

Fordham Intellectual Property, Media and Entertainment Law Journal

Volume 9 *Volume IX*
Number 1 *Volume IX Book 1*

Article 4

1998

Owning the Law: Intellectual Property Rights in Primary Law

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Deborah Tussey, *Owning the Law: Intellectual Property Rights in Primary Law*, 9 Fordham Intell. Prop. Media & Ent. L.J. 173 (1998).
Available at: <https://ir.lawnet.fordham.edu/iplj/vol9/iss1/4>

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Owning the Law: Intellectual Property Rights in Primary Law

Cover Page Footnote

"I wish to thank Professor William W. Fisher, III, for his advice and guidance during the writing of this article."

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Deborah Tussey*

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INTRODUCTION

Primary law¹ compilations, such as case reporters and annotated codes, have periodically given rise to litigation over the nature and extent of copyright protection due the compiler.² These compilations combine public domain materials, for example, court opinions or statutory texts, with additional materials created by the publisher within arrangements that may either be publisher-created or mandated by official decree. For doctrinal purposes, primary law compilations are treated as "fact" compilations,³ but they raise unique policy issues concerning rights of public access and dissemination. A number of early judicial precedents defined the scope of protection for printed legal compilations and provided the basis for a century of steady growth in the American legal information industry. The development of electronic publishing technologies, however, sparked a series of conflicts, beginning in the 1980's, between established print publishers and electronically-based competitors. West Publishing Company, the dominant American publisher, was particularly aggressive in its attempts to protect its long-established print products against inroads by new electronic products. The decision in *West Publishing Co. v. Mead Data Central, Inc.*,⁴ holding pagination of case reporter volumes protected by copyright, represents the apogee of judicial protection of print compilations. While the case has never been expressly overruled, the Supreme Court's decision in *Feist Publications, Inc.*

1. The term "primary law" describes the direct products of judicial, legislative, and executive action, such as case reports, administrative regulations, and statutory codes or compilations. "Secondary law" describes authored works such as treatises, casebooks, encyclopedias, and practice guides. This paper focuses on case reports and statutory compilations, which are the most lucrative and well-established compilations. Principles governing these compilations, however, are also relevant to compilations of administrative regulations and local ordinances, which are gaining importance as information providers seek to develop new profit sources.

2. The first copyright case decided by the Supreme Court, *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834), dealt with the copyright of the official reporter in compilations of the Supreme Court's opinions.

3. See 1 PAUL GOLDSTEIN, COPYRIGHT, § 2.16.1.1 (1996).

4. 799 F.2d 1219 (8th Cir. 1986).

v. Rural Telephone Service Co.,⁵ casts doubt on its continued validity. The scope of protection for primary law compilations under *Feist*'s interpretation of the originality standard has not yet been clearly defined; lower courts have reached contradictory results, with appeals promised which may ultimately reach the Supreme Court.⁶

The impact of electronic technologies, in conjunction with the fallout from *Feist*, inspired a flurry of legislative proposals either extending or curtailing compilation protections, most notably domestic and international attempts to create *sui generis* protections for databases and other data compilations. These initiatives are maneuvers in an ongoing battle for control of legal information that pits protectionists, who seek to provide publishers with some degree of enforceable ownership rights in data compilations, against anti-protectionists, who favor open public access to legal texts. The unsettled nature of the law complements an ongoing upheaval in the legal information industry itself as a prolonged period of intense acquisition and merger activity consolidates the former assortment of independent legal publishers into a handful of imprints largely controlled by two multi-national conglomerates. Overbroad protection for legal information compilers, in tandem with the high level of industry concentration, may threaten public access to essential legal information.

This Article assesses the appropriate scope of intellectual property protections for primary law compilations, viewed against the backdrop of the changing industry structure. Part I provides an overview of the industry structure, markets, and processes and discusses the antitrust implications thereof. Part II outlines the existing framework of copyright protections and the judicial precedents established to date. Part III focuses on current initiatives impacting control of primary legal information, including proposals for protection under state misappropriation theory, for *sui generis* protections of databases, for vendor-neutral citation systems, and

5. 499 U.S. 340 (1991).

6. *Compare* *Oasis Pub'g Co. v. West Pub'g Co.*, 924 F. Supp. 918 (D. Minn. 1996) with *Matthew Bender & Co. v. West Publishing* 41 U.S.P.Q.2d 1321 (S.D.N.Y. 1996), *aff'd* 158 F.3d 693 (2d Cir. 1998), which arrived at conflicting holdings regarding protectibility of pagination. All three cases are discussed *infra*, Part II.

for free access on the Internet. Part IV proposes a comprehensive reading of *Feist*, as applied to primary law compilations, in order to define the copyright alternative that implicitly drives protectionist proposals. Part V applies economic and public policy analyses to the various alternatives and offers a set of proposals designed to balance the need for publisher incentives against the public interest in accessibility of legal information. This Article concludes that even under a relatively ungenerous reading of *Feist*, the current copyright regime provides more than adequate incentives for primary law publishers. Its protections are narrower than those claimed by publishers, and formerly sanctioned by some courts, but are consonant with the constitutional mandate to balance publisher incentives against public access and with the Supreme Court's clear, and correct, policy preference for public dissemination. Consequently, present initiatives for expanded protections, particularly *sui generis* protections for databases and other compilations, are overbroad and fundamentally unnecessary in the context of this particular industry and, indeed, steps should be taken to assure continuing public access to primary law.

I. THE STATE OF THE INDUSTRY

To clarify the rights at stake in the conflict between publisher control and public access, it is essential to sketch a portrait of the legal information industry which describes its structure, markets, products, and processes.⁷ That portrait reveals a highly concentrated industry in which access to legal information is controlled through a combination of market structure and technical and legal fences. The conjunction of these features with copyright entitlements, raises background antitrust concerns which came into the foreground during the 1996 acquisition of West Publishing Company by the Thomson Corporation.

A. *Corporate and Market Structures*

Most American law publishing companies were founded in the nineteenth century to perform the useful services of collecting case reports and statutes from geographically dispersed courts and leg-

7. The author worked in the legal publishing industry for many years and the information herein describing the industry reflects that experience.

islatures, and publishing them in compiled formats, enhanced with "finding aids" that made them accessible to all users. West Publishing Company was, for many years, the predominant publisher of the full spectrum of primary and secondary legal information, but the relevant universe of legal publishers, while never large, also contained a handful of other "broad spectrum" publishers and many smaller, independent publishers who filled geographical or product niches. Beginning in the 1970's and rapidly accelerating in the 80's and 90's, however, the industry experienced a prolonged period of intense merger activity. Through a series of acquisitions, two deep-pocketed multinational conglomerates, the Thomson Corporation and Reed Elsevier, achieved domination of the industry by snapping up most of the sizeable broad-spectrum publishers and many of the niche publishers.⁸ The purchase of

8. As of this writing, Thomson controls the following, formerly independent, publishers: Callaghan; Clark Boardman; Warren, Gorham & Lamont; Lawyers' Cooperative Publishing Co.; Bancroft-Whitney; Research Institute of America; Maxwell McMillan; Counterpoint; Information Access; Information America, Inc.; Barclays; West Publishing; Banks Baldwin; and Foundation Press. West, Bancroft Whitney, Clark Boardman Callaghan, and Lawyers' Cooperative now operate under the name "West Group." Reed Elsevier controls: Congressional Information Services; R.R. Bowker; University Publications of America; Martindale Hubbell; Butterworths; Michie; Lexis-Nexis, Matthew Bender, and Shepard's.

As a result of the Thomson-West merger, Reed Elsevier also acquired a number of former Lawyers' Cooperative products which, in conjunction with Michie, currently operate under the name Lexis Law Publishing ("LLP"). Reed Elsevier formerly shared ownership of Shepard's Company with Times Mirror Company. On April 27, 1998, Times Mirror announced that it would sell both Matthew Bender & Co. and Times Mirror's 50 percent interest in Shepard's to Reed Elsevier for \$1.65 billion. See Lisa Bannon & Kimberley A. Strassel, *Reed Elsevier to Buy Two Units of Times Mirror*, WALL ST. J., Apr. 28, 1998, at A3; see also *Reed Elsevier Announces a \$1.65 Billion Transaction in Major Expansion of its US Legal Information Business* (visited Oct. 21, 1998) <<http://www.reed-elsevier.com/Reed-Elsevier/newsreleases/nr39.asp>>. Completion of the sale was reported on Aug. 3, 1998. See *Marketing & Media, Noted . . .*, WALL ST. J., Aug. 3, 1998, available in 1998 WL-WSJ 3503965.

The only publishers of significant size not owned by Thomson or Reed Elsevier are Anderson Publishing Co., Bureau of National Affairs, Law Office Systems ("LOIS"), Practising Law Institute, and Wolters-Kluwer, which owns Commerce Clearing House, Aspen Law Publishing and Little, Brown. In October, 1997, Reed Elsevier and Wolters-Kluwer announced their intention to merge, in what would have been the largest publishing company in the world. However, on March 9, 1998, the companies jointly announced that they were abandoning the merger. The deal collapsed after European Union regulators expressed concern that the merger would threaten competition in Europe's publishing industry and appeared likely to demand divestiture of substantial publishing

West Publishing Company by Thomson was the high-water mark of the wave of acquisitions, though the endpoint is not yet in view. The long spell of "merger mania" was fueled by the historically stable markets and high profit margins for legal publishers.⁹

Commercial publishers have always been the major purveyors of legal information in this country. While government sources publish basic legal information at both the federal and state levels, that information is generally not enhanced by "value-added" materials¹⁰ and is often much later to market, at least in print, than commercial products.¹¹ Commercial publishers are the only sources of legal information in many markets. Prior to the electronic information revolution, markets were primarily defined by the nature of the material, such as cases or statutes, and by fairly rigid jurisdictional divisions, such as the federal courts and Congress or the courts and legislatures of different states. Today, markets are also divided into print or electronic media, with alternative

assets. See *Announcements* (visited Oct. 21, 1998) <<http://www.wolters-kluwer.com/frame5.html>>; *Announcements* (visited Oct. 21, 1998) <<http://www.reed-elsevier.com/Reed-Elsevier/newsreleases/nr37.asp>>; *Reed Elsevier on Database Protection* (visited Aug. 1, 1998) <<http://www.essential.org/listproc/tap-juris/msg00253.html>>. See also Martin du Bois, *Reed Elsevier and Wolters Kluwer End Merger Plans After Concerns at EU*, WALL ST. J., Mar. 10, 1998, at A19.

The preceding information, if not otherwise attributed, is taken from KENDALL F. SVENGALIS, *THE LEGAL INFORMATION BUYER'S GUIDE AND REFERENCE MANUAL* 10 (1997). Although the book predates the most recent mergers, updated information is available at <<http://rilp.web2010.com/update.html>>.

9. Svengalis notes several characteristics of legal publishing which attract corporate buyers, including higher profit margins than trade publishing, more favorable cash flow resulting from subscriptions, greater upward flexibility in pricing because the information is vital to the customer, and the fact that legal information is often paid for by the user's employer. "Lawyers are a largely captive market, require legal publications to carry on their practice, and are generally more affluent than the average consumer. . . . This explains the high prices which the international conglomerates were willing to pay to acquire many of the domestic legal publishing companies." SVENGALIS, *supra* note 8, at 11.

10. The term "value-added" describes elements such as annotations and headnotes, which summarize or comment on the basic texts, as well as digests, indices, search engines, hypertext links and other access tools which provide access to related data. An "enhanced" product contains such materials or tools in addition to basic texts.

11. For example, the official advance sheets of *U.S. Reports*, the official Supreme Court reporter, may lag two years behind the decision, whereas *West's Supreme Court Reporter* and LLP's *Lawyer's Edition* are available within a matter of weeks after the decision. SVENGALIS, *supra* note 8, at 66. The electronic versions may be online on Lexis and Westlaw within hours.

sources likely to be most limited for exclusive print users.

With respect to court opinions, West's National Reporter System and its state-specific offprints provide comprehensive, and often exclusive, coverage of state and federal case reports with the exception of some specialized courts. West publishes case reports for all states and is the only comprehensive source for federal court opinions below the Supreme Court level. The federal government publishes *U.S. Reports*, the Supreme Court decisions and, in twenty-two states, West's competitors or the state itself print competing case reporters. In approximately twenty-eight states, however, West is the sole print source for case reports.¹²

The picture is more complex with respect to statutory compilations. There are several print compilations of the United States Code: one official, un-enhanced version published by the federal government, and two competing proprietary codes now owned by Reed Elsevier and Thomson. In larger states, which offer lucrative markets, there may be two or more printed versions of the code offered by publishers and, occasionally, by the state. In many states, however, there is only one official version of the code with copyright claimed either by the publisher, in proprietary codes, or by the state itself in codes published under exclusive contracts or by the state.¹³

Costs of market entry are very high in print media, particularly where the product must be enhanced by features like comprehen-

12. These states have no independent print reporters, but rely on West's national reporter system either as their official reporter, their "designated official" reporter, or by default. For most of the states, a West competitor now offers a CD-ROM which includes un-enhanced case report coverage. However, four states (Iowa, Maine, Oklahoma and Wyoming) have no alternative sources on CD-ROM. Some case coverage is available on the Internet for Iowa, Oklahoma and Wyoming. See SVENGALIS, *supra* note 8, at 349-496, for state-by-state resources. Cases are, of course, available on Lexis and Westlaw.

13. Fifteen states publish their own official version of the statutes, usually in competition with commercial publishers—while only in Montana is the state the sole source of the statutes. In over half of the states, a commercial publisher is the sole print source for the statutes. *Id.* In thirteen of those states, the state retains the copyright under contract with the publisher. In the remaining states, the publisher holds the copyright. West always owned the copyright in its codes prior to the Thomson merger. Again, the development of CD-ROM broadened consumer's choices in most states. Prior to the development of electronic compilations, users' only access to the law in these states was through print publications.

sive headnotes or case annotations in order to be competitive. Editorial staffs are expensive, as are printing and distribution facilities.¹⁴ The only challenge to sole source providers of either case reports or statutes in print has come from the development of electronic technologies such as online services and, more particularly, CD-ROM publications which cross-link case reports and statutory texts. Even in electronic markets, sole source providers' control of enhanced print products, which can be reused in electronic media, gives them a decided advantage.

The profitability of primary law markets is bolstered by reliance on a subscription system. Most primary law information, in print or electronic formats, is sold to consumers on a subscription basis, with an initial purchase tied to an agreement to purchase periodic updates. The nature of the information itself, which requires frequent updates, reinforces the subscription system. Even where data is available to competitors, there has been a strong tendency within the industry for the first publisher into a market to develop an exclusive subscriber base that serves as a barrier to entry by competitors. The combination of sole source markets and subscriber bases ensures relatively high profits.¹⁵ For broad spectrum

14. The editorial expense of "value-added" features such as headnotes, annotations, and indices comprises the bulk of the costs of a new or updated compilation. Because comprehensiveness is usually viewed as essential to such publications, startup costs for a new statutory compilation, for example, can be prohibitive for any company which does not have access to preexisting headnotes or annotations as West does through its reporter system.

15. For example, at the time of West's purchase by Thomson, West's typical operating profits were 25 percent annually. Lexis-Nexis' profits, at the time of its purchase by Reed Elsevier, were 11 percent which Reed increased to 16 percent within a year. *See* SVENGALIS, *supra* note 8, at 8. In its 1997 annual report, Thomson reported 1997 sales of \$1,982 million, and operating profit of \$469 million (24 percent) for the Legal and Regulatory Division, versus sales of \$1443 million and operating profits of 294 million (20 percent) in 1996 (when West was part of Thomson for only six months.) *See Thomson 1997 Annual Report* (visited Oct. 21, 1998) <<http://www.thomcorp.com/annual97/legal.phtml>>. In its preliminary financial statement for 1997, Reed Elsevier announced that Lexis's operating profits increased by 19 percent, comprising a 10 percent increase in Lexis's online revenues but a 24 percent increase in print and CD-ROM revenues from Lexis Law Publishing and Martindale-Hubbell. Actual sales and operating profit figures were not provided. The statement is available at (visited Oct. 21, 1998) <<http://www.reed-elsevier.com/Reed-Elsevier/newsreleases/nr38.asp#RO>>. Matthew Bender and Shepard's, the subjects of the latest merger, reported net incomes of 31 percent and 57 percent of revenue, respec-

publishers, the ability to reuse materials in a variety of publications also enhances profitability.¹⁶ Publishers' dominance of these profitable markets depends upon the cooperation of numerous public officials who control the underlying government data.

Whether the publisher's source is a court clerk who provides slip opinions and later corrections or a revisor of statutes with broad power to edit legal texts, there is invariably interaction and information exchange between publishers and state officials, which is often quite extensive, particularly for statutory compilations. While some state codes are proprietary products of the publisher, many are produced by publishers as works-for-hire under detailed contracts that require considerable interaction between government and publisher staffs and grant long-term exclusive selling rights as compensation for the publisher's efforts.¹⁷ These relationships historically buttressed the exclusivity of a publisher's control over the data, though publisher-switching has become more common in recent years. The nature of the editorial processes further reinforces the linkages between publishers and governmental bodies.

B. *Data Processes: Editing or Creating the Base Data*

Publishers obtain the basic texts of judicial opinions and statutes or regulations from functionaries of the courts or federal and state governments.¹⁸ The degree, however, to which these basic texts are edited by publishers, working in conjunction with government officials, is not widely known outside the industry. Case reports incorporate later corrections by the court, as well as addi-

tively, in 1997. See Bannon & Strassel, *supra* note 8, at A3.

