



THE LAW REVIEW OF THE FRANKLIN PIERCE CENTER FOR  
INTELLECTUAL PROPERTY

VOLUME 61 — ISSUE 2

---

**EDITORIAL BOARD**

EDITOR-IN-CHIEF  
MEREDITH E. FOOR

NOTES & COMMENTS EDITOR  
NICHOLAS TELLA

MANAGING EDITORS  
KURT HOPPMANN  
AUSTIN LORCH

LEAD ARTICLES EDITOR  
RYAN RIEKER

SYMPOSIUM & E-MEDIA EDITOR  
HALEY BREEDLOVE

NANCY BRAMAN  
MASON CARR

SENIOR EDITORS  
SIYUAN GE  
CHRISTOPHER GLUECK

HALEY GOECKEL

NICOLE DEMAS  
JI HYE HWANG  
PAUL KLINE  
CAMERON LINDSAY

ASSOCIATE EDITORS  
J. MITCHELL LOWE  
JUSTIN MADER  
LOGAN MURR  
KAVYASRI NAGUMOTU

KATARINA OVERBERG  
YILING SUN  
ELEANOR WALKER

**FACULTY ADVISORS**

JON CAVICCHI & RYAN VACCA  
*UNIVERSITY OF NEW HAMPSHIRE FRANKLIN PIERCE SCHOOL OF LAW*

**BUSINESS MANAGER**

LAURI CONNOLLY  
*UNIVERSITY OF NEW HAMPSHIRE FRANKLIN PIERCE SCHOOL OF LAW*



***IDEA***<sup>®</sup>: *The Law Review of the Franklin Pierce Center for Intellectual Property* (ISSN 0019-1272) is published three times a year by the students of the University of New Hampshire Franklin Pierce School of Law (UNH Law), and provides practical articles relating to patent, copyright, trademark, trade secret, unfair competition, and general intellectual property law issues from around the world. Subscription information is available in the back of the Law Review.

Our mission is to be recognized worldwide as the premier intellectual property publication providing practical articles that timely address new, controversial, and potential developments in intellectual property law and related fields.

The opinions of the authors are not necessarily those of the Board of Editors, Editorial Advisory Board, Faculty Advisor(s), or UNH Law.

*IDEA*<sup>®</sup>: *The Law Review of the Franklin Pierce Center for Intellectual Property* is indexed in Current Law Index, Legal Resources Index, Index to Legal Periodicals, and Legal Contents and is available online on EBSCOhost<sup>®</sup>, HeinOnline<sup>®</sup>, WESTLAW<sup>®</sup>, LEXIS<sup>®</sup>, and at <https://law.unh.edu/IDEA>.

For additional information, call or write:

***IDEA***<sup>®</sup>: *The Law Review of the Franklin Pierce Center for Intellectual Property*

University of New Hampshire Franklin Pierce School of Law  
Two White Street  
Concord, New Hampshire 03301  
United States of America  
603.228.1541

[subscriptions@law.unh.edu](mailto:subscriptions@law.unh.edu)  
<https://law.unh.edu/IDEA>

© 2021 University of New Hampshire Franklin Pierce School of Law

Copyright in all published material in this issue is retained by the respective authors pursuant to *IDEA*'s Publishing Agreement available on the website. Copyright in the collected work is retained by UNH Law. Where UNH Law holds copyright, it grants permission for copies of articles to be made for classroom use, provided that copies are distributed at or below cost; the author and *IDEA: The Law Review of the Franklin Pierce Center for Intellectual Property* are identified; proper notice of copyright is affixed to each copy; and *IDEA: The Law Review of the Franklin Pierce Center for Intellectual Property* is notified of the use.

**Cite as: 61 IDEA \_\_ (2021).**

Notwithstanding anything to the contrary, *IDEA* should always be cited in the above-noted manner.

## SUBSCRIBER RENEWAL REQUIREMENT

Subscriptions of IDEA run on a calendar year. Payment is due before the shipment of issue one of the next volume. If you have not paid for Volume 61 directly or through your agent, your subscription will cease with this issue unless payment is received by January 31, 2021. Thank you for being a valued subscriber.



