1. Contract *lex rex*: Towards copyright contract’s *lex specialis*

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INTRODUCTION

Intellectual property regimes, of which copyright law is generally perceived as a constitutive part, create entitlement interests, whereas contract law manages these entitlements. Copyright is thus inextricably bound to contract law. In practice, this relationship is one of subordination: contract law trumps the various entitlements copyright creates. As a result, the aims of copyright law must constantly confront the law of contract and the values on which it is premised. When this confrontation leads to tension between these two domains of law, legislatures and courts ensure that the law of contract reigns supreme, and is the *lex rex*. It may be tempting to reduce this issue to an inevitable consequence of having a *lex generalis*, such as contract law, refuse to cede ground to a *lex specialis* like copyright; indeed, one might thus question the *lex specialis* nature of copyright vis-à-vis contract law. Perhaps copyright law is the *lex generalis*, with contract law being *lex specialis* on matters of contract. But, as this speculation suggests, to engage in this kind of categorization does little to advance a solution to the tension. Ultimately, defining copyright’s *specialis* status is much less consequential than explaining its relationship to contract law, and it is that hierarchical relationship that has the most bearing on creators who fuel the cultural industries, especially freelance authors. A more integrative approach is therefore vital.

I argue that there is a need for a more copyright-contract-centric *lex*: contract law should be more fully integrated into copyright in order to adequately serve the aims of copyright law, specifically those that center on providing creators with effective management and remuneration for their copyright-protected works. Indeed, without the workings of contract law, copyright law has little relevance to the needs of creators (or anyone else for that matter). From this perspective, whether copyright is a *lex*
specialis seems rather beside the point. Contract law is predicated on freedom of contract, and my analysis must necessarily start to showcase the emphasis placed on this doctrine, and how it has been enshrined in both domestic legislation and jurisprudence (especially in common law countries) as well as internationally to copyright’s detriment. On the international front, I discuss Berne’s preoccupation in ensuring the sanctity of freedom of contract, especially as it purports to be an authors’ rights statute. To further analyze the domestic shortcomings of freedom of contract, I then apply the lex rex status of contract law and its reliance on freedom of contract to consider the plight of the freelance author in new media as a case study. In this context, copyright law is inadequate and its objectives undermined as authors go unrewarded and unprotected, left to their own devices to engage in protracted litigation with symbolic results. Ultimately, I propose a series of mechanisms rooted in contract law, to keep freedom of contract restrained and to improve copyright law’s inadequacies. Perhaps this way, copyright law or better, copyright contract can truly become a governing lex specialis.

A. COPYRIGHT AND CONTRACT

Copyright statutes assume a specialis character in that they establish a particular set of rights for authors of works: they provide entitlement interests to protect authors’ “expression of their ideas”. Copyright law typically grants authors protection to a number of categories of works, including literary works, whether in print or digital form. Authors are the first owners of copyright in the works that they create. The author is an individual who is solely responsible and exclusively deserving of the credit for the creation of a work. If an author creates a work in the

1 Of course, for Lord Hailsham, defining the term “the expression of ideas” depends on what is meant by an “idea.” See LB (Plastics) Limited v Swish Products Limited (1979) RPC 551 (HL) where copyright in production drawings for knock-down furniture drawers prevented one company from copying the commercial furniture produced by a competitor. The idea/expression dichotomy may not be very useful if the concept of idea is not fully understood.

2 Canada Copyright Act, RSC 1985, c C-42, s 13(1) [CCA].

3 M. Woodmansee ‘The Genius and the Copyright: Economic and Legal Conditions of the Emergence of the “Author”’ Eighteenth-Century Studies 425–48, 426. Here there is no shortage of debate on who is an author; indeed many are critical of the singular classification of authorship; e.g. C.J. Craig ‘Locke, Labour and Limiting the Author’s Right: A Warning against a Lockean Approach to Copyright Law’ (2002) 28 Queen’s LJ 1.
course of his or her employment, copyright in the work vests in the employer, unless there is a contract between the two parties stating otherwise.\(^4\) And so, via contract law, authors who are the first owners of copyright (or their stand-ins), manage their rights either via licenses or assignments, which can be made in whole or in part. The validity of these kinds of contracts is contingent on them being signed and in writing.\(^5\) The more \textit{generalius} body of contract law manages these entitlements. The law of contract was designed to facilitate the enforcement of private bargains arranged between parties. Without contract law, copyright law has little meaning. Copyright law is often said to be mindful of balancing a variety of interests in the public interest, among which is protecting the author.\(^6\) Ensuring that copyright and contract law are properly working together is important to meeting copyright’s objectives, especially when protecting authors’ entitlement interests.


Contract law is premised on the doctrine of freedom of contract, which posits that individuals and organizations are free and independent to enter into private agreements within a market economy. Adam Smith in his \textit{Wealth of Nations} (1776) offered the first sustained account of economic affairs, heralding the cause of freedom of trade against that era’s prevalent economic protectionism: freedom of contract was embraced as

\(^4\) CCA, \textit{supra} note 2 at s 13(3).


\(^6\) There is no purpose clause available in the various domestic copyright statutes, and courts have over the course of the years made different pronouncements on what copyright’s purpose is; see, for instance, the often cited \textit{Théberge v Galerie d’Art du Petit Champlain inc.}, [2002] 2 S.C.R. 336,2002 SCC 34[30] stating, “The Copyright Act is usually presented as a balance between promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator (or, more accurately, to prevent someone other than the creator from appropriating whatever benefits may be generated)”. WF Grosheide ‘Copyright Law from a User’s Perspective: Access Rights for Users’ (2001) 23(7) EIPR 321–5, 321 discussing copyright’s once idealistic “golden triangle” of interests.
an ideal of classical economic theory and classical contract law. Freedom of contract featured two closely interlinked yet distinct ideas: (1) contracts were based on mutual agreement, and (2) the creation of a contract was the result of a free choice unhampered by external control such as government or legislative interference. In other words, there should be no liability without the consent embodied in a valid contract. This second and negative aspect of freedom of contract narrowed the scope of the law of obligations dealing with liability imposed by law. The assumption was that the parties were independently willed and sophisticated and had equal opportunity to enter such bargains to maximize their individual interests. Besides the obvious categories for which the nineteenth-century law made special provisions, such as persons below the age of capacity and lunatics, the law assumed that if a person entered into a burdensome contract, “he had only himself to blame because there was freedom of contract and he could have gone elsewhere.” Freedom of choice as manifested through the intention of the parties was thus at the root of freedom of contract in its classical form. And individualism was at the root of the justifications commonly advanced for freedom of contract.

