

*Faulkner v. National Geographic Enterprises Inc.:* Conflict over Defining Revisions

I. OVERVIEW OF THE CASE ..... 247  
II. BACKGROUND..... 248  
III. COURT’S DECISION..... 250  
IV. ANALYSIS ..... 252

I. OVERVIEW OF THE CASE

The National Geographic Society (NGS) publishes National Geographic Magazine (NGM).<sup>1</sup> In collaboration with a computer programming company, NGS began in 1996 to develop a product called The Complete National Geographic (CNG), which is a collection of every issue of NGM from 1888 through 1996.<sup>2</sup> The CNG was created via digital scanning, and there were essentially no format or content changes between the print and digital versions.<sup>3</sup> Prior to the release of the CNG, NGS registered it with the United States Copyright Office.<sup>4</sup> A group of freelance writers and photographers who provided material for NGM brought suit against some of the defendants on December 5, 1997, in *Greenberg v. National Geographic Society*.<sup>5</sup> From that point through March 2002, four additional cases were filed relating to the same issue.<sup>6</sup> The plaintiffs alleged that by creating the CNG without their permission NGS violated § 201(c) of the Copyright Act because it did not obtain their permission to use these works in a context other than the original edition of the magazine.<sup>7</sup> Every case except *Greenberg* was filed in or transferred to the Southern District of New York.<sup>8</sup> On December 11,

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1. *Faulkner v. Nat’l Geographic Enters. Inc.*, 409 F.3d 26, 30 (2d Cir. 2005).

2. *Id.*

3. *Id.* at 30-31. There are minor variations between the print and digital version which are explained by the variations between the advertising in different regions the magazine was disbursed. *Id.* at 31 n.3. Additionally there are 60 images out of 180,000 which have been blacked out in some versions of the CNG; none of the blacked out images is at issue in this case. *Id.* at 30.

4. *Id.* at 32. The copyright registration for the CNG defined it as a “compilation of pre-existing material primarily pictorial” along with a “brief introductory audiovisual montage.” *Id.*

5. *Id.* In *Greenberg*, the claim of copyright infringement was brought against many of the same defendants as in *Faulkner*. *Greenberg v. Nat’l Geographic Soc’y*, 244 F.3d 1267, 1270 (11th Cir.), *cert. denied* 543 U.S. 951 (2001).

6. *Faulkner*, 409 F.3d at 32-33.

7. *See id.*

8. *Id.*

2003, the district court granted defendants' motions to dismiss under Rule 54(b) in four of the cases under review.<sup>9</sup> The dismissal held that CNG was a "privileged revision" under § 201(c) and, therefore, defendants did not infringe plaintiffs' copyright in publishing their underlying works in the CNG.<sup>10</sup> Plaintiffs appealed, and the United States Court of Appeals for the Second Circuit *held* that the CNG was a privileged revision in computer accessible format and permissible under § 201(c) of the Copyright Act, affirming the lower court. *Faulkner v. National Geographic Enterprises Inc.*, 409 F.3d 26, 38 (2d Cir.), *cert. denied*, 126 S. Ct. 833 (2005).

## II. BACKGROUND

The Constitution of the United States grants Congress the power to write and enact a copyright statute.<sup>11</sup> Copyright protection exists "in original works of authorship fixed in any tangible medium of expression."<sup>12</sup> In 1976, the Copyright Act was amended to address the significant technological changes that had occurred since the 1909 version.<sup>13</sup> The 1909 Act included the "doctrine of indivisibility," which restricted the ability of the author to assign the individual rights held by a copyright owner, forcing the author to lose the copyright when his contribution was placed in a collective work.<sup>14</sup> In recognition of the problems associated with the indivisibility doctrine, Congress rejected it when it amended the Copyright Act in 1976.<sup>15</sup> As amended, § 201(c) clarifies the distinction between copyright in a contribution to a collective work from the copyright that existed in the collective work as a

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9. *Id.* at 33. The dismissed cases included *Faulkner v. National Geographic Society*, 211 F. Supp. 2d 450 (S.D.N.Y. July 2002); *Faulkner v. National Geographic Society*, 220 F. Supp. 2d 237 (S.D.N.Y. Sept. 2002); 294 F. Supp. 2d 523 (S.D.N.Y. Dec. 2003); *Faulkner v. National Geographic Society*, 296 F. Supp. 2d 488 (S.D.N.Y. Dec. 2003). Plaintiffs Fred Ward and Louis Psihoyos appealed only the December 11, 2003, order dismissing all of their copyright claims. *Faulkner*, 409 F.3d at 33-34 (citing *Faulkner*, 294 F. Supp. 2d 253).