**TABLE OF CONTENTS**  
**VOLUME 61 — ISSUE 2**

---

**ARTICLES:**

**CAN WE RELIABLY VALUE IP RIGHTS: A MODEL  
PROCESS FOR VALUATION**  
RAYMOND J. FRIEL.....250

**A RIGHT THAT SHOULD’VE BEEN: PROTECTION  
OF PERSONAL IMAGES ON THE INTERNET**  
EUGENIA GEORGIADIS ..... 275

**EXPANDING THE PUBLIC DOMAIN AFTER *GEORGIA  
V. PUBLIC.RESOURCE.ORG., INC.***  
DEBORA HALBERT .....328

**IS “LINK TAX” AN ENDING OF ONLINE FREEDOM?  
COMPARISON WITH THE U.S. AND E.U. NEW  
DIRECTIVE**  
YUFEI XIAO .....384

**INCENTIVIZING INNOVATION AND RECLAIMING  
BALANCE IN THE PHARMACEUTICAL INDUSTRY: A  
CASE FOR SECONDARY PATENTS**  
MEREDITH E. FOOR.....422



## CAN WE RELIABLY VALUE IP RIGHTS: A MODEL PROCESS FOR VALUATION

RAYMOND J. FRIEL\*

### ABSTRACT

*In the highly practical and commercially sensitive world of patent sales, the process of valuation lacks a huge degree of transparency or detailed process as to what price should be paid for the purchase of intellectual property (IP) rights. Although most agree such IP rights can be exceptionally valuable, there is little consensus as to how they can be valued.*

*In this article, Part I first deals with both the immense wealth that is to be found in IP rights as well as the significant divergence of valuations for these rights. Then, Part II deals with the traditional economic basis used to calculate such values. In particular, the drawbacks and difficulties with a system that is focused exclusively on economic factors are discussed. Part III proposes what is termed the Murphy-Orcutt model of valuation through a robust process that includes not only economic inputs but also technical and legal inputs. Finally, the article concludes by arguing that a robust method of IP valuation,*

---

\* Professor Friel is Head of the Law School at the University of Limerick in Ireland and is Director of the International Commercial and Economic Law Research Group there. He has lectured extensively in the United States, including Boston College Law School, University of Kansas and has been an adjunct Professor at the University of New Hampshire Franklin Pierce School of Law where he has taught a number of courses. The author gratefully acknowledges the renowned expertise of Professor William Murphy, University of New Hampshire Franklin Pierce School of Law, and the many conversations with him concerning this whole concept which led to this article. This article builds on a previous co-authored article by the author, Raymond J. Friel & William Murphy, *Valuing Patents in the Legal Context*, 20 COMM. L. PRAC. 51 (2013).



*Can We Reliably Value IP Rights: A Model Process for  
Valuation*    **251**

*such as that proposed, could be used not only in calculating value in the sale and purchase of IP rights but also in the investment decisions regarding whether to register IP rights.*

Abstract.....	250
I. Introduction.....	251
II. The Valuation Process .....	257
A. The Economic Input.....	258
1. Cost-Based .....	258
2. Income-Based .....	259
3. Market-Based.....	259
4. Conglomeration .....	260
B. The Technical Input .....	260
C. The Legal Input.....	262
D. Some Traditional Valuation Techniques .....	264
III. A Robust Valuation Process .....	267
IV. Conclusion .....	274

## **I. INTRODUCTION**

During the COVID-19 pandemic, many governments around the world chose to “pre-pay” the risk involved in the development of a vaccine by ordering large quantities of the pharmaceutical company production line, even if ultimately the vaccine could not be licensed.<sup>1</sup> In

---

<sup>1</sup> For example, the United States committed in July of 2020 to purchasing 100 million doses of a vaccine jointly developed by Pfizer and BioNTech before the vaccine was finished, Sarah Kliff, *U.S. Commits to Buying Millions of Vaccine Doses. Why That’s Unusual*, N.Y. TIMES (July 22,

doing so, governments were taking a risk on the value of the potential vaccine, including elements such as the likelihood of success, the need for speedy distribution once approval had been obtained, and so forth. In essence, the governments were placing a value on their needs uncertain of the outcome: if the vaccine was successfully developed, the reward would be great, if not the loss would be significant. It is to be hoped that in making these decisions, the governments used robust valuation mechanisms that could be objectively scrutinised even if these mechanisms included inputs such as their desire to stay in power. It does, however, raise the issue of how we value things, and for the purposes of this article, how we value intellectual property rights, particularly from a legal perspective.