The ability to enter into agreements with others was thus considered a fundamental dimension of human freedom in Western liberal democracies. This private ordering played a crucial role in wealth maximization, to make commercial ventures possible. Failing to provide an individual with the ability to freely contract with others was perceived as an affront to that individual dignity. Jessel MR epitomizes this conviction in his decision for *Printing & Numerical Registering Co v Sampson*:

> [I]f there is one thing which more than another public policy requires it is that men of full age and competent understanding shall have the utmost liberty of contracting, and that their contracts when entered into freely and voluntarily should be held sacred.

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9 As in tort and restitution; see Beatson, *supra* note 7 at 4.

10 Atiyah, *supra* note 8 at 16.


While contemporary liberal democracies may not abide by as strict a commitment to freedom of contract as Jessel MR exemplifies, freedom of contract still remains a fundamental value within the law of contract, and by extension copyright law.

Modern day copyright courts still seem to echo Jessel MR's conviction. In the Supreme Court of Canada (SCC), Lebel and Fish JJ asserted that at the end of the day no matter what the law says, "parties are, have been, and will continue to be free to, alter by contract the rights established by the Copyright Act." The Robertson decision, which merits attention later, as it cuts through the heart of these issues, illustrates the reverence placed on freedom of contract. And so, when contemporary courts are asked to step in and interpret copyright issues, courts should not be seen as meddling with parties' freedoms to contract. Contract is the lex rex.

This sacrosanct status afforded to freedom of contract is not limited to courts but is also present in copyright legislation, and is most pronounced in common law jurisdictions. For instance, the UK and Canadian copyright statutes merely mandate that a contract conveying a proprietary interest must be signed and be in writing. Contrast this laissez-faire approach with civilian statutes that impose more copyright-contract-centric restrictions.

Significantly, international copyright treaties, to which states adhere, pay similar homage to freedom of contract. An example of this preoccupation is the making of the Berne Convention for the Protection of Literary and Artistic Works and ensuring that authors could contract away their rights to successors in title. In 1886, sustained pressure on the part of creators culminated with the signing of the Berne Convention.

13 Robertson SCC supra note 5 at para 58.
14 Canadian courts’ equitable jurisdiction provides the judicial capacity to strike down contracts in whole, or in part, on the basis of unconscionable terms or conduct, though equity has seldom been used. See Giuseppina D’Agostino, Copyright, Contracts, Creators: New Media, New Rules (Cheltenham: Edward Elgar Publishing Ltd, 2010) at 72–75, 135–137 [Copyright, Contracts, Creators]; Giuseppina D’Agostino, “Canada’s Robertson Ruling: Any Practical Significance for Freelance Authors?” [2007] 2 EIPR 66 [Canada’s Robertson Ruling].
15 In the UK Copyright, Designs and Patents Act 1988 c 48 as amended [CDPA]; s 92(1), in CCA, supra note 2, s 13(4).
16 For instance, see a host of provisions in Québec and Continental Europe which are discussed at length in ch 6 at 121–129 in Copyright, Contracts, Creators, supra note 14.
Prior to the signing of Berne there had only been an incomplete network of bilateral agreements between nations, thus creators were drawn to Berne’s broad international reach. Unfortunately, Berne did not wholly turn out to be the vehicle for change that creators thought it would be.

At the heart of why the Berne Convention failed to live up to its pro-author pretensions is a conflict between two divergent perspectives on copyright, rooted in varying views of liberty and freedom of contract: the universalist/absolutist view of countries of the droit d’auteur tradition in civilian countries and the national pragmatic view of common law countries. Whereas the former’s focus was on the “author’s natural right of property in his works”, the latter was much more concerned with the “author’s rights in economic terms” that should be traded without restriction. This divergence between legal cultures on copyright’s proper conceptualization played itself out over the course of the many meetings that led up to the most recent Act of the Berne Convention. The practical outcome of this tension was the preservation of freedom of contract and the slow withering away of the authors or the droit d’auteur as a fundamental concern of the Berne Convention.

While Berne contained a variety of pro-author provisions, the promise for authors was diluted by the implicit assumption that once an author attained protection under Berne, the protection could also be enjoyed by their successors in title, such as beneficiaries and assignees. This concern with protecting the assigns of authors, and thus freedom to contract, in addition to the authors themselves, became a long-standing theme in the various conferences of Berne, which was ultimately codified in Berne Convention of 1886. Including these terms in Berne solidified the presence of publishers at the negotiating tables and strengthened their status as a relevant stakeholder in international copyright legislation.

Much as one would not expect a consumers’ protection act to protect sellers, one would not expect an authors’ international protection statute

21 Some of the original pro-author provisions within the convention included: the recognition of authors’ rights in their works across all nations irrespective of reciprocity, a limited copyright term of 50 years in addition to the author’s life, no formalities in obtaining copyright protection, and the abolition or reduction of customs duties on books and works of art. See Berne, supra note 17 at 42–45.
22 Ibid. at 173.
to protect publishers. Instead, throughout its long history, Berne showed a preoccupation with protecting copyright exploiters. Unfortunately, this tendency persisted as subsequent international copyright treaties, including the Universal Copyright Convention, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the North American Free Trade Agreement, and the WIPO Copyright Treaty, propagated Berne’s validation of freedom of contract and proved themselves to be authors’ assigns’ statutes, more than they are authors’ statutes.23

2. Shortcomings of Freedom of Contract for Copyright and Creators

It is with respect to copyright’s reliance on parties’ ability to contract with little restriction that freedom of contract begins to impede the aims of copyright law. One of copyright law’s aims is to protect authors.24 Contract law functions on the basis of consensus ad idem between two or more parties, free of external coercion. In other words, contracts consist of a meeting of minds between parties, and the legitimacy of a meeting of minds is contingent on the absence of undue coercion. The assumption is that parties are autonomous and sufficiently sophisticated to understand the implications of the bargain they are entering. But more often than not, power imbalances exist between parties entering into a private agreement. Significant power imbalances between parties in a contract can bring into question the legitimacy of the bargain, and thus the contract itself.