10. *Faulkner*, 409 F.3d at 33.

11. U.S. CONST. art. I, § 8, cl. 8 ("To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.").

12. Copyright Act of 1976, 17 U.S.C. § 102(a) (2000).

13. H.R. REP. NO. 94-1476 at 47, *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5660.

14. *See* *Nathan v. Monthly Review Press, Inc.*, 309 F. Supp. 130, 135 (S.D.N.Y. 1969) (stating that the "doctrine of indivisibility declares that the bundle of rights which accrue to a copyright owner are . . . incapable of assignment in parts . . . a transfer of anything less than . . . the totality of rights . . . is said to be a license rather than an assignment" (internal quotations omitted)).

15. H.R. REP. NO. 94-1476, at 122. The rejection of the indivisibility doctrine was created by listing the exclusive rights allowed under copyright in section 106 which may be transferred or owned separately under section 201(d)(2). 17 U.S.C. §§ 106, 201(d)(2).

whole.<sup>16</sup> The changes made in the Copyright Act, specifically in § 201(c), represent a “break with a two-hundred-year-old tradition that has identified copyright more closely with the publisher than with the author.”<sup>17</sup> An author’s copyright is no longer lost in a contribution under § 201(c), affirming the idea that a copyright is designed to give contributors a fair return for their labors, even within a collective work.<sup>18</sup> This adjustment of the author/publisher balance is a permissible expression of the “economic philosophy behind the clause empowering Congress to grant patents and copyrights [which] is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare.”<sup>19</sup>

Since the 1976 Copyright Act, there have been extreme advances in the technology and ability to create digital versions of previous works. These advances have produced an emerging area of copyright law dealing with the interpretation of § 201(c) and the potentially overlapping rights of authors, photographers, and publishers.<sup>20</sup> Disputes arose in this area, reflected by several cases in the late 1990s and early 2000s.<sup>21</sup> In *Tasini v. New York Times Co.*, the Second Circuit found that electronic databases containing individual articles from multiple editions did not constitute revisions under § 201(c), mainly because the databases presented the articles separate from the context of the original print version.<sup>22</sup> This decision was affirmed by the United States Supreme Court, which explained that the copying was not authorized by § 201(c) because the databases in question “reproduce and distribute articles standing alone and not in context” or as part of the original collective work or a revision of that initial collective work.<sup>23</sup>

Prior to the Supreme Court’s affirmation of the Second Circuit decision in *Tasini*, the United States Court of Appeals for the Eleventh

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16. 17 U.S.C. § 201(c). Additionally, without the express transfer of the copyright, the owner of the collective work has limited ability to reproduce and distribute the contribution; mainly as part of that specific collective work, as a revision or the collective work, or as any later collective work in a similar series. *Id.*

17. Barbara Ringer, *First Thoughts on the Copyright Act of 1976*, 22 N.Y.L. SCH. L. REV. 477, 490 (1977).

18. *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

19. *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985) (quoting *Mazer v. Stein*, 347 U.S. 201, 209 (1954)).

20. See Petition for Writ of Certiorari, *Psihoyos v. Mindscape, Inc.*, No. 05-490, 2005 WL 2661823, at \*2-3 (Oct. 13, 2005) [hereinafter *Psihoyos Petition*].

21. See generally *Faulkner v. Nat’l Geographic Enters. Inc.*, 409 F.3d 26 (2d Cir. 2005); *Greenberg v. Nat’l Geographic Soc’y*, 244 F.3d 1267 (11th Cir. 2001); *Tasini v. N.Y. Times Co.*, 206 F.3d 161 (2d Cir. 2000).

22. See *Tasini*, 206 F.3d at 168.

23. *Faulkner*, 409 F.3d at 35 (quoting *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 488 (2001)).

Circuit decided *Greenberg*, a case in which the facts and law are virtually identical to the noted case.<sup>24</sup> The lower court in *Greenberg* took the side of the *Tasini* court, determining that the CNG was a revision of the paper copies of the NGM under § 201(c).<sup>25</sup> The Eleventh Circuit did not discuss the “revision” issue under § 201(c) as the Second Circuit did in *Tasini*, focusing instead on the additions to create “[an]other collective work” or a new product.<sup>26</sup> The Eleventh Circuit held in *Greenberg* that the CNG was not a revision of the prior collective work, but was instead a new work, and the Supreme Court denied certiorari on the matter.<sup>27</sup> This split between the Supreme Court’s affirmation of the *Tasini* decision and the Eleventh Circuit’s decision in *Greenberg* set the stage for the issues in the noted case.

