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Abstract

Copyright issues are litigated in the United States every day. Yet attorneys representing visual artists settle suits more often when those suits involve the potential of a copyright infringement, partly because of the relatively few decisions on the matter. In Harney v. Sony Pictures, Inc., the First Circuit found that a copyrighted photograph could be copied to look nearly the same as the original because the copied elements were each unprotectable under the copyright. The copyright protected only those elements of the photo that were the result of the photographer’s choices in depicting the subject. The court held that the placement of the subjects in the frame of the photo was the only protected feature shared by the recreation, and this was insufficient to establish “substantial similarity” necessary for the court to find a copyright violation. This Article puts forth an organizational scheme based on existing cases to help attorneys defend their clients’ work. By explaining how attorneys have avoided substantial similarity findings in the past and how courts treat different approaches, this Article will provide attorneys with guidance on avoiding a substantial similarity finding in their clients’ works, focusing specifically on photographs.

* Rachael Wallace, University of Washington School of Law, Class of 2015. Thank you to Prof. Elizabeth Porter for her guidance and support; to Steven Crozier for his insight and feedback; and to the many editors at the Washington Journal of Law, Technology & Arts for their diligence and aid.
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INTRODUCTION

As photography becomes an increasingly popular medium, photographers and visual artists who wish to recreate some aspects of a photo are susceptible to copyright suits against them. Attorneys representing artists face mounting confusion over copyright infringement in their clients’ work. For an attorney representing an artist who has referenced or recreated another’s copyrighted art, the law is unclear as to which elements of the reproduction are copyrightable and which elements are unprotectable. Courts have never explicitly listed the features of a photo that are copyrightable and instead apply a series of tests to determine if infringement occurred. While the refusal to create any per se rules can be frustrating to a visual artist toeing the line and to that artist’s attorney, courts are wise to avoid a per se rule that
might stifle creativity. Partly because copyrightable features are not clearly explained, many parties in these kinds of copyright disputes end up settling out of court, thereby perpetuating the confusion.

While it would be impossible to create a list of “off-limits” features that cannot be recreated in a photo, circuit courts tend to protect the creative decisions a photographer or artist would consciously make in order to create an original work. An attorney should identify any intentional creative decisions that the original artist made and distinguish those creative decisions from the client’s work. Copyright infringement by recreated photographs can be particularly difficult to prove because the subject matter itself is not copyrightable. An attorney can avoid a “substantial similarity” finding—and thereby avoid a copyright infringement finding—by showing that the client did not copy creative decisions of the original artist and instead copied only subject matter. Defining which elements are not substantially similar can guide attorneys and help avoid settling meritless suits out of fear or confusion.

I. EXPANSION OF COPYRIGHT TO PHOTOGRAPHS

The U.S. Constitution governs copyright law. Article I, Section 8, Clause 8 of the Constitution provides that Congress shall have the exclusive power “[t]o 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.”¹ For many years, copyright law applied only to literal writings and discoveries, but over time Congress expanded the definition of “writings” to include “maps, charts, dramatic or musical compositions, engravings, cuts, prints, paintings, drawings, statues, statuary, and models or designs intended to be perfected as works of the fine arts.”² But the United States Supreme Court faced a dilemma in Burrow–Giles Lithographic Co. v. Sarony.³ There, Napoleon Sarony, a famed photographer,

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¹ U.S. CONST. art. I, § 8, cl. 8.
³ Id. at 52.
sued Burrow–Giles Lithographic Company for marketing unauthorized lithographs of a famous photograph Sarony had taken of Oscar Wilde.\textsuperscript{4}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Left, Napoleon Sarony’s lithograph. Right, Burrow–Giles Lithographic Company’s advertisement.}
\end{figure}

Congress had not specifically included photographs as protected by copyright law, yet photographs concern the same type of artistic expression as other items included under “writings.”\textsuperscript{5} The Court struggled with the scope of Clause 8, but concluded that, because Congress protected “literary productions . . . by which the ideas in the mind of the author are given visible expression,” photographs should also be protected by copyright law.\textsuperscript{6} The Court explained:

\begin{itemize}
\item \textsuperscript{4} Id. at 54–55.
\item \textsuperscript{5} Id. at 56.
\item \textsuperscript{6} Id. at 58.
\end{itemize}
The only reason why photographs were not included in the extended list in the act of 1802 is, probably, that they did not exist, as photography, as an art, was then unknown, and the scientific principle on which it rests, and the chemicals and machinery by which it is operated, have all been discovered long since that statute was enacted.\textsuperscript{7}

Because photographs combine a snapshot of reality and an artist’s expression of that reality, copyright suits involving photographs are particularly difficult and amount to an extensive sorting assignment between elements of the photograph that the copyright protects and elements that a court would find unprotected.

\textbf{II. \textit{Harney v. Sony Picture Television, Inc.}}

In January 2013, the First Circuit handed down a curious decision in \textit{Harney v. Sony Picture Television, Inc}.\textsuperscript{8} The court held that, despite the remarkable similarities between two photographs, the publication of the second, nearly identical photograph did not infringe on the copyright of the first.\textsuperscript{9} The First Circuit’s ruling changed no substantive law. Instead, the court determined whether the protectable elements were “substantially similar” in the second photograph.\textsuperscript{10}

The case concerned an original photograph taken by Donald Harney, a freelance photographer. Harney took the photograph during an idyllic Palm Sunday service in the Beacon Hill section of Boston.\textsuperscript{11} The photograph features a young girl riding on her father’s shoulders. A church stands in the distance.\textsuperscript{12} The photograph became widely disseminated in the media after it was discovered that the father depicted in the photograph was actually a German serial imposter who had abducted his daughter during a

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{7} \textit{Id.}
\item \textsuperscript{8} 704 F.3d 173 (1st Cir. 2013).
\item \textsuperscript{9} \textit{Id.} at 186.
\item \textsuperscript{10} \textit{Id.} at 182.
\item \textsuperscript{11} \textit{Id.} at 176.
\item \textsuperscript{12} \textit{Id.}
\end{itemize}
\end{footnotesize}
custodial visit.\textsuperscript{13} Sony Pictures later recreated the photo for its dramatic film on the underlying story.\textsuperscript{14} Harney then sued Sony Pictures for copyright infringement.\textsuperscript{15}

![Figure 2: Left, Donald Harney’s photograph. Right, Sony’s promotional recreation.](image)

The First Circuit affirmed the district court’s grant of summary judgment in favor of Sony Pictures, holding that “it is permissible to mimic the non-copyrightable elements of a copyrighted work.”\textsuperscript{16} Though the two photographs looked nearly identical, the court explained: “[c]opyright protection ‘extend[s] only to those components of a work that are original to the author,’ and a work that is sufficiently ‘original’ to be copyrighted may nonetheless contain unoriginal elements.”\textsuperscript{17} Because Sony Pictures copied only

\textsuperscript{13} Id.
\textsuperscript{14} Id. at 177.
\textsuperscript{15} Id. at 176.
\textsuperscript{16} Id. at 178.
\textsuperscript{17} Id. (quoting Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340,
unprotected elements, including the subject matter and pose, the photographs shared “factual content . . . but not Harney's expressive elements.”

Harney provides guidance to attorneys defending a copyright suit involving visual art and photographs. If an attorney can successfully argue that the client only copied unprotected elements from the original work—no matter how many of those unprotected elements were copied—the attorney may defeat a copyright violation claim.

III. ELEMENTS OF COPYRIGHT INFRINGEMENT

In 1991, the Supreme Court held that a person alleging a copyright infringement must show: “(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.” The second element typically is contested among parties in a copyright suit, and can be further broken down into two prongs: (1) actual copying and (2) copying of original elements.

A. Actual Copying

A plaintiff can prove actual copying through direct evidence. In Rogers v. Koons, the visual artist Jeff Koons provided his employees with a photograph of a couple holding puppies, taken by the plaintiff Art Rogers. Koons directed the employees to copy “the very details of the photograph that embodied plaintiff's original contribution—the poses, the shading, the expressions . . . .”


21 Id. at 305.
22 Id. at 307.
In granting summary judgment to the plaintiff, the Second Circuit explained that the “undisputed direct evidence of copying is sufficient to support the district court’s granting of summary judgment.” Moreover, “proof of actual access or strong likelihood of access to copyrighted works increases exposure to liability for copyright infringement.” Thus, while a plaintiff can show infringement by proving actual copying, the vast majority of cases lack sufficient evidence to prove actual copying, and to succeed a plaintiff must make an adequate showing that the challenged work is “substantially similar.”

B. Substantial Similarity

When a visual work of art has not been literally copied and no direct evidence of copying exists, courts must determine whether, despite some differences in works of art, one work has infringed on the copyright of another. Not all copying constitutes copyright infringement. The copyright only protects original elements. Courts look to whether the two works of art are “substantially similar,” focusing only on the elements of the first item that are protected by a valid copyright. However, courts have struggled to define “substantial similarity” when evidence of actual copying is

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23 Id.
missing. While substantial similarity is not one of the elements of copyright infringement, courts factor whether two works are substantially similar to “adjudicate whether copying of the ‘constituent elements of the work that are original’ actually occurred when an allegedly infringing work appropriates elements of an original without reproducing it in toto.”

Attorneys who represent a client charged with copyright infringement need to dissect each element of the work of art and decide at what point (if any) infringement has occurred. “The problem, then, is one of line drawing. Somewhere between the one extreme of no similarity and the other of complete and literal similarity lies the line marking off the boundaries of ‘substantial similarity.’” Circuit courts complicate the matter by applying different “substantial similarity” tests in different ways.

IV. AVOIDING LIABILITY FOR INFRINGEMENT

For a copyright violation to be present, the plaintiff must prove that the traits of the defendant’s work “that he or she alleges are infringing are: (1) similar to (2) elements in the plaintiff’s work that reflect or constitute the plaintiff’s original expression, (3) which, when viewed in the context of the plaintiff’s work as a whole, are substantial, both qualitatively and quantitatively.”

Several paths are available for an attorney to shield clients from copyright infringement liability. As an initial matter, an attorney should know which test the circuit court will use to determine substantial similarity.