In the case of freelance authors, they often lack free choice as they are subject to power imbalances vis-à-vis publishers.25 These power imbalances are largely a result of the day-to-day realities faced by freelancers who write for multinational publishing conglomerates of mainstream newspapers and magazines. The freelance author’s job is to write articles that are often specialized and heavily researched. However, unlike staff writers, freelancers must do so without the help of support staff, without benefits and a pension plan, and most importantly without the security of a regular salary. In 2005 the Professional Writers Association of Canada (PWAC) executed a study and found that Canadian freelancers made an average annual income of CDN$24,035; 38 percent of freelancers made

23 For a fuller discussion on the inadequacies of these international copyright treaties, see D’Agostino, supra note 14 at 99–111.
24 See Théberge and Grosheide, supra note 6.
25 Publishers are not all the same. I am mainly concerned with the larger publishing conglomerates such as Comcast, Time Warner, Disney and Viacom. See Copyright, Contracts, Creators, supra note 14 at 16–39.
less than CDN$10,000, while 32 percent made more than CDN$3,000. Freelancers thus offer publishers a cheaper source of content production compared with their employed counterparts and their average income has not increased over the last 20 years.

The same freelancer hardship holds true in other nations as well. In the United States, average freelancer earnings are in the range of US$7,500, and only 16 percent of full-time freelancers earn US$30,000 or above. In the UK, the average annual freelance earnings hover around £16,000, with 46 percent of freelancers earning under £5,000. Lionel Bently provides significant context for these average annual rates of freelancer remuneration when he considers them alongside the current earnings of the cultural industries, which are approximately £110 billion per year.

If these impediments were not enough, freelance jobs are also limited in number, which makes it difficult for freelancers to find work. The difficulty associated with securing a freelance contract forces them to engage in significant amounts of self-promotion and marketing, which takes time away from their writing. Freelancers live contract to contract. For staff writers, the “works made for hire” or “during course of

26 The years have only added to the economic hardship faced by freelancers for in 1996 they showed an average annual income of CDN$26,000, and in 1979 CDN$25,000. Professional Writers Association of Canada (PWAC) Canadian Professional Writers Survey (Canada Magazine Fund and Department of Canadian Heritage May 2006) 27. A 2015 study in progress by G D’Agostino and commissioned by the Writers Union of Canada on authors vis-à-vis collective licensing in Canada indicates the same grim figures [on file with author].


29 Lionel Bently, Between a Rock and a Hard Place: The Problems Facing Freelance Creators in the UK Media Market Place (London: The Institute of Employment Rights, 2002) citing a study from the Society of Authors conducted in 2000 where 1,171 members responded. See M Kretschmer and P Hardwick ‘Authors’ Earnings from Copyright and Non-Copyright Sources: A Survey of 25,000 British and German Writers’ (CIPPM/ALCS Bournemouth University UK 2007).

30 Bently supra note 29 at 14.
employment doctrine” applies (where copyright vests in employers) but for freelancers who base their livelihoods on each new contract, the issue is a vital one; legally, they are treated as independent contractors and meant to retain copyright, unless there is a contract stating otherwise. As authors and publishers are not on an even playing field which results in uneven bargaining, authors are less and less the owners over their works and/or lose control over the exploitation of, and gains from, their work. As a result, freedom of contract and, ultimately, copyright’s lofty objectives to protect authors reduce to nothing more than illusory aspirations. The situation has grown so abysmal that some commentators have called freelancers the modern-day sweatshop workers.31 Therefore ensuring fair copyright contracting between authors and their publishers is crucial to allowing freelancers to benefit from the copyright system. The dynamics of the freelance author-publisher relationship, and the ever escalating speed of new technologies and new platforms for publication, illustrates this persisting and worsening copyright contract problem and the need for redress.

B. NEW MEDIA AND THE PROFESSIONAL CREATOR:
FREELANCERS FOR FREE

More and more copyright-protected work is born digital and publishers reuse old works in new media. More and more authors are contracted, rather than employed, by publishers.32 The same is true for other creative industries, as OECD statistics point to a rise of independent contract work.33

Prior to the onset of the digital age, the publishing industry’s contractual dealings with freelancers were substantially different and more salutary. Up until the early 1990s, it was common practice for publishers to have freelancers submit articles without an express written contract,

32 As a result, freelancers do not enjoy the benefits of having a support staff, sick leave, a pension, and a consistent and reasonable wage. See Copyright, Contracts, Creators, supra note 14 at 22–24.
and those submissions were generally for one-time print publishing. Freelancers experienced less delay with respect to payment; writers’ fees were agreed upon and paid soon after their article was published. In the event that a publisher sought to make a change to the original publication, such as a reprint or a translation, the freelancer would customarily receive additional fees on top of the original flat fee they were paid for the first publication.

In more recent times, publishers have relied on previous oral contracts, silent on digital uses, and have repurposed freelance works in electronic databases, websites and CD-ROMS, often with third parties without due notice, consent or remuneration to authors. In doing so, publishers have secured a new avenue to profit from authors’ works to authors’ disapproval.

1. Copyright Contract Litigation

Over the course of the last decade, various cases have been litigated across the globe as freelancers have sued publishers for copyright infringement. Freelancers argue that they receive no notice, give no consent, and obtain no payment for the exploitation of their works through new digital uses. Publishers justify: (1) there is no difference between the media, (2) even if they are infringing, contracts previously made with their freelancers allow them to exploit new uses of such works and (3) assuming they have to pay the authors, they want a wait and see approach, as they reorganize their business models to stay afloat.

The central issue is one of copyright contract: whether the authors’ contracts, through which copyright was licensed/transferred, contemplated electronic publication rights. There exists ambiguity in the ownership and control of future works largely because many pre-dated new technologies. At issue is the period pre-dating electronic publication (before 1990s) when there were no written contracts; only key terms such as submission date and word count were agreed upon. While many cases were litigated in continental Europe, I highlight the twin common law

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34 National Union of Journalists and Contributors, Freelance Briefing Paper, online: National Union of Journalists <http://media.gn.apc.org/ar/briefing.html> indicating increasing attempts to formalize the relationship. Absent fieldwork, it is difficult accurately to gauge the specific types of agreements between authors and publishers; Laurie A Santelli, ‘Notes and Comments: New Battles between Freelancer Authors and Publishers in the Aftermath of Tasini v New York Times’ (1998) 7 JL & Policy 253 at 262.