16. For example, "custom" publications representing subsets of state codes, such as a reprint of the state's corporation laws, may show profit margins as high as 50 to 60 percent because the cost of the editorial work is spread across the code itself and a host of subsidiary publications.

17. For example, the statutes of Alabama, Alaska, Arkansas, Delaware, District of Columbia, Georgia, Idaho, Mississippi, New Hampshire, New Mexico, North Dakota, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont and Wyoming are produced under exclusive contracts with commercial publishers. Terms as long as ten years were once common; in recent years, contracts are more likely to extend for one to five years with optional renewals which are, in some cases, *pro forma*.

18. Prior to the advent of word processing, these texts were often obtained in print but today are usually (though not always) available in electronic formats that the publisher converts to its publishing system.

tions, basic grammatical corrections, and reference translations by the publisher.¹⁹ Editing of statutory text may be considerably more substantial depending on the requirements, contractual or otherwise, of the particular government. In many states, it is virtually impossible for a competing publisher to provide the official text of the statutes without access to the many corrections and changes proposed by the official publisher and authorized by state officials.

Most states anoint particular officers or agencies, variously denominated as revisers, legislative research bureaus, or legislative councils, to oversee the incorporation of new text into existing compilations.²⁰ They perform that function through close cooperation with the publisher or publishers active in the state. Such cooperation usually involves frequent editorial contacts, exchanges of proofs and corrections, drafting of official notes to explain textual emendations, and resolution of conflicting enactments. The actual language enacted by the legislature that is available in its session laws may be incomplete, conflicting, or directory.²¹ The cooperative efforts of publishers and state officials provide the quality control procedures essential to create usable texts from the raw material of enactments.

In addition to editing basic texts, the major publishers usually create "value-added" features which enhance the basic texts. They may add attorneys' names, parallel citations, headnotes, and key

19. See *Matthew Bender & Co. v. West Publishing Co.*, 42 U.S.P.Q.2d 1930 (S.D.N.Y. May 19, 1997), *aff'd* 158 F.3d 674 (2d Cir. 1998) for a description of the textual changes and additions to case reports. Where the reporter is the "official" report contracted out to a commercial publisher, state officials may review and correct proofs of the reports.

20. See, e.g., ALA. CODE §§ 29-7-1 to 29-7-8 (1998) (creating the Legislative Reference Service); ME. REV. STAT. ANN., tit. 3, §§ 163, 163-A (West 1989) (creating the Legislative Council).

21. In some states, legislative drafting is carefully controlled and only minor textual changes are permitted. Arizona, for example, enacts near perfect texts, though different acts often conflict with each other. In many states, however, session laws are enacted without section numbers or any other indicia of placement, without headings, and without regard to conflicting legislation on the same topic. In some states, enactments may simply use directory language, such as "change X to Y wherever it appears in the code" rather than specifically enacting usable text. See 1989 TENN. PUB. ACTS 591, the Tennessee Criminal Sentencing Reform Act, which reclassified criminal offenses throughout the state's code. The editors of the Michie Company, the official publisher, worked with the State Office of Legal Services to rewrite dozens of criminal provisions.

numbers to case reports and create additional finding aids such as tables of cases or statutes and digests. Annotations, indices, historical citations, tables of disposition, and cross references may be added to statutory and regulatory compilations. Materials offered in electronic media provide their own specialized "value-added" features through the application of search engines, hypertext links, and similar finding aids. Features such as historical citations and tables, once created manually by editorial staffs, are now generated by computer programs, as are most electronic finding aids.

All of this material is organized within compilation frameworks which may be created by the publisher, such as West's Reporter system, or mandated by law.²² Case reporters are generally organized geographically, chronologically, and by court. Statutory and regulatory compilations are organized topically. Many of these organizational schemes, including West's key number system for headnotes, were created many years ago and have been continuously maintained and updated. Legislatures periodically revise statutory schemes when they become outdated, but such recodifications are rare. Publishers offer these materials, either as whole compilations or as "bundled" subsets of related materials, in a variety of media. The development of electronic media, while opening up many sole source print markets to competition between media, also provided publishers with more extensive access control than that permitted by print publishing.

C. *Electronic Media*

While print remains the medium of choice for many consumers, electronic media are continually increasing in popularity.²³ Publishers both store and purvey legal information in a number of

22. The organization and numbering schemes of some statutory compilations were specifically designed or adopted by the legislature or a state agency, but the organization and numbering of other codes or parts thereof were created by publishers. The topical arrangement of the Arkansas Code, for example, was designed by the state Statute Revision Commission. Some states, such as Alabama and Tennessee, re-adopt their updated code provisions through annual Code Bills which give official status to arrangements and corrections. At the other extreme, Lexis Law Publishing produces the Michigan Statutes Annotated which uses a proprietary numbering scheme no longer used by the Michigan legislature.

23. In 1995, 54% of West's sales derived from Westlaw and CD-ROM. See SVENGALIS, *supra* note 8, at 509.

electronic formats. The founding and development of the Lexis-Nexis online database forced West to develop its own online system, Westlaw, while simultaneously fighting a rearguard action to protect its print empire. Online research services maintain enormous quantities of data in electronic format, providing new access tools in the form of relatively sophisticated text searches. Because of their comprehensiveness, such databases are expensive to develop and maintain. Future development of proprietary databases like Westlaw and Lexis, which are owned by Thomson and Reed Elsevier respectively, is extremely unlikely. From the beginning, access to such systems was limited by technological means to subscribers willing to pay premium prices.²⁴ Because the electronic medium permits users to download the data itself, the technological fences are supplemented by licensing agreements restricting reuse of the materials.²⁵ While the online services contain realms of public domain information, they are self-contained systems not available for public use.

The growth of the CD-ROM industry offered a less expensive electronic medium, but one equally protected by technological and contractual fences. In contrast to the comprehensive online services, CDs offer specialized packages of information, jurisdictionally or topically distinct, with electronic access tools similar to those available online, at relatively affordable prices. Under early subscription systems, subscribers were required to return their disks in order to receive updates. More recent electronic fences protect CD data through password access tools and "rights man-

24. In the heyday of online computer-assisted legal research ("CALR"), users were charged high transactional or subscription costs for repeated use of the same jurisdictional databases. The costs were billed out to clients. Eventual rebellion by clients and firms resulted in rationalization of the pricing system although prices remain too high for many small firms. *See id.* at 119-120, with complete price lists at 122. *See also* Ben Dummett, *Thomson Doesn't Expect Ruling to Cut Prices for On-Line Legal Documents*, WALL ST. J., May 22, 1997, at B7 (reporting that West charges about \$200 an hour for access to its on-line legal documents, roughly in line with the competition, and that West and Lexis-Nexis each control about 50 percent of the real-time market for legal documents).

25. *See* Paul T. Sheils & Robert Penchina, *What's All the Fuss About Feist? The Sky is Not Falling on the Intellectual Property Rights of Online Database Proprietors*, 17 U. DAYTON L. REV. 563 (1992) (arguing that the non-negotiable license agreements required by both online services offer them substantial protection against data appropriation).

agement" technologies which cause the CD to expire after the date at which the next subscription CD is published. As with online services, subscribers are subject to licenses which restrict reuse of the data.²⁶ The advent of CD-ROM provided the first significant price competition in many markets for those consumers willing to switch from print to electronic sources. The major print publishers moved into this medium in response to inroads by competitors offering relatively un-enhanced, but inexpensive, databases. Because of their control of the print medium, the "majors" offered enhanced data on their CD products, but priced them at a higher level designed to protect their interests in the print products. Recently, the market success of smaller electronic publishers has forced the major publishers to bring some of their prices down.²⁷

The Internet now offers yet another electronic publishing medium. Most commercial publishers were initially leery of offering their data on the Internet. Many publishers offer catalogs and general company information on the Web but do not publish materials through that medium. Law Office Information Systems ("LOIS"), an exclusively electronic publisher, recently established a Web-based electronic search service offering access to a substantial amount of primary law.²⁸ Lexis and Westlaw now offer Internet gateways, protected by the same password systems as their online services.²⁹ A number of states also post primary legal information on the Internet, though the comprehensiveness and quality of their offerings remain limited.³⁰

The advent of alternative electronic media inspired the major print publishers to abandon paper-based editorial systems in favor of electronic word processing and database formats. The vast majority of statutory compilations and many regulatory compilations are now housed in complex proprietary databases which feed the

26. See SVENGALIS, *supra* note 8, at 113-14.

27. See *id.* at 68-72. LOIS has been notably successful by eliminating upfront licensing charges, network and online charges, and multiple user charges still imposed by many of the major publishers for their CD products.

28. See *id.* at 503.

29. For access to Westlaw's Internet site, see <<http://www.westlaw.com>>. For Lexis' site, see <<http://www.lexis.com/xchange>>.

30. See SVENGALIS, *supra* note 8, at 137. Svengalis also includes a list of web sites for each state. See *id.* at 349-496.

base data out to both print and electronic publications. Case reports reside on the massive online databases of Westlaw and Lexis and on smaller CD-ROM databases. Database-driven production is not without its costs in programmatic conversions and quality controls, but allows much of the data to be edited only once and formatted automatically for a variety of publications. Many government agencies also maintain their own databases of information, including the basic texts of the law. In short, almost all primary law information is now contained on one or more databases, many of which feed information to each other and to a variety of publications.

The relationships between media are often uneasy because features essential to one medium may be useless in another and sales in electronic media adversely impact sales in print. Nonetheless, most print publishers also sell their content in electronic media by direct distribution of their own products and/or through licensing arrangements with competitors. Licensing arrangements are, in fact, pervasive in the industry. In order to achieve the comprehensive coverage necessary for their online services, Westlaw and Lexis license material from official state and federal sources, from each other, and from a variety of other publishers. Following the settlement in *West Publishing*, Lexis-Nexis paid an undisclosed, but reportedly hefty, license fee for the use of West's pagination.³¹ The consent decree for the Thomson-West merger required that West license its pagination to other publishers.³² Joint ventures are also fairly common within the industry. For example, W.H. Anderson Co. and Lexis Law Publishing jointly produce a CD-ROM containing Ohio law. Prior to the recent purchase arrangement, Shepard's Citator Service was jointly owned and operated by Reed Elsevier and Times Mirror, through its subsidiary, Matthew Bender; the arrangement included cross-licensing of data.³³

In summary, a realistic portrait of the legal information indus-

31. See Thomas Scheffey, *Raiders of the West Ark*, CONN. LAW TRIBUNE, Aug. 12, 1996, at 1 (observing that the initial license fee was reportedly \$10 million).

32. See *United States v. The Thomson Corp. and West Publ'g Co.*; Proposed Final Judgment and Competitive Impact Statement, 61 Fed. Reg. 35,250-02 (1996).

33. See SVENGALIS, *supra* note 8, at 10.

try reveals a superstructure of two enormous competitors, surrounded by a handful of lesser players, who control a series of interconnected, but rather rigid, markets defined by content, jurisdiction, and medium, in which sole source print providers are common. That superstructure conceals an intricate substructure of informational networks and interdependencies among competitors and governmental agencies. These relationships are reinforced by the very processes through which legal information is produced. Additionally, extensive self-help technologies and subscriber systems capture a widely dispersed and relatively powerless consumer base. This edifice was originally founded on the rights granted to publishers and government agencies by the copyright regime but the recent evolution of the structure raises serious antitrust concerns which serve as background to the ongoing debate over the appropriate scope for intellectual property protections.

D. Antitrust Complications

An inherent tension exists between antitrust laws, which seek to prevent or control monopoly power and enhance competition,³⁴ and the copyright regime, which confers limited monopolies in order to induce creation. The antitrust laws do not prohibit monopoly as such, since monopolies may develop naturally, but rather the act of monopolizing or attempting to monopolize markets in which the actor has market power.³⁵ In most situations, a copyright monopoly does not confer sufficient market power to threaten competition; a monopoly on one novel still leaves the user with a broad range of choice among thousands of substitute works of fiction. In legal information, however, the fungibility principle does not hold. The statutes and case reports of New York cannot provide a sub-

34. The key antitrust provisions are sections 1 and 2 of the Sherman Anti-Trust Act, 15 U.S.C.A. §§ 1-2 (West, WESTLAW through Pub. L. 105-220, 1998), which prohibit conspiracies in restraint of trade and monopolization or attempts to monopolize, and section 7 of the Clayton Act, 15 U.S.C.A. § 18 (West, WESTLAW through Pub. L. No. 105-220, 1998), which prohibits acquisitions or mergers whose effect may substantially lessen competition or tend to create a monopoly. The Sherman Anti-Trust Act was enacted as Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies in 1890, while the Clayton Act was enacted as Act to Supplement Existing Laws Against Unlawful Restraints and Monopolies in 1914.

35. See HERBERT HOVENKAMP, *FEDERAL ANTITRUST POLICY: THE LAW OF COMPETITION AND ITS PRACTICE* 241-43 (1994).

stitute for those of Maine. The nature of the materials and the tendency toward sole sources in many geographic markets confer substantial market power in those markets.

Antitrust claims are often raised in litigation concerning copyright in legal information. To date, the courts have not addressed such claims but have rested their decisions exclusively on copyright grounds.³⁶ The 1996 merger of the Thomson Corporation and West Publishing Company, however, squarely presented a controversy in which antitrust concerns, based on the peculiarly intense effect of copyright monopolies in legal information, were central. At the time of the merger, West was the dominant legal publisher in the United States. Thomson, with its aggregate of acquired companies, most significantly Lawyers' Cooperative, was the second largest publisher. The massive impact of the proposed merger incited widespread criticism from an unusually broad range of commentators³⁷ and led to an unprecedented lawsuit by the Department of Justice ("DOJ"), in conjunction with the seven state Attorneys General to invalidate the merger on antitrust grounds.³⁸ The suit was eventually settled by agreement to a jointly proposed, judicially approved consent decree.³⁹

The complaint alleged that the merger would violate both section 1 of the Sherman Anti-Trust Act and section 7 of the Clayton Act because the combination of the two major competitors would

36. Such claims were alleged in the *West Publishing, Oasis*, and the *Matthew Bender* cases, for example, but were not discussed. See Part II, *infra*. Antitrust claims are not a new issue in the industry. See, e.g., *Callaghan & Co. v. F.T.C.*, 163 F.2d 359 (2d Cir. 1947) (upholding a cease and desist order issued against the American Association of Law Book Publishers for a variety of antitrust offenses including price fixing, setting uniform bids and discounts on government contracts, and timing publications to avoid competition. The Association's members included most of the major American publishers at the time). The Minneapolis Star-Tribune published an extensive expose of West's techniques for wooing judges and legislators which is archived at *West Publishing and the Courts* (visited Aug. 1, 1998) <<http://www.startribune.com/westpub>>.

37. See, e.g., Molly Ivins, *Opperman Gifts to Clinton/Dems*, (Apr. 20, 1997), (visited Oct. 21, 1998) <<http://www.essential.org/listproc/tap-juris/msg00246.html>>. See also, Viveca Novak & Michael Weisskopf, *The Cheerful Giver*, TIME, Apr. 14, 1997, (visited Oct. 21, 1998) <<http://www.allpolitics.com/1997/04/14/time/novak.html>>. Both articles comment on the impact of West's political influence on the merger and related Justice Department investigations.

38. See *United States v. Thomson Corp.*, 949 F. Supp. 907 (D. D.C. 1996).

39. Proposed Final Judgment, *supra* note 32.

substantially lessen competition in nine enhanced primary law markets, several secondary law markets, and the market for online research services.⁴⁰ The DOJ identified the primary law product markets by jurisdiction and nature of the material; those markets where the merger would result in unitary control of enhanced products were viewed as at risk.⁴¹ The market definitions are noteworthy for both their specificity and their recognition of media differences.

The proposed judgment recognized the nonfungibility of different primary law products which contain the same data. The decree states that un-enhanced codes or reporters are not substitutes for enhanced products even within the same medium; full-text searching on online services or CD-ROM does not fully substitute for enhanced print products or vice versa; nor are online services, CD-ROM, or Internet sources interchangeable.⁴² Applying its merger guidelines to the defined markets in order to establish post-merger concentration of market power within those markets, the DOJ found that the merger would substantially increase market concentration in the identified markets.⁴³

Assessing the anticompetitive impacts of such concentration, the DOJ focused on four areas of concern: price, quality, innovation, and access. The Justice Department found that users of one product were unlikely to turn to another in sufficient numbers to defeat price increases. Barriers to entry were high because entrants would have to compile comprehensive historical collections of

40. The claims with respect to secondary law markets are outside the scope of this paper. The online claims related to materials licensed to Lexis-Nexis by Thomson.

41. The nine primary law markets identified by the plaintiffs as "at risk" were: the United States Code, United States Supreme Court case law; California Code; California case law; Massachusetts code; Michigan code; New York code; Washington case law; and Wisconsin case law. Proposed Final Judgment, *supra* note 32, at 35,260.

42. *Id.* at 35,260-61.