It is said that nearly 50% of the market value of most major corporations arises from their intellectual property rights, from trademark to patents.<sup>2</sup> There are numerous examples. In 2010, Novell sold some 861 patents at auction for \$450 million, an average value of just over \$510,000 per patent.<sup>3</sup> Google paid an almost identical amount per patent figure when it acquired struggling phone maker Motorola

---

2020), <https://www.nytimes.com/2020/07/22/upshot/vaccine-coronavirus-government-purchase.html> [<https://perma.cc/KL79-V8SN>].

<sup>2</sup> ROBERT J. SHAPIRO & KEVIN A. HASSET, *THE ECONOMIC VALUE OF INTELLECTUAL PROPERTY*, 2, 13–14 (2005) (estimating that U.S. intellectual property was worth between \$5 trillion and \$5.5 trillion in 2005), available at <http://www.sonecon.com/docs/studies/IntellectualPropertyReport-October2005.pdf> [<https://perma.cc/UF5J-JJU6>].

<sup>3</sup> Chris Kanaracus, *Details emerge of patents Novell is selling to Microsoft*, *COMPUTERWORLD* (Jan. 18, 2011, 3:44 PM PST), <https://www.computerworld.com/article/2512494/details-emerge-of-patents-novell-is-selling-to-microsoft.html> [<https://perma.cc/T2YX-S7V2>]; see also Novell, Inc., Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Jan. 14, 2011), available at <https://www.sec.gov/Archives/edgar/data/758004/000119312511008402/ddefm14a.htm> [<https://perma.cc/44VU-GCUR>].

Mobility Holdings Inc. for \$12.5 billion.<sup>4</sup> In July of 2011, some 6,000 patents were acquired from bankrupt telco Nortel Networks for an average price of \$750,000 for each patent.<sup>5</sup>

But that trend does not always hold true. During Eastman Kodak's Chapter 11 bankruptcy, the high-tech company's own valuation included the not-insignificant sum of \$2.6 billion for its intellectual property rights.<sup>6</sup> This value consisted, for the most part, of patents owned by the company.<sup>7</sup> The logical course of the bankruptcy was to divest these assets from the company and sell them separately.<sup>8</sup> The auction attracted major players such as

---

<sup>4</sup> Brian Womack & Zachary Tracer, *Google Agrees to Acquire Motorola Mobility for \$12.5 Billion*, BLOOMBERG (Aug. 15, 2011, 4:58 PM), <http://www.bloomberg.com/news/2011-08-15/google-agrees-to-acquisition-of-motorola-mobility-for-about-12-5-billion.html> [https://perma.cc/A7RH-X5F3].

<sup>5</sup> Chris V. Nicholson, *Apple and Microsoft Beat Google for Nortel Patents*, N. Y. TIMES (July 1, 2011, 4:58 AM, updated 8:31 PM), <http://dealbook.nytimes.com/2011/07/01/apple-and-microsoft-beat-google-for-nortel-patents/> [https://perma.cc/TQ8W-EZ2Y].

<sup>6</sup> Reuters, *Kodak May Abandon Patent Auction, Explores Options*, CHICAGO TRIBUNE (Sept. 14, 2012), [http://articles.chicagotribune.com/2012-09-14/business/sns-rt-us-eastmankodak-patentsbre88d0zo-20120914\\_1\\_patent-auction-kodak-shares-sale-talks](http://articles.chicagotribune.com/2012-09-14/business/sns-rt-us-eastmankodak-patentsbre88d0zo-20120914_1_patent-auction-kodak-shares-sale-talks) [https://perma.cc/KQ39-TMQF].

<sup>7</sup> Jonathan Keehner & Jeffrey McCracken, *Kodak Said to Weigh Bankruptcy to Clear Path for Patent Sale*, BLOOMBERG (Sept. 20, 2011, 10:01 PM), <http://www.bloomberg.com/news/2011-09-30/kodak-said-to-weigh-bankruptcy-filing.html> [https://perma.cc/AC3N-FN8W].