35 Ibid.
cases of Tasini in the US and Robertson in Canada as they best illustrate the copyright licensing issues.36

In Tasini v New York Times Co,37 the United States Supreme Court was faced with deciding whether 21 articles written for The New York Times Company, Newsday Inc., and Time Inc. by six freelancer authors, represented by Jonathan Tasini, could be reproduced in electronic media without their consent. The majority ultimately held that reproducing the articles in the electronic media fell outside the publisher’s privilege conferred by section 201(c) of the Copyright Act 1976, which reads:

In the absence of an express transfer of copyright or of any rights under it, the owner of copyright in a collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.38

Taking a purposive approach to interpreting the provision, the majority held that collective rights owners could only reproduce constituent parts of their collective work in context and not standing alone.39 Because the reproductions of the articles in question were capable of being individually accessed through the electronic media, and publishers had not explicitly bargained for the ability to individually reproduce the articles in this way, the Supreme Court found the publishers liable of copyright infringement.

Tasini is arguably a significant triumph for freelance authors, but is far from a panacea solution to the copyright contract problems that gave rise to the litigation in the first place, which were no longer an issue by the time the case made its way to the Supreme Court.40 None of the New York Times’ freelancers had any written agreement with the publisher. However, at the District Court, it was argued by Newsday and Time that

36 For the continental European jurisprudence see Copyright, Contracts, Creators, supra note 14 at 164–176.
38 Copyright Act 1976 17 USC [USCA].
39 Often referred to as the “decontextualization” test. Tasini supra note 37 at 496; 2389. See discussion in Copyright, Contracts, Creators, supra note 14 at 141–151.
40 In Tasini v New York Times Co 972 F Supp 804 (NYSD Ct 1997) [Tasini DT] the District Court released a ruling for summary judgment in favour of the defendant publishers, and in Tasini v New York Times Co 981 F Supp 841 (NYSD Ct 2001) the Appeals Court denied the authors’ motion for reconsideration [Tasini CA].
their freelancers had “expressly transferred” the electronic rights in their articles, and as a result were not open to the benefits of section 201(c). For instance, *Time*, relying on a motion picture decision, argued that language in its contractual agreement with Whitford, the freelancer, included no “media-based limitation”, implying that its first publication rights within the agreement should be interpreted to publish the freelancer’s work in LexisNexis’ electronic database. The District Court ultimately ruled in *Time’s* favor, but was later reversed on appeal. Interestingly, *Time* could have made an alternative argument on the basis of seeking to enforce its rights under clauses (b) and (c) of the Whitford Contract. Doing so would have allowed them to validate their electronic rights, and defend themselves against the copyright infringement claim. In *obiter*, the District Court took the opportunity to ask why *Time* had not done so. This seemingly rhetorical question was answered by the Appeals Court: if *Time* had enforced these rights under clauses (b) and (c) of the freelancer agreement, then they would have had to abide by its license and compensate the freelancer for putting his work to a new use.

*Time’s* opportunistic approach to the contractual issue is symptomatic of how publishers approach freelancer contracts more generally. They will enforce contracts at their convenience and expect to own the copyright in freelancers’ works as a matter of course. They fail to seek permission for additional uses, and when they do, they avoid compensating freelancers. After their defeat in *Tasini*, the *New York Times* adopted a new policy to only accept freelance articles for which authors were willing to surrender all of their copyright. The *New York Times* also thought it appropriate to blacklist the *Tasini* plaintiffs from ever publishing with them. Collectively, these measures undermine any of the freelancers’ judicial success and suggest more of a pyrrhic victory.

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41 *Tasini DT*, *ibid.* at para 809.
42 *Bartsch v Metro-Goldwyn-Mayer Inc* 391 F2d 150, 154–5 cert denied 393 US 826, 89 S Ct 86 (1968) holding that the right to “exhibit” a motion picture included the right to exhibit movies on television.
43 *Tasini DT*, *supra* note 40 at para 811.
44 It is important to keep in mind that *Time* had only alleged “first publication rights” pursuant to Whitford Contract clause 10(a).
45 *Tasini CA*, *supra* note 40 at para 171.
Post *Tasini*, there were a number of class actions launched by the Authors Guild, the American Society of Journalists and Authors (ASJA) and several freelancers against LexisNexis, Dow Jones Interactive and other publishers. These lawsuits, also known as *Tasini* No 2, claim copyright infringement for works dating back to 1978, and were joined and ordered into mandatory mediation and to date have met unsuccessful results. The US Appeals Court for the Second Circuit rejected the settlement of US$18 million and further litigation continues. Ultimately, in Yuri Hur’s words, what the *Tasini* disputes highlight is the “continuing struggle between freelance writers and publishers over compensation for the electronic publication of copyrighted material.”

*Robertson v Thomson Corp* is Canada’s version of *Tasini*, which displays a similar decision-making approach and has also fuelled ongoing litigation. Before discussing the appellate and Supreme Court of Canada decisions, I examine the first instance decision, as it more appropriately introduces the issues, especially those concerning the copyright licenses between the parties. Like *Tasini*, *Robertson* is a copyright infringement case dealing with the issues of: (1) whether electronic reproduction violates the individual copyright of the owner or whether such reproduction falls within the copyright of the collective author and, in the alternative, (2) although the newspaper company may have infringed the plaintiff’s copyright, whether it may have an implied license or implied term defense. However, unlike *Tasini*, where there were individual joined plaintiffs, in *Robertson*, Heather Robertson headed a class of plaintiffs. Robertson is a well-known Canadian writer who contributed

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47 Reed Elsevier and others v Muchnick and others (US Ct of Appeals 2nd Ct, docket 08-103). For comment see: http://lawprofessors.typepad.com/civpro/2010/03/commentary-on-reed-elsevier-v-muchnick-a-win-for-jurisdictional-clarity.html

48 In re Literary Works in Electronic Databases Copyright Litigation MDL 1379; F 3d 2007 WL 4197413 (2d Ct 2007). The Supreme Court granted the case a hearing on 2 March 2009 in order to decide whether the USCA s 411(a) restricts the subject matter jurisdiction of the federal courts over copyright infringement. In August 2011, the US Supreme Court dismissed the action. See Andrew Albanese, ‘Second Circuit Rejects “Freelance” Settlement’ http://www.publishersweekly.com/pw/by-topic/digital/copyright/article/48401-second-circuit-rejects-freelance-settlement.html


50 *Robertson SCC*, supra note 5.