43. The Justice Department relies on the Herfindahl-Hirschman Index ("HHI") to measure market concentration. The index calculation squares the market share of each firm in the market and sums the number accounting for the relative size and distribution of firms in the market. Under current DOJ merger guidelines, an HHI in excess of 1800 combined with a post-merger HHI increase of more than 100 points sets off antitrust alarms. The HHIs for the nine primary law markets ranged from 4521 to 9019, with increases in concentration ranging from 959 to 4234 points. These are astronomical numbers. See *id.*, Exhibit C, at 35,265.

cases, develop sophisticated editorial staffs, and risk suit by West over pagination. Even if a new entrant should appear, it was unlikely that such entrant would be capable of restraining an anti-competitive price increase within a two-year period. Existing price and quality competition between Thomson and West in the nine primary law markets would end after the acquisition, giving Thomson incentives to exercise market power by increasing prices, reducing quality and innovation, and withholding access to certain products.⁴⁴ Star pagination was a focus of dispute.⁴⁵ Any potential market entrant was likely to be deterred from using star pagination due to West's proclivity to litigation over its claim to copyright in pagination. Without star pagination, the potential market entrant would be noncompetitive.

Ultimately, the plaintiffs and defendants reached agreement on a proposed consent decree under which Thomson was required to divest over fifty products and license West's reporter pagination.⁴⁶ To no one's great surprise, the divested products, accompanying databases and software, and the right to hire employees associated with the products were eventually acquired by Reed Elsevier, which then dropped its former opposition and joined the Justice

44. *Id.* at 35,261-62.

45. Star pagination refers to the widely used technique of inserting page number references to parallel reporters indicating the location of the quoted text in the parallel publication. Star pagination is used in print and electronic compilations.

46. Proposed Final Judgment, *supra* note 32, at 35,262-35,263. The original consent decree proposed that Thomson be required to license its pagination to competitors for a fixed fee. Judge Friedman, reviewing the proposed judgment under the limited scope permitted for public interest inquiries under the Antitrust Procedures and Penalties Act ("Tunney Act") 15 U.S.C. § 16 (1994), approved the divestiture requirements, but balked at the pagination licensing proposal. He expressed "serious doubts" about the continued validity of *West Publishing* and feared that the settlement would legitimize Thomson/West's claims to copyright, maintain barriers to entry, and effectively force smaller competitors to finance Thomson's pursuit of copyright immunity. See *United States v. Thomson Corp.*, 949 F. Supp. 907, 926-930 (D.D.C. 1996). The court eventually approved an alternative under which Thomson would grant licenses to competitors but defer some fees until either a final judicial determination of the merits of the copyright claim or December 31, 2000, whichever comes first. Final judicial determination requires a holding by the Supreme Court on the merits. The deferral was available only to small publishers with net sales of less than \$25 million (excluding Lexis-Nexis and most other key competitors); moreover, if Thomson prevails on the copyright claim, licensees will owe the deferred fees. See *United States v. Thomson Corp.*, CIV. No. 96-1415 (PLF), 1997 WL 90992, at *1 (D.D.C. Feb. 27, 1997).

Department in support of the proposed decree.⁴⁷ The merger is complete, though Hyperlaw, Inc., an intervenor in the case, continues to challenge its appropriateness⁴⁸.

The consent decree and judgments clarified the unique aspects of the legal information industry: the nonfungibility of products, not only across markets but also across media; the real market power that often accompanies monopoly rights in this field; and the resulting threats to price and nonprice competition posed by the high concentration ratios in many markets and the oligopolistic structure of the industry as a whole.⁴⁹ While antitrust and intellectual property doctrines may coexist peacefully in other arenas, intellectual property regimes pack an unusually powerful antitrust punch in law publishing. Such regimes are not usually crafted with specialized market impacts in mind. The current copyright regime predates the development of a highly concentrated market structure in the industry. Moreover, most of the existing statutory law and judicial precedent governing protection of legal information predates the full flowering of the electronic era with its tremendous impact on publishing processes and products. The copyright regime has been slow to adapt to rapidly changing electronic technologies, raising questions about the scope of existing protections and the need for additional regimes in the digital environment.

47. See *Thomson Corp.*, 1997 WL 90992, at *1. See also, *Thomson Corp. Accord With Reed Elsevier Clears Justice Department*, WALL ST. J., Apr. 1, 1997, at B5.

48. Hyperlaw claims that the District Court erred in approving the consent decree by failing to require disclosure of the secret pagination settlement in *West Publishing* and that the court misinterpreted its role under the Tunney Act. See *Hyperlaw Brief* at (visited Oct. 21, 1998) <<http://www.hyperlaw.com/dcbrrh1.htm>>.

49. It should be noted that, while the DOJ's analysis accurately reflects the highly specialized markets prevalent in the industry from the consumer's viewpoint, the analysis, and consequently the divestiture remedy, fails to recognize the advantages accruing to Thomson, and Reed Elsevier, as a result of their dominance in many interconnected markets. Products reuse the same underlying data and build on product relationships so that, for example, divestiture of Lawyer's Edition without divestiture of American Law Reports ("ALR") significantly weakened the divested product. Similarly, divestiture of Deering's California Code without forced divestiture of the California Reports (from which Deering's annotations are derived) left the Code without an inexpensive source for essential content.

II. THE STATE OF COPYRIGHT LAW RELATING TO PRIMARY LAW COMPILATIONS

This part outlines the present statutory framework and reviews judicial interpretation, to date, of copyright protections for compilations in general and primary law compilations in particular, including recent, conflicting holdings concerning pagination.

A. *The Statutory Framework*

Compilations and derivative works, as general categories, are specifically included within the subject matter of copyright by section 103 of the Copyright Act of 1976.⁵⁰ Subsection (b) of that section provides that "the copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the pre-existing material employed in the work, and does not imply any exclusive right in the pre-existing materials."⁵¹ Most primary law publications clearly qualify as compilations; however, those which contain substantial value-added materials, such as headnotes or annotations, may also be considered derivative works at least as to those elements.

Section 101 of the Copyright Act of 1976 defines "compilation" as "a work formed by the collection and assembling of pre-existing materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship."⁵² Derivative works are defined as works "based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation or any other form in which a work may be recast, transformed, or adapted."⁵³ A derivative work "[a] work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of

50. The present United States copyright law is embodied with the Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C.A. §§ 101-1010 (West Supp. 1999)).

51. 17 U.S.C.A. § 103(b).

52. 17 U.S.C.A. § 101.

53. *Id.*

authorship”⁵⁴

The legislative commentary on section 103 observes that there is some overlapping between the “compilation” and “derivative work,” though they essentially represent different concepts.⁵⁵ A “compilation” results from a “process of selecting, bringing together, organizing, and arranging previously existing materials of all kinds, regardless of whether the individual items in the material have been or even could have been subject to copyright” while a “derivative work” requires a “process of recasting, transforming, or adapting one or more preexisting works.”⁵⁶ The “pre-existing work” must “come within the general subject matter of copyright” as defined in section 102 of the Copyright Act of 1976, regardless of whether the preexisting work was ever copyrighted.⁵⁷

However, such distinctions are difficult to apply to enhanced primary law publications which select and arrange data, make internal editorial changes in the underlying data of the nature described in the derivative works definition, and add annotations and other “elaborations.” Commentators have noted the tendency of both the drafters and subsequent court opinions to confuse the two categories.⁵⁸ Moreover, the basic texts of statutes and case reports are “government works” exempted from copyright protection.

Under section 105 of the Copyright Act of 1976, all United States government works, which include primary federal law, are excluded from copyright protection.⁵⁹ While the Copyright Act makes no specific provision regarding state or local government works, it is well established that state judicial opinions and statutes are in the public domain and cannot be copyrighted although compilations of those materials can be copyrighted to the extent that

54. *Id.* (emphasis added).

55. 17 U.S.C.A. §§ 101 and 103. *See also* 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 3.02 (3d ed. 1985).

56. 17 U.S.C.A. §§ 103.

57. *Id.*

58. *See* 1 WILLIAM F. PATRY, COPYRIGHT LAW AND PRACTICE 192 (1994) (Patry himself refers to “derivative compilations” at 194, n.321). *See also* 1 GOLDSTEIN, *supra* note 3, §§ 2.14.3.2, 2.14.3.3. (stating that headnotes and annotations are derivative works but case reporters as a whole are compilations).

59. *See* 17 U.S.C.A. § 105.

they contain original material.⁶⁰ Consequently, if derivative works require a copyrightable predecessor, primary law compilations and their constituent elements cannot be derivative works. However, if the legislative history quoted above is read to require only that the work recognizably fall into one of the subject matter categories of section 102, then the underlying legal texts are undoubtedly "literary works" notwithstanding their uncopyrightable nature. A rational approach to collections of primary law views the works as a whole as compilations which contain features, such as selection and arrangement, peculiar to such works. However, some of the individual elements of enhanced primary law compilations, notably headnotes and annotations, may rise to the level of derivative works if they sufficiently transform the underlying data. Such an interpretation is, on the whole, in accord with section 103's element-by-element approach to copyrightability and with judicial precedents.

B. *Judicial Precedent Prior to Feist*

Beginning in 1834 with *Wheaton v. Peters*,⁶¹ the federal courts issued a number of opinions concerning copyright in primary law compilations which established a relatively consistent body of doctrine. While the opinions treat case reporters and statutory compilations separately, the applicable principles are generally transferable and the two lines of cases often cross-reference each other.

With respect to statutory compilations, the case law establishes that a compiler may obtain copyright in the products of its own intellectual labor, such as marginal references, annotations, and indices, but may not obtain exclusive rights to the texts of the laws themselves, which remain free for use, or compilation, by all. Nor can the state confer such a right by granting an exclusive license to a compiler.⁶² The state itself cannot copyright public domain mate-

60. See 1 NIMMER, *supra* note 55, § 5.06(C).

61. 33 U.S. (8 Pet.) 591 (1834).

62. See *Davidson v. Wheelock*, 27 F. 61 (D. Minn. 1866) (holding that compiler to whom state granted exclusive right to publish edited version of statutes was not entitled to injunction against competitor who published basic, unedited statutes). See also *Howell v. Miller*, 91 F. 129, 137 (6th Cir. 1898) (holding that state-sponsored compiler was entitled to result of his own labors in providing headnotes, indexes, digests, etc., but "any

rials since the "public must have free access to state laws, unhampered by any claim of copyright."⁶³ The policy underlying these decisions is most eloquently stated in *Building Officials & Code Adm. v. Code Technology, Inc.*⁶⁴ The court observed:

The citizens are the authors of the law, and therefore its owners, regardless of who actually drafts the provisions, because the law derives its authority from the consent of the public, expressed through the democratic process . . . citizens must have free access to the laws which govern them. This policy is, at bottom, based on the concept of due process . . . Due process requires people to have notice of what the law requires of them so that they may obey it and avoid its sanctions. So long as the law is generally available for the public to examine, then everyone may be considered to have constructive notice of it; any failure to gain actual notice results from simple lack of diligence. But if access to the law is limited, then the people will or may be unable to learn of its requirements and may be thereby deprived of the notice to which due process entitles them.⁶⁵

Similar principles of public access to basic legal texts, but protection of the compiler's independent work, were established in a parallel line of cases concerning copyright in case reporters.⁶⁶

person desiring to publish the statutes of a state may use any copy of such statutes to be found in any printed book, whether such book be the property of the state or the property of an individual.").

63. See *Georgia v. Harrison Co.*, 548 F. Supp. 110, 114 (N.D. Ga. 1982), *order vacated after settlement*, 559 F. Supp. 37 (1983) (holding that state's copyright in recodification of its statutes could not be infringed by competing private publication of code). See also *Harrison Co. v. Code Revision Comm'n*, 260 S.E. 2d 30 (1979) (holding that grant of exclusive publishing contract for recodification could not preclude competition from other compilers). Many states contract for private publication of their codes, but retain the copyright.

64. 628 F.2d 730 (1st Cir. 1980) (holding that a privately-created building construction code lost copyright protection when the state legislature enacted the code as a set of administrative regulations).

65. *Id.* at 734.

66. These cases have been thoroughly dissected in several articles critiquing the decision in *West Publishing*. See, e.g., L. Ray Patterson & Craig Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36

*Wheaton v. Peters*⁶⁷ enunciated the principle that no reporter could own a copyright in the basic text of opinions issued by the Supreme Court. *Banks v. Manchester*⁶⁸ extended the principle to state court opinions. *Callaghan v. Myers*⁶⁹ confirmed that judicial opinions themselves were not susceptible of copyright, but held that no public policy precluded the reporter from obtaining a copyright covering those parts of the volume which were the results of his "intellectual labor." The *Callaghan* opinion included dicta to the effect that pagination was included in the protectible matter.⁷⁰ The Second Circuit subsequently addressed the issue of "star pagination" directly in *Banks Law Publishing Co. v. Lawyers' Co-operative Publishing Co.*,⁷¹ holding that "the arrangement of reported cases in sequence, their paging and distribution into volumes, are not features of such importance as to entitle the reporter to copyright protection of such details."⁷²

U.C.L.A. L. REV. 719, 731. (1989); James H. Wyman, *Freeing the Law: Case Reporter Copyright and the Universal Citation System*, 24 FLA. ST. U. L. REV. 217, 221 (1996).

67. 33 U.S. (8 Pet.) 591 (1834).

68. 128 U.S. 244, 253 (1888) (publisher who reprinted opinions, syllabi and statements of cases prepared by court was not liable for infringement of reporter's copyright since "the whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all. . .").

69. 128 U.S. 617 (1888).

70. The court identified the title page, tables of cases, head notes, statements of facts, and arguments of counsel as copyrightable, and then went on to add: "Such work of the reporter, which may be the lawful subject of copyright, comprehends also the order of arrangement of the cases, the division of the reports into volumes, *the numbering and paging of the volumes*, the table of the cases cited in the opinions, (where such table is made) and the subdivision of the index into appropriate, condensed titles, involving the distribution of the subjects of the various head-notes, and cross-references, where such exist." (emphasis added). *Id.* at 649. The reference to pagination went beyond the findings in the case. The lower court opinion, with which the Supreme Court claimed to concur, specifically eschewed the opportunity to find in the plaintiff's favor on the basis of copying of pagination and arrangement observing that those features might depend on the will of the printer. *Id.* at 661, 662. See also Patterson & Joyce, *supra* note 66, at 736, for a thorough discussion of *Callaghan* and its impact on the pagination dispute.

71. 169 F. 386 (2d Cir. 1909), *appeal dismissed per stipulation*, 223 U.S. 738 (1911).

72. *Id.* at 390, 391. The court noted, in passing, that a different question would be presented if infringement of headnotes, syllabi, indexes, digests, synopses of arguments, statements of the case or abridgements thereof were alleged. In a similar pagination case involving nonlegal information, the Second Circuit dismissed an action which claimed copyright infringement resulting from defendant's reuse of the official page numbers in a public domain document (a military report) which was included in plaintiff's copyrighted

This series of cases hewed closely to a utilitarian balancing of the need for publisher incentives against the need for public dissemination, rewarding compilers only for their original "intellectual labor" and preserving the basic legal texts for the public domain. However, a controversial series of cases developed in the circuit courts with regard to other compilations afforded copyright protections based on an "industrious collection" or "sweat of the brow" rationale rewarding the mere labor of compiling information without regard to originality.⁷³ Both lines of cases provided the precedential background for the Eighth Circuit's opinion in *West Publishing Co. v. Mead Data Central, Inc.*⁷⁴ which, as read in light of the later Supreme Court decision in *Feist Publications*, is at the center of current litigation over copyright protection for primary law.

The *West Publishing* litigation arose from the fierce competition between Lexis-Nexis' online research service and West Publishing Company's print reporters and turned on Lexis's plan to star paginate to the West reporter system in its online case reports.⁷⁵ The majority opinion devoted little time to analysis of the Copyright Act of 1976, relying instead on judicial precedent decided under prior acts, in particular the pagination reference in *Callaghan*. The court distinguished *Banks v. Lawyers' Co-*

work. See *Eggers v. Sun Sales Corp.*, 263 F. 373 (2d Cir. 1920).

73. See Jane C. Ginsburg, *Creation and Commercial Value: Copyright Protection of Works of Information*, 90 COLUM. L. REV. 1865, 1904 (1990) (discussing the industrious collection cases). Leading cases in this line were *Leon v. Pacific Telephone and Telegraph Co.*, 91 F.2d 484 (9th Cir. 1937) and *Jeweler's Circular Publishing Co. v. Keystone Publishing Co.*, 281 F. 83 (2d Cir. 1922). For a legal information case of this school (though involving digests and encyclopedias rather than basic legal texts), see *West Publishing Co. v. Edward Thompson Co.*, 176 F. 833 (2d Cir. 1910).

74. 799 F.2d 1219 (8th Cir. 1986). The Circuit Court opinion was rendered on appeal from an order granting West a preliminary injunction in a copyright infringement action. See *West Publishing Co. v. Mead Data Central, Inc.*, 616 F. Supp. 1571 (D. Minn. 1985). Nonetheless, both the district and circuit courts rendered full opinions which appeared to determine the merits.

75. At the time, the Lexis-Nexis service was operated by Mead Data Central, a subsidiary of Mead Corp. MDC was subsequently sold to Reed Elsevier. For the sake of clarity, references hereafter will be to Lexis-Nexis (or its owner Reed Elsevier), West Publishing (or its owner Thomson) as seems most appropriate, and least mystifying, in context.