### III. COURT’S DECISION

In the noted case, the Second Circuit followed the *Tasini* decision in its analysis of § 201(c) as it applied to CNG and NGM, ultimately deciding that the CNG was a privileged revision under the Copyright Act and was not infringing the contributing authors’ copyrights.<sup>28</sup> The court began by reviewing the recent decisions interpreting § 201(c) and whether electronic and CD-ROM databases constituted revisions according to § 201(c) or were infringing on individual copyrights.<sup>29</sup>

The initial defense raised in the noted case was that offensive collateral estoppel precluded litigation of the § 201(c) argument.<sup>30</sup> The Second Circuit agreed with the district court finding that the *Tasini* decision altered the legal environment and allowed review of the § 201(c) revision issue.<sup>31</sup> The court inferred that even where all the elements of collateral estoppel occur, review of a legal issue is appropriate where a

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24. *Id.*

25. *Greenberg v. Nat’l Geographic Soc’y*, No. 97-3924, 1998 U.S. Dist. LEXIS 18060, at \*10 (S.D. Fla. May 14, 1998), *rev’d*, 244 F.3d 1267 (11th Cir. 2001).

26. *Greenberg*, 244 F.3d at 1268-71.

27. *Id.* at 1272-73, *cert. denied*, 122 S. Ct. 347 (2001).

28. *Faulkner*, 409 F.3d at 38.

29. *Id.* at 35.

30. *Id.* at 37. The test for a plaintiff to preclude a defendant from relitigating an issue on collateral estoppel grounds requires:

(1) the issues in both proceedings must be identical, (2) the issue in the prior proceeding must have been actually litigated and actually decided, (3) there must have been a full and fair opportunity for litigation in the prior proceeding, and (4) the issue previously litigated must have been necessary to support a valid and final judgment on the merits.

*Id.* (quoting *Gelb v. Royal Globe Ins. Co.*, 798 F.2d 38, 44 (2d Cir. 1986)).

31. *Id.*

change occurred after the decision that is claimed to have a preclusive effect.<sup>32</sup>

Once the court moved beyond its explanation as to why review of the same facts and law decided in *Greenberg* was appropriate, it applied the *Tasini* definition of a “revision” and held that the CNG was a privileged revision because it was a new version of the NGM and because the original context of the magazines was evident throughout the digital database.<sup>33</sup> Essentially, the court relied on the *Tasini* decision to focus on the works “as presented to, and perceptible by, the user of the [CNG]” and determined that the CNG used “almost identical ‘selection, coordination, and arrangement’ of the underlying works as used in the original collective works.”<sup>34</sup> This almost identical selection was the distinction upon which the court relied in determining that the CNG was an allowable “revision” as opposed to the holding in *Tasini*, where the databases “precluded readers from viewing the underlying works in their original context” and were not privileged revisions.<sup>35</sup>

The court then moved on to address appellants’ argument that the revision privilege would be available only to the owner of the original collective work copyright—in this case NGS—without the ability to transfer the privilege.<sup>36</sup> The court disagreed, relying on congressional intent in drafting the Copyright Act of 1976 and § 201(d).<sup>37</sup> The court’s reading of §§ 201(c) and 201(d) allows the publisher’s privilege under § 201(c) to be transferable under § 201(d), thus providing publishers with the ability to transfer any part of a copyright they acquire.<sup>38</sup>

Next, the court discussed the appellants’ arguments that the contractual agreements between the parties were “intended to grant NGS limited publication rights in paper format only,” and that § 201(c) was inapplicable.<sup>39</sup> Plaintiffs argued that § 201(c) was applicable only in the “absence of an express transfer of the copyright or of any rights under it” and written contracts existed with NGS negating the application of § 201(c).<sup>40</sup> The court was not persuaded because the contracts said

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32. *Id.* (citing RESTATEMENT (SECOND) OF JUDGMENTS § 28 cmt. C (1982)).

33. *Id.* at 38.

34. *Id.* (quoting *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 499 (2001)).

35. *Id.* (citing *Tasini*, 533 U.S. at 501-02).

36. *Id.*

37. *Id.* at 39. The intent of the 1976 Copyright Act was not to change the rights of the owner of a collective work but to protect and improve the rights of an author’s copyright in a contribution. *Id.* (citing H.R. REP. NO. 94-1476, at 122, as reprinted in 1976 U.S.C.C.A.N. 5659, 5738).