51 *Ibid.*, para 2; against *Robertson*’s trial case, *Tasini* argued the statutory action of copyright infringement in the alternative.
two individual works to the newsprint edition of *The Globe & Mail* (*The Globe*). These works were subsequently stored electronically and made available to the public for a fee by various electronic media, including CD-ROM and Internet databases. Similar to the publishers in *Tasini*, Thomson Corporation is a large multimedia company with various subsidiaries in the business of publishing newspapers such as *The Globe*.

In contrast to *Tasini*, where there were no written agreements except for the plaintiff Whitford’s, in *Robertson*, *The Globe* entered into a letter agreement with Robertson’s publisher McClelland & Stewart in August 1995 for one-time usage of one of her works for a fee, which made no reference to electronic rights. Beginning in February 1996, *The Globe* entered into a written contract with numerous freelancers, which it revised in December 1996 in order to expand the electronic rights clause, which read:

> for perpetual inclusion in the internal and commercially available databases and other storage media (electronic and otherwise) of *The Globe* or its assignees and products (electronic and otherwise) derived therefrom.

The first instance court determined that *The Globe* had infringed Robertson’s copyright by including her two articles into the databases and CD-ROM, but found the licensing issues problematic and thus could not grant summary judgment as there was a genuine issue for trial. Section 13(4) of the Act provides that assignments and proprietary licenses must be made in writing, but a mere license that grants no interest in the copyright need not be in writing. *The Globe* argued that it possessed a license to the electronic rights to the articles based on implied terms in the contract entered into by Robertson, or an implied license. *The Globe* claimed entitlement to a “continuing right of perpetuity to reproduce the plaintiff’s freelance articles throughout the world through electronic on-line databases via the Internet.” Robertson, on the other hand, contended that a grant of the kind envisioned by *The Globe* implied the

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52 According to the Statement of Claim, the class has been defined as: “anyone who created literary or artistic work published in Canada in the print media and which has been reproduced through computer databases since April 24, 1979” (the launch date of Info Globe Online, one of the online databases to which Robertson’s works were posted). T Down ‘Suing Thomson: It’s a Classic David and Goliath Story’ (1999) 5(4) Media 14–15. See Canada’s Robertson Ruling, supra note 14.

53 *Robertson* SCC supra note 5, para 2.


granting of a proprietary interest in her copyright, and so *The Globe* would need to comport with section 13(4) of the *Act*.

The court ultimately held that *The Globe*’s license did not need to be in writing because it was non-exclusive, and thus does not convey a proprietary interest in Robertson’s copyright. The fact that Robertson retained the rights to publish and further exploit her work suggests that the implied license was non-exclusive.\(^{56}\) On account of the conflicting evidence in the case, the court did not ultimately resolve the licensing issues and left the question open. However, the court did seem to suggest that *The Globe* likely could have contracted with Robertson more transparently about electronic rights given that its electronic database had been operational since 1977.\(^{57}\) Moreover, prior to entering into the original agreement with Robertson for her work, *The Globe* had adopted the custom of only accepting articles that could be digitally distributed, which gave all the more reason to believe that they could have contracted more expressly, but actively chose not to do so.\(^{58}\) Instead, *The Globe* chose to rely on their unstated, unilateral custom as a safeguard in its dealings with its freelancers, with Robertson being only one among many.

In the hope of resolving the scope of the implied license issue left undecided by the trial court, Robertson took the issue to the Ontario Court of Appeal. In addition to dismissing Robertson’s appeal, the Court also dismissed *The Globe*’s cross-appeal with respect to copyright infringement. According to the appeal court, Robertson provided *The Globe* with a valid oral license, although it did not outline the full extent of the license. In other words, the court refused to address whether the reproduction of her work in the new media fell within the purview of the oral license allowing them to print and archive her articles on microfiche and microfilm. Throughout the proceedings, Robertson maintained that she had never contracted with *The Globe*, either orally or in writing, to use any of her works in new media.

At the SCC, the licensing issue remained unresolved as the court refused to go beyond agreeing with the appellate court’s determination that an exclusive license need not be in writing.\(^{59}\) Additionally, the court made it clear that licensing issues are best reserved for determination at trial. While the court found the publishers to have infringed the authors’ electronic rights, it could still be found that freelancers had implied to

\(^{56}\) Ibid. at para 77.

\(^{57}\) Ibid. at para 23.

\(^{58}\) Ibid. at paras 23–24.

\(^{59}\) Ibid. at para 58.
forfeit all their digital rights to their publishers. For the SCC, “this
decision will, of course, be of less practical significance. Parties are, have
been, and will continue to be free, to alter by contract the rights
established by the Copyright Act.”\textsuperscript{60} As noted, this pronouncement
epitomizes the lasting status of freedom of contract within contract law,
and the strong role that it can play within copyright law as a trump to the
entitlement interests created by the statute. In the aftermath of the SCC
decision, Robertson found herself pursuing another class-action lawsuit
on similar grounds against a different set of publishers.\textsuperscript{61} That case
ultimately settled, signaling no judicial answer to the copyright contract
issues to authors’ ongoing ambiguous new media litigation.

2. Ongoing Litigation and Standard-form Contracts

Ongoing litigation persists in other creative sectors. For instance, a more
recent decision in Canada’s Federal Court also involved a freelancer and
her digital rights.\textsuperscript{62} At issue was whether a photographer, Catherine
Leuthold, was entitled to remuneration from the Canadian Broadcasting
Corporation (CBC) for making use of her photographs in ways that she
had not explicitly consented to in a prior license she had granted to the
CBC. The court’s ultimate concern was to avoid “commercially absurd”
interpretations of the contract: Leuthold contended that the license she
had originally signed with the CBC allowed the use of her photographs
in only one television broadcast per time zone because there was no
explicit term in the contract that dictated otherwise.\textsuperscript{63} For the court, the
CBC could not have possibly sought such a limited license. The court
privileged industry custom by considering the CBC’s more reasonable
interpretation of the contract over the less reasonable expectations of the
creator.

Publishers often impose their industry custom and standard-form
contracts to the authors’ disadvantage.\textsuperscript{64} Consider that since the high-
profile freelance author litigation, publishers have “contracted around”
the problem: they unilaterally enforce standard-form contracts, ensuring

\textsuperscript{60} Ibid.
\textsuperscript{61} See Robertson v ProQuest Information and Learning LLC, 2011 ONSC
2629, 18 CPC (7th) 406.
\textsuperscript{62} Leuthold v Canadian Broadcasting Corporation, 2012 FC 748, 413 FTR
162
\textsuperscript{63} Ibid. at para 89.
\textsuperscript{64} W Gordon ‘Fine-Tuning Tasini: Privileges of Electronic Distribution and
that they possess all future reuse rights. These contracts, and often letter agreements (as observed in the UK, post *Tasini*), say they give freelancers “copyright” but then allow publishers to reproduce freelancers’ works, worldwide, in any media now known or unknown in perpetuity. The *modus operandi* of publishers seems premised on the simple philosophy of extracting all the possible rights that they can from their freelancers, waiting for their article or work to gain popularity, and then capturing the windfall if it comes to pass. Or more alarmingly, some bypass these copyright contract issues altogether. For instance, other creative exploiters are changing the freelancer category of employment. Consider that the American Society of Media Photographers notes that new agreements are being written to cast freelancers as creating “works made for hire” (without the actual benefits of employment) so as to bypass any copyright issues that would be associated with independent contractors.

C. TOWARDS A COPYRIGHT CONTRACT LEX SPECIALIS

Copyright law needs to evolve and embrace less its commitment to a dated mold of contract law, with freedom of contract at its roots, and more a modernized version of contract law. In the twentieth century, contract law itself evolved to protect the weaker parties. Atiyah notes the devolution of freedom of contract and rise of specialized bodies of law. Some important examples of government-imposed restrictions that evidence this recalibration of contract law include: landlord and tenant statutes, employment standards legislation, statutory restrictions on discrimination on the grounds of sex and race, and consumer protection law. These restrictions suggest that contract law has become much more cognizant of inequalities between contracting parties than ever before. As

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65 Large daily newspapers such as the *Guardian*, *The Times*, the *Daily Telegraph* and the *Independent*. Sample letters provided in ch 2 Copyright, Contracts, Creators, supra note 14 and discussed at 178–179.


67 ‘Copyright, Creativity, and Commercialization,’ Center for the Protection of Intellectual Property (Roundtable, June 20–21, 2013 Laguna Cliffs Marriott Resort, Dana Point, California).

68 *Copyright, Contracts, Creators*, supra note 14 at 254.
such, copyright law may also stand to benefit in considering contract law’s sensitivities in its perception of power relations between contracting parties. In what follows I will outline a series of potential paths that may lead towards a more copyright-contract-centric lex in its treatment of freelance authors.

1. Copyright Contract Legislative Intervention

Copyright and contract law should (and could) work better together to account for the imbalanced position of freelancers in the bargaining process. Here contract law is salutary when freedom of contract is put in check. Copyright law should contain more copyright-contract-centric provisions that restrict freedom of contract. Many continental jurisdictions already feature a variety of copyright contract clauses. As such, legislative intervention is more sorely needed in common law countries which, as seen, embrace a laissez-faire ideology to private ordering.

As I have argued elsewhere, attaining the copyright contract reform freelancers need may begin with legislating a pro-author default rule within copyright statutes. This rule would function similarly to the contra proferentem rule to interpret any ambiguity in the contract against the drafter. Further, besides it being used in contract law, such a rule was part of past UK legislation and case law; is used in current UK new-use jurisprudence and contract interpretation; is currently found in copyright statutes of other nations, such as Belgium (and these could be used as a template for drafting one into other copyright statutes); it can deal with inequalities of bargaining power and informational asymmetries, as it incentivizes the more informed publisher to reveal information to the less informed freelancer, else risk having the contract interpreted against them.

Should legislatures be averse to include more copyright-contract-centric provisions, a tailor-made freelance author Act may be a viable alternative. The policy objective underlying this Act would be to remedy the imbalanced power relationships that exist between freelancers and publishers at the bargaining table, and would do so by spelling out clearly defined rules on contract formation between the two parties. In addition to mandating a pro-author default rule, drawing from the many provisions found in continental European statutes, the Act could also

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69 For example, France, Holland, Germany, and Spain’s “purpose of grant rule”, or Belgium’s “pro-author interpretation”. See Copyright, Contracts, Creators, supra note 14 at 167–170.

70 Ibid., see discussion in 261–267.
consist of provisions that copyright assignments and licenses (1) specify use, scope and duration, (2) be interpreted narrowly in favor of the author, (3) include a duty to exploit works within a period of time or risk termination, and (4) provide reversion and other termination possibilities and equitable or guaranteed remuneration.\(^71\)

The “guaranteed payment” provision is embedded already in some civilian provisions and was found in the UK’s Copyright Act of 1842.\(^72\) Under the 1842 Act, specifically section 18, contributors to collective works were conferred considerable protection.\(^73\) The 1842 Act provided that while collective work authors did not maintain complete copyright control over their works, they had at least (1) guaranteed payment, (2) the right to refuse consent to additional uses of their works, (3) reversion of copyright after 28 years, and (4) the ability to publish their own work if bargained for.\(^74\) There were therefore some useful restraints preventing the collective copyright owner from doing as he pleased.

The UK 1911 Act repealing the 1842 Act provided a new provision on collective works and is equally appealing to emulate. Section 5 on copyright ownership provided that before the owner of a collective work obtained copyright there must have been (1) giving or promising of some valuable consideration, and (2) no agreement to the contrary.\(^75\) If it was inferred from the mutual intention of the parties that the author should retain copyright, “it ought to be so held.”\(^76\) Moreover, according to section 5(2) copyright reverted to the author’s estate after the expiry of 25 years and the publisher was entitled to reproduce the author’s work on

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\(^71\) s 3(1) Copyright Act of 30 June 1994, 27 Moniteur Belge 1994 (Belgium); see also Central Station Tribunal de première instance de Bruxelles (Brussels Court of First Instance), 16 October 1996, Auteurs & Media 1996, 426; Cour d’appel de Bruxelles (Brussels Court of Appeals), 28 October 1997, Auteurs & Media 1997, 383.

\(^72\) 5&6 Vict c 45 [the 1842 Act]. The bill received royal assent 1 July 1842; (1842) 64 Hansard Parl Debates 858.


\(^74\) The 1842 Act, *supra* note 72 at s 18; *ibid.* at 14–15.

\(^75\) EJ MacGillivray *The Copyright Act 1911 Annotated* (Stevens & Sons London 1912) 55; though the first proviso of the 1911 Act s 5(a) only applied to engravings, photographs and portraits.

\(^76\) *Ibid.*
payment of a 10 percent royalty. These provisions serve as useful legal precedents to re-craft a more copyright-contract-centric law.

International mechanisms should also be considered as a means for addressing the power imbalances in contractual negotiations between freelancers and publishers. These mechanisms could take the form of codified copyright contract rules. The difficulty here lies in creating a unified approach because, as argued by Sterling, disparate provisions on fundamental issues “can only lead to chaos” and result in an inefficient international system. Codifying these rules could need to begin with preexisting international copyright statutes, such as the Berne Convention. When international revisions or new treaties are scheduled, their agendas need to take seriously creators’ issues for redress.

Ultimately, as an alternative (and ideally complementary) approach to national and international legislative intervention, it may be possible to establish a voluntary code or non-binding statement of principles to improve publisher and freelancer relations. There is no reason why publishers should resist this cooperative, less intrusive approach. Many authors’ groups also generate these codes of practice at a national level but typically restrict these to members.

2. Copyright Contract Judicial Principles

Irrespective of legislative intervention, courts could also do better to embrace a more creator-friendly copyright-contract-centric approach. Historically in the UK, nineteenth-century courts were more attuned to authors’ copyright contract struggles. Ambiguous copyright transfers were generally interpreted in favor of authors. Interestingly, these cases have not been overturned, and therefore provide legal grounds for following a more pro-author approach to ambiguous contract resolutions between authors and publishers. Some of the ways in which courts

77 And, under the 1956 Act, employed authors, in particular, retained copyright in their works unless there was an agreement to the contrary. But under the CDPA this last “anomaly” was removed. Bently supra note 29 at 117.
79 Ibid.
managed (and many still do)\textsuperscript{81} to engage in this pro-author decision-making included following the \textit{contra proferentem} rule; using restrictive interpretative approaches to contracts, especially in regards to publishers asserting industry custom as grounds for finding an implied granting of rights; and avoiding a foreseeability rule with respect to new technology for determining whether a freelancer could have granted the rights claimed by the publisher.\textsuperscript{82} \textit{Mayhew v Maxwell}, which was decided in 1860, presents an issue somewhat similar to \textit{Robertson} with the layering of the freelancer’s and the publisher’s copyrights in the individual articles, and the newspaper compilation, respectively. However, in stark contrast to the holding in \textit{Robertson}, the British court decided that just because the newspaper publisher was the registered proprietor of the copyright in the newspaper, that did not mean that they were free to lay claim to the individual copyright of the articles it consisted of, unless this grant had been expressly negotiated for.\textsuperscript{83}

\section*{3. Other Copyright Contract Mechanisms}

In addition to legal mechanisms in the legislatures and the courts, there are also a myriad of other tools worth exploring for contract law to work more meaningfully with copyright law in order to ameliorate authors’ imbalanced relationship. One example is the establishment of, and support of, authors’ groups to promote fairer contracting and model agreements. Authors could emphasize the need to have provisions similar

\textsuperscript{81} Common law and civilian courts have considered factors such as intent of parties’ industry custom, purpose of grant, unfairness in bargaining, and generally favored a restrictive interpretative approach; in the UK, albeit in other freelancer contexts, see for instance \textit{Robin Ray v Classic FM plc} [1998] ECC 488 (Ch D), \textit{Saphena Computing Ltd v Allied Collection Agencies Ltd} (1988)[1995] FSR 616 (QB) appeal dismissed (1989)[1995] FSR 649 (CA); for a full summary of the various factors and approaches see \textit{Copyright, Contracts, Creators}, supra note 14 at 199.


\textsuperscript{83} See analysis in \textit{Copyright, Contracts, Creators}, supra note 14 at 63.
to those proposed in the freelance author Act previously mentioned, with particular emphasis placed on requiring copyright contracts to expressly state the scope of the agreement, duration, uses and remuneration. Engaging in this kind of group mobilization could confer freelancers significant bargaining power during negotiations with publishers. Moreover, these groups could also serve a pedagogic function by providing freelancers with logistical information with respect to copyright contracts that it is in their fundamental interests to know.\footnote{For instance, the National Union of Journalists London, through its website, provides its members with model response letters for freelancers to send to their publishers.} One way of doing this would be to provide members of authors’ groups a “black list” of contract clauses that they should be wary of while at the bargaining table, and another list of preferable contract clauses that speak to their interests.\footnote{Tim Perrin, ‘Publishing Contract Checklist’ (2004), online: Right-Writing <http://www.right-writing.com/checklist.html>.