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1. Circuit Tests for “Substantial Similarity”

Circuit courts in copyright infringement cases use different tests to determine whether substantial similarity exists and infringement occurred. Typically, most “courts use one of two tests: the more discerning ordinary observer test associated with the Second Circuit or the extrinsic/intrinsic test associated with the Ninth Circuit.”30 The Tenth Circuit’s abstraction-filtration-comparison test is also popularly used. While these tests are similar and will not drastically change the analysis an attorney must do for the client, an attorney must be aware that different courts choose to use slightly different tests that bring the jury into the analysis at different points. Because a jury may view a work through a different lens, an attorney should keep in mind when the court will rely on a jury and which test will be used.

a. The Second Circuit’s “More Discerning Ordinary Observer Test”

The Second Circuit typically uses the “ordinary observer test” to decide whether substantial similarity exists. “The ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.”31 However, in copyrightable photographs, both protectable and unprotectable elements exist.32 Because not all of the elements in a photograph can be copyrighted, the Second Circuit abides by a slightly different rule that takes into account unprotectable elements. For these works of art, the Second Circuit uses the “more discerning ordinary observer test”: “where we compare products that contain both protectible [sic] and unprotectible [sic] elements, our inspection must be ‘more discerning’; we must attempt to extract the unprotectible [sic] elements from our consideration and ask whether the protectible [sic] elements, standing alone, are

30 OSTERBERG & OSTERBERG, supra note 26, at 3.
31 Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960).
substantially similar.”33 Thus the Second Circuit, and any court that follow its test, first separates the unprotectable from the protectable, and only then does the court apply its “more discerning ordinary observer test” to find substantial similarity. The First Circuit, Third Circuit, Fifth Circuit, and Seventh Circuit frequently apply the “ordinary observer test.”

b. The Ninth Circuit’s “Intrinsic/Extrinsic Test”

The Ninth Circuit departed from the Second Circuit and its followers to determine substantial similarity in Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp.34 Initially, the Ninth Circuit created a two-part test: the “extrinsic test,” to be determined by the judge, and the “intrinsic test,” to be determined by the jury.35 The court went on to refine the difference between the extrinsic and intrinsic test. The extrinsic test “depends not on the responses of the trier of fact, but on specific criteria which can be listed and analyzed.”36 The criteria can “include the type of artwork involved, the materials used, the subject matter, and the setting for the subject. Analytic dissection and expert testimony are appropriate. Moreover, this question may often be decided as a matter of law.”37 If the court finds similarity exists under the “extrinsic test,” it moves on to the second part of the test.

In the “intrinsic test,” the fact finder decides whether the works are substantially similar “by the observations and impressions of the average reasonable reader and spectator.”38 Recognizing that district courts were analyzing intrinsic items under the extrinsic test, the Ninth Circuit later clarified that the extrinsic test is an objective analysis of expression, while the intrinsic test could be described as a subjective analysis of expression.39 As part of the

33 Knitwaves, Inc. v. Lollytogs Ltd. (Inc.), 71 F.3d 996, 1002 (2d Cir. 1995).
34 562 F.2d 1157 (9th Cir. 1977).
35 Id. at 1164.
36 Id.
37 Id.
38 Id. (quoting Twentieth Century-Fox Film Corp. v. Stonesifer, 140 F.2d 579, 582 (9th Cir. 1944)).
39 Shaw v. Lindheim, 919 F.2d 1353, 1357 (9th Cir. 1990).
extrinsic test, a court is to identify protected and unprotected elements. The Fourth Circuit and the Eight Circuit also follow the “intrinsic/extrinsic” test.

c. The Tenth Circuit’s “Abstraction-Filtration-Comparison Test”

The Tenth Circuit uses the “abstraction-filtration-comparison test,” which initially was used solely for computer copyright infringements. The abstraction level dissect the work into varying levels of generality, typically filtering “ideas” from “expressions.” The court then “examine[s] each level of abstraction in order to filter out those elements of the program which are unprotectable.” Finally, the court compares the “remaining protectable elements with the allegedly infringing program to determine whether the defendants have misappropriated substantial elements of the plaintiff’s program.” The Tenth Circuit’s test is chiefly derived from the Second Circuit’s “more discerning ordinary observer test.”

2. Filtering Unprotected Elements

As a general matter, most courts first decide which elements of the original photograph are not copyrightable and then move through the remaining elements and compare those with the work of art in question. This process can severely burden or lighten the workload of the defense attorney. The attorney can mitigate damage by showing the court that additional elements are unprotected in the plaintiff’s work. A failure to address which

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40 Mattel, Inc. v. MGA Entm’t, Inc., 616 F.3d 904, 913 (9th Cir. 2010).
42 Nichols v. Universal Pictures Corp., 45 F.2d 119, 120 (2d Cir. 1930).
43 Gates Rubber Co., 9 F.3d at 834.
44 Id.
45 See Mitel, Inc. v. Iqtel, Inc., 124 F.3d 1366, 1370 (10th Cir. 1997); Country Kids ’N City Slicks Inc. v. Sheen, 77 F.3d 1280, 1284 (10th Cir. 1996).
46 See Gates Rubber Co., 9 F.3d at 833; Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1164 (9th Cir. 1977); Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960).
elements are unprotected may cause traditionally unprotected elements to evade filtration, thereby subjecting the client to further liability if substantial similarity is found in the remaining protected elements.

Courts have consistently held that copyright protection does not extend to “any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”47 Additionally, “[t]wo photographs are not substantially similar . . . merely because they capture the same object or subject, or even because they capture a similar subject in a similar pose, if that pose is part of the subject’s natural movement or is otherwise common or predictable.”48 A mere copying of a subject is also unprotectable because it is an uncopyrightable idea.49

For example, in Kaplan v. Stock Mkt. Photo Agency, the Southern District of New York described unprotectable elements of a photograph.50 In that case, two photographs depicted a scene in which a businessperson contemplated leaping from a tall building onto the bustling city street below. The court held that “nearly all the similarities between the works arise from noncopyrightable elements, thus rendering the works not substantially similar . . . . As the photograph’s central idea, rather than Kaplan’s expression of the idea, this subject matter is unprotectable in and of itself.”51 The pose of the subject, the clothes, and the viewpoint were also found to be unprotectable, as none of these elements were unusual to the subject matter of the photo.52

48 OSTERBERG & OSTERBERG, supra note 26, at 10-3.
49 Id.
51 Id.
52 Id.
Additionally, filtering can put a client in the same positions as those defendants in *Harney*. An attorney may try to show the court that every similar element is actually unprotectable, leaving the peculiar situation where the works look exceptionally similar but the court decides no infringement has occurred. The bulk of an attorney’s work should go toward proving that the similar elements in the two works are unprotected elements, and thus subject to copying without infringement. Indeed, Sony’s attorneys took this course in *Harney*, urging the court to recognize that all of the copied elements were unprotectable.53

Some circuits have held that when enough unprotectable elements are used in the same manner as in the original work,

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copyright infringement will be found. This caveat is likely to be unhelpful in the copyright of visual artists because it is typically applied to the copyright of information and computer programs.\footnote{Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991).}

When advocating for a client, an attorney should lump elements together in broad unprotectable categories. An attorney may do so by taking one of the unprotectable filters (“ideas” or “subject”) and show how the plaintiff attempts to copyright that unprotectable element:

> While the dividing line between an (unprotectable) idea and (protectable) expression is notoriously vague, a defendant should attempt to extrapolate the concepts within the plaintiff’s work as broadly as possible, and recast the similarities alleged as extending to those high level concepts only, and not to the plaintiff’s specific expression of those concepts.\footnote{Dalton & Cable, \textit{supra} note 29, at 26–29.}

By recasting an element as unprotectable, the attorney no longer needs to focus on that portion of the art. Additionally, the more elements declared unprotectable, the more difficult it becomes for a court to find copyright infringement on the remaining elements. A defense attorney’s best argument is to show that all the similarities in the photo are of unprotected elements.

3. Distinguishing Protected Elements

Once unprotectable elements have been sorted out of an infringement claim, the remaining elements are left open to a substantial similarity accusation. “The copyrightable elements of a photograph have been described as the photographer’s ‘original’ ‘conception’ of his subject, not the subject itself.”\footnote{Kisch v. Ammirati & Puris Inc., 657 F. Supp. 380, 382 (S.D.N.Y. 1987).}
Courts have agreed that “the copyrightable elements include such features as the photographer’s selection of lighting, shading, positioning and timing.” In Kisch v. Ammirati & Puris Inc., the court denied summary judgment to defendants and “conclude[d] that a rational trier of fact could find sufficient similarities to prove ‘copying.’”

While the court recognized differences between the two photos, it identified “many similarities.” For example, the two photographs were taken from the same location, the “same small corner of the Village Vanguard nightclub” in New York City. The lighting and camera angle were similar. In both photographs the subjects are seated and holding a musical instrument, and “[t]he same striking mural appears as the background for each photograph.” But ultimately, though the subject matter (unprotectable) was dissimilar from the original photo, these protected elements showed substantial similarity.
Mannion v. Coors Brewing Co. has provided attorneys and artists with some direction in defining “substantial similarity.” In Mannion, the United States District Court for the Southern District of New York concluded “[a] photograph may be original in three respects:” rendition, timing, and creation of the subject. The court clarified: “First, ‘there may be originality which does not depend on creation of the scene or object to be photographed . . . and which resides [instead] in such specialties as angle of shot, light and shade, exposure, effects achieved by means of filters, developing techniques etc.’” The court referred to this type of originality as “originality in the rendition because, to the extent a photograph is original in this way, copyright protects not what is depicted, but rather how it is depicted.” A photograph may be original in a second respect. “[A] person may create a worthwhile photograph by being at the right place at the right time.” Mannion classifies these protected elements into clear categories, which can be helpful for an attorney trying to show the client did not infringe. In order to do so, an attorney will try to distinguish the protected elements in the client’s work from the protected elements in the plaintiff’s work.