Operative Pub., Co.,⁷⁶ which appears to be the most relevant precedent, on the ground that Banks was an official reporter whose statutory duties required him to create an arrangement, thereby precluding the arrangement and pagination from being part of the reporter's "intellectual labor."⁷⁷ The court also commented that *Banks* required a greater degree of creativity than the "modern trend," an apparent reference to the "industrious collection" cases.⁷⁸

The originality standard received cursory treatment. Little was required, the court noted, except that the work be independently created and involve a slight degree of creative or intellectual labor.⁷⁹ The court found that West's case arrangement was sufficiently original to support copyright protection. Admitting that pagination, in and of itself, was insufficiently original to merit copyright, the court created a tortuous connection between pagination and the arrangement which made pagination protectible by tying it to the overall scheme of the compilation.⁸⁰ Since Lexis users could, hypothetically, use star pagination to view the complete arrangement of cases in the entire West reporter system as well as the particular location of each portion of an opinion, they would have no need to consult West's print volumes and West's market would be harmed. The court rejected the argument that page numbers are mere unprotectible facts, citing a directory case of the industrious collection school.⁸¹

The court offered no explanation why anyone familiar with electronic research tools would be remotely interested in reproducing West's print arrangement, since Lexis itself did not propose to copy the arrangement as such. Nor did it address the fact that the same result could be achieved by using the citation to the first page of the report, which West admitted to be a fair use. The court

76. 169 F. 386 (6th Cir. 1909).

77. *See id.* at 387.

78. *See West Publishing*, 799 F.2d at 1225, 1226.

79. *Id.* at 1223.

80. As noted by Judge Oliver, in a well-reasoned partial dissent, there was no evidence in the record showing how pagination was created or assessing its originality as a separate element. *Id.* at 1237.

81. *Id.* at 1227, 1228. The case cited by the court was *Hutchinson Telephone Co. v. Frontier Directory Co.*, 770 F. 2d 128 (8th Cir. 1985), (holding a white pages telephone directory sufficiently original to support copyright).

gave short shrift to the argument that the public interest demanded free access to the law contained in the reporters. The threat of harm to West's market was sufficient to move the court to find a protectible interest in pagination⁸² notwithstanding the longstanding public policies encouraging maximum access to the law.

At the time the action was brought, Lexis was the dominant online system; by the time it was settled, several years and undoubted millions of dollars in attorneys' fees later, West's online system, Westlaw, had overtaken Lexis.⁸³ Significantly, the settlement established a pattern of cooperative dealings between the two industry leaders, to the exclusion of lesser competitors. The opinion in *West Publishing* encouraged West to take an ever more aggressive stance, extending its copyright claims to statute section numbers and textual corrections as well as pagination; West still relies on the case in current litigation. However, most commentators consider the case's precedential value to be doubtful at best in light of the Supreme Court's later holding in *Feist*.⁸⁴

C. *Feist* and its Aftermath

Feist Publications Inc. v. Rural Telephone Service Company, Inc.,⁸⁵ offered the Supreme Court its first opportunity to address the scope of copyright protection for compilations under the Copyright Act of 1976. Rural, the compiler of a telephone white pages directory, alleged copyright infringement by a competitor which used some of Rural's listings in compiling its own directory. Justice O'Connor, writing for a unanimous court, noted the tension between the established propositions that facts are not copyrightable,

82. The fact that West itself subsequently added star pagination to its own online service belies the fact that such harm was of great consequence. The court simply presumed the likelihood of harm.

83. Patterson & Joyce, *supra* note 66, at 722n.6.

84. See, e.g., 1 PATRY, *supra* note 58, at 198 and 1 NIMMER, *supra* note 55, § 3.03. For a selection of law review articles commenting on West Publishing prior to *Feist*, see William L. Anderson, *Copyright Protection for Citations to a Law Reporter: West Publishing Co. v. Mead Data Central, Inc.*, 71 MINN. L. REV. 991 (1987); Brian A. Dahl, *Originality and Creativity in Reporter Pagination: A Contradiction in Terms?*, 74 IOWA L. REV. 713 (1989); Cary E. Donham, *Copyright, Compilations and Public Policy: Lingering Issues after the West Publishing-Mead Data Central Settlement*, 64 CHI.-KENT L. REV. 375 (1988).

85. 499 U.S. 340 (1991).

while compilations of facts generally are, and found the resolution of that tension in the mandate of originality. Citing precedent that interpreted the constitutional terms "authors" and "writings" to require originality,⁸⁶ the court bluntly stated that "originality is a constitutional requirement."⁸⁷ Facts do not owe their origin to acts of authorship, but are merely discovered; consequently, they are part of the public domain and not subject to copyright. Factual compilations, on the other hand, may possess the requisite originality if the compiler independently makes choices as to selection and arrangement of the facts which entail a minimal degree of creativity.

Even compilations whose selection and arrangement meet the constitutional standard, however, receive protection only for the original components of the work, that is, the selection and arrangement or any original expression of the facts.⁸⁸ In a much quoted passage, the court noted that:

It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not "some unforeseen byproduct of a statutory scheme. . . . It is rather "the essence of copyright". . . . and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "[t]o promote the Progress of Science and useful Arts. . . . To this end, copyright assure authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. . . . This principle known as the idea/expression or fact/expression dichotomy, applies to all works of authorship. As applied to a factual compilation, assuming the absence of original written expression, only the compiler's selection and arrangement may be protected; The raw facts may be copied at will. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art."⁸⁹

86. See *The Trademark Cases*, 100 U.S. 82 (1879) and *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884).

87. See *Feist*, 499 U.S. at 346.

88. *Id.* at 347-49.

89. *Id.* at 349-50.

With the constitutional framework thus firmly enunciated, the court turned to statutory construction. Noting that ambiguity in the language of the Copyright Act of 1909⁹⁰ had caused some courts to lose sight of the originality requirement, the court explicitly rejected the "sweat of the brow" cases, which rewarded the mere activity of fact compilation without a showing of originality.⁹¹ Reviewing the legislative history of the 1976 Copyright act, the Court found that Congress intentionally rejected the "sweat" approach. Section 102(b)'s prohibition of copyright in ideas, procedures, processes, systems, methods, etc., prohibits any copyright in facts.⁹² The statutory definition of "compilation" in section 101 must be read conjunctively to require each, and all, of three distinct elements: (1) collection of preexisting material, facts, or data; (2) selection, coordination, and arrangement of the materials; (3) the creation, by virtue of the particular selection, coordination, or arrangement of an original work. While the standard requires only "some minimal level of creativity," there will be some compilations which are not sufficiently original to trigger copyright protection. Even where the work is copyrightable, section 103 specifically limits its protection to the author's original contributions.⁹³ "[C]opyright is not a tool by which a compilation author may keep others from using the facts or data he or she has collected."⁹⁴

Applying these principles to Rural's white pages directory, the court found that the underlying data—names, towns and phone numbers—were uncopyrightable facts. More significantly, the court held that an alphabetical arrangement was a "garden-variety white pages directory, devoid of even the slightest trace of creativity" which failed to meet the minimal originality standard. Such an arrangement was commonplace and expected as a matter of course. Since the listings lacked originality, a competitor's use of them in creating its own directory could not constitute infringement.⁹⁵

90. Act of Mar. 4, 1909, ch. 320, 9-12, 35 Stat. 1075 (current version at 17 U.S.C.A. §§ 101-1010).

91. *Id.* at 351.

92. 17 U.S.C.A. § 102(b).

93. *See Feist*, 499 U.S. at 354-60.

94. *Id.* at 359.

95. *Id.* at 362-64.

Feist definitively established several guiding principles for protection of compilations: (1) originality is the touchstone for copyright protection not only under the statute but under the Constitution's Copyright Clause; (2) the mere labor of collecting data, that is, "sweat of the brow," does not warrant protection absent originality in, at least, the selection and arrangement of data; (3) even where originality does exist, the compilation receives only "thin" protection for the elements meeting the originality standard the underlying facts cannot be copyrighted.⁹⁶ The court's lucid construction of the statutory provisions can hardly be disputed; however, some commentators question the constitutional analysis, less on doctrinal grounds than on the basis of policy considerations.⁹⁷

While the principles of *Feist* are remarkably clear, the application of the originality standard to particular works, as might be expected, is not. The court's opinion implicitly offers some guidelines the work need not be "novel," but cannot be "mechanical" or "routine" or "entirely typical."⁹⁸ The standard is unavoidably subjective, even when read narrowly. The court itself suggested that a narrow reading of the originality standard is appropriate, noting that the vast majority of compilations will pass the originality test, save for "a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent."⁹⁹ Lower courts applied the standard case-by-case, developing by slow aggregation a body of law implementing *Feist*.¹⁰⁰

96. 1 GOLDSTEIN, *supra* note 3, § 2.14.

97. See Jane C. Ginsburg, *No "Sweat"? Copyright and Other Protection of Works of Information after Feist v. Rural Telephone*, 92 COLUM. L. REV. 338 (1992); Dennis J. Karjala, *Copyright and Misappropriation*, 17 U. DAYTON L. REV. 885 (1992).

98. See *Feist*, 499 U.S. at 358-62.

99. *Id.* at 358-59.

100. The Second Circuit decided an influential series of compilation cases starting immediately after *Feist*. See *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994) (holding that compilation of used car valuations was protectible where valuations represented editorial predictions of expected vehicle values); *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*, 945 F.2d 509 (2d Cir. 1991) (holding that selection and arrangement of yellow pages directory for Chinese-American community met originality standard but was not infringed by competing directory which copied some of the listings but arranged them differently); *Kregos v. A.P.*, 937 F.2d 700 (2d Cir. 1991) (holding that pitching form selecting nine

The accumulation of cases suggests a few general guidelines: that comprehensiveness in selection may preclude copyrightability; that some element of personal judgment is required in selection; that alphabetical, geographical, or chronological arrangements are unoriginal; and that obvious headings or subject categories cannot be protected. Even if copyrightability is established, protection extends only to the specific elements for which originality is shown.¹⁰¹ Notwithstanding the evolution of these relatively consistent guidelines for compilations, two district courts, in recent holdings which purported to apply the *Feist* standard, reached diametrically opposing results concerning the copyrightability of pagination in case reports.

In *Oasis Publishing Co., Inc. v. West Publishing Co.*,¹⁰² a Florida CD-ROM publisher which planned a CD compilation of Florida cases challenged West's right to copyright protection in page numbers in the Southern Reporter. The case was transferred to the District Court of Minnesota,¹⁰³ where the court ruled against Oasis on all counts, holding that West's arrangement of cases was sufficiently original to be protected, that internal pagination was protected as an adjunct to the arrangement, and that star pagination

performance statistics was copyrightable, but arrangement was unoriginal); *Victor Lalli Enterprises, Inc. v. Big Red Apple, Inc.*, 936 F.2d 671 (2d Cir. 1991) (holding "lucky numbers" grid insufficiently original to obtain copyright). In *Key Publications*, the court rejected broad interpretations of *Feist* as precluding protection only against verbatim copying, noting that compilation protections are "thin, but not anorexic." 945 F.2d at 514. For a sampling of cases from other courts, see *Warren Publishing, Inc. v. Microdos Data Corp.*, 115 F.3d 1509 (11th Cir. 1997) (holding listing of information about cable TV systems insufficiently creative where it included the entire relevant universe of available information and was compiled by contacting cable operators for information); *Bellsouth Advertising & Publishing Corp. v. Donnelly Information Publishing, Inc.*, 999 F.2d 1436 (11th Cir. 1993) (holding that selection of yellow pages listings by geography, closing dates for changes, subscriber status and other marketing techniques was insufficiently original); *American Dental Assoc. v. Delta Dental Plans Assoc.*, 126 F.3d 977 (7th Cir. 1997) (holding that compilation of dental procedures held protectible); *Skinder-Strauss Associates v. Mass. Continuing Legal Educ., Inc.*, 914 F. Supp. 665 (D. Mass. 1995) (holding geographic selection and arrangement of legal directory unprotectible); *Khandji v. Keystone Resorts Mgmt, Inc.*, 140 F.R.D. 697 (D. Colo. 1992) (holding settlement brochure discovered during legal proceedings was protectible).

101. 1 GOLDSTEIN, *supra* note 3, § 2.14, at 2-152, 2-153.

102. 924 F. Supp. 918 (D. Minn. 1996).

103. An appreciable "home court" advantage is evident in both *West Publishing* and *Oasis*.

would infringe copyright in the arrangement.¹⁰⁴

The *Oasis* court relied heavily on *West Publishing*. In response to *Oasis*' contention that *Feist* implicitly overruled *West Publishing* by rejecting the "sweat" standard, the court stated categorically that the *West Publishing* court applied "essentially the same" creativity standard applied in *Feist*. But, the court said, even if *Feist* articulated a new originality standard, the *West* case arrangement met the *Feist* standard.¹⁰⁵ The court specifically rejected the argument that pagination was a mere system or process not subject to copyright.¹⁰⁶ The court also rejected the argument that a user could as easily replicate *West*'s arrangement from the first page of the citation as from the internal cites. The former practice, the court held, would not utterly supplant the need for *West*'s products while the latter would do so and, consequently, would constitute infringement.¹⁰⁷

In *Matthew Bender & Co. v. West Publishing Co.*¹⁰⁸ ("Bender I"), the District Court for the Southern District of New York reached the opposite conclusion in a similar fact situation. The plaintiff sought a declaratory judgment that its use of star pagination to *West Reporters* on a CD-ROM containing New York case law would not constitute infringement.¹⁰⁹ The court rejected both the "protection-by-reference-to-arrangement" approach and *West*'s argument distinguishing facts which exist independent of the compilation from those which result from creation of the work, i.e., pagination. The court held that page numbers do not embody any original creation of the compiler and are not protectible.¹¹⁰ Thom-

104. *Oasis* filed an appeal of the case in the Eighth Circuit, but the case was settled prior to issuance of an opinion. The parties filed a joint motion to dismiss, which was granted on July 30, 1997. E-mail from Chris Werner, Assistant Systems Manager, Eighth Circuit Court of Appeals (Apr. 14, 1998) (on file with the Author).

105. See *Oasis*, 924 F. Supp. at 923, 924.

106. *Id.* at 925.

107. *Id.* at 926.

108. 41 U.S.P.Q. 2d 1321 (S.D.N.Y. 1996), *aff'd* 158 F.3d 693 (2d Cir. 1998).

109. A second competitor, Hyperlaw, Inc., intervened in the case as to the pagination issue and the additional issue of copying the text of certain court opinions for purposes of its own CD-ROM product. The Justice Department filed an amicus brief on behalf of Matthew Bender on the basis of *Feist*. See, *Government Backs Bender in Copyright Battle Over Star Pagination*, COMPUTER INDUS. LITIG. REP., Oct. 1, 1996.

110. See *Bender I*, 41 U.S.P.Q.2d at 1330.

son, West's owner, vowed to take the case to the Supreme Court if necessary.¹¹¹

The *Oasis* and *Bender I* courts both reached the issue of fair use, but arrived at conflicting results. Applying the statutory fair use factors,¹¹² the *Oasis* court found that the commercial nature of the intended use, Oasis' purpose to compete directly with West, and the completeness of the copying of West's arrangement, again by reference from pagination, weighed against fair use notwithstanding the relatively uncreative nature of the work. The court rejected Oasis' argument that transference to a different medium was "transformative" and, in the absence of transformation, presumed market harm to West. Consequently, fair use would not protect Oasis use of West's pagination.¹¹³

The *Bender I* court was equally emphatic, if rather less clear in its analysis, in holding that even if pagination could be copyrighted, use of star pagination by a competitor was fair use. The court relied heavily on "the underlying equities" to counterbalance the obviously commercial nature of the use. The court found that the purpose, while commercial, was nonetheless "worthwhile," that the taken portions did not reflect any intellectual effort by West and were not substantial in relation to the whole, and that use of star pagination would not necessarily impact the market for printed books. Hence, pagination was unprotectible under any analysis.¹¹⁴

In a related case ("*Bender II*"),¹¹⁵ the New York court reviewed copyrightability of a different set of compilation elements. Hy-

111. See Richard C. Reuben, *A Page of Copyright History: a New York Judge Rejects West's Claim for Pagination Protection*, 83 A.B.A. J. 38 (1997). Thomson/West filed appeal in the U.S. Court of Appeals for the Second Circuit in September, 1997.

112. See 17 U.S.C.A. § 107. The four factors are: the purpose and character of the use; the nature of the copyrighted work; the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and the effect of the use upon the potential market for or value of the copyrighted work.

113. See *Oasis*, 924 F. Supp. at 926-29.

114. See *Bender I*, 41 U.S.P.Q.2d at 1330. The two cases exemplify the usual difficulties with fair use analysis: vague standards and unpredictable results. On the whole, fair use doctrine is of limited relevance in disputes over legal information since the disputants are almost invariably commercial competitors. The determinative issue is copyrightability of the disputed materials.

115. See *Matthew Bender & Co. v. West Publ'g Co.*, 42 U.S.P.Q.2d 1930 (S.D.N.Y. 1997), *aff'd* 158 F.3d 693 (2d Cir. 1998).

perlaw, Inc., planned to scan the title, text, and certain other information for a number of United States Supreme Court and Court of Appeals cases directly from West reporters.¹¹⁶ West contended that its editorial revisions to case text were protected under the standards for compilations. Hyperlaw argued, and the court agreed, that, since Hyperlaw scanned only the text of individual opinions, the extent of West's copyright in any single opinion must be determined under derivative works standards.¹¹⁷

The court found that the fact that Hyperlaw scanned hundreds of cases did not mean that it copied those aspects of the compilation which represented West's original creation, such as its arrangement, indices, headnotes, and selection of cases. "What Hyperlaw is copying is the individual reported decision and the fact that it copies one, two or a thousand decisions does not change the fact that it is the decisions and not West's compilation of those decisions that Hyperlaw is copying."¹¹⁸ Without further explanation, the court adopted the derivative works standard that the work must be sufficiently original to be independently copyrightable, which required a substantial, not merely a trivial, variation from the pre-existing work.¹¹⁹ Reviewing a panoply of editorial additions and corrections to text, the court found that none of them, separately or collectively, amounted to a distinguishable variation from the opinion as written by the court.¹²⁰ The court held that West had no protectible interest in any portion of the opinions.¹²¹

Bender II is notable both for the court's adoption of the derivative works standard, a departure from prior case law on reporter compilations, and for the breadth of West's claims. Had West pre-

116. *Id.* Hyperlaw did not scan West's headnotes or key numbers, but admitted that it might ultimately scan up to 75 percent of West's case texts into its system. *Id.* at 1932.