\footnote{See ASJA member news, ASJA http://www.asja.org/index.php.}
\footnote{See PWAC ‘Best Practices’ online: http://www.pwac.ca/eventsandresources/bestpractices}


The kind of information freelancers need to improve their position \textit{vis-à-vis} publishers is becoming more readily available. One example is the \textit{Contract Watch} newsletter, which is published by the Contracts Committee of the American Society of Journalists and Authors (ASJA). This newsletter serves as an information center for freelancers with respect to contractual relationships, and provides ASJA members with up-to-date information about the current trends in the publishing industry with regards to contractual negotiations.\footnote{See ASJA member news, ASJA http://www.asja.org/index.php.} The Professional Writers Association of Canada (PWAC) provides a similar service through its website where it disseminates to its members, and the public, information on copyright, professional practices, standard agreements between authors and publishers, and what to pay a professional writer.\footnote{See PWAC ‘Best Practices’ online: http://www.pwac.ca/eventsandresources/bestpractices}

Other examples include the website “Freelance Writing”, which provides freelancers with a free ebook on how to retain the copyright in their work, and the American National Writers Union’s “contract advice services”, which offers freelancers a review service to have their freelance contracts evaluated before giving them final assent.\footnote{See Freelance Writing, ‘Online Copyright for Writers’, online: Freelance Writing <http://ia601205.us.archive.org/11/items/OnlineCopyrightForWriters_976/copyright-book-for-writersFIN.pdf>; National Writers Union, ‘Contract Advice’, online: National Writers Union <https://nwu.org/contract-advice>.}
Grievance boards, particularly those empowered by legislation, may be another effective way for freelancers to improve their bargaining disadvantages. Grievance boards offer a cheaper alternative to litigation, as court battles raise serious access-to-justice issues for authors. Moreover, grievance boards provide a more personalized and less formal avenue for redress than does a courtroom. An example of this kind of initiative is the American National Writers Union’s (NWU) grievance-resolution process, which is both confidential and available at no cost to NWU members in good standing.\(^\text{89}\)

Authors’ groups can also work more closely with publishers’ and users’ groups. One way to work together would be for scale agreements to be negotiated between them (though these would work better if mandated via legislation). Collective bargaining could ensure at least minimum terms and provisions for authors. Some jurisdictions have these mechanisms in place but are limited in scope.\(^\text{90}\) Ultimately, without some type of joint collective effort, it may be difficult for freelancers to bolster their bargaining position.

Finally, education needs to be emphasized further as a complementary means for any solution advanced. Educating freelancers is of the utmost importance because they are ultimately the ones who will need to represent their interests during negotiations. Similarly, it is also important to educate the public, particularly with respect to the distribution of gains in the publishing and wider cultural industries. The public should be made aware of creators’ unsavory dealings that make their consumption of these industries possible. The more informed the public is of these issues, the more effective it can be at exerting pressure on policy-makers and industry actors to bring this type of undue exploitation of freelancer work to an end. Similar lopsided power imbalances for “users” in copyright law have been brought to public prominence more recently. Via

\(^{89}\) See NWU ‘Grievance Assistance’ online: https://nwu.org/grievance-assistance.

social media and other tools of engagement, there has been a push-back by increasingly vocal user groups demanding fairer “rights.”91 In Canada, this push has been manifested on many levels, but perhaps most forcefully against government, calling for “fair” copyright reform for more user rights.92 Ultimately with more public awareness, the public will be in a better position to evaluate the precarious position of creators who are gradually becoming less important to the law of copyright.

CONCLUDING REMARKS

In 1968, Roland Barthes, the French literary theorist and continental philosopher, published his famous essay “The Death of the Author”, in which he sought to reconceptualize the notion of meaning as applied to literature, and writing more generally.93 It was Barthes’ contention that too great an emphasis is placed on what authors intend to convey when they write, and their “situatedness.”94 Underlying Barthes’ conviction was the belief that this approach to meaning was far too restrictive, and, as such, fails to do justice to the independent life taken on by a text upon being written down and left open to interpretation. According to Barthes, writing is never closed because meaning is something disentangled from a text, not deciphered, and when we “give an Author to a text” we begin to close the writing with an illusory monolithic meaning.95 It is on these grounds that Barthes calls for the death of the author in the context of literary interpretation. The author may soon be in the grips of death: not so much in the way Barthes envisioned, but by the grips of contract.

Freedom of contract allows for the stronger party to thrive while relegating the weaker party to a position of contractual subordination (either through their status as an independent contractor or via “work made for hire”). There are solutions available for reforming copyright

92 Fair Copyright for Canada, ibid.
94 Ibid. at 144.
95 Ibid. at 147.
law with a more copyright-contract-centric approach that entails restricting freedom of contract and mandating rules from contract formation to interpretation to enforcement.

Redressing this lopsided copyright system matters for a number of reasons, and here some points merit underscoring. Current “entrepreneurial copyright” challenges copyright’s said objectives. Authors go vastly unrewarded and suffer a loss of control of their works. And while time and space did not permit a fulsome discussion, users have decreased diversity and access to works. This outcome cannot be in the public interest. As the cases illustrate, freelancers are a vulnerable group. They have inferior bargaining power, which resonates to nineteenth-century UK copyright. Freelancers are a growing category of creative workers as more and more firms are outsourcing work. So they will constitute the wave of future employment. The ownership of works in new media is a problem that will persist as it implicates copyright law and its future. Anytime there is a new technology, there is a new means of exploitation and renewed challenges to the existing business models, and ultimately copyright law. Witness this renewed problem from the onset of the printing press to the 1920s, when silent picture films became talkies. These types of “disruptive” technologies will continue to persist and will continue to open up new markets of exploitation and, with this, renewed challenges to copyright law. Ultimately, the wider creative and social context is implicated. The issue of authors’ copyright contract dealings is not limited to the publishing industry but the wider cultural industries (for example as seen with freelance photographers in the Leuthold case) and any social context where there is a new technology and there are issues of ownership, control and access to works. And here in the context of freelance writing, the user-generated online phenomena, where the Internet might be seen to allow anyone with a computer to be a creator and monetize this work, may not pose a viable solution or at best cannot be the only solution. In the context of freelancers, online citizen journalism is already seen to duplicate some of the very issues my work takes issue with: unfriendly content-provider arrangements against the creators. As Dan Gilmour, US citizen media expert, says in reference to YouTube’s commercialization initiative of Citizen News, he would not

96 Grosheide supra note 6.
97 See analysis in Copyright, Contracts, Creators supra note 14 at 9–11.
want it to adopt the motto: “you do all the work and we’ll take all the money, thank you very much.”

In order to rebalance the unfairness in bargaining creators face, copyright’s reliance on freedom of contract needs to be in check. Doing so means codification of a variety of contract-based rules in copyright to address a worsening problem. Perhaps in doing so, copyright – or better, copyright contract – can truly attain a *lex specialis* status. Whether we call it so is less important than ensuring that copyright and contract work better together, towards a more copyright-contract-centric *lex*.

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*Contract lex rex*

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