Copyright infringement, not surprisingly, cannot be avoided by changing the medium. “The governing principle is that despite differences in appearance that result from a change in the medium, if the ordinary observer familiar with the photograph would recognize the new work as having been taken from the expressive elements of the photograph, the works are substantially similar.” Thus, while a change in medium can add ammunition to an argument that the protected elements are too dissimilar to show substantial similarity, an attorney must go beyond this argument and show why other protected elements in the plaintiff’s work are so different that substantial similarity cannot be shown.

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61 Id. at 452.
62 Id.
63 Id.
64 OSTERBERG & OSTERBERG, supra note 26, at 10-3.
4. Raising Affirmative Defenses

If an attorney is unable to persuade the court that unprotected elements of the disputed piece are dissimilar, the attorney can raise a number of affirmative defenses. The most common defense is one of fair use, though many defenses are available under copyright law. Two doctrines are particularly relevant to infringement of photos: merger and *scenes a faire*.

a. Merger

Ideas are not copyrightable. In some cases, the expression of a certain idea is so close to the idea itself, the expression “merges” with the idea, and is not copyrightable. Merger is a judicially created rule and recognizes that some ideas can only be expressed in a limited number of ways. Thus, if an idea can only be expressed in a few different ways, a court will likely rule that expression is unprotected. To rule otherwise may prohibit expression of the idea. An attorney using “filtering” may apply the doctrine of merger to elements where the expression is limited by the idea itself.

b. Scenes a Faire

Under the doctrine of *scenes a faire*, “courts will not protect a copyrighted work from infringement if the expression embodied in the work necessarily flows from a commonplace idea.” *Scenes a faire* differs from merger in that *scenes a faire* refers to the most common way to express an idea, while merger may refer to the only way to express an idea.

In *Reece v. Island Treasures Art Gallery, Inc.*, a photographer sued an art gallery for copyright infringement, alleging that the art gallery was displaying an unauthorized stained-glass reproduction of a photograph of a hula dancer.  

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65 See CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc., 44 F.3d 61, 64 (2d Cir. 1994).
67 Reece v. Island Treasures Art Gallery, Inc., 468 F. Supp. 2d 1197, 1199
Figure 6: Left, plaintiff’s photograph. Right, defendant’s stained glass artwork.

After the court “separate[d] the protectable from the unprotectable elements,” it found “[e]lements particular to the hula kahiko tradition are *scenes a faire*.” Specifically, the court held that the positions and features were “indispensable, naturally associated with the motion,” and the “dancer’s hula kahiko dress” was “required.” Because these elements were *scenes a faire*, they were not protected by copyright.

**Conclusion**

Despite the different tests that circuit courts use when determining copyright infringement, most courts follow the same general path. An attorney advocating for a client charged with copyright infringement should try to prove (1) the similar elements are unprotectable; (2) the protected elements that remain are

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(D. Haw. 2006).

68 *Id.* at 1207.

69 *Id.*

70 *Id.*
dissimilar and therefore the works cannot have “substantial similarity;” and (3) the defendant had the right to use the material under affirmative defenses. In dissecting the original copyrighted image into protectable and unprotectable elements, defending attorneys should attempt to recast those elements of the original image that are seemingly protected into elements that are unprotectable as a matter of law. Attorneys can do so by broadening the scope of the protected element.

**PRACTICE POINTERS**

- Apply filtration extensively to eliminate as many elements as possible from the protected category.
- Analogize protected elements broadly to unprotected elements.
- After all unprotected elements have been filtered and defenses have been raised, argue that any similarity in the remaining elements is minimal and does not constitute substantial similarity.
- Dissect each element into the smallest parts possible.
- After filtering unprotected from protected elements, apply defenses and use merger and *scenes a faire* to move more elements out of the protected category.
HOLOGRAM IMAGES AND THE ENTERTAINMENT INDUSTRY: NEW LEGAL TERRITORY?

Stephen Anson

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ABSTRACT

Modern technology allows for the holographic reproduction of a dead artist’s likeness, with the ability to perform past classic works or new original artistic works. The Coachella Valley Music and Arts Festival performance by the “holographic” Tupac Shakur in April 2012 dazzled an excited crowd and made the idea of bringing back deceased musical celebrities or other public personalities a reality. The use of such holographic performances is in its infancy, but the potential for possible intellectual property infringement is real and concerns the areas of copyright, trademark, and—most importantly—the right of publicity, which protects a celebrity’s name, likeness, voice and mannerisms. This new technology also creates the possibility of re-creating a past celebrity for nefarious purposes, but it is unclear what legal protections are available to the decedent’s estate to challenge such potentially damaging uses. The right of publicity is a matter of state law, is granted in thirty-one states, and is extended post-mortem in only twenty of those states. Therefore, understanding what legal protections are available requires a complex examination of all relevant jurisdictions’ intellectual property laws. Celebrities, public figures, and estate planners should be mindful of these new

* Stephen Anson, University of Washington School of Law, Class of 2015.
Thank you to my faculty supervisor Professor Zahr Said and to Ed Anson for providing invaluable insight and direction.
Technologies, establish domicile in states with robust rights of publicity, and draft wills accordingly to ensure greatest posthumous protection.

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Introduction

In April 2012, the deceased rap artist Tupac Shakur returned from the grave and performed for an enthusiastic crowd at the Coachella Valley Music and Arts Festival in California. Scientists

Brandon Marsh, Tupac Hologram Rocks Coachella and IP Laws, AM.
did not actually reanimate Tupac’s body to achieve this amazing feat; instead, they created a technologically elaborate holographic reproduction of his image, voice, and likeness. As technology to create such holographic reproductions advances, more and more dead celebrities are likely to be brought back to the main stage to perform their classic hits as well as completely new musical compositions. Such holographic images raise various copyright and trademark issues, but the main property right at stake is the right of publicity. Because the right of publicity is only granted in thirty-one states, and the postmortem right is only recognized in twenty of those states, the protections against infringement available to the deceased artist’s estate will vary depending primarily upon the state in which the artist was domiciled at the time of death, as well as the choice of law rules of the jurisdiction in which the suit is brought. This Article will first examine the new technology that allows these reproduced holographic performances to be possible. Second, this Article will examine the three main levels of intellectual property protection across the United States, varying from the lowest amount of protection to the highest. Lastly, this Article will investigate the steps that a living artist’s or a deceased artist’s estate can take to plan for the most robust protection.

I. NEW TECHNOLOGY ALLOWS FOR THE DIGITAL RECREATION OF DECEASED MUSICAL ARTISTS

Although the virtual Tupac Shakur at Coachella was widely called a hologram, that term was a misnomer because holograms

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3 *Id.*

are three-dimensional whereas Tupac’s likeness was presented as a two-dimensional projection. The two-dimensional image was projected onto a stage set, using the patented Musion Eyeliner 3-D Holographic Projection System, which then created the illusion of a three-dimensional image. This projection technology is not new; rather, it is based on an old theater trick called “Pepper’s Ghost,” introduced in the 1860s. Nick Smith, president of AV Concepts, which helped create the digital rendering, captured the significance of this performance when he said, “You can take their likenesses and voice and... take people that haven’t done concerts before or perform music they haven’t sung and digitally recreate it.”

This new technology is growing in popularity because it allows anyone to recreate dead artists and program them to sing their old songs, a different artist’s songs, or even completely new songs. While living artists have been digitally altering old classic tracks to sing duets with the deceased since the 1990s, this new technology allows the programmer to make the hologram sing completely new tracks. Dr. Dre, the main driving force behind the Coachella Tupac Shakur performance, said he would love to bring out other dead celebrities to perform with him, like Jimi Hendrix and Marvin Gaye. On April 25, 2012, the tenth anniversary of a crash that killed band mate Lisa “Left Eye” Lopes, the group TLC announced it was considering plans to tour with a virtual Lopes hologram. Marilyn Monroe’s estate and Elvis Presley’s estate have also shown interest in the holographic reproductions.

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5 Id. While the Tupac reproduction does not exactly fit the technical definition of a hologram, this Article addresses this reproduction, and similar reproductions, as holograms because the legal significance is the same regardless of whether the finished product is two-dimensional or three-dimensional.
6 Id.
7 Moser, supra note 2.
8 Marsh, supra note 1.
10 Montgomery, supra note 4.
In addition to holographic reproductions of deceased musicians and singers, this technology could recreate other famous celebrities in the future for a variety of nonmusical reasons. The Port Authority of New York and New Jersey announced in May 2012 that it purchased three holograms to answer the most frequently asked questions at LaGuardia, Newark, and John F. Kennedy airports.\(^\text{12}\) While these airport holograms may not be reanimations of deceased celebrities at the moment, they represent the wide possibilities for this new technology in the future.

II. THE RIGHT OF PUBLICITY IS THE MAIN INTELLECTUAL PROPERTY PROTECTION AGAINST INFRINGEMENT

Holographic recreations of deceased celebrities raise three main intellectual property issues: copyright, trademark, and—most importantly—the right of publicity.\(^\text{13}\) Copyright and trademark protections offer the celebrity’s estate some avenues for redress to combat infringement, but the right of publicity provides the most robust protection because it protects a celebrity’s name, likeness, voice, and mannerisms. Thus, this Article will primarily analyze the right of publicity issues. Although the right of publicity provides the most protection for a deceased celebrity’s likeness against unauthorized use, it is a matter of state law and varies across the United States.

In the United States, thirty-one states recognize a right of publicity in some form, and the remaining nineteen states have not yet considered the issue.\(^\text{14}\) The right of publicity is a matter of state statutory and common law, and there is a broad range of protections among the laws of the different states.\(^\text{15}\) In recent years, twenty states have extended the protection afforded to personality

\(^{12}\)Moser, supra note 2.

\(^{13}\)Montgomery, supra note 4.


\(^{15}\)Id. at 79.
rights beyond the celebrity's death, with some states providing only limited protection and others continuing the protection for up to 100 years after death.\textsuperscript{16} This Article will examine the various levels of protection through three main categories: (1) states with no right of publicity protection; (2) states that recognize the right of publicity during one’s lifetime; and (3) states that recognize the right of publicity during one’s lifetime and postmortem.