<sup>8</sup> The primary goal in bankruptcy is to maximise value. In this case if the IP rights could be transferred by themselves you maximise value. If you sell the IP rights tied to other assets, such as say obsolete manufacturing equipment, buyers will seek a discount for disposal costs arising from those assets whereas such disposal costs will lie in the bankruptcy if those assets cannot be disposed of. *See generally*, WESTON ANSON, THE INTANGIBLE ASSETS HANDBOOK: MAXIMIZING VALUE FROM INTANGIBLE ASSETS (2007).

Apple and Google, two companies with deep pockets.<sup>9</sup> However, despite several attempts at a sale (and external valuation of the intellectual property rights reaching as high as \$4.5 billion), the patents were either sold or licensed for a mere total of approximately \$525 million.<sup>10</sup> Across the Atlantic and at the other end of the scale, in *Sullivan v. Bristol Film Studios* the plaintiff, a rap singer known as Dappa Dred, claimed a loss of £800,000 for several claims, including copyright infringement.<sup>11</sup> The claim was based on a video of his singing, which was posted on YouTube by a third party.<sup>12</sup> The video was available for public viewing for a total of five days at which point it was removed.<sup>13</sup> The trial court found, and the Court of Appeal affirmed, that the true damages for this infringement was £50.<sup>14</sup> The difference between the singer's ego and the real world was indeed quite profound. Importantly, these cases clearly illustrate that valuing IP rights is more art than science.

The disparity of the valuation of IP rights cases like Dappa Dred and Eastman Kodak demonstrates both the undoubted potential value of IP rights and also the potential gap between perception of that value and reality.

---

<sup>9</sup> Ashby Jones et al., *Apple, Google Line Up to Bid for Kodak's Patents*, THE WALL STREET JOURNAL (July 27, 2012, 6:23 PM ET), <https://www.wsj.com/articles/SB10000872396390443343704577553341769199960> [<https://perma.cc/Y5WX-6K9C>].

<sup>10</sup> Mark Harris, *The Lowballing of Kodak's Patent Portfolio*, SPECTRUM (Jan. 31, 2014, 7:37 PM GMT), <https://spectrum.ieee.org/at-work/innovation/the-lowballing-of-kodaks-patent-portfolio> [<https://perma.cc/R6JH-BH69>]; Reuters, *supra* note 6.

<sup>11</sup> *Sullivan v. Bristol Film Studios Ltd.* [2012] EWCA (Civ) 570, ¶¶14–15 [2012] EMLR 27 (Eng.).

<sup>12</sup> *Id.* ¶ 4.

<sup>13</sup> *Id.* ¶ 13. During that period the video had 100 hits but because each “hit” did not necessarily indicate a view by an individual and unique person, the trial judge held that 50 hits was the more realistic number of unique persons who actually viewed the material.

<sup>14</sup> *Id.* ¶¶ 15, 27.

In terms of financial decision making and advising for legal clients, is there a robust method for valuing IP rights available with which to work?<sup>15</sup> This issue becomes important in terms of decisions to be made around all IP rights, but it becomes particularly important with respect to patents. The cost of securing a patent in the first place can be quite substantial.<sup>16</sup> An investment of that magnitude requires a cost/benefit analysis for which the valuation of the patent must be a feature. In addition, accurate valuation mechanisms are required when patents are relied upon to secure financing, decide infringement action strategy, and value the sale/purchase or bankruptcy of a business.<sup>17</sup> Finally, state subsidies or assistance may be available for patent registration.<sup>18</sup> Any allocation of scarce government

---

<sup>15</sup> For a general view from the ABA, see Krista F. Holt et al., *What's It Worth? Principles of Patent Valuation*, AMERICAN BAR ASSOCIATION (2015) (originally published in *Landslide*, Vol. 8, No. 1, Sept./Oct. 2015 by the American Bar Association), [https://www.americanbar.org/groups/intellectual\\_property\\_law/publications/landslide/2015-16/september-october/what-s-it-worth-principles-patent-valuation/](https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2015-16/september-october/what-s-it-worth-principles-patent-valuation/) [https://perma.cc/VH2H-4MLM].

<sup>16</sup> See Gene Quinn, *The Cost of Obtaining a Patent in the US*, IP Watchdog (Apr. 14, 2015) (discussing various estimations for the fees associated with types of patents), <https://www.ipwatchdog.com/2015/04/04/the-cost-of-obtaining-a-patent-in-the-us/id=56485/> [https://perma.cc/JAF5-M59F].