38. *Id.*

39. *Id.* at 40.

40. *Id.* (referencing 17 U.S.C. § 201(c) (2000)).

nothing specific about limiting publication to a nondigital format.<sup>41</sup> Further, the court did not agree that § 201(c) was irrelevant because of the simple existence of the contracts.<sup>42</sup>

The Second Circuit ended its review of the issues raised on appeal with a discussion of the individual works of appellants Ward and Psihoyos, which were presented with additional arguments during appeal.<sup>43</sup> Ward argued that his ownership of the underlying copyrights for specific articles precluded any right of NGS to include them in the CNG, but the court did not find this persuasive as appellees had the right under § 201(c) to include even those contributions for which the contributors owned the underlying copyright.<sup>44</sup> Additionally, two of Psihoyos' images were excluded from the district court's ruling due to specific contractual language denying NGS any electronic rights; however, Psihoyos contended that there were actually seven such images and that the exclusion of the others from the ruling was an error.<sup>45</sup> The Second Circuit agreed that the additional contributions were identified to the district court and reversed the lower court's holding, given the fact that NGS had no legal interest in the images and could not include them in additional digital versions of the collective work.<sup>46</sup> Excepting the works specific to Ward and Psihoyos, the court affirmed the district court's holding.<sup>47</sup>

#### IV. ANALYSIS

The Supreme Court denied a petition for a writ of certiorari to the Second Circuit decision in the noted case.<sup>48</sup> The factual bases of *Greenberg* and the noted case are essentially identical, yet two circuits have reached opposite conclusions; the Second Circuit deemed the CNG a revision, while the Eleventh Circuit found that it was a new collective work and thus infringing.<sup>49</sup> The Second Circuit's decision in the noted case suffers from several related problems. First, the court assumed that *Tasini* represented a shift in the legal landscape, as opposed to the same

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41. *Id.*

42. *Id.*

43. *Id.* at 40-41.

44. *Id.*

45. *Id.* at 41.

46. *Id.*

47. *Id.* at 43.

48. *Faulkner v. Nat'l Geographic Soc'y*, 126 S. Ct. 833 (2005).

49. *See Psihoyos Petition*, *supra* note 20, at \*10-13; *see also Faulkner v. Nat'l Geographic Enters. Inc.*, 409 F.3d 26, 29 (2d Cir. 2005); *Greenberg v. Nat'l Geographic Soc'y*, 244 F.3d 1267, 1268 (11th Cir. 2001).

construction of the law utilized in *Greenberg*.<sup>50</sup> Second, the court's decision creates doubt as to the true definition of "revision" and thus creates a conflict with Supreme Court precedent as to the correct interpretation of § 201(c).<sup>51</sup> This is not an obscure area of the law; the correct application and interpretation of the definition of "revision" from *Tasini* will continue to have profound effects on the publishing industry and on electronic rights.

If the Second Circuit had examined the factual differences between the noted case and *Tasini* with greater intensity, it may have given additional credence to the plaintiffs' argument for collateral estoppel.<sup>52</sup> In *Tasini*, the court held that placing an article written by a freelance writer into an electronic database was copyright infringement on the basis that the articles as "presented to, and perceptible by, the user" were "individual articles presented individually."<sup>53</sup> Additionally, the Supreme Court said the question under § 201(c) concerned what is presented to the general public or, more specifically, whether the work "itself perceptibly presents the author's contribution as part of a revision of the collective work."<sup>54</sup> This definition was used to support the critical focus in *Tasini* on whether the underlying works were presented in the digital database in the context of the original works.<sup>55</sup> The court in *Greenberg* found that if a subsequent work contains "independently copyrightable elements not present in the original collective work, it cannot be a revision privileged by § 201(c)," yet then ignored the fact that the same definition of revision and narrow construction of § 201(c) was used to come to a conclusion which differs greatly from the *Tasini* court.<sup>56</sup> As both *Tasini* and *Greenberg* use the same narrow construction of "revision" and § 201(c), the court in the noted case was precipitate in determining a lack of offensive collateral estoppel regarding the § 201(c) argument.<sup>57</sup>

Additionally, the differences in the outcomes between the different interpretations of § 201(c) used in *Tasini* and *Greenberg* can be explained

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50. *Faulkner*, 409 F.3d. at 37.

51. See Psihoyos Petition, *supra* note 20, at \*13-18.

52. *Faulkner*, 409 F.3d at 37 ("[T]he *Tasini* approach so substantially departs from the *Greenberg* analysis that it represents an intervening change in law rendering application of collateral estoppel inappropriate.").

53. *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 499-500 (2001).

54. *Id.* at 504. The Court in *Tasini* said a "revision" of a work is a "version" which is in a "distinct form of something regarded by its creators or others as one work." *Id.* at 500 (quoting WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 1944, 2545 (1976)).

55. *Id.* at 499.

56. *Faulkner*, 409 F.3d at 37.

57. *Id.*

by reviewing the variation in fact patterns between the two cases which led to unlike results.<sup>58</sup> The Second Circuit failed to review the distinctions between these two earlier cases, creating uncertainty in the field of copyright protection for publishers and authors involved in collaborative works. This is the very confusion that Congress attempted to resolve with § 201(c).<sup>59</sup>

At the heart of this case is the question of what is a “revision.” While *Tasini* provides a definition and a method for application, the court in the noted case neglected to distinguish the application of the *Tasini* rule from the method applied to the same facts in *Greenberg*.<sup>60</sup> This decision has rendered two potential endings to the same copyright issue and a similar fact pattern in two separate circuits.<sup>61</sup> In the noted case, the appeals court ruled that the CDs represented an “electronic replica” of the magazine and were a permissible “revision” under copyright law, even if some new copyrightable materials, such as an introductory sequence and a computer software program, had been added.<sup>62</sup> This is in direct contrast to the *Greenberg* court which considered similar facts and determined that the CNG was a new collective work, based in part on the three different components of the CNG: a moving cover sequence, the digitally reproduced issues of the NGM itself and the computer program which serves as the storage and retrieval system for the images.<sup>63</sup> Essentially, the difference in the outcomes between the noted case and *Greenberg* is whether the court took into account the extra features associated with the CGN, such as the database organization and introductory sequence of slides. When the extra features were ignored, the CGN was found to be a revision.<sup>64</sup> When they were included in the overall product, the CGN was found to be a new collective work.<sup>65</sup> The problem with the discussion in the noted case is that there is a gap left between the holdings of *Greenberg* and *Tasini*, and the Second Circuit fails to address the question of whether an

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58. See *Tasini*, 533 U.S. at 487 (addressing a situation in which freelance author articles are retrievable to users in a format isolated from the context of the original print publication from a database); *Greenberg v. Nat'l Geographic Soc'y*, 244 F.3d 1267, 1269 (11th Cir. 2001) (addressing a situation in which freelance authors and photographers contributions to a collective work are offered in a digital database within the context of the original work).

59. H.R. REP. NO. 94-1476 at 122, as reprinted in 1976 U.S.C.C.A.N. 5659, 5738.

60. *Faulkner*, 409 F.3d at 37.

61. See Psihoyos Petition, *supra* note 20.

62. *Faulkner*, 409 F.3d at 38.

63. *Greenberg v. Nat'l Geographic Soc'y*, 244 F.3d 1267, 1269, 1273 (11th Cir. 2001).

64. *Id.* at 1269-71.

65. *Faulkner*, 409 F.3d at 36 (stating that the key issue for the *Greenberg* court was what had been added to the digital reproductions of the NGM).

electronic revision of a print publication collective work using a computer would be a new work or a revision.

The negative implication from this case is that the split between the Eleventh and Second Circuits on the issue of revision continues to exist without a review of the issue by the Supreme Court. The Supreme Court may be seen as implicitly confirming a doctrine allowing an exact electronic replica to count as a “revision” under the Copyright Act, but a degree of uncertainty still exists in the publishing community as to what copyright protection is necessary to move forward technologically and provide digital and electronic versions of collective works. Until the courts distinctly endorse one viewpoint or the other, concern will remain over whether “revisions” of collective works into databases or digital media are actually revisions or are new collective works. The dissent in *Tasini* properly articulated the worry associated with the loss of freelance pieces from databases, noting that “[t]he omission of these materials from electronic collections . . . undermines the principal benefits that electronic archives offer historians—efficiency, accuracy and comprehensiveness.”<sup>66</sup> Losing these benefits due to continued confusion over what elements are and are not protected by copyright in a collective work is an issue that was supposed to be resolved through the Copyright Act of 1976, yet has come back in full force through the Second Circuit’s failure to resolve the dilemma over what exactly is a revision in terms of electronic databases.

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66. N.Y. Times Co. v. Tasini, 533 U.S. 483, 520 (2001) (Stevens, J., dissenting).

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