.

[53] (1985) 84 FLR 101.

[54] 299 US 340 (1991).

[55] At 359.

[56] [1892] 3 Ch 463 (Chitty J); [1893] 1 Ch 218 (CA).

[57] Desktop Marketing Systems lodged an appeal to the Full Federal Court on 6 July 2001. See <http://www.dtms.com.au/whatsnew/telstra.html>.

[58] See Yastrebroff, N, 'Copyright for Online Databases', *Australian Intellectual Property Law Bulletin*, May 1996, p 33. Yastreboff states that online databases have the fundamental nature of 'public good'. They have high design and development costs relative to the costs of reproduction and distribution. Unless producers are able to prevent unauthorised reproductions, they will not produce.