\textit{A. States without a Recognized Right of Publicity Provide Moderate Postmortem Protection through Existing Copyright and Trademark Laws}

In states that do not recognize rights of publicity, the deceased celebrity’s estate will likely rely on copyright, trademark, and the right of privacy to guard against unauthorized holographic recreations. The following nineteen states do not recognize the right of publicity: Alaska, Arkansas, Colorado, Delaware, Idaho, Iowa, Kansas, Maine, Maryland, Mississippi, Montana, New Mexico, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Vermont, and Wyoming.\textsuperscript{17}

Copyright laws provide a range of protections for a celebrity and a deceased celebrity’s estate against unwanted holographic reproductions. These laws provide copyright owners with an exclusive right over original works of authorship, including literary, dramatic, musical, and artistic works.\textsuperscript{18} This exclusive control gives the owner the ability to determine who can use protected audio recordings, videos, and images. If a holographic performance is an exact reproduction of an existing recorded performance, or is a combination of different recorded performances, the various copyright owners of each performance would have a case of copyright infringement against the hologram author. However, if the holographic performance by a deceased celebrity is an entirely original work, created with entirely new content, the copyright holders will have little ground to establish a

\textsuperscript{16} \textit{Id.} at 83–84.
\textsuperscript{17} \textit{Id.} at 84.
\textsuperscript{18} Moser, \textit{supra} note 2.
valid claim of infringement.\textsuperscript{19}

Trademark laws provide additional protection against unwanted holographic reproductions. Celebrities can own a trademark on their name, which protects themselves and their name from dilution. Dilution occurs when a third party uses a similar mark in a way that tarnishes or weakens the brand associated with the celebrity's name or likeness. As long as use of the mark continues, the trademark can last indefinitely. If someone creates an unauthorized hologram for a marketing purpose using a deceased celebrity or causes the consumer confusion as to the source of the production, then the trademark owner would have a claim of infringement against the hologram creator.\textsuperscript{20}

The common law right of privacy protects individuals against unreasonable intrusions upon their seclusion, another person’s appropriation of their name or likeness, unreasonable publicity given to their private life, and publicity that unreasonably places them in a false light before the public.\textsuperscript{21} However, the right to privacy offers a weaker protection than the statutory right of publicity and does not normally extend postmortem.

\textbf{B. States that Recognize the Right of Publicity during an Individual’s Lifetime Offer Similar Postmortem Protection as States that Do Not Recognize Such a Right}

In states that recognize the right of publicity for only living people, the deceased celebrity’s estate will likely encounter challenges similar to those in states that do not recognize the right at all. A celebrity’s image and likeness is protected during the celebrity’s lifetime in these states, but such protection ends with his or her death. The following eleven states recognize the right of publicity only during an individual’s lifetime: Alabama, Arizona, Hawaii, Massachusetts, Minnesota, Missouri, New Hampshire, New York, Rhode Island, West Virginia, and Wisconsin.\textsuperscript{22}

One of the greatest challenges facing the practitioner

\textsuperscript{19} Moser, supra note 2.
\textsuperscript{20} Moser, supra note 2.
\textsuperscript{22} Reichman, supra note 14, at 83–84.
addressing infringement based on the publicity rights of a living person is determining which state’s substantive law applies. “The court may apply the law of its own state, or the law of the state where the alleged infringement occurred (if infringement occurred outside of the forum state), or the law of the rights owner’s domicile (if different from the forum state and the ‘infringement state’).” 23

A court’s decision will depend upon the forum state’s conflict of laws rules and a determination of which state has the most significant relationship to the lawsuit. 24

Because New York is home to many living and deceased celebrities, the New York right of publicity statutes and case law will be briefly examined to illustrate the state of the law in this type of jurisdiction.

1. The Right of Publicity in New York

New York has codified the right of publicity in its “Right of Privacy” statutes.25 Sections 50 and 51 are the primary statutory provision for the right, and provide protection for a person’s name, portrait, picture, and voice against unauthorized uses in advertising or other trade purposes.26 Commercialization of the identity is also not a prerequisite for an individual to possess a protectable right of publicity in New York.27

As mentioned above, New York does not recognize a postmortem right of publicity. The plain language of both sections 50 and 51 of the New York Civil Rights Act as well as case law interpreting those sections have made this clear.28 In 2010, a proposed bill would have extended right of publicity protection in New York to seventy years after death, but the legislature never enacted the bill and it is no longer pending.29

Under New York law, the right of publicity is a property right,
and as such, courts will sometimes apply New York “property choice-of-law rules to select the state whose law determines whether a plaintiff has a protectable right of publicity.” New York courts will look to see where a celebrity was domiciled at death and apply the laws of that state.\footnote{Groucho Marx Prods., Inc. v. Day & Night Co., 689 F.2d 317, 319 (2d Cir. 1982).}

C. States that Recognize the Right of Publicity during an Individual’s Lifetime and Postmortem Provide the Most Robust Protection against Unauthorized Holographic Reproductions

Twenty states have extended the right of publicity past death, but the term of protection and additional requirements vary depending on the state.\footnote{Factors Etc., Inc. v. Pro Arts, Inc., 652 F.2d 278, 281 (2d Cir. 1981).} The twenty states that recognize this postmortem right are California, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, Nebraska, Nevada, New Jersey, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, and Washington.\footnote{Reichman, supra note 14, at 83–84.} The main ways in which these states’ laws differ from each other in addressing the posthumous right of publicity are duration, retroactivity, protected aspects, registration requirements, commercialization requirements, continued use requirements, statutes of limitations, and available remedies.\footnote{Reichman, supra note 14, at 78–83.}

While a state-by-state comparison in regards to the aforementioned factors would certainly be useful for the practitioner desiring a comprehensive national understanding, it is beyond the scope of this Article. Instead, this Article will focus on the right of publicity laws in California, since it is home to such a high number of celebrities in the United States.

1. The Right of Publicity in California

California protects the right of publicity under California
common law as well as under California Civil Code sections 3344 for living persons35 and 3344.1 for deceased persons.36 Under California law, the right of publicity protects a person’s name, voice, signature, photograph, or likeness up to seventy years after death.37 In most states that recognize a postmortem right, it is necessary to determine if the postmortem right of publicity was recognized before the celebrity died. However, in 2008 the California legislature amended its statute to apply retroactively to Californians who passed away prior to January 1, 1985.38 Thus, the heirs of any deceased person domiciled in California will have an enforceable publicity right regardless of the date of death, assuming all other requirements have been satisfied.

The holder of a deceased person’s right of publicity must register the claim with California’s Secretary of State, and the rights-holder cannot recover damages for any use that occurs before registration.39 Registration is also required in Oklahoma, Texas, and Nevada for the owners of a postmortem right to fully exercise and enforce it.40

While California does not require the commercialization of an individual’s identity as a prerequisite to a protectable postmortem right of publicity, the deceased person’s right of publicity must have had “commercial value at the time of his or her death, or because of his or her death.”41 Similarly, Utah requires that the deceased individual’s name or likeness have commercial value at the time of death for protection to exist.42 Tennessee will recognize the right indefinitely if the estate continually exploits it after an initial ten-year postmortem period, during which exploitation is not

35 CAL. CIV. CODE § 3344 (West 2012).
36 Id. § 3344.1.
37 Id.
40 Reichman, supra note 14, at 79.
41 CAL. CIV. CODE § 3344.1(h) (West 2012).
42 Reichman, supra note 14, at 78.
An exception in section 3344.1(a)(2) creates a roadblock for celebrities’ heirs to challenge unauthorized holographic performances. This exception states:

[A] musical composition, audiovisual work, radio or television program, single and original work of art or an advertisement or commercial announcement for any of these works, shall not be considered a product, article of merchandise, good, or service if it is fictional or nonfictional entertainment, or a dramatic, literary, or musical work.

Subsection (n)(1) limits this exception to uses that are not advertisements or commercial announcements. Thus, if the court interprets holographic reproductions, like the Tupac Shakur example at Coachella, as a musical composition, audiovisual work, or a single and original work of art, then the deceased celebrity’s estate might be powerless to stop it.

Although section 3344.1(a)(2) does not specifically mention holographic reproductions as exempt, they may still be exempt because the “language of a statute should not be given a literal meaning if doing so would result in absurd consequences which the Legislature did not intend.”

In Astaire v. Best Film & Video Corp., the Ninth Circuit Court of Appeals decided that even though the subsection did not mention video tapes as specifically exempt, exempting a film or television program but not a videotape created an absurd result. Because holographic performances are similar to projected three-dimensional movies without a screen, California courts would likely include them within the (a)(2) exemption.

Thus, California’s postmortem right of publicity law primarily protects the rights holder from unauthorized uses of a deceased personality’s name, voice, photograph, etc., “either (1) ‘on or in’ a
product, or (2) in ‘advertising or selling’ a product.”

Under this statutory framework, non-advertising holographic performances based on deceased celebrities are exempt from infringement liability as long as the hologram was not the product for sale.

This approach differs from the one that California has adopted for living celebrities in section 3344, which does not contain this exemption. This indicates that the California legislature intended broader freedom for the unauthorized use of a deceased person’s publicity right than for the unauthorized use of a living person’s publicity right. California also has additional safe harbor exceptions for uses related to news, public affairs, sports, and politics. These exceptions create more areas in which a deceased person’s likeness may be used without authorization of the right holder.

2. The Importance of the State of Domicile for Postmortem Protection

The Ninth Circuit recently held that the law of the state in which the individual was domiciled at the time of death determines if there will be a postmortem right of publicity available to that person’s heirs. In Monroe, the court had to determine which laws to apply given that Marilyn Monroe lived in both California and New York before her death. The court held that because Monroe was legally domiciled in New York at the time she died, New York law would apply and the deceased celebrity personality rights in California were not recognized.

The California Court of Appeals previously defined domicile as the “one location with which for legal purposes a person is considered to have the most settled and permanent connection, the

48 Reichman, supra note 14, at 81.
50 Milton H. Greene Archives, Inc. v. Marilyn Monroe LLC, 692 F.3d 983 (9th Cir. 2012).
51 Id.
52 Id.
place where he intends to remain and to which, whenever he is absent, he has the intention of returning.”53 Because a person can only have one domicile, the court will evaluate where that person was last domiciled. If that person claims a different state of domicile, then the court will examine whether there is any intention to return to the previous state.54 In Monroe, the court determined that Monroe’s state of domicile was New York “because Monroe's executors consistently represented during the probate proceedings and elsewhere that she was domiciled in New York at her death to avoid payment of California estate taxes.”55 Considering this recent decision, it becomes increasingly important for people to choose states that recognize the postmortem right of publicity as their domicile if they are concerned about their right of publicity after death.