<sup>17</sup> See Robert P. Merges, *Intellectual Property Rights and the Institutional Economics*, 53 VAND. L. REV. 1857, 1859 (2000) (explaining the need for better applicability of intellectual property rights to the New Institutional Economics perspective).

<sup>18</sup> For example, prominently displayed on the Irish Patent Office website is a subheading labeled “Commercialise Your IP,” under which can be found “Support and Resources for Business.” This webpage lists several entities, including Enterprise Ireland, who may, in appropriate cases, provide financial assistance for the registration of a patent, <https://www.ipoi.gov.ie/en/commercialise-your-ip/support-and-resources-for-businesses/> [perma.cc/2TJY-2P98]. In China, the National Patent Development Strategy (2011–2020), published by China’s State Intellectual Property Office (“SIPO”) on Nov. 11, 2010, envisages

resources should be based on an objective valuation of potential worth. The recent COVID-19 pandemic has seen pharmaceutical companies race to develop vaccines, many of which have benefitted from state investment.<sup>19</sup> Yet, making the decision to invest state money in this process may have been driven more by fear than a rational cost/benefit analysis.

The purpose of this article is to examine the correct manner in which to value IP rights.

Although most focus is on the economics of valuation in IP rights,<sup>20</sup> this author suggests that there are in fact three inputs needed for a proper valuation of an IP asset: the economic input, the technical input and the legal input. The economic input is a quantitative input, while the technical and legal inputs are often presented together as qualitative inputs. Economic valuation deals with the rate of financial return on the right and is fundamentally an accounting mechanism. Technical valuation deals with the potential use of the IP right, the likelihood of alternatives, and the extent to which the right is likely to be superseded during its exploitation period. Finally, legal valuation values the enforceability of the IP right and its resistance to legal challenge. The economic valuation of the IP right has always been at the forefront. Little has been said of the technical or legal aspects of IP valuation. This article will review the process of IP valuation as it relates to patents and examine some recent models for IP valuation which seek to make it a more holistic process. Naturally, this will include

---

subsidising the cost of such patent registration, and an English language version of the strategy is available at <https://graphics8.nytimes.com/packages/pdf/business/SIPONatPatentDevStrategy.pdf> [<https://perma.cc/XR3U-VW6J>].

<sup>19</sup> See *Kliff*, *supra* note 1.

<sup>20</sup> See generally Ted Hagelin, *Valuation of Intellectual Property Assets: An Overview*, 52 SYRACUSE L. REV. 1133 (2002) (elaborating on the economic valuation of intellectual property, generally, and various methods and mechanisms).

valuing these three inputs – economic, technical, and legal – discussed earlier.

## **II. THE VALUATION PROCESS**

Valuing an IP right, such as a patent, requires due diligence regarding process. Valuation must be a robust process leading to the best assessment of potential value. Ultimately, the valuation itself may prove to be wrong in the marketplace because the only true value is what a real buyer would actually pay for the IP right.

As introduced above, the author suggests there are three primary inputs into valuation of an IP right, each of which are equally important:

Economic – the potential financial value derived from the IP right.<sup>21</sup>

Technical – the potential technical strength of the IP right.

Legal – the actual legal validity of the IP right.

Any due diligence in valuing an IP right should incorporate all three inputs. IP valuations based only on one or two of these inputs create the risk of not conforming to best practice, so it should be the aim of all professionals to meet or exceed best practice requirements. In practice, many professionals are engaged in valuation processes that concentrate on the economic input while excluding the technical and legal inputs does not offer the client a professional service.

---

<sup>21</sup> See generally *id.*

## A. *The Economic Input*

The economic input is by far the most prevalent and easily understood.<sup>22</sup> It will suffice, therefore, to outline the process in general terms only.<sup>23</sup> The emphasis placed on this particular valuation input is readily apparent in the expansive structure for determining economic value. There are, within this process, many calculations, but it is useful to provide a relatively simple overview on the basis of economic valuation.