117. *Id.*

118. *Id.* at 1932-33.

119. *See Woods v. Bourne Co.*, 60 F.3d 978 (2d Cir. 1995); *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486 (2d Cir. 1976) (en banc) (establishing the derivative works standard in the Second Circuit).

120. *See Bender II*, 42 U.S.P.Q.2d at 1934-35. The editorial changes considered by the court included addition or correction of case names, docket numbers, dates, attorney and judge names, subsequent case histories, modifications of earlier opinions, spelling and grammatical errors and parallel citations.

121. *Id.* at 1935.

vailed on its claims to copyright in editorial corrections to text, titles and names, it would have obtained a virtual "lock" on the basic texts of many court opinions which are available only in West reporters, particularly older cases and cases in jurisdictions which have no alternative reporter. *Bender II* is the only case in which a court has addressed claims so thoroughly implicating the basic text of the opinions. The court's adoption of the derivative works standard may be a response to the breadth of the claims. While the court gave little rationale for its adoption of the standard, its decision appears to comport with the statutory definition of derivative works.¹²²

Pending resolution by a higher court of the conflict between the lower court decisions,¹²³ the status of copyright protections for primary law compilations is unclear and has become part of the wider dispute over the appropriate scope of protections for compilations generally. The *Feist* court applied a constitutional utilitarian analysis, balancing the sweat equity of compilers against the public domain, and came down forcefully in favor of public access to information even at the expense of allowing "freeriders" to appropriate data collected by a competitor. The court, however, established its principles in the context of print publications without reference to electronic media in which many compilations are now housed. As electronic databases are not granted any protections other than those granted to compilations generally, it must be presumed that

122. See 17 U.S.C.A. § 101.

123. Thomson/West appealed the *Bender* cases. Reed Elsevier filed an amicus brief supporting Thomson in *Bender II*. Matthew Bender was expected to file an amicus brief supporting Hyperlaw but failed to do so once Times Mirror announced its decision to sell Matthew Bender with Reed Elsevier as the likely, now the definite acquirer. See <<http://www.hyperlaw.com/index.htm>> (visited Oct. 6, 1998) for background on the cases, including links to briefs. See Thomas Scheffey, *West Claws for its Legal Edge*, CONN. LAW TRIBUNE, Mar. 23, 1998, for a recounting of the arguments made to the Second Circuit panel.

A three-judge panel of the Second Circuit rendered its opinion on November 3, 1998, subsequent to the completion of this Article. The court affirmed Judge Martin's holdings on both the pagination and textual issues and explicitly rejected *West Publishing* as a sweat of the brow case whose foundation was undermined by *Feist*. See *Matthew Bender & Co. v. West Publ'g Co.*, 158 F.3d 674 and 158 F.3d 693 (2d Cir. 1998). West announced its intention to seek a rehearing en banc. See Wendy R. Leibowitz, *New Cases, New West*, NAT'L L.J., Nov. 23, 1998, at A17.

Feist's interpretation of the statutory and constitutional mandates applies to electronic as well as print compilations.

When commentators analyzed *Feist's* doctrine in light of the increasing sophistication of digital copying technologies, they concluded that the most valuable feature of the electronic database, its content, was now exposed to appropriation.¹²⁴ Databases can be expensive to create and maintain. Once the data is rendered into electronic form, however, it is relatively easy to copy. Rapid improvements in scanning technology also render print compilations subject to data theft. *Feist's* policy choice set off a scramble to devise alternate means of legal protection for compilations, particularly databases. At the same time, West's claims to copyright in pagination incited countermovements to free legal information from copyright constraints.

III. PUBLIC DOMAIN OR PRIVATE DOMINION: ALTERNATIVE STRATEGIES

The battle for control of legal information is often fought in arenas other than the courts. In an early, unsuccessful legislative move, Representative Barney Frank introduced legislation to prohibit copyright in the names, numbers, and citations of state and federal laws and regulations or the volumes or page numbers of state and federal regulations and judicial opinions.¹²⁵ Several years later, both Lexis and West supported an unsuccessful amendment to the Paperwork Reduction Act of 1995,¹²⁶ which would have precluded any government rights in data produced when a private company added value to public domain federal information.¹²⁷ The

124. See Jessica Litman, *After Feist*, 17 U. DAYTON L. REV. 607, 609 (1992).

125. H.R. 4426, 102d Cong. (1992). This bill was supported by Thomson, West's major competitor at that time. See Alan D. Sugarman, *Another View of Copyright of Case Reporters*, N.Y.L.J., Jul. 28, 1994, at 4.

126. Pub. L. 104-13, 109 Stat. 163 (codified as amended at 44 U.S.C.A. §§ 3501-3520 (West 1998)).

127. H.R. 830, 104th Cong. § 3518(f) (1995). The amendment was unnoticed until the last minute, when public interest groups discovered the provision and raised such a furor that no legislator would admit to having sponsored the amendment. The amendment failed in committee, but the alliance between West and Lexis presaged the future. See Benjamin Wittes, *West Publishing Loses Round over Cite Fight*, RECORDER, Feb. 24, 1995, at 2; *Is West Trying to Privatize Gov't Info?*, INFORMATION LAW ALERT (Feb. 14,

two industry leaders now support more subtle legislative initiatives, notably "database" protection legislation.

This part reviews the most widely discussed proposals currently on the table. The proposals for protection under state misappropriation doctrine or *sui generis* database regimes apply generally to all compilations, but would impact primary legal information. Proposals for universal citation systems and government-supported internet resources apply specifically to legal information. These proposals derive from their proponents' fears that copyright law will be unable to provide adequate protection for publishers, on the one hand, or adequate public access on the other.

A. State Misappropriation Doctrine

Feist's allusion to *International New Service v. Associated Press*¹²⁸ ("INS") the classic misappropriation case, and to *Nimmer* on the availability of unfair competition law as protection for facts,¹²⁹ raised the question of whether the common law tort of misappropriation might offer compilers the shelter for industrious collection which *Feist* denied them under copyright law.¹³⁰ In *INS*, the court posited a quasi-property right in news, but one which depended on several factors: that the plaintiff invested time and money to acquire the news; that the news had market value which the defendant appropriated, and that some protection was required in order to induce newsgathering. The right was enforceable only

1995). See also Robert Berring, *On Not Throwing out the Baby: Planning the Future of Legal Information*, 83 CALIF. L. REV. 615, 618n.13 (1995).

128. 248 U.S. 215 (1918).

129. *Feist*, 499 U.S. at 353-54.

130. See Ginsburg, *supra* note 97; see also Howard B. Abrams, *Originality and Creativity in Copyright Law*, 55 LAW & CONTEMP. PROBS. 3 (1992) (discussing state misappropriation doctrine as a vehicle for compilation protection); Dennis S. Karjala, *Misappropriation as a Third Intellectual Property Paradigm*, 94 COLUM. L. REV. 2594 (1994) (discussing a federal misappropriation law as a means of filling the interstices between copyright and patent protections); Wendy J. Gordon, *On Owning Information: Intellectual Property and the Restitutory Impulse*, 78 VA. L. REV. 149, 175 (1992) (proposing a limited misappropriation tort for malcompetitive copying. Professor Gordon examines West's pagination claims and finds them unlikely to warrant protection under such a doctrine on public policy and allocative efficiency grounds).

against a competitor.¹³¹ Although *INS* was decided under federal common law, which no longer exists,¹³² some state courts, most notably in New York, have relied upon it to support remedies against appropriation of intellectual properties where traditional copyright doctrines provided no relief.¹³³

The scope of the doctrine varies from jurisdiction to jurisdiction, offering only patchy protection for nationally active compilers.¹³⁴ Most recently, the Second Circuit, in *National Basketball Ass'n v. Motorola, Inc.*,¹³⁵ limited the New York misappropriation doctrine to those instances in which, the plaintiff generates the information at some cost, the information is highly time sensitive, the defendant's use of the information freerides on plaintiff's efforts, the defendant competes directly with the plaintiff, and defendant's freeriding on plaintiff's services would so reduce the incentive to produce the service that its existence or quality would be threatened.¹³⁶

Compilations of legal information are unlikely to meet the tests for state misappropriation protection. Under the original *INS* test, legal publishers would have difficulty showing that protections, in addition to those already provided by copyright, are essential to induce compilation. Nor, under the *Motorola* test, are their incentives so severely reduced by copying as to threaten the business. On the contrary, their profits are high and they use technological and contractual means to limit access to their information. Moreover, while speed of delivery can be a key market factor, legal in-

131. See *INS*, 248 U.S. at 236-40.

132. See *Erie R.R. v. Tompkins*, 304 U.S. 64 (1938) (abolishing federal common law in diversity cases).

133. See, e.g., *Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S. 2d 483 (Sup. Ct. 1950), *aff'd* 107 N.Y.S. 2d 795 (1951) (holding that a competitor who recorded music from an exclusively licensed broadcast was guilty of misappropriation). But cf., *Nat'l Football League v. Delaware*, 435 F. Supp. 1372 (D. Del. 1977) (finding no misappropriation where state ran a lottery based on football results since the lottery was a collateral activity not in competition with the NFL).

134. See, e.g., *Mayer v. Josiah Wedgewood and Sons, Ltd.*, 601 F. Supp. 1523, 1534 (S.D.N.Y. 1985) (discussing the relatively broad scope of the New York misappropriation tort); *Nash v. CBS, Inc.*, 704 F. Supp. 823, 834 (N.D. Ill. 1989), *aff'd*, 899 F.2d 1537 (7th Cir. 1990) (noting the relative vagueness of Illinois law).

135. 105 F.3d 841 (2d Cir. 1997).

136. *Id.* at 845.

formation is, for the most part, distinctly archival in nature and unlikely to satisfy the "hot news" requirement. Even assuming that legal compilations could, by some unforeseen expansion of the doctrine, be construed as protected from misappropriation in one state, they would remain unprotected in others.

State-based misappropriation claims also face preemption under the Copyright Act of 1976 and the Constitution. Section 301 of the Copyright Act of 1976 prohibits state regulation of works which fall within the subject matter of copyright under sections 102 and 103 with respect to any rights equivalent to rights afforded under the copyright act.¹³⁷ Compilations as a whole are copyrightable subject matter, even if discrete elements of data are not, and misappropriation claims inevitably target the same act, unpermitted copying, prohibited by the right to reproduce under copyright law.¹³⁸ Beyond the preemption barrier raised by section 301 is a line of Supreme Court precedent precluding state interference in matters governed by Congress under the Copyright and Patent Clause.¹³⁹ In the case of materials so imbued with the public interest as primary legal information, it seems unlikely that state-based misappropriation laws, in their current form, could survive preemption. However, misappropriation concerns spawned an alter-

137. 17 U.S.C.A. § 301(a).

138. See Ginsburg, *supra* note 97, at 356. Professor Ginsburg's article offers a very thorough discussion of preemption. See also, Abrams, *supra* note 130, at 36 (concluding that misappropriation and other state law unfair competition claims as to compilations are preempted). In *CD Law, Inc. v. LawWorks, Inc.*, 35 U.S.P.Q.2d 1352 (W.D. Wash. 1994), an action alleging copying of CD-ROM data by a competitor, the court rejected state unfair competition and unjust enrichment claims on the grounds that they were preempted by Section 301. The court concluded that the subject matter fell within the scope of copyright and that all of the asserted rights were really equivalents to the right of reproduction.

139. The holdings in *Sears, Roebuck & Co., v. Stiffel Co.*, 376 U.S. 225 (1964) and *Compco Co. v. Day-Brite Lighting Inc.*, 376 U.S. 234 (1964), suggested broad federal preemption of state unfair competition law which precluded states from protecting works not protectible under copyright or patent regimes. The court later limited this approach in *Goldstein v. California*, 412 U.S. 546 (1973), leaving states free to regulate areas not covered by federal statute so long as the failure to regulate federally was not part of an intentional congressional scheme to avoid regulation. In *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), however, the court reaffirmed a strong policy favoring free access to, and copying of, that which the copyright and patent laws leave to the public domain.

native approach in the form of proposals for federal legislation providing *sui generis* protections for databases, which, if enacted, would offer broad protections to compilers.

B. *Proposals for Sui Generis Database Protections*

In 1996, the European Union adopted a directive establishing *sui generis* protections for databases.¹⁴⁰ Similar proposals were submitted to the World Intellectual Property Organization ("WIPO")¹⁴¹ by both the European Commission and the United States and incorporated in a draft treaty.¹⁴² In close proximity to these international actions, Representative Moorhead introduced the Database Investment and Intellectual Property Antipiracy Act of 1996¹⁴³ which replicated many of the provisions of the European Directive. The broad protections provided by the bill incited vociferous opposition from the scientific and academic communities¹⁴⁴ and the bill died in committee. In October, 1997, however, Representative Coble introduced a second bill, the Collections of Information Antipiracy Act,¹⁴⁵ intended to remedy some of the

140. See European Parliament and Council Directive 96/9/EC, of 11 March 1996, on the Legal Protection of Databases, 1996 O.J. (L 77) 20 [hereinafter EC Directive].

141. Convention Establishing the World Intellectual Property Organization ("WIPO"), July 14, 1967, 21 U.S.T. 1770, 828 U.N.T.S. 3 [hereinafter WIPO Treaty].

142. See *id.* The draft treaty can be found at <http://www.wipo.org/eng/diplconf/6dc_sta.htm> (visited Oct. 6, 1998). The December 1996 WIPO conference postponed action on the treaty. A subsequent informational meeting was held in Geneva in September, 1997, which outlined numerous areas of contention and requested new submissions of information from members by April, 1998, to be collated and distributed by June, 1998. See INDUS. PROP & COPYRIGHT, 3d year, #12 (Dec. 1997), at 349, (visited Oct. 6, 1998), <http://www.wipo.int/eng/meetings/infdatt97/db_im_6.htm>.

143. H.R. 3531, 104th Cong. (1996).

144. Useful sites listing, and linking to, testimony, letters and other publications stating pro and con positions on the WIPO proposals, H.R. 3531 and H.R. 2652 are found at: <<http://www.public-domain.org/database/database.html>> (Union for the Public Domain's site on WIPO treaty and H.R. 3531) (visited Oct. 6, 1998) <<http://fairuse.stanford.edu/database/index.html>> (Stanford's database protection site) (visited Oct. 6, 1998); <<http://www.house.gov/judiciary/4.htm>> (The House Judiciary Committee's site which links to testimony for and against H.R. 2652) (visited Oct. 6, 1998). See, in particular, the testimony of Laura D'Andrea Tyson, Jane Ginsburg, and Mary Beth Peters in favor; J.H. Reichman and William Wulf against (all sites visited Oct. 6, 1998).

145. H.R. 2652, 105th Cong. (1997).

failings of the Moorhead bill. A brief overview of the proposals, focusing on the Collection of Information Antipiracy Act, reveals an expansion of protections well beyond the limits set by *Feist*.¹⁴⁶ The Collection of Information Antipiracy Act is the only proposal currently "live" in the United States.¹⁴⁷

The most noticeable aspect of all of the "database protection" proposals is that they are not limited to electronic databases. The word "database," which connotes electronic media in most minds, is either defined to include all compilations of information in any medium or is subsumed within a larger category of information "collections."¹⁴⁸ Virtually all compilations fall within the scope of these provisions provided that their creators meet the threshold requirement. That requirement is based not on originality, but on investment.

The Collection of Information Antipiracy Act protects from misappropriation any collection of information "gathered, organized or maintained by another person through the investment of

146. For complete discussions of the European Directive, the WIPO proposals, and H.R. 3531, see J.H. Reichman & Pamela Samuelson, *Intellectual Property Rights in Data?*, 50 VAND. L. REV. 51 (1997) (finding the *sui generis* regimes overbroad and proposing alternative regimes) and G.M. Hunsucker, *The European Database Directive: Regional Stepping Stone to an International Model?*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 697 (1997) (supporting the EC Directive but suggesting addition of a compulsory licensing feature).

147. The bill passed the House on May 19, 1998. Subsequent to completion of this Article, the bill was temporarily incorporated in the Digital Millennium Copyright Act, Pub. L. No. 105-304, but was excised from the final version of the Act and failed to pass the 105th Congress. It has now been resuscitated as H.R. 354. See *Bill Summary and Status*, H.R. 354 (visited Feb. 9, 1998) <<http://thomas.loc.gov/cgi-bin/bdquery/z?c106:h.r.354>>.

148. H.R. 3531 104th Cong. § 2 (1996), defines "database" as "a collection, assembly or compilation, in any form or medium now or later known or developed, of works, data or other materials, arranged in a systematic or methodical way." H.R. 2652, 105th Cong. § 1201 (1997) protects "collections of information" defining "information" to include "facts, data, works of authorship, or any other intangible material capable of being collected and organized in a systematic way." "Collection of information" is defined as "information that has been collected and has been organized for the purpose of bringing discrete items of information together in one place or through one source so that users may access them." The E.C. Directive, *supra* note 140, at 24 and WIPO Treaty, *supra* note 141, art. 2 define "database" as "a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means."

substantial monetary or other resources.”¹⁴⁹ The proposal offers no definition of “substantial” investment although it seems likely that any compiler of information would meet such a standard, entitling it to the act’s protections, which are indeed substantial. The bill excludes protection for collections gathered, organized or maintained by any state, federal, or local entity and their employees or any person exclusively licensed by such an entity.¹⁵⁰ It prohibits extraction or “use in commerce” of “all or a substantial part, measured either quantitatively or qualitatively” of a collection so as to harm the actual or potential market for the collection.¹⁵¹ It defines a set of permitted acts, including use of individual items of information or other insubstantial parts of the collection, gathering or use of information obtained through other means, use for verification purposes, and limited use for news reporting. An exception for nonprofit educational, scientific, or research purposes is limited to uses which do not harm the actual or potential market.¹⁵² The bill eschews any attempt to define “substantial” or “insubstantial” with regard to data use apart from the exception for individual items of information which is itself limited by a proviso that repeated extraction or use of individual items is not permitted.

Under this bill, compilations, legal or otherwise, in any medium would be protected from virtually any use by competitors as well as many noncompetitive uses. Compilers would be entitled to a variety of remedies including civil actions, injunctions, damages, and impoundment; infringers would be liable for criminal penalties.¹⁵³ The original version of the bill contained no durational limitations; the bill was subsequently amended to provide a statute of limitations of fifteen years after the investment of resources that qualified the portion of the collection for protection.¹⁵⁴ As applied

149. H.R. 2652, 105th Cong. at § 1202 (1997).

150. *Id.* at § 1204. An exception is provided for collections made by agents or licensees that are not within the scope of their agency or licenses and for federal or state educational institutions in the course of engaging in education or scholarship.

151. *Id.* § 1202.

152. *Id.* § 1203. H.R. 3531, 104th Cong. § 4 (1996) contained a much broader prohibition against extraction, use, or reuse of database contents with no public interest exceptions whatsoever.

153. H.R. 2652, 105th Cong. §§ 1206, 1207 (1997).

154. *Id.* § 1208. H.R. 3531, 104th Cong., § 6 (1996), provided for an initial 25-year

to primary law compilations, this proposal offers broad protections indeed.

There can be no question that such compilations would meet any standard for substantial initial and ongoing investment. The government works exemption of exclusively licensed materials would have the odd effect of precluding protection for the compilations which are most likely to be subject to competitive bidding, while affording broad protections for proprietary compilations. Constantly updated materials like statutory compilations would obtain virtually perpetual protections, and even old case reporters for which copyright ran out years ago might obtain a new lease on protected life if publishers invest new resources to put them online or include them in CD-ROM databases.¹⁵⁵ While the bill purports not to affect or enlarge copyright protections or limitations in any work of authorship contained in or consisting of a collection of information,¹⁵⁶ it is difficult to imagine any scenario in which it would not have the effect of vastly expanding protection for such collections. These expanded protections draw fire from anti-protectionists.

C. *Anti-protective Countermeasures*

Anti-protectionists often find themselves in a defensive posture, fighting off proposals like the Collections of Information Antipiracy Act II by bringing public attention to their effects on the public domain. However, both public and private entities also adopt aggressive stances on a number of fronts.¹⁵⁷ Ultimately, the

protection period, but permitted extensions for any change of "commercial significance" made to the database.

155. Statutory compilations already have effectively perpetual protection under copyright law. Since the compilations are revised and updated annually, the copyright effectively starts afresh on each iteration. While the original compilation, as fixed at time of first issuance, may come into the public domain at the end of the statutory period, such material is worthless to a competitor.

156. H.R. 2652, 105th Cong. § 1205 (1997).

157. The *Oasis* and *Bender* cases were not instigated by West as copyright infringement claims, but were brought by West's competitors seeking declaratory judgments negating West's copyright claims.

Two states have taken active measures to preclude copyright in their statute-numbering systems. In Illinois, West claimed copyright in the statutory section numbers. In the late 1980's, the legislature twice passed legislation proclaiming the statute numbers

most effective initiatives may be the push for adoption of public citation systems and the efforts of government agencies and public interest groups to make primary law resources available on the Internet at no or low cost to users.

In 1991, a subcommittee for the United States Judicial Conference first proposed a parallel electronic citation system.¹⁵⁸ After intense lobbying by West, the Conference refused to require the form, but left the circuits free to experiment; the Sixth Circuit adopted the format in 1994.¹⁵⁹ Several states subsequently developed their own citation formats. The universal systems substitute general designations by court, date, and paragraph for pagination references. The Wisconsin proposal, which is both vendor-neutral, that is independent of any particular publisher's products, and medium-neutral, that is independent of print features like pagination, was recommended for all state and federal courts by the American Association of Law Libraries in 1995 and by the American Bar Association in 1996.¹⁶⁰ The Department of Justice also urged the

to be in the public domain, but both bills were vetoed by the Governor on the grounds they would expose the state to costly litigation by West. *Patterson & Joyce, supra* note 66, at 726n.16. The legislature ultimately recodified its statutes. 25 ILL. COMP. STAT. 135/5.04 (West 1993) now provides that the organizational and numbering scheme are entirely in the public domain. In Texas, West claimed copyright not in the entire statutory organization, which was in the process of reorganization, but only in those statute numbers which it created. Texas brought suit asking for a declaratory judgment that the numbers were uncopyrightable and were in the public domain, but the action was dismissed for lack of an actual controversy. *See Texas v. West Publ'g Co.*, 681 F. Supp. 1228 (W.D. Tex. 1988), *aff'd*, 882 F.2d 171 (5th Cir. 1989).

Public interest groups have brought suit to obtain access to the FLITE and JURIS databases developed by the federal government and West. FLITE, developed by the Air Force in the 1960's, was the precursor and foundation of JURIS, which was expanded by West for the Department of Justice. When West terminated the contract, largely because of public interest group requests for access to the data, it took the data. *See Wyman, supra* note 66, at 253-56. The Taxpayer Assets Project ultimately persuaded the Clinton Administration to release FLITE, which can now be found at Villanova's site (visited Oct. 8, 1998). <<http://www.law.vill.edu/Fed-CU/sct.html>>. Tax Analysts was unsuccessful in its attempts to gain access to JURIS under the Freedom of Information Act. *See Tax Analysts v. United States, Dep't of Justice*, 913 F. Supp. 599 (D.D.C. 1996), *aff'd*, 107 F.3d 923 (D.C. Cir. 1997).

158. *See Wyman, supra* note 66, at 259.

159. *See id.*

160. For a complete discussion of universal citation systems, *see Wyman, supra* note 66, at 259. *See also, The American Association of Law Libraries TaskForce on Citation Formats Report* (visited Aug. 1, 1998)

Judicial Conference to adopt a universal citation form.¹⁶¹

If universal citation systems attack the narrow problem of data referencing, the Internet offers an alternative medium for disseminating the data itself. Federal law is disseminated through a variety of Internet sites maintained by the government and by non-profit and commercial entities.¹⁶² Many states now maintain sites which, to varying degrees, provide access to primary law information.¹⁶³ Compared to Westlaw or Lexis, the Internet databases are more limited, the search engines less sophisticated, the interfaces much more variable from site to site, and reliability less certain. But the quantity of available information is growing daily, search engines are improving, and the cost of accessing the data is often minimal.¹⁶⁴ The lack of quality is, however, of concern to some legal researchers who assert that without a commercial publisher to stand behind the product, there is no guarantee of accuracy. Enhanced primary law is rarely available on the Internet. Moreover, the Internet is not available to all users in the same way that a book in a public library is available. While the Internet offers an increasingly valuable resource, it is not a substitute for commercial publications of primary law.

The antiprotectionist initiatives are complementary to the copyright regime, while database protection proposals might supplant it. All of the proposals start from the presumption that copyright law fails. Fear that *Feist* stripped away essential protections moves the

<http://www.aallnet.org/committee/citation/task_force.html> (containing considerable background information on the various formats); *Official Citation Resolution – American Bar Association* <<http://www.ABANET.ORG/citation/home.html>>.

161. See *Comments of the Department of Justice Before the Judicial Conference of the United States Committee on Automation and Technology* (visited Aug. 1, 1998) <<http://www.essential.org/listproc/tap-juris/msg00238.html>>.

162. See SVENGALIS, *supra* note 8, at 140 for a listing of key sites.

163. California, for example, maintains its own gopher site and provides access to the code, constitution, and pending legislation. See *Official California Legislative Information* (visited Aug. 1, 1998) <<http://www.leginfo.ca.gov/>> (the state home page). Compare this site to *State of Delaware* (visited Aug. 1, 1998) <<http://www.state.de.us/welframe.htm>> (Delaware's site which provides only legislative bills information). For the ABA's comprehensive listing of, and links to, state legal information sites, see *LAWLINK U.S. States Sites* (visited Aug. 1, 1998) <<http://www.abanet.org/lawlink/states.html>>.

164. SVENGALIS, *supra* note 8, at 137.

major publishers to push database protections, while fear that *West Publishing* will survive *Feist* moves small competitors and public interest groups to disaggregate legal information from commercial compilations. Yet a reading of *Feist* as it applies to such compilations is an option which has not been clearly defined by any court and whose impact is, therefore, a matter of conjecture.

IV. DEFINING THE UNDEFINED ALTERNATIVE

I propose an interpretation of *Feist*'s principles applied to the varied elements of typical primary law compilations and suggest that this option must be weighed in the balance and found wanting before the necessity of new regimes can be determined. The analysis considers not only the base data, but also the media in which the data exist, and considers two additional doctrines, merger doctrine and the exclusion of protection for systems or methods,¹⁶⁵ which are implicated in determinations of copyrightability for some elements of compilations.

Both *Feist* and the statutory language mandate that the individual elements of the compilation must be independently assessed for originality. The elements of case reporters and statutory compilations can be roughly divided into three categories: the underlying texts being collected, features which are arguably derivative works, and features which are solely compilatory in nature. The first category includes original court opinions, statutory texts and added facts like names of judges or counsel. The second category includes headnotes, annotations, syllabi, summaries of arguments, digests, including, by extension, West's key number system, indices, and commentaries and may, by virtue of the statutory language regarding editorial revisions, include editorial corrections to the basic texts. The third category includes organizational, descrip-

165. Merger doctrine is closely related to the idea/expression dichotomy and precludes copyright protection for some expressions of ideas if the idea behind the expression is such that it can be expressed only in a very limited number of ways. The doctrine is designed to prevent an author from monopolizing an idea merely by copyrighting a few expressions of it. See *Toro Co. v. R & R Products Co.*, 787 F.2d 1208 (8th Cir. 1986); *Matthew Bender & Co. v. Kluwer Law Book Publishers, Inc.*, 672 F. Supp. 107 (S.D.N.Y. 1987). The Copyright Act of 1976 also precludes copyright protection for ideas, procedures, processes, systems, methods of operation, concepts, principles, or discoveries. See 17 U.S.C.A. § 102(b).

tive, and access tools such as selection, arrangement, section numbering, historical summaries, title pages and analyses, section and chapter headings, and tables. In print works, this category would also include pagination. In electronic works, it might include features like unique database structures, hyperlinks and searching tools. For the most part, the elements in the third category are most likely to be subjects of contention in copyright disputes.

Compilation elements in the first category, basic legal texts, are unprotectible by universal agreement expressed in judicial precedent and statutory language which reserves these elements to the public domain. Under *Feist*, they may also be viewed as unprotectible "facts." *Bender II* raises the discomfiting question whether a commercial publisher can, by virtue of its editorial revisions, capture a copyright interest in the basic texts. The answer to this question, under *Feist*, should be a firm "no." The *Bender* court was undoubtedly correct in concluding that editorial corrections and additions to case report text are trivial in nature and insufficiently original in themselves to meet either *Feist*'s minimum standard of originality or the derivative works test.¹⁶⁶ Similarly, corrections made by statutory compilers are usually minor. All such editorial revisions are made under well-established usages which require little or no creative judgment on the part of editors.¹⁶⁷ In those instances where more substantial rewriting of texts is required, editorial revisions are invariably made under the supervision of a public official and cannot be viewed as the compiler's own creation. More importantly, the editorially-revised version of a case report or statute may be the only definitive version of the text available to the public. Consequently, *Feist*'s policy favoring public access should take precedence over the publisher's investment of time and effort in textual corrections.

The items in the second category—headnotes, annotations, etc.—are invariably conceded, by parties and by courts, to deserve

166. See, e.g., *Grove Press, Inc. v. Collectors Publication, Inc.*, 264 F.Supp. 603 (C.D. Cal. 1967) (holding that 40,000 spelling and grammatical corrections made in a new edition of a public domain work were trivial variations from the original and the new edition was not entitled to copyright).

167. Some of them are now performed mechanically by spell-checking and grammar-checking software.

copyright protection.¹⁶⁸ However, a caveat to this general perception must be noted. Many, if not most, headnotes and case annotations incorporate the language of the court verbatim or make only minor editorial revisions in the text. Many statute notes merely repeat legislative clauses, such as emergency and separability provisions. To the extent that such “value added” features duplicate discrete chunks of the basic text of opinions or acts, their content cannot be protected since they do not meet *Feist*’s originality standard.¹⁶⁹ Those features which survive this caveat must be measured against the non-trivial variation requirement for derivative works. Commentaries and digests are protectible, as are those headnotes, annotations, and syllabi that represent true abridgements or summaries. Features surviving both the originality and nontriviality tests should receive full protection against substantially similar copies, not merely the “thin” protection accorded by *Feist* to selection and arrangement.

In the troublesome third category of compilation features, selection, arrangement and, particularly, pagination are obviously the main foci of concern. With respect to statutory compilations, selection of the basic texts to be compiled is generally governed by the law of the jurisdiction itself. Publishers exercise greater selectivity in the choice of finding features and annotations.¹⁷⁰ With respect to case reporters, West does not report the entire relevant universe of opinions¹⁷¹ though its coverage is probably comprehen-

168. See, e.g., *Howell v. Miller*, 91 F. 129, 138 (6th Cir. 1898); *Callaghan v. Myers*, 128 U.S. 617, 649 (1888); and *Banks Law Publ’g v. Lawyers’ Coop. Publ’g Co.*, 169 F. 386, 387 (2d Cir. 1909). In *Oasis*, *supra* note 102, and the *Bender* cases, *supra* notes 115 and 120, the plaintiffs were quick to point out that they did not and would not copy headnotes.

169. As a practical matter, a would-be copier could only discover whether particular headnotes or case annotations were verbatim renderings of original text by making a painstaking comparison. At current technological levels, this is almost as expensive as creating new annotations from scratch. However, as “compare” programs become more sophisticated, it may ultimately be possible for a publisher to run such a program against two scanned texts and mechanically extract the duplicative texts. Under *Feist*, such practices would not be prohibited.

170. West, for example, takes a comprehensive approach to case annotations for its codes since it draws on the same headnotes used in its reporter system. *Lawyers’ Cooperative*, now part of West Group, and the *Michie Company*, now part of *Lexis Law Publishing*, take a selective approach, annotating only direct statutory constructions.

171. See Robert C. Berring, *Chaos, Cyberspace and Tradition: Legal Information*

sive with respect to particular jurisdictions and courts. Whether a given selection of data is sufficiently creative to meet *Feist*'s standards would have to be determined case-by-case, but *Feist* appears to penalize the comprehensive approach in favor of selections requiring some degree of creative judgment.

The originality of a particular arrangement, on the other hand, is somewhat easier to gauge on the face of the compilation. West's system for case reporters consists of separations by geographic region, jurisdiction, and court with a largely chronological internal structure. In light of post-*Feist* holdings discounting originality in geographic and chronological arrangements, such reporter arrangements appear to be as obvious and commonplace as the alphabetic arrangement of the *Feist* directory and no more protectible. Specialized reporters of, for example, tax decisions or environmental law decisions, have a stronger claim to originality on the basis of both selection and arrangement.

Statutory compilations are arranged by subject matter categories, such as "Criminal Law" or "Real Property," which are commonly used, with minor variations, in the legal profession. In many jurisdictions, the topical arrangement is dictated by the legislature. Such arrangements do not meet *Feist*'s originality standard. The headings for various subtopics within the arrangement, titles, chapters, or their equivalents, were specifically held unprotectible in *Georgia v. Harrison*.¹⁷²

Even if arrangement or selection of a particular primary law work meets the originality standard, *Feist* mandates that *only* the selection and arrangement is protected. Under this standard, pagination cannot be protected. While pagination might conceivably be creative in some publications, such as art books, it is, in all legal publishing operations, the result of purely "mechanical" electronic composition systems: it involves no independent judgment, and its relationship to creative judgments regarding arrangement or selection is nil. It may well be, as the court in *Bender I* concluded, a mere fact in itself. Pagination is also the simple result of a process

Transmogrified, 12 BERKELEY TECH. L.J. 189, 192 (1997).

172. 548 F. Supp. 110, 115-16 (N.D. Ga. 1982), *order vacated after settlement*, 559 F. Supp. 37 (N.D. Ga. 1983).

and, as such, precluded from protection under section 102.¹⁷³ Under no rational analysis can pagination of legal information, as an independent element, be considered remotely original within the meaning of the copyright statute and *Feist* precludes it from deriving originality through reference to arrangement.

This interpretation of *Feist*'s originality standard is buttressed by interpretation of the court's policy bias in favor of dissemination. West's pagination is at present the de facto, universal method of citation. Citation to the West's reporters is required by some courts, accepted by all.¹⁷⁴ It is the key access point without which the law cannot be found or referenced. To allow a private publisher to control access to the basic text of the laws through a mechanical device such as pagination is indefensible under *Feist*'s pro-dissemination policy. By extension, statutory section numbers, the key reference and access points for statutes and regulations, are no more protectible than pagination.¹⁷⁵ Section numbers have a more direct relationship to the arrangement of statutory compilations than page numbers have to the arrangement of case reporters.¹⁷⁶ However, section numbers are often assigned by the legislature, not the compiler, and, even where assigned by the compiler, are usually part of a scheme authorized by the state. Moreover,

173. David Nimmer, who acted as counsel for Matthew Bender and maintains a leading treatise on copyright, has stated categorically that pagination is the result of a system and, thus, not copyrightable. See, Thomas Scheffey, *Who Owns the Law?*, CONN. LAW TRIBUNE, Aug. 4, 1996, at 1. The copyright act's exclusion of protection for systems or methods raises the interesting question whether West's key numbering "system" is copyrightable. It seems likely that only the idea of such a system would be excluded from protection while its actual implementation would be protected. It is inconceivable that any court would find the key numbering system to be unprotected by copyright. The fact that the system is constantly maintained and updated may, in fact, give it effectively perpetual protection similar to that which seems to be accorded to continuously updated statutory compilations.

174. THE BLUEBOOK: A UNIFORM SYSTEM OF CITATION Rule 10.3.1.(16th ed. 1996). The bluebook now recommends use of public domain citations where they are available.

175. The policy argument against copyrightability is even stronger with respect to section numbers since they are the only means of identifying statutes. Patterson & Joyce, *supra* note 66, at 725 & 725n.16.

176. Section numbering systems are sometimes numerical expressions of the topical arrangement. For example, in a "three-tiered" section numbering scheme, § 1-1-101 denotes Title 1, Chapter 1, first section. However, the connection of numbers to subject matter is arbitrary, depending on a topical arrangement which is often alphabetical.

section numbers might well be unprotectible under the doctrine of merger¹⁷⁷ or as the results of a system or method of categorizing statutes.

The merger doctrine, in combination with *Feist*'s emphasis on originality, may render problematic the copyright of several other compilatory features. Historical summaries and tables of cases or acts disposition are capable of very few means of expression. Case histories may require the exercise of a least some judgment by an editor, though a judgment bounded by standardized categories. Statutory historical citations, however, are mere records of legislative activity almost universally expressed in very few formats, as are tables. Many of these features are now automatically generated by computer programs which reformat data drawn from the textual database. A strong argument could be made that such features do not meet the minimum requirements for copyright. However, even if these features are held entitled to copyright protection, *Feist* permits a second comer to copy the facts contained in such features and simply reformat them.

For the most part, then, the content features which warrant protection are "value-added" features like headnotes, digests, etc., which clearly add new components to the work as a whole. The content elements may exist in both print and electronic media. However, electronic media, whether online services or CD-ROM publications, add their own features, the most obvious being the database which stores the base data. Where the base data is the same in different media, the availability and scope of copyright protections should likewise be the same regardless of medium. However, the nature of the electronic medium itself adds some new elements and alters others.

Selection remains subject to many of the same considerations in either medium, though the relative ease of managing enormous quantities of data in electronic media favors comprehensiveness rather than selectivity. However, comprehensiveness, which is the quality most valued in the marketplace, may negate the creative

177. See Patterson & Joyce, *supra* note 66, at 725 & 725n.16 (suggesting that there are relatively few ways to arrange statutes or to use arabic numerals on a base 10 system to express section numbers).

judgment which *Feist* requires for originality. Arrangement, as embodied in the format of printed pages and volumes, loses much of its meaning in the electronic context. Electronic data are parsed into connected hierarchies and fields, distributed randomly in computer memory, which are then retrieved by computer programs, referred to as "search engines" in response to the user's particular query for information. In a sense, the user herself determines the particular "arrangement" which she views. However, legal databases, unlike many "fact" databases, rely rather heavily on the structure of the underlying data as the organizing principle for the database structure. Fields and records usually reflect the same discrete units which comprise a printed page, but parsed finely so that the retrieval programs can search for a variety of specified elements. The "hierarchy" of a statutory database captures the same topical and numbering schemes apparent in the print code and assures that related elements, such as statutory text and its associated annotations, appear together when summoned by the user.

In addition to the finding tools associated with the search engine which, to some extent, replace print tables of contents and indices, electronic media offer hypertext links allowing the user to move from one source to a related source at the click of a mouse button. Both the search engine and linking programs would undoubtedly receive copyright protection as computer software, as would the programs used to convert and input data into the database or extract it for publication. However, the database itself can be protected only to the extent permitted by *Feist*, that is, as to its original elements. The internal structure of the database, its fields and hierarchies, would likely be sufficiently original in conception to meet *Feist*'s standard, but the underlying data is only as protectible as it would be if offered in print.

One surmises that anticipation of this relatively ungenerous interpretation of *Feist* is precisely what sent publishers' lobbyists running for Capitol Hill in search of protection against "database" appropriation. The unresolved question is whether this interpretation does in fact leave compilers so unprotected as to eliminate the incentives for production or whether, on the other hand, the push for new regimes is really the latest smokescreen for the industrious

collection school of thought so decisively rejected by *Feist*.

V. FINDING THE BALANCE

This part briefly reviews the utilitarian and labor-desert justifications for intellectual property regimes. Adopting the utilitarian approach as the appropriate measure, the part applies the utilitarian balancing test to the proposals set out above, including the "stand-pat" alternative of existing copyright protections under *Feist* as applied to legal information. The part uses a rough economic analysis to calibrate the appropriate level of incentives for publishers, then analyzes the broader public policy concerns related to public access. Finally, I suggest a set of proposals which balance publishers' rewards against the public's right to access to primary legal information.

A. *The Theoretical Framework*

The American copyright regime is constitutionally founded on utilitarian theory, expressed in the Copyright/Patent Clause,¹⁷⁸ which confers on creators limited monopolies in order to induce creative activities which benefit the public at large. The Constitution establishes three purposes for copyright: to promote learning, preserve the public domain, and protect authors, in that order of priority, with the third purpose merely instrumental to achievement of the first two.¹⁷⁹ Copyright intends to reward authors only up to the minimum incentive level necessary to induce creation and limits its protections to prevent authors from permanently capturing materials which belong in the public domain. Threshold requirements of originality and fixation, specification of protectible subject matters and the rights associated with them, and durational limitations are among the means by which the copyright statute attains the end of balancing access against incentive. However, courts often blur the utilitarian focus of the constitutional and statutory frameworks through reliance, implicit or explicit, on the

178. U.S. CONST., art. I, § 8, cl. 8, provides that Congress shall have power 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."

179. See L. RAY PATTERSON AND STANLEY W. LINDBERG, *THE NATURE OF COPYRIGHT: A LAW OF USER'S RIGHTS* 49 (1991).

theory of labor-desert or natural rights.

Labor-desert theory asserts that labor should be rewarded either because it requires time and effort, because it is sufficiently unpleasant that one will only engage in it in expectation of benefits, or because it creates social value.¹⁸⁰ In practice, however, courts often apply a far more basic analysis which relies on vague notions of fairness - the idea that *B* should not be able to reap what *A* has sown regardless of society's interest in the outcome. Over the past twenty years, this conception has fueled judicial creation and expansion of property rights in intangibles.¹⁸¹ In their haste to punish "free-riders" in litigation between commercial competitors, courts all too readily balance the equities in favor of the original producer, to the exclusion of the public domain.

Not all freeriders are parasites. All intellectual works rely to some extent on prior works and society relies on the public domain to provide the building blocks necessary for future creation.¹⁸² However, with respect to compilations, much of the works' value resides in the labor-intensive, and often costly, collection and organization of data. Consequently, labor-desert justifications exert an extremely powerful influence. The industrious collection cases represented the temporary triumph of labor-desert justifications over the traditional utilitarian focus of copyright law - a situation which *Feist* definitively reversed by reaffirming the constitutional, utilitarian basis of copyright protection. Under a utilitarian analysis, publishers' incentives must be weighed against the public interest in access to achieve the appropriate balance of minimum incentive for creation and maximum dissemination of information.

B. *Incentives*

Economic analyses provide useful aids in incentive determinations, though they are, as a rule, less helpful in addressing public policy concerns. A brief assessment of economic factors such as

180. See Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 300-10 (1988) (noting that unfair competition law is inherently oriented toward the value-added theory).

181. See Gordon, *supra* note 130, at 151-53.

182. See Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965, 968 (1990).

price, cost, demand, and deadweight loss indicates that incentives are already relatively high under the current copyright regime, even post-*Feist*, and are certainly sufficient to induce creation.¹⁸³ Application of an asymmetric market failure model reinforces this conclusion.

The dominance of the conglomerates has had major impacts on both price and cost of compilations. A number of acquisitions were made on terms which arguably overvalued the properties acquired.¹⁸⁴ Corporations which pay out large sums for new properties naturally expect a return for their investment. Beyond the motivation for payback, the current market creates pressures for high short run profits, often at the expense of necessary development efforts. While some new products contribute to the bottom line, the demanded profits are largely produced by a combination of higher prices and cost cutting initiatives.

Prices have risen steadily since the advent of the conglomerates.¹⁸⁵ Price increases take several forms: direct increases on existing products; acceleration of the pace of supplementation and replacement of print volumes; and the "bundling" of new, possibly unwanted, products in indivisible "packages" with existing products, at a higher price for the new bundle. Because of the inelastic demand curve - lawyers must have legal information - and the non-fungibility of the products, consumers have few options but to pay

183. For an economic analysis of star pagination as a separate element, see Stephen C. Carlson, *The Law and Economics of Star Pagination*, 2 GEO. MASON U. L. REV. 421 (1995).

184. See SVENGALIS, *supra* note 8, at 8, noting that the sale price for West was considered excessive by at least \$1 billion. But see Steven Lipin et. al., *Thomson to Purchase West Publishing for \$3.43 Billion—Legal Publisher's Price Seen As High; Analysts Cite Internet Competition*, WALL. ST. J., Feb. 27, 1996, at A3, in which Thomson's Chief Financial Officer disputed the analysts, asserting that Thomson did not overpay for West. Analysts were surprised by the high price for the just-announced acquisition of Matthew Bender and Shepard's, noting that Reed Elsevier plans to pay more than seven times the revenue of the combined companies and well over recent sales prices of 12 times cash flow. Bannon & Strassel, *supra* note 8.

185. See SVENGALIS *supra* note 8, at 12 (noting that from 1973-1996, a period covering the bulk of merger activity within the industry, the consumer price index rose 253 percent, while the average cost of legal serials rose more than 495 percent.) The cost of "legal continuations," which includes most primary law publications, rose an astounding 1006 percent. *Id.*

the higher prices.¹⁸⁶

Price increases alone do not meet the conglomerates' high profit goals. Cost cutting efforts are widespread, from computerization of manual tasks to "outsourcing" of print operations. One of the largest cost factors for major publishers is the editorial staff that manipulates the text of the law and creates value-added features. Downsizing of staff, previously unheard of in an industry which prized expertise and long term relationships with government officials, is now commonplace in the wake of acquisitions.¹⁸⁷ Experienced, hence expensive, staff is either eliminated or replaced by inexpensive new hires; functions once performed by lawyers devolve to support staff; and many quality control functions are simply eliminated.¹⁸⁸

186. *Id.* at 11-12. Svengalis states that "[t]he dramatic increases in the prices and supplementation costs from some legal publishers are a direct result of policies instituted since their acquisition by the conglomerates." *Id.*

187. Thomson has the reputation of an aggressive downsizer. After it purchased Lawyer's Cooperative (LCP), it laid off a considerable portion of the editorial staff, subsequently offering some of them employment as independent contractors, at piecework rates and without benefits. See John J. Oslund, *Thomson gets Tough when Company Goals aren't Met*, MINN. STAR TRIBUNE, Feb. 27, 1996, at 6D (reporting that initial layoffs at LCP cut so deep that some employees had to be rehired). The article notes that West never laid off employees prior to its acquisition by Thomson. See also, Rob Rossi, *Legal Publisher Lays Off 50-60*, THE RECORDER, July 1, 1992, at 6. Subsequent to its acquisition of West, Thomson began consolidating its editorial operations at the Minnesota location, further scaling down operations at LCP as well as West's operations in Westbury, Long Island. See, Pradnya Joshi, *Law Publisher to Close Westbury Office*, NEWSDAY, March 7, 1997, at A53. Those employees not willing to move to Minnesota were made available for interviews by Reed Elsevier as a part of the Thomson-West divestiture. Reed Elsevier is subtler in its approach to downsizing, generally sweeping away management but shedding employees in smaller increments, or by gradual attrition. See Jim Dillon, *Lexis-Nexis Worker Losses Feared*, DAYTON DAILY NEWS, Mar. 1, 1995, at 7B.

188. Not all of these measures are undesirable. Computerization should be maximized to produce efficiencies, for example. However, development costs required to update aging database systems and create modern, efficient editorial environments are substantial, hence not compatible with the conglomerates' short term profit goals. The contrast of West, which avoided acquisition while most of its competitors were sold and resold, with Lexis and Lexis Law Publishing, which fell into the acquisition maelstrom early on, is instructive. While it was privately owned, West invested substantial sums in development of Westlaw and the Premise software for CDs. One has only to compare the interfaces of Lexis and Westlaw to observe that Lexis looks and operates much as it did ten years ago while Westlaw is modern, user-friendly, and possesses considerable functionality which Lexis lacks.

The major publishers also obtain cost benefits from their established position in the market. Most print compilations and on-line services were created decades ago and are now being maintained or expanded.¹⁸⁹ The publishers incur ongoing maintenance costs and startup costs for new products, but their major startup costs for entrance into most markets have been repaid. Electronic media provide them with the ability to reuse the same data in multiple media and the same database structures and search engines in multiple electronic products. The increased efficiencies are not reflected in lower consumer prices, but rather in higher profit margins, hence high incentives, for the conglomerates.

Historically, small practitioners, as well as nonlawyer users, were priced out of the market for many legal information products, relying on local libraries for legal material and creating a dead-weight economic loss. Prior to the development of CD-ROM, price discrimination based on consumers' ability to pay was relatively limited. One price fit all in print, with some discounting for multiple purchasers and certain classes of users. The online services milked the large law firm market and were slow to develop pricing structures attractive to small firms until forced to do so by CD competitors.¹⁹⁰ CD-ROM, while not providing perfect market substitution for either enhanced print products or online services, has become the medium of choice for many small practitioners.¹⁹¹

Given the rising prices, cost-cutting measures and resulting high profit margins in the industry, it appears, at first glance, that the current copyright regime offers more than adequate incentives to induce creation. Professor Gordon provides an "asymmetric market failure" model which is useful in fine-tuning the determination of whether additional intellectual property regimes are appropriate.¹⁹² The model posits two pre-conditions for asymmetric market failure: (1) that authors would not be able to obtain pay-

189. New statutory codifications are expensive exceptions to this statement.

190. It should be noted that "copyists" are not always upstart operations. Both the major publishers and their smaller competitors use electronic media, particularly CD-ROM, to gain footholds in markets that are too expensive for them to enter in print.

191. See SVENGALIS, *supra* note 8, at 110-18.

192. See Wendy J. Gordon, *Asymmetric Market Failure and Prisoner's Dilemma in Intellectual Property*, 17 U. DAYTON L. REV. 853 (1992).

ment for their work in the absence of a rule restraining strangers from copying and, consequently, would underproduce works for which the public would have been willing to pay, and (2) that adoption of a legal regime preventing copying would permit a successful market to evolve. New rules against copying are warranted only if current "fences" are insufficient to provide adequate incentives; if adequate incentives already exist, new regimes are simply wasteful.¹⁹³

The first prong of the model requires that an author who incurs high costs of creation faces competitors whose costs of copying the author's work are low, thereby allowing the copyist to substantially undersell the originator. Under the current copyright regime, the most expensive elements of legal information, the derivative works elements, are protected by copyright. The elements not protected are those arrogated to the public domain or most likely to be mechanically created. On the other hand, electronic copyists' costs are by no means as low as is often presumed. Whether they scan data from print sources or convert it from electronic sources, there are substantial costs associated with such conversions, which are always imperfect and must be quality-checked. The copyists must also provide their own database structures, search engines, and linkages. Copyists can, in many instances, offer un-enhanced versions of legal information at lower prices than the originator, but the market for enhanced products remains untouched, and the major players' control of enhanced print products confers a decided market advantage in the electronic market.

Extensive technological and contractual fences provide further protection of the data. The nature of the industry itself, with its limited number of players and prevalence of sole source markets, assures a handsome return on investment. Indeed, where publishers are the sole source of a particular product, they control a de facto monopoly which confers on them a considerably higher level of protection than that normally anticipated by the copyright regime. The legal information industry is a mature industry which has, for the most part, completed its transition to electronic media. In the context of this industry and the current copyright regime, the

193. *Id.* at 854-57.

first test of the asymmetric market model, which establishes the necessity for legal intervention, cannot be met.

Even if proponents of expanded protections could surmount the first test for asymmetric market failure, it is not apparent that enactment of new regimes, such as *sui generis* database protections, would create any new markets beyond those which are already dominated by the major stakeholders. On the contrary, new regimes would simply add yet another set of fences to the already impressive barriers behind which the major publishers now protect their property, imposing societal costs without producing any noticeable benefits. Application of the asymmetric market failure model to the legal information industry reveals that current self-help and copyright protections, even under the relatively stringent interpretation of *Feist* offered above, already provide adequate, even generous, incentives for providers. In the utilitarian balance, then, the justification for new incentives is particularly "light", if not nonexistent. The counterargument for public access, on the other hand, is weighty.

C. Public Access and Promotion of the Useful Arts

Primary legal information derives from the public acting through elected or appointed officials—it belongs to the public in its incipiency. Publishers may borrow it and enhance it, but ownership is specifically precluded by universal consensus. The fact that publishers' enhancements become inextricable from the basic texts or essential to their use by the public should not become the means by which publishers appropriate complete control of the borrowed public texts from which they derive so much benefit.

The public policy favoring dissemination is particularly strong in the case of primary legal texts. These documents comprise the fabric of legal discourse and to a great extent, societal behavior. If public policy favors the dissemination of telephone directory listings, as the Supreme Court held in *Feist*, it mandates access to primary law.

Copyright strikes a bargain between "authors" and the public interest. Clearly, that bargain would be unconscionable if publishers received long term, exclusive control of the public texts as well

as their own enhancements. Just as clearly, a bargain that permits them to profit from their original contributions, but permits public access to unoriginal elements, is a fair exchange. The public may benefit from the publisher's editorial corrections to text or from mechanical features such as pagination, but the publisher is amply rewarded on the whole for its investment. The fact that the public's access to legal texts comes through the auspices of a competitor is of no consequence as long as the publisher receives adequate reward for its own contributions to the sum of legal knowledge. Such a bargain accords with the constitutional goal of promotion of the useful arts.

The recent history of the legal information industry demonstrates that only the competition encouraged by commercial use of electronic technology forces major stakeholders to offer new access points and enhancements to legal information. The entire, sad history of West's litigation to protect its pagination represents the attempt of a major stakeholder in an old technology to impede the inexorable advance of new, competitive technologies. Public policy considerations militate against protection of fading technologies at the expense of the new, and favor broad encouragement of alternative technologies and media to meet the varied needs of legal information users.

The present situation of the legal information industry is comparable to that of the broadcasting industry at the time of the Supreme Court's decision in *Sony Corporation of America v. Universal City*.¹⁹⁴ The Court's refusal to condemn private videotaping of broadcasts forced the industry to adapt to the new technology of the VCR and the videotape. Had the industry won in *Sony*, it would have foreclosed the development of lucrative new markets in videotape sales and rentals, thereby depriving itself of enormous revenues and the public of broader entertainment choices. Similarly, the interests of legal information stakeholders should not be permitted to preclude technological advances that, if left to the open marketplace, offer the potential for new markets benefiting

194. 464 U.S. 417 (1984). The court held that a manufacturer of videotape recorders was not liable for contributory copyright infringement since recorders had substantial noninfringing uses, i.e., taping of broadcasts for timeshifting purposes.

both the publishers and the public interest. Intellectual property protections of primary law compilations should be carefully limited to that end.

D. *Proposals*

As might be surmised from the comments above, I do not favor expansion of intellectual property protections for legal information beyond the copyright protections afforded by the reasonable interpretation of *Feist*'s originality standard offered herein, particularly in light of the realities of the legal information market. Copyright doctrine, on its own terms, does not support such expansion and, contrary to the claims of database protectionists, market realities do not establish a need for greater protections. *Feist* sets a reasonable and sufficient standard for protection of the base data, both in print and electronic media, and of electronic access tools; inclusion of legal data in an electronic database should not afford it greater protection than would otherwise be available under copyright law. Intellectual property protections, like citations, should be media-neutral unless the protected element itself is media-specific in nature.

The development of enhanced case reports and statutory compilations in the last century reflected the needs of that market. Publishers still tout the "value-added" features of their compilations, in all media, as the true source of their worth to the consumer and most users would probably agree with them.¹⁹⁵ A copyright doctrine which protects only the publishers' value-added features offers them the opportunity to prove that those features do indeed respond to the needs of the modern market. In the very unlikely event that market results prove otherwise, it is difficult to justify offering broad protection of non-original or public domain elements in order to subsidize creation of expensive features which consumers do not want or need.

The threshold question is how to remove the "*Feist* applied" interpretation from the realm of speculation and write it into law.

195. See Dummett, *supra* note 24, at 87, quoting Nigel Harrison, Thomson's chief financial officer, as stating that the *Bender II* decision won't erode West's prices because West provides value-added services that lawyers will be willing to continue to pay for.

Ideally, the Supreme Court should take the first opportunity, which may well be presented to them by the *Bender* cases, to overrule *West Publishing*.¹⁹⁶ The position adopted by the court in that case was bad law before *Feist* and worse law after it. The court failed to examine the copyrightability of the elements of arrangement and pagination separately, as commanded by the statutory language,¹⁹⁷ and it presumed a right on the basis of a perceived harm,¹⁹⁸ relying, only too clearly, on West's sweat equity in case reports as the justification for copyright protection. Assuming both *Bender* cases reach the Supreme Court, its ruling should expressly state that neither pagination nor interpolated editorial corrections to basic texts are copyrightable. While not required by the facts of those cases, dicta outlining the scope of copyright protection for other elements of law compilations would offer useful guidance to publishers. If an explicit overruling does not materialize, section 103 of the Copyright Act of 1976 should be amended, at a minimum, to prohibit copyright in pagination, section numbers or interpolated editorial corrections to basic texts.

In any event, a universal, vendor-and media-neutral citation system should be adopted by federal and state courts as an accepted alternative to West's pagination. Such recommendations promote two goals: avoidance of West's claims of copyright in pagination, without the necessity of costly litigation; and creation of a citation system more appropriate to electronic information systems which will inevitably wrest dominance from the traditional print-based systems in the long term. The present reliance on pagination as the point of access for judicial precedent is inefficient—access is delayed until print products reach the market—and irrelevant to an electronic environment.

The current proposals, in Congress and WIPO, for protection

196. Justice O'Connor's opinion in *Feist* repeatedly cites Patterson & Joyce's article, *supra* note 66, at 731, criticizing *West Publishing*. Some commentators have observed that O'Connor may have been quietly refuting the Eighth Circuit decision. See Wyman, *supra* note 66, at 245n.215; *Matthew Bender Takes on West Publishing's Copyright*, 2 INFORMATION LAW ALERT No. 4, Feb. 11, 1994.

197. 1 PATRY, *supra* note 58, at 200.

198. Patterson & Joyce, *supra* note 66, at 729 ("the court concluded not that West was harmed because it had copyright protection, but that it had copyright protection because it was harmed.").

of "databases" or information "collections" are certainly overbroad and unnecessary with respect to legal information. The proposals override *Feist's* readings of the constitutional requirements of the Copyright and Patent Clause, revitalizing the "sweat of the brow" doctrine in a new context. They create exclusive property rights, rather than the limited, regulated monopolies permitted under the Copyright Clause, and disregard the constitutional interest in public dissemination. It has been argued that such provisions actually retard the progress of science and the arts by precluding maintenance of the public domain from which new works must grow.¹⁹⁹

Indeed, under any proposal that protects against use or re-use, as well as extraction, of data from a database, it is difficult to know who might claim protection for primary legal data. In many markets, the public domain texts are already incorporated in a number of competing databases offered by different publishers. The current proposals draw no distinctions between existing and new databases, between print and electronic media, or between emerging and established database markets, a deficiency likely to result in under or overprotection in many cases. Their greatest failing lies in the fact that they are generic as well as *sui generis*. Having concluded that an industry as database-dependent as the legal information industry requires no greater protections than those already conferred by copyright, one may well ask whether other database industries require such protections.²⁰⁰

Seven years down the road, are databases of all kinds more, or less, ubiquitous than they were pre-*Feist*? It seems hardly possible to avoid them in the marketplace, in academia, or in government. Database owners have become sole source providers in many mar-

199. Reichman & Samuelson, *supra* note 146, at 105. Under such an analysis, Congress' power to enact such protections under the Copyright and Patent Clause may be doubted. The Commerce Clause may provide an alternative constitutional source of authority, but Professor Ginsburg notes that, if the more specific clause overrides the more general one, Congress may not have power to override the limitations of the Copyright Clause with Commerce-Clause-based protections co-extensive with copyright protections. Ginsburg, *supra* note 97, at 370-371.

200. Some commentators who oppose the current database proposals nonetheless consider that some enhanced protections are necessary for compilations. See Reichman & Samuelson, *supra* note 146.

kets seemingly as a result of the nature of the markets.²⁰¹ One suspects that database protectionists, like the court in *West Publishing*, have simply presumed a harm and sought to remedy it in advance of any evidence that it exists. While other database industries may not fit the legal publishing profile, some investigation is surely warranted before broad *sui generis* protections are put in place. It may be that legislators would do well to follow the example of the Supreme Court in *Sony*, relying on narrow copyright protections and leaving the open market to sort out the appropriate direction for developing technologies. In the long run, that approach may best serve both producers and the public interest.

The public interest demands particular attention in the context of legal information. Even without expanded legal protections, publishers resort to extensive self-help techniques to restrict access to their products.²⁰² The advent of "trusted systems" for Internet providers²⁰³ may soon provide impregnable access control even in that medium. As electronic media become the media of choice for legal information, steps must be taken to assure continuing public access to primary law in alternative media. A number of proponents have suggested that the federal and state governments should be responsible for developing independent legal information systems.²⁰⁴ However, past history indicates that governments have neither the expertise nor the financial wherewithal to support systems comparable to those already available through commercial providers. While governmental agencies cannot compete with commercial publishers in the market, they should make it their business to assure public access to primary law both by encouraging increased competition and by direct action where feasible.

201. *Id.* at 69 (noting the frequent absence of competition in markets for commercial databases in general).

202. Jessica Litman notes that an expansion of copyright protections would, by no means, preclude compilers from resorting to self-help. Past practice indicates that they would simply take advantage of both legal and technological protections. Litman, *supra* note 124, at 612.

203. Trusted systems may include various protective technologies such as encryption, digital signatures or watermarks, intelligent agents, copy-blocking codes and access controls. See Mark Stefik, *Scientific American Article: Trusted Systems: 03/97* (visited Aug. 1, 1998) <<http://www.sciam.com/0397issue/0397stefik.html>>.

204. Berring, *supra* note 127, at 622-23.

Federal and state governments should make un-enhanced versions of the statutes and recent case law available on the Internet at no charge or at the minimal level necessary to pay for maintenance. If universities or other nonprofit groups are willing to provide this service, they should receive official cooperation. In those states which contract for publication of their codes, the contract should require the publisher to provide the state with an un-enhanced version of the code suitable for posting to the Internet. Such contracts should also require that the publisher provide the state with an enhanced version of the database for official state use. Courts should post their opinions as issued and should include archived opinions if financially feasible; such access will not substitute for the comprehensive coverage of print reports, but will, over time, create a substantial, usable archive of raw information.

Providing Internet access manifestly does not satisfy the needs of all customers. Because print sources remain the only point of access for many users, their continued viability in an increasingly electronic world must be assured. In any given jurisdiction, a reasonable number of public libraries should be required to provide public access to complete, enhanced print versions of codes and cases, purchased from a reliable commercial provider. As print wanes in commercial significance, such purchases may be necessary to subsidize the continuance of the print medium for the use of small practitioners and other users, though it is my belief that there will always be a commercially significant demand for print products. Since state and federal officials control access to the original information used by publishers, they should be able to negotiate reasonable prices for such public sets.

Where state officials provide essential information to publishers of primary law compilations, that information should be available equally, and with equal timeliness, to all publishers in order to induce competition. Similarly, states which control their own statutory databases should consider nonexclusive licensing of the un-enhanced data to potential competitors. Where the database is controlled exclusively by a commercial publisher, the state may be forced to create its own database either by scanning the data or purchasing the database from the vendor. It should be noted that creation or purchase of a database presumes continuing mainte-

nance over time, which demands increasingly scarce state resources. An ongoing licensing arrangement with the commercial publisher may be preferable from standpoints both of cost and quality.

While I would not recommend a compulsory licensing system,²⁰⁵ commercial publishers of enhanced data should license their un-enhanced data to competitors at reasonable prices. Under the copyright regime outlined above, competitors are not required to collect this information from independent sources, though as a practical matter they often do so. From an economic standpoint, it is simply wasteful to require new entrants to recollect data already in the public domain. Established publishers of enhanced products could license their un-enhanced data at a price somewhat less than their competitor's costs of independent collection or scanning/extraction, thereby reaping additional profit while preserving their own advantage in controlling the enhanced data.

Finally, the Justice Department should carefully scrutinize further mergers in the legal information industry. The implications of the Thomson consent decree's findings concerning product differentiation and barriers to entry are that legal information in sole source markets and product categories is held in absolute monopoly, unmitigated by relevant competition and untouched by anti-trust constraints. Between the two of them, Reed Elsevier and Thomson now control enhanced case reporters and codes in almost all states. They also control the only major online databases.

The history of competition/cooperation between Thomson/West and Reed/Lexis illustrates the dangers of collusion. The *West Publishing* settlement permitted the two online services exclusive use of star pagination to the detriment of all other competitors. They jointly support protective legislation. The imple-

205. Professor Ginsburg recommended such a scheme for "low authorship" works like compilations prior to *Feist* (see Ginsburg, *supra* note 73, at 1924) and renewed the suggestion thereafter (see Ginsburg, *supra* note 97, at 386, 387). Reichman and Samuelson also propose a licensing scheme, *supra* note 146, at 146. Compulsory licenses are not among the options currently considered for legislation and could impose considerable administrative costs. Given the diversity of compilations, it is difficult to imagine a single licensing scheme which would work across the board for compilations and/or databases.

mentation of the Thomson/West divestiture itself increased the ties between the companies. The convergence of interests of the two giants brings tremendous power to bear against all competitors and new entrants into the market. The direct anticompetitive impact of the market structure is that the consumer not only pays a higher price, but often receives a lesser product as costcutting measures impact quality. The end result is likely to be a marketplace in which two players, with congruent interests in high prices and limited access, control almost all of the products. Such a result is undesirable in any market, but particularly so where public access to essential law is at stake.

Failing action by the Justice Department, courts might consider development of the copyright misuse defense as an antidote to particular anticompetitive practices. The misuse doctrine, though little developed in copyright law, and then primarily with regard to computer programs,²⁰⁶ renders a copyright unenforceable if the owner uses its market power to extend the statutory monopoly beyond its lawful scope thereby violating the antitrust laws. Violations have been found where owners act in combination or where they engage in tying practices.²⁰⁷ Some small evidence already exists of tying practices, such as the bundling of new products in established sets, and conscious parallelism as to price and non-price competition.²⁰⁸ Courts should be vigilant in limiting legal publishers to the scope of monopoly rights permitted under the Copyright Act of 1976.

206. The leading case is *Lasercomb Am., Inc. v. Reynolds*, 911 F. 2d 970 (4th Cir. 1990), which held that a software licensing agreement which barred licensees from developing competing software constituted copyright misuse.

207. 1 NIMMER, *supra* note 55, § 13.09. See also, Ramsey Hanna, *Misusing Antitrust: The Search for Functional Copyright Misuse Standards*, 46 STAN. L. REV. 401 (1994) (arguing that adherence to antitrust standards conflicts with the policies underlying copyright) and Note, *Clarifying the Copyright Misuse Defense: the Role of Antitrust Standards and First Amendment Values*, 104 HARV. L. REV. 1289 (1991) (arguing that copyright misuse should be viewed as a tool to prevent anticompetitive harm to consumers and support the policies favoring free dissemination of ideas).

208. For example, both Lexis and Westlaw discontinued printing support for law schools in fall, 1997.

CONCLUSION

In the conflict for control of primary legal information, the protectionists certainly wield the greatest financial and political power. West's close ties to influential public officials, maintained through large campaign donations and other perks, were the subject of numerous news articles prior to its acquisition by Thomson. Thomson and Reed Elsevier have a powerful international presence, with enormous resources to devote to protecting their interests. Both have announced their intentions to do so and have found support from Clinton Administration officials, and some scholars, who fear the consequences of data theft. The anti-expansionists comprise a diverse group of scholars, librarians, smaller competitors, public interest groups and, in all likelihood, the dispersed, formerly inarticulate, mass of legal practitioners and other users of the law. They lack the financial resources of the corporate players, but they increasingly exert influence on legislators and public opinion through the self-publishing capabilities of the Internet. This battle is now joined on multiple fronts.

It is ironic that the development of electronic technologies, which in most instances offers new competitive avenues and broader access to information, was paralleled in the legal information industry by a drastic constriction in the number of providers. In such an environment, the public interest demands greater protections to assure access to essential legal texts. The proposals outlined above are a step along that road, relying on traditional copyright doctrine and sensible public initiatives. The rapid evolution of electronic methodologies may well require periodic reevaluation to assure that the overarching goals of copyright - to provide for dissemination of information and the progress of the arts - continue to be met. In making those reevaluations, courts and legislators will inevitably be subject to the demands of powerful conglomerates for ever-increasing protections and profits. Those demands must, however, be balanced against the needs of the public-at-large for access to the basic texts of the law. Only in that balance can the constitutional goals of the framers be achieved and the right of every citizen to access the law be assured.