In contrast to the California right of publicity law and other jurisdictions that recognize this right postmortem, Washington and Indiana have statutes that recognize publicity for a deceased individual regardless of the state of domicile at the time of death.56 However, Washington’s right of publicity has recently come under attack. The United States District Court for the Western District of Washington held that the Washington Personality Rights Act, which recognized publicity regardless of the state of domicile, was an unconstitutional violation of the Full Faith and Credit Clause as well as the Dormant Commerce Clause.57 Although the Indiana statute was not at issue in this case, it could face a similar fate if challenged.58

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55 Monroe, 692 F.3d at 986.
56 Reichman, supra note 14, at 79.
58 Reichman, supra note 14, at 79.
III. STEPS TO PLAN FOR THE MOST ROBUST PROTECTION AGAINST UNWANTED HOLOGRAPHIC REPRODUCTIONS

Establishing domicile in a state with robust right to publicity protections is the most powerful step available to a person concerned with potential misuse of his or her likeness. While California has some of the most robust protection, it only provides protection for up to seventy years after death. Indiana and Oklahoma recognize the right for up to 100 years after death.\(^{59}\) Tennessee will recognize the right indefinitely if the estate continually exploits it, after an initial ten-year postmortem period during which exploitation is not required.\(^ {60}\)

Celebrities and non-celebrities alike should also clearly state whether their name and likeness can be utilized as a holographic performance when negotiating contracts.\(^ {61}\) Similarly, the forward-thinking individual should specify in his or her will what happens to his or her right of publicity after death. Rights of publicity should also be registered by the estate after a celebrity’s death where required in order to maximize protections.

CONCLUSION

Modern technology now allows for the holographic reproduction of a dead artist’s likeness with the ability to make them perform classic or new artistic works. As this technology further develops, it is likely that there will be more holographic reproductions in the future. While copyright and trademark laws protect some aspects of holographic performances by deceased artists, the most robust protection exists in jurisdictions that recognize the right of publicity, and especially those jurisdictions that recognize this right postmortem. Given the fact that only thirty-one states grant the right of publicity, and only twenty of those recognize the postmortem right, the protections against infringement available to the deceased artist’s estate will vary depending primarily upon which state the artist was domiciled in at

\(^{59}\) Reichman, *supra* note 14, at 78.
\(^{60}\) Reichman, *supra* note 14, at 78.
the time of death, as well as the choice of law rules of the jurisdiction in which the suit is brought.

PRACTICE POINTERS

- Establishing domicile in a state with robust right to publicity protections is the most powerful step a person can take to guard against potential misuse of his or her likeness.
- Celebrities and non-celebrities alike should clearly state whether their names and likenesses can be utilized in a holographic performance when negotiating contracts.
- Draft a will specifying what will happen to your right of publicity after death.
- Where required, rights of publicity should be registered by the estate after a celebrity’s death in order to maximize protections.
ABSTRACT

The 2007 collapse of Salander O’Reilly Gallery in New York City caught the attention of New York’s state lawmakers after artists and their heirs lost nearly $120 million in gallery owner Lawrence Salander’s schemes. This scandal ultimately led lawmakers to enact major changes in the state’s art consignment statute. The changes bolstered existing protections while adding additional safeguards for artists who choose to consign their works through galleries rather than selling them wholesale.

This Article will examine the relationship between consignors and consignees, highlighting major vulnerabilities that current consignment statutes create for artist consignors. In Section I, this Article will examine the benefits of consignment to both artists and dealers. In Section II, this Article will discuss the most common provisions in art consignment statutes that tend to leave artists unprotected in consignment deals. In Section III, this Article will examine New York’s amended consignment statute, which alleviates all major concerns for artists, and will argue that New York has provided a model statute that all states should implement in order to provide a fairer balance in the relationship between artists and art dealers.
Finally, Section IV will briefly examine the potential benefits the statute can provide for artists asserting claims to protect their consigned works.

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INTRODUCTION

In 2010, the art world watched as Lawrence Salander, the owner of the former Salander O’Reilly Gallery in New York City, was sentenced to six to eighteen years in prison after pleading guilty to 29 counts of grand larceny. In 2007, a judge ordered the gallery closed. That order was preceded by several lawsuits from Salander’s investors and artists claiming, among other things, that Salander fraudulently sold multiple works of art and failed to pay back a number of loans. All told, Salander’s scheme had racked

3 Id.
up nearly $120 million in damages. While many of Salander’s investors suffered their fair share of monetary losses, perhaps most affected were many of the artists Salander had worked with. When the gallery’s finances became imperiled, Salander began selling a number of paintings given to him on consignment without permission from the artists. He often sold these pieces at prices that were well below what the pieces were actually worth in order to satisfy his other debts. A number of artists and their families also alleged that Salander had sold multiple pieces that were given to him for storage purposes only, leaving the original owners without their works of art or compensation for any of them. Those parties claimed that they never authorized Salander to sell the pieces. They only accepted Salander’s offer to hold the artwork in his gallery for safekeeping.

News of the gallery’s collapse caught the attention of New York lawmakers, who quickly worked to amend the state’s art consignment statute to prevent such harm to other artists in the future. The amendments passed in 2012 provided a number of protections to artists selling their works on consignment against dealers using techniques like Salander’s.

I. WHY CONSIGN?

Consignment has become more prevalent in the art world after the recent global economic crisis. Galleries with little cash on hand often prefer to obtain works on consignment because purchasing

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6 Id.
pieces to sell can be prohibitively expensive. Consignment allows galleries to save their cash reserves and pay the artist only after their works sell.

Consignment is often an attractive option for artists as well. Many artists who cannot or simply do not want to spend their time selling their works will often turn pieces over to galleries for consignment. These agreements give artists the opportunity to have their pieces sold by professional sellers, thus giving the artist more time to create rather than run a business. In addition, artists are often able to obtain favorable fee splits with galleries that ultimately net the artists more money than they would have made selling their works wholesale to dealers.

However, consignment agreements can also leave artists quite vulnerable in many ways. Notably, as will be discussed in more detail below, many states do not afford sufficient protections to artists who consign their works. Thus, artists without access to legal counsel often do not know what to look for or what questions to ask when entering such agreements. This lack of knowledge ultimately places artists on unequal footing when contracting with savvier dealers and galleries.

II. VULNERABILITIES IN CONSIGNMENT STATUTES

To date, 33 states have art consignment statutes. Though the statutes vary widely, many address the same key issues. In addition, such statutes frequently create the same vulnerabilities for artists. Three significant weaknesses are often present in such statutes: little to no regulation of how dealers are to place works and profits in trust for the artist; a lack of attorney’s fees for prevailing plaintiffs; and no requirement for written consignment agreements. These issues can create significant problems for artists when consigning their works.

A. Property Held in Trust

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One common provision in many states’ consignment statutes is a requirement that galleries hold the artist’s works and any profits from their sale in trust for the artist, thus creating a fiduciary duty to the artist.\textsuperscript{10} However, most statutes are silent on how the consignee is to handle the property they hold in trust.\textsuperscript{11} In most states, galleries are able to comingle their business funds with consignment profits without being subject to penalties.

Though some states do specify that the consignment proceeds must be protected from the gallery’s creditors,\textsuperscript{12} most statutes do not include this provision. Without this protection, artists’ profits in those states are vulnerable to seizure by third parties if the gallery goes bankrupt. While there certainly are remedies for breach of fiduciary duties, the high cost of legal counsel can often limit many artists’ ability to seek help, especially in such disputes where their expected profits from completed sales are being held from them. Even if artists are able to afford legal counsel, they are often limited to seeking restitution from a failing gallery or through impending bankruptcy proceedings. This makes it extremely unlikely that the artist will recover much, if anything, for their previously sold or lost works.

\textbf{B. Attorney’s Fees}

Of the states that have art consignment statutes, most do not address the issue of attorney’s fees.\textsuperscript{13} While the traditional American rule, where each party pays their own legal costs and fees, is generally the default when statutes are silent on the issue,\textsuperscript{14} this requirement can create a significant burden for artists seeking to enforce prior agreements or protect their works in a dispute. Many artists choosing to consign their works are not highly paid;

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\textsuperscript{10} Id.; see, e.g., \textsc{Alaska Stat.} § 45.65.200 (2012); \textsc{Wash. Rev. Code} § 18.110.010 (2012).
\textsuperscript{11} McGowan, \textit{supra} note 9.
\textsuperscript{12} See, e.g., \textsc{D.C. Code} § 28:9-114 (2012).
\textsuperscript{13} McGowan, \textit{supra} note 9.
\textsuperscript{14} See, e.g., \textsc{Baykam v. Martin/Molinary Art & Design Galleries, Ltd.}, No. 86 CIV. 1010 (JEL), 1987 WL 12375 (S.D.N.Y. 1987); \textsc{Koeniges v. Woodward}, 702 \textsc{N.Y.S.2d} 781 (N.Y. Civ. Ct. 2000).
they create art as a hobby or side project. Thus, when faced with the choice between paying costly legal fees or simply dropping the matter, many artists may think twice about using the courts to settle their disputes.

C. Written Agreements

Though some states, such as Georgia,\textsuperscript{15} require that all or portions of consignment agreements be reduced to writing, most do not have this requirement.\textsuperscript{16} Informal verbal agreements that take the place of written agreements put both parties to an agreement at risk. However, artists in particular, especially those without experience selling their own works, can be taken advantage of in this context. Like most of the general population, inexperienced artists are not always aware of what their rights are in a contract negotiation. A savvy gallery owner or dealer who is more familiar with consignment practices and transactions could easily take advantage of a consignor in the absence of a written document spelling out the consignor’s rights.

III. New York’s Statute

In 2012, New York lawmakers set out to prevent a future Salander O’Reilly-like disaster by protecting those artists most likely to suffer when consignment transactions go wrong.\textsuperscript{17} Lawmakers amended the relevant statute, section 12.01 of the New York Arts and Cultural Affairs Law, later that year by putting a number of artist protections\textsuperscript{18} that addressed the shortcomings discussed above, all of which were present in the former New York statute.\textsuperscript{19} The amendments went even further by allowing courts to

\textsuperscript{15}GA. CODE ANN., § 10-1-523 (2012).
\textsuperscript{16}McGowan, \textit{supra} note 9.
\textsuperscript{18}N.Y. ARTS & CULT. AFF. LAW § 12.01 (McKinney 2012).
\textsuperscript{19}N.Y. ARTS & CULT. AFF. LAW § 12.01 (McKinney 1999).
impose additional discretionary penalties on dealers who breach their agreements with artists.\textsuperscript{20} The resulting statute is unprecedented as a whole. No other state provides such extensive protections for works held in trust, allowance of attorney’s fees, or a requirement for written artist–dealer agreements.\textsuperscript{21}

\textit{A. Property Held in Trust}

Though New York’s consignment statute has always required that consignors hold an artist’s property in trust for the benefit of the artist, prior versions of the statute did not specify what this meant.\textsuperscript{22} Prior to 2012, it was not uncommon for consignors to comingle their own funds with the sales proceeds from works they obtained on consignment.\textsuperscript{23} Not only did this commingling create issues when separating the funds, but in some cases it also allowed a consignor’s creditors to reach the funds being held for the artists. Creditors could reach the funds because it was not always possible to discern the source of the consignor’s account deposits.\textsuperscript{24} As in the Salander O’Reilly case, a dealer or gallery’s bankruptcy could leave artists with unfulfilled consignment agreements and nothing else. That is, their works had been sold long before and the proceeds from that sale were intertwined with other property, which in turn was subject to seizure in bankruptcy proceedings.

Under the new amendments however, New York’s consignment statute now specifies that the consignor–consignee relationship creates a fiduciary duty for the consignor,\textsuperscript{25} and they must uphold this duty in accordance with existing New York state law.\textsuperscript{26} Under section 11-1.6(a) of the New York Estates, Powers and Trusts Law, New York’s state law governing fiduciaries and

\textsuperscript{20} O’Donnell, supra note 8.
\textsuperscript{21} McGowan, supra note 9.
\textsuperscript{22} N.Y. ARTS & CULT. AFF. LAW § 12.01 (McKinney 1999).
\textsuperscript{24} Id.
\textsuperscript{25} N.Y. ARTS & CULT. AFF. LAW § 12.01(1)(a)(iv) (McKinney 2012).
\textsuperscript{26} See id. § 12.01(1)–(2).
their duties, fiduciaries must not comingle any of their individual property with the property they receive in their fiduciary capacity. 27 This existing statute also specifies that the beneficiary’s separately held property must not be in an account under the fiduciary’s own name, 28 making it less likely that the fiduciary’s creditors can reach that property. Violations of this duty can lead to misdemeanor charges for consignee dealers or galleries. 29

These changes give galleries a bigger incentive to properly handle works that have been entrusted to them in consignment deals. In addition to litigation costs, which are discussed below, galleries who mismanage sale proceeds or physical works of art now risk higher damages as well as criminal charges. 30 This can give artists greater peace of mind when signing consignment agreements.

B. Attorney’s Fees

Another significant change to New York’s consignment statute is the allowance of attorney’s fees for plaintiffs who successfully sought to enforce their rights in court. The statute states, in relevant portion, that:

Any person who has been injured by reason of a violation of this article may bring an action in his or her own name to enjoin such unlawful act, to recover his or her actual damages, or both. The court may award reasonable attorneys’ fees, costs and expenses to a prevailing plaintiff in any such action. 31

Allowing prevailing plaintiffs to receive attorney’s fees has an obvious benefit for artists: those whose interests have been harmed through art consignment no longer need to fear the high cost of

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27 N.Y. Est. Powers & Trusts Law §11-1.6(a) (McKinney 2011).
28 Id.
29 Id.
31 Id. § 12.01(3).
litigation when seeking to protect their rights. Furthermore, the wording of the statute significantly balances fairness concerns in the artist–dealer relationship. Notably, the statute only authorizes the award of attorney’s fees for prevailing plaintiffs, giving artists greater ability to litigate these disputes when other resolution attempts have failed. Now prevailing plaintiffs do not have to fear responsibility for prohibitively expensive costs and fees at the end of litigation.

Though it seems at first glance that dealers and galleries could also be the prevailing plaintiffs, the thrust of the statute aims to prevent abuses directed at artists by delineating galleries’ and dealers’ responsibilities as consignees.\(^{32}\) In fact, none of the provisions of section 12.01 mention any responsibility that the artist has in a consignment agreement, presumably in recognition of the artist’s vulnerability in such agreements. Thus, “injured parties” will nearly always be artists who have offered their works for consignment.

**C. Written Agreements**

New York’s statute also now provides protections for artists by requiring that certain portions of consignment agreements be explicitly detailed in writing.\(^{33}\) The statute makes it clear that, with one very limited exception,\(^{34}\) artists may not waive any of the protections spelled out in the statute, even with informed consent.\(^{35}\) Any such waiver not complying with the strict demands of the statute’s exception is automatically deemed void.\(^{36}\) The one exception to this, however, is that artists may waive their right to have all of the proceeds from the sale of their works held by the consignor solely for the artist’s benefit.\(^{37}\) This exception gives

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32 O'Donnell, *supra* note 8 (“Clearly, the consignee/gallery party has a heightened duty and far greater risk in the event of a failure to adhere to the new provisions.”).

33 N.Y. ARTS & CULT. AFF. LAW § 12.01(1)(b) (McKinney 2012).

34 *Id.*

35 *Id.*

36 *Id.*

37 *Id.*
artists the opportunity to explicitly split proceeds from their sales with any other party that they may choose. However, the recent amendments to this statute make it clear that this waiver must be in writing and it must be in words that “clearly and specifically apprise the consignor that the consignor is waiving rights under this section . . . .” This strengthened informed consent provision indicates that consignors are no longer able to slip a vague profit-splitting agreement into a contract without the artist’s knowledge. This protection can be immensely helpful for artists who are unable to seek legal counsel before signing consignment agreements.

D. Other Notable Provisions

In addition to the above protections, the amended New York statute contains a number of other protections for artists, some of which are completely unique to New York. One notable provision that is absent from any other state’s statutes is the addition of criminal charges for dealers who fail to properly handle any property they hold in trust for an artist. Previously, consignees were only subject to civil suits when breaching their fiduciary duty to consignor artists. Now consignees who fail to properly protect an artist’s property in their care may face misdemeanor charges.

In addition to allowing for criminal charges, the consignment statute’s amendments also make it easier for the children of deceased artists to pursue claims under the statute with regard to their parents’ works. In its prior iteration, New York’s statute only stated that an artist’s “heirs” or “personal representatives” could pursue claims against consignors. Under the amendments, however, any of the artist’s “successors in interest” may consign an artist’s work and may enforce that artist’s rights under any

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38 Id.
39 Id. § 12.01(2).

40 See N.Y. ARTS & CULT. AFF. LAW § 12.01 (McKinney 1999).

41 See N.Y. ARTS & CULT. AFF. LAW § 12.01(1)(a) (McKinney 2012); Brankov, supra note 23.

42 N.Y. ARTS & CULT. AFF. LAW § 12.01(1)(a) (McKinney 1999).
agreement. This change directly addresses challenges pursued by consignors prior to the amendments, in which the consignors claimed that the child of a deceased artist with a surviving spouse could not properly be considered an “heir” because the child had inherited the works in question from the surviving spouse, not the artist herself. New York legislators disagreed, however, and the new amendments make it clear that any rightful owner of an artist’s work may consign and enforce his or her rights whether he or she obtained the works directly from the artists or from any other of the artist’s beneficiaries.

IV. FUTURE EFFECTS

Though there has not been much recent litigation since New York’s amendments went into effect in November 2012, cases heard prior to the statute’s effective date provide illustrative examples of the benefits the statute will give to artists. For example, in *Koeniges v. Woodward*, the judge noted that while he believed the prevailing artist plaintiff should be awarded fees and costs, the existing statute’s silence on the issue precluded him from doing so. The judge in *Baykam v. Martin/Molinary Art & Design Galleries, Ltd.* expressed similar concerns when denying the plaintiff’s request for attorney’s fees. The plaintiffs in these cases ultimately received some relief for their efforts, but in both cases their awarded damages were likely far less than the cost of the litigation.

CONCLUSION

Overall, New York’s art consignment legislation is an unprecedented step in creating protections for artists who rely on
selling their works to earn a living. However, in light of the above examples, it is also illustrative of a minimum standard that all states should implement in order to provide a sufficient fairness balance in the relationship between artists and art dealers. Despite the mutual benefits for all parties in consignment deals, without proper protections, artists should be careful when entering into such agreements.
GETTING BEYOND ABSTRACT CONFUSION: HOW THE UNITED KINGDOM’S JURISPRUDENCE CAN AID IN DEVELOPING AN ANALYTIC FRAMEWORK FOR PATENT-ELIGIBILITY IN LIGHT OF ALICE V. CLS BANK

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ABSTRACT

This Article advocates consideration of the United Kingdom’s jurisprudence as persuasive authority for implementation of a new framework for analysis of subject matter eligibility of computer-implemented inventions in light of the United States Supreme Court’s ruling in Alice Corp. v. CLS Bank International. The U.K.’s patent jurisprudence provides a more developed and clear analytic framework that conforms to the policy objectives of Alice, while also avoiding the conceptual problem of determining what is “abstract.” The result is a more useful and concrete analytic framework that also reduces conflicts of laws, and thus can help spur innovation across the Atlantic.

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The views and comments expressed herein are solely the opinion of the author, do not reflect the performance of duties in the author’s official capacity, and are not endorsed by, nor should be construed as, any viewpoint official or unofficial of the United States Patent and Trademark Office. The author confirms to the best of his knowledge that no information contained herein is privileged, confidential, or classified.
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INTRODUCTION

The United States Supreme Court’s ruling in Alice Corp. v. CLS Bank International1 places patentability analysis of computer-implemented inventions on a parallel path with that of the United Kingdom (U.K.) and the European Union. Both the bench and bar can benefit from reviewing the U.K.’s jurisprudence as persuasive authority when considering implementation of a new framework for analysis of computer-implemented inventions in light of Alice.

The U.K.’s patent jurisprudence provides a more developed analytic framework that conforms to Alice. More importantly, use of the U.K.’s analytic approach would avoid the pitfall of inviting

1 Alice Corp. v. CLS Bank Int’l, 134 S. Ct. 2347 (2014).
formulaic application and claim drafting to circumvent Alice’s requirements.

This Article first briefly reviews subject-matter patentability of computer-implemented inventions in the United States. Next, this Article outlines the framework of patent eligibility in the U.K., contrasting that approach with the requirements set forth in Alice. Finally, this Article discusses both practical and policy benefits of considering the European jurisprudence as persuasive authority in developing a more concrete analytic framework in light of Alice’s holding.

I. PATENT ELIGIBILITY IN THE UNITED STATES

The law relative to patentable subject matter in the United States starts with defining patentable subject matter; exceptions are then carved out. This procedure has presented certain challenges, specifically with respect to computer-implemented inventions.

A. Statutory Basis

The statute defining patentable subject matter has remained relatively unchanged since 1793. ² Over 220 years ago, the prevailing statute provided that a patent may be issued for “any new and useful art, machine, manufacture or composition of matter and any new and useful improvement on any art, machine, manufacture or composition of matter.”³ Today, the prevailing statute provides that a patent may be issued for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.”⁴ Clearly, the legislature in the beginning of the industrial age did not conceive a world of programmable digital computers. The task of shaping the law to fit evolving times has been accomplished by judicial construct.

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³ Id. at 319.
B. Down the Rabbit Hole

Judicial exceptions to patentability include natural organisms, methods of employing laws of nature, legal contracts and entities, printed matter, transmitted signals, and software per se. Relative to methods, the Supreme Court held in *Bilski v. Kappos* that methods directed to “abstract ideas” are not patentable. What is deemed to be an “abstract idea” has yet to be precisely defined.

C. Bilski and the Pool of Tears

After the *Bilski* ruling, the United States Patent and Trademark Office (U.S.P.T.O.) established guidance for weighing various factors for and against patentability of process claims. However, the complicated analysis could be rendered moot by formulistic claim drafting, especially with computer-implemented methods. Establishing patent eligibility under this analysis merely required adequate reference to a “processor” and “memory.” Although their value as disclosure was at best questionable, applications often included figures and descriptions of generic computers to implement methods. Moreover, though the distinction would not produce a difference to a person of rudimentary familiarity with the art relative to computing technology, applications have routinely directed separate and mirror claims to the method, system and media implementing the same invention—without each section

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7 In re Ferguson, 558 F.3d 1359, 1364 (Fed. Cir. 2009); see also Manual of Patent Examining Procedure (M.P.E.P.) § 2106 (2014).
8 In re Miller, 418 F.2d 1392, 1396 (C.C.P.A. 1969).
9 In re Nuijten, 500 F.3d 1346, 1357 (Fed. Cir. 2007).
accorded a different analysis for subject matter eligibility by the U.S.P.T.O.

D. “Abstract Ideas,” the Caucus Race, and a Long Tale

The lack of clarity as to what exactly constitutes an “abstract idea” has caused much confusion. The United States Court of Appeals for the Federal Circuit, sitting en banc on appeal in CLS Bank International v. Alice Corp., aptly illustrated the problem by producing seven different opinions by ten judges on the issue with no opinion supported by a majority.

On review, the United States Supreme Court took a great stride in applying the analysis set forth in Mayo v. Prometheus, holding that mere recitation of a generic computer does not, in itself, make a method patent-eligible. Furthermore, the Court clarified that patent-eligibility does not depend on formulaic drafting of claims; the method, system, and medium claims of an invention stand and fall together. Unfortunately, the Court also declared “we need not labor to delimit the precise contours of the ‘abstract ideas’ category in this case.”

E. The Rabbit Sends a Little Bill

Similar to what it did after Bilski, the U.S.P.T.O. released guidance faithfully outlining the general application of the analysis the Supreme Court outlined in Alice. The analysis follows two steps: first, determine if the claim is directed to “an abstract

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13 717 F.3d 1269 (Fed. Cir. 2013), aff’d, 134 S. Ct. 2347 (2014).
14 132 S. Ct. 1289 (2012). Prior to the holding in Alice, the analysis set forth in Mayo was applied only in biotechnology or related arts. In applying the analysis to computer-implemented arts, the Court extended application of the Mayo analysis to all art areas.
15 Alice, 134 S. Ct. 2347 at 2359.
16 Id. at 2362–63.
17 Id. at 2356.
idea.” 19 Non-limiting examples of “abstract ideas,” such as “[a]n idea of itself” are provided. 20 Next, if the claim is found to include an “abstract idea,” then there is a requirement for “something significantly more,” such as improvements to another technology or to the functioning of the computer itself, in order to receive patent protection. 21 In this regard, “any element, or combination of elements, in the claim” may be sufficient. 22

While the results are not yet apparent, it is likely that the new analytic framework will simply result in routine drafting manipulations aimed at overcoming the Alice hurdle. As with the Bilski analysis, where the complicated weighing of factors became a moot issue by simply drafting a claim to reference a generic processor, the current framework invites making the discovery of “abstract ideas” moot by simply drafting a claim to reference generic steps that “improve[e] . . . the functioning of the computer itself.” 23

For example, software applications universally function by reserving memory space in a computer. Best practices in computer programming require that reserved memory space be released after use. Arguably, releasing reserved memory space in a computer “improves” the computer by allowing the memory to be used for other purposes. Similarly, most software applications are installed using an installation package that readies the generic computer for installation of said software by checking for incompatibilities and making required changes. Thus, the steps undertaken in the installation process and other computer processes “improve” the computer by ensuring that it can execute the installed software or other procedure. Database-driven processes routinely require manipulation and configuration of resources to ensure better performance which, if claimed, can be argued to “improve” the computer’s performance in interacting with the database. Defragmenting a disk drive can be viewed to “improve” the

\[19\] Id. at 2.
\[20\] Id. at 3. No definition is provided as to what is or is not, exactly, “an idea of itself.”
\[21\] Id. Examples of what constitutes “something more” are non-limiting.
\[22\] Id. (emphasis added).
\[23\] Id.
Recitation of such steps (which may represent little more than technical best practices) and incorporation of such generic material into specifications, while providing little value as a disclosure, may well be able to provide enough to pass the new subject-matter eligibility requirements as put forth by the Alice guidance. The result might not be significantly different from the bare claim reference to a generic processor and memory, which was employed to overcome the requirements under Bilski.\(^{24}\)

F. Advice from a Caterpillar

Patent practitioners in the U.K. may notice some familiar concepts in the United States Supreme Court’s analysis in Alice. While there is much discussion of “abstract ideas” in Alice, the key teaching, as it relates to computer-implemented inventions, is more subtly stated.

First, the Court in Alice provides an approving nod to Gottschalk v. Benson.\(^{25}\) Gottschalk establishes that a computer program, in itself, is not patent-eligible.\(^{26}\) We know that computer-implemented inventions function by programming or software. As Alice now clarifies, that implementation by a generic computer, in itself, does not make the invention patent-eligible; it naturally follows that an invention implemented by programming or software inherently involves an abstract idea. Therefore, for any computer-implemented invention where the computer is generic, the first step of the Alice analysis is complete—i.e., the abstract idea is identified. The software is the “abstract idea” that fulfills the first step of the analysis. Thus, with the first step of the analysis summarily completed, one can turn to the second step of the Alice analysis to identify “something significantly more.”

The second step necessitates “a search for an ‘inventive

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\(^{24}\) See Memorandum from Bahr, \textit{supra} note 12. Recitation of a machine provides a factor weighing towards subject matter eligibility.


concept.”

It is here that evaluating the European and, more specifically, the U.K.’s approach to the question of patent-eligibility can be informative as to developing a more concrete framework of analysis to meet the requirement put forth by Alice.

II. EUROPE AND THE U.K.’S APPROACH

In contrast to the approach in the United States, which defines eligible subject matter and then provides exceptions, the European approach initially excludes items that should not be patentable subject matter. Despite the different starting points, the two approaches have now substantially converged.

A. Statutory Basis

In compliance with the European Patent Convention, and specifically in relation to computer-implemented inventions, the prevailing statute governing patentable subject matter in the U.K. provides:

It is hereby declared that the following (among other things) are not inventions for the purposes of this Act, that is to say, anything which consists of—

\[
\begin{align*}
&\text{(c) a scheme, rule or method of performing a mental act, playing a game or doing business, or}
\end{align*}
\]

\footnote{27} Alice, 134 S. Ct. at 2353 (“We have described step two of this analysis as a search for an ‘inventive concept’—i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’”).

\footnote{28} European Patent Convention art. 52(2), Oct. 5, 1973, E.P.C. 110 (2013) (“The following in particular shall not be regarded as inventions . . . : (a) discoveries, scientific theories and mathematical methods; (b) aesthetic creations; (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers; (d) presentations of information”), available at http://www.epo.org/law-practice/legal-texts/html/epc/2013/e/ar52.html. Other policy exclusions, such as medical methods, are also provided in Art. 53; however, detailed discussion of such lies outside of the current scope of this Article.
a program for a computer;

... but the foregoing provision shall prevent anything from being treated as an invention for the purposes of this Act only to the extent that a patent or application for a patent relates to that thing as such.29

B. The Analytic Framework

Determination of subject-matter eligibility requires a four-step analysis, as clarified by the England and Wales Court of Appeals in Aerotel Ltd. v. Telco Holdings Ltd. (the Aerotel approach):

1. Properly construe the claims;
2. Identify the actual (or alleged) contribution;
3. Ask whether it falls solely within the excluded subject matter; and
4. Check whether the actual or alleged contribution is actually technical in nature.30

In this light, when interpreting whether a computer program makes a “contribution that is actually technical in nature,” one must consider five aspects:

1. Whether the claimed technical effect has a technical effect on a process which is carried on outside of the computer;
2. Whether the claimed technical effect operates at the level of the architecture of the computer— that is to say, whether the effect is produced irrespective of the data being processed or the application being

30 Aerotel Ltd. v. Telco Holdings Ltd., [2006] EWCA (Civ) 1371, [40] (Eng.).
run;

3. Whether the claimed technical effect results in the computer being made to operate in a new way;

4. Whether the program made the computer a better computer in the sense of running more efficiently and effectively as a computer; and

5. Whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.\(^3\)

The United Kingdom Intellectual Property Office further explains the underlying policy as follows:

Some computer-implemented inventions are patentable whilst others are not. This is because software straddles the technological and business worlds. It uses technology, that is, computers, but often for non-technical purposes. Whether a computer-implemented invention is patentable depends on the contribution the invention makes. For example, if it provides improved control of a car braking system, it is likely to be patentable, but if it merely provides an improved accounting system, it is probably not patentable.\(^4\)

It may be readily noticed that the policy objectives and analytical framework employed in the U.K. seems to echo the United States Supreme Court’s ruling in *Alice*. The concurrence invites a deeper analysis.

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\(^3\) HTC Europe Co. Ltd. v. Apple Inc., [2013] EWCA (Civ) 451, [50] (Eng.).

The two steps of the Alice analysis are strikingly similar to the last two steps of the Aerotel approach. Specifically, in the third step, the Aerotel approach asks “whether the claims fall within excluded subject matter (i.e., are ‘abstract’),” and in the fourth step inquires into whether the alleged contribution is “actually technical in nature.”

Here, the factors that Alice considers as “significantly more” in the second step of the analysis (i.e., improvements to another technology or technical field, or improvements to the functioning of the computer itself) are echoed in the Aerotel approach considerations as outlined in HTC Europe (i.e. “technical effect on a process which is carried on outside of the computer,” or “results in the computer being made to operate in a new way . . . made the computer a better computer in the sense of running more efficiently and effectively as a computer.”).

D. The Conflict with U.S.P.T.O. Guidance

A key distinction is that, whereas the Aerotel approach requires that the “technical effect” relate to “the actual or alleged contribution” of the disclosed invention, the current guidance put forth by the U.S.P.T.O. states that “any element, or combination of elements, in the claim” may be sufficient to provide subject matter eligibility. As such, the U.S.P.T.O. guidance also misconstrues Alice.

Specifically, the Court in Alice clarified that the second step necessitates “a search for an ‘inventive concept.’” By then

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33 Aerotel, [2006] EWCA (Civ) 1371 at [40].
34 Id.
35 HTC Europe, [2013] EWCA (Civ) 451 at [50].
36 See Memorandum from Andrew H. Hirshfeld to the Patent Examining Corps, supra note 18, at 3 (emphasis added).
37 Alice Corp. v. CLS Bank Int’l, 134 S. Ct. 2347, 2353 (2014) (“We have described step two of this analysis as a search for an ‘inventive concept’—i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’”).
allowing “any element,” irrespective of whether the element directly relates to the “inventive concept,” to be sufficient in the Alice analysis, the “search for the inventive concept” is rendered moot and irrelevant. Moreover, as discussed above, consideration of “any element” also invites the sort of formulaic and ancillary claim drafting derided by the Court in Alice “Such a result would make the determination of patent eligibility ‘depend simply on the draftsman’s art.’”

III. DEVELOPING A CONCRETE ALICE FRAMEWORK

The similarity in both analytic framework and policy objectives of the well-developed Aerotel approach to the Alice analysis provides an opportunity to look to the U.K.’s jurisprudence as persuasive authority. Doing so would also advance the laudable goal of reducing international inconsistencies relative to patent subject-matter eligibility.

A. Identification of the Actual (or Alleged) Contribution

The Court in Alice mandated looking beyond the claims of the patent and evaluating the “inventive concept” in making a determination as to subject matter eligibility. In this light, identification of the “inventive concept” should be included in a properly applied Alice analytic framework. The Aerotel approach could be instructive in this regard.

As to the identification of the inventive contribution, Lord Justice Jacob provided in Aerotel: “[I]t is an exercise in judgment probably involving the problem said to be solved, how the invention works, what its advantages are. What has the inventor really added to human knowledge perhaps best sums up the exercise. The formulation involves looking at substance not form.” The statement fits well into the discussion provided in

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38 Id. at 2359 (quoting Parker v. Flook, 437 U.S. 584, 593 (1978)); see also id. at 2349, 2357, 2364.
39 Id. at 2353, 2357–58.
40 Aerotel Ltd. v. Telco Holdings Ltd., [2006] EWCA (Civ) 1371, [40] (Eng.).
Alice. Moreover, in the United States patent practitioners and examiners have the tools at hand to assist in the identification of the inventive concept because applicants are required to provide an abstract as a part of their disclosure.\(^{41}\) The abstract should provide “the nature and gist of the technical disclosure and should include that which is new in the art.”\(^{42}\) This correlates directly to the determination of what the inventor “really added to human knowledge.”\(^{43}\)

Applicants should also provide a background and summary of the invention.\(^{44}\) The background should include “the problems involved in the prior art or other information disclosed which are solved by the applicant’s invention,”\(^{45}\) and the summary should “set out the exact nature, operation, and purpose of the invention.”\(^{46}\) These correlate directly to the determination of “the problem said to be solved, how the invention works, and what its advantages are.”\(^{47}\)

A regrettably common practice among patent practitioners in the United States is regurgitating claim language in the abstract and summary. Such practice not only subverts the requirements set forth in the Manual of Patent Examining Procedure (M.P.E.P.)\(^{48}\) and adds mere surplusage, but also devalues the disclosure and makes proper identification of the “inventive concept” unduly burdensome. As such, encouraging more frequent issuance and maintenance of objections to improper abstract and summary should be considered.

\(^{41}\) 37 C.F.R. § 1.72 (2014); M.P.E.P. § 608.01(b) (2014).
\(^{42}\) M.P.E.P. § 608.01(b) (2014).
\(^{43}\) Aerotel, [2006] EWCA (Civ) 1371 at [43].
\(^{44}\) 37 C.F.R. 1.73 (2014); M.P.E.P. § 608.01(c), (d) (2014).
\(^{45}\) M.P.E.P. § 608.01(c) (2014).
\(^{46}\) Id. § 608.01(d).
\(^{47}\) See Aerotel Ltd. v. Telco Holdings Ltd., [2006] EWCA (Civ) 1371, [43] (Eng.).
\(^{48}\) The M.P.E.P. is published by the U.S.P.T.O. and outlines the laws and regulations that must be followed in the examination of patent applications in the United States. A current copy of the M.P.E.P. may be accessed at: http://www.uspto.gov/web/offices/pac/mpep/.
B. Direct Connection of “Significantly More” with “Inventive Concept”

The Court in Alice noted that the second step of the analysis involves identification of the “inventive concept.”49 The requirement of connecting the “inventive concept” to the “something more” is illustrated in the Court’s discussion of Diehr.50 In the discussion, the Court points out the “inventive concept”—in this case, “to record constant temperature measurements inside the rubber mold—something ‘the industry ha[d] not been able to obtain.’”51 The steps of recalculating the cure time by computer—i.e., the formula—were transformed in connection with “something more” that “the industry had not been able to obtain”—i.e., the “inventive concept.”52 Thus, Alice requires a direct connection of the “significantly more” to the “inventive concept.”53

C. Consideration Provides Both Practical and Policy Advantages

In consideration of the analysis, results, and policy objectives of the Aerotel approach and those outlined or inferred by the Court in Alice, review of the jurisprudence of U.K. as a persuasive authority may be useful. Doing so would yield several notable advantages.

As noted by the Intellectual Property Office, there is extensive

49 Alice Corp. v. CLS Bank Int’l, 134 S. Ct. 2347, 2354 (2014) (“We have described step two of this analysis as a search for an ‘inventive concept’—i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’”).
50 See id. at 2358–59.
51 Id. (quoting Diamond v. Diehr, 450 U.S. 175, 178 & n.3 (1981)).
52 See id. at 2359.
53 Note the similarity in the narrative provided by the U.K. Patent Office: “Whether a computer-implemented invention is patentable depends on the contribution the invention makes. For example, if it provides improved control of a car braking system, it is likely to be patentable.” Press Release, U.K. Patent Office, supra note 32.
case law about computer-implemented inventions in the U.K.\textsuperscript{54} The \textit{Aerotel} approach has been used and developed in that jurisdiction since 2006.\textsuperscript{55} This provides an extensive source of information relative to a very similar standard to that required by \textit{Alice}.

Additionally, the analytic approach in the U.K. is more concrete in structure, while fitting into the framework of \textit{Alice}. This allows the advantage of considering the approaches of U.K. jurisprudence as potentially instructive where the U.S. law is still less evolved. Doing so would allow the findings to be tested and tried in the course of development of U.S. authority.

Finally, although individual countries in the European Union may have slightly varying interpretations on the law as it relates to subject matter patentability of computer-implemented inventions, they are generally in conformance with each other.\textsuperscript{56} Therefore, using the opportunity presented by \textit{Alice} to further develop the law in the United States by considering the parallel approach in the U.K. would reduce the conflict of laws as it relates to patent-eligibility of computer-implemented inventions. Both invention and utilization of computer-implemented technologies are global in nature. Reduction of the conflict in laws governing patent-eligibility of such transatlantic innovation will likely reduce costs and spur innovation.

\section*{Conclusion}

The U.K.’s law and jurisprudence relative to patent eligibility of computer-implemented innovation is strikingly similar to and fits within the framework of analysis mandated by the United States Supreme Court’s ruling in \textit{Alice Corp. v. CLS Bank International}. Both the bench and bar in the United States would benefit from looking to the U.K. as a source of persuasive authority. Doing so would yield benefits of faster development of law in the United States by employing and testing best practices developed in the U.K. since 2006. Additionally, moving towards

greater uniformity of laws across the Atlantic, as is now possible with *Alice*, would reduce conflict of laws and thus spur innovation.