There are three possible options for economically valuing an IP right: cost-, income-, and market-based valuations.<sup>24</sup>

### 1. Cost-Based

A cost-based economic valuation can be undertaken either on reproduction or replacement cost.<sup>25</sup> Reproduction cost looks toward the cost of replicating the IP right but without any enhanced utility.<sup>26</sup> Replacement cost examines the cost of developing a new IP right to serve the same utility but with any inadequacies of the existing right removed.<sup>27</sup> A cost-based valuation, whether reproduction or replacement, will usually cover five main areas: materials, labour, overheads, profit, and incentive.<sup>28</sup> Finally, the process

---

<sup>22</sup> See generally, e.g., *Valuing Intellectual Property Assets*, WIPO, [https://www.wipo.int/sme/en/value\\_ip\\_assets/](https://www.wipo.int/sme/en/value_ip_assets/) [<https://perma.cc/6LQW-YCBQ>].

<sup>23</sup> See generally GORDON V. SMITH & RUSSELL L. PARR, *VALUATION OF INTELLECTUAL PROPERTY AND INTANGIBLE ASSETS* (3d. ed. 2000) (discussing approaches to the valuation of assets and the procedures encompassed therein).

<sup>24</sup> *Valuing Intellectual Property Assets*, *supra* note 22; see generally Raymond J. Friel & William Murphy, *Valuing Patents in the Legal Context*, 20 COMM. L. PRAC. 51 (2013).

<sup>25</sup> SMITH & PARR, *supra* note 23, at 160.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 161.



finishes with the necessary deduction for potential obsolescence of the IP right.<sup>29</sup>

## **2. Income-Based**

An income-based approach to IP economic valuation can be divided into two possibilities: a direct capitalisation basis or a discounted future economic benefit analysis.<sup>30</sup> Thus, the analysis may seek to determine the issue from among a number of potential models, for example:

What greater benefit will the purchaser have as a result of owning the asset?

What lower costs will the purchaser be able to achieve as a result of owning the asset?

In particular, any such analysis should take into account both the lifetime of the IP right and the potential or actual market which will utilise the IP right. Although most patents last for nearly twenty years, the very existence of a patent may encourage competitors to develop new technologies to circumvent the patent monopoly during that period.<sup>31</sup> Thus, there must be an acceptance of potential built-in obsolescence of the original patent.<sup>32</sup>

## **3. Market-Based**

One of the best mechanisms for determining the value of any item is to compare it with the actual sale values of comparable items. In everyday life, buyers compare second-hand car prices with the typical price range for

---

<sup>29</sup> *Id.* at 164.

<sup>30</sup> For a comparison, see Wayne E. Etter, *Direct Capitalization Versus Discounted Cash Flow Analysis*, Real Estate Center at Texas A&M University (originally published in the Fall of 1994 in *Tierra Grande*, The Real Estate Center Journal), available at <https://assets.recenter.tamu.edu/documents/articles/1051.pdf> [<https://perma.cc/J5WP-USWL>].

<sup>31</sup> See 35 U.S.C. § 154 (2013).

<sup>32</sup> See SMITH & PARR, *supra* note 23, at 199 (discussing the income approach and factoring in future potential for obsolescence).

specific models from different years.<sup>33</sup> Naturally, one would adjust the price up or down from the average based on differentiating factors: high mileage, level of wear and tear, number of owners and so on. The resulting fluctuation in value will normally be found within a specific range, for example an automobile retains a certain base value, regardless of mileage, if it is still running. Finding truly comparable sales in IP valuations is more complex than the blue book valuations of automobiles. However, there is anecdotal evidence that in mass patent sales, market-based valuation tends to be a powerful factor.<sup>34</sup>

#### **4. Conglomeration**

The experience of the author is that the best economic valuation of a patent right will involve a reconciliation of these three approaches to yield a single potential economic value. No one can say with certainty whether the valuation will prove to be truly prophetic in the marketplace, but this reconciliation does represent the best possible valuation through process – a process which is sufficiently robust because there are comparators or other objective inputs from which the calculation can be made.

##### ***B. The Technical Input***

Establishing the technical strength of a patent constitutes an important part of the valuation process. There are, this author would suggest, three ways in which a patent

---

<sup>33</sup> BRIAN M. DANIEL ET AL., FINANCIAL ASPECTS OF LICENSING AGREEMENTS: VALUATION AND AUDITING, *in* ADVANCED LICENSING AGREEMENTS 2002, Ch. 3 (Ethan Horwitz & Steven M. Weinberg 2002), available at [https://plus.pli.edu/Browse/Title?rows=10&fq=~2B~title\\_id~3A282B~365~29~&facet=true&qt=legal\\_boolean](https://plus.pli.edu/Browse/Title?rows=10&fq=~2B~title_id~3A282B~365~29~&facet=true&qt=legal_boolean) [<https://perma.cc/53Z5-UKLS>].

<sup>34</sup> See ROBERT F. REILLY, MARKET APPROACH IP VALUATION METHODS (2017), available at [http://www.willamette.com/insights\\_journal/17/winter\\_2017\\_11.pdf](http://www.willamette.com/insights_journal/17/winter_2017_11.pdf) [<https://perma.cc/4EJM-RXBS>].

can be classified, based on their content, purpose, and effect on the market: breakthrough, incremental, and disruptive. It will be useful to briefly outline what each of these categories actually mean.

First, a patent may fall into the breakthrough category when it exploits a wholly new area of technology or engineering. Thus, for example, breakthrough patents range from the electric light bulb to the touch screen.<sup>35</sup> Although few patents are truly breakthrough, for those that are, their value may be immense. This value may not actually be found in the original patent creation but in subsequent and incremental developments or follow-on innovations making use of the breakthrough technology.<sup>36</sup>

Second, incremental patents are at the core of the patent world.<sup>37</sup> They provide small but measurable advancements on existing patents or technologies.<sup>38</sup> Often the unsung heroes of modern life, incremental patents represent potentially enormous value to the holder of the patent. Incremental development should arise as a result of competitive tension leading to improved products or production methods to the benefit of all.

Third, the disruptive category represents those patents whose worth is not immediately obvious but represent an unanticipated technology that may ultimately

---

<sup>35</sup> See generally CLAYTON M. CHRISTENSEN, *THE INNOVATOR'S DILEMMA: WHEN NEW TECHNOLOGIES CAUSE GREAT FIRMS TO FAIL* (1st. ed. 1997).

<sup>36</sup> See Kristina M. L. Aciri née Lybecker, *The Importance of Protecting Incremental Improvement Innovation*, IP Watchdog (Oct. 17, 2013), <https://www.ipwatchdog.com/2013/10/17/the-importance-of-protecting-incremental-improvement-innovation/id=45725/> [<https://perma.cc/75HG-49E6>] (discussing the importance of incremental improvement patents for pharmaceuticals).

<sup>37</sup> See *id.*

<sup>38</sup> See *id.*

displace existing technologies.<sup>39</sup> Initially, such disruptive patents may emerge as overnight success stories, but at the early stages they can often be characterised as potentially useless, unreliable, or having only limited technical appeal. Over time, these patent inventions are put to a new use not necessarily envisaged by the creators. Some of the best examples have been the use of the semiconductor to replace valves and data storage cards replacing film in photography and video.<sup>40</sup>

### C. *The Legal Input*

Arguably, the most overlooked area of patent valuation is the legal input.<sup>41</sup> The value of a patent depends on the legal validity of that patent and the likelihood of a subsequent challenge for a number of reasons.<sup>42</sup> Both the United States and Europe, among other jurisdictions, permit post grant challenge on patent validity.<sup>43</sup> Perhaps the most dominant form of challenge is that of prior art, but it is not the only possible challenge.<sup>44</sup> Under the European Patent

---

<sup>39</sup> Joseph L. Bower & Clayton M. Christensen, *Disruptive Technologies: Catching the Wave*, HARV. BUS. REV. (Jan.–Feb. 1995), <https://hbr.org/1995/01/disruptive-technologies-catching-the-wave> [<https://perma.cc/P57A-J4Z2>].

<sup>40</sup> See generally CHRISTENSEN, *supra* note 37.

<sup>41</sup> See Malte Köllner, *The Journey is the Reward*, INTELLECTUAL ASSET MANAGEMENT MAGAZINE, Feb. 2008, 59, available at <https://www.iam-media.com/journey-reward> [<https://perma.cc/E7B8-89G6>].

<sup>42</sup> For an Irish commentary on IP Law, see generally, ROBERT CLARK ET AL., INTELLECTUAL PROPERTY LAW IN IRELAND (4th. ed. 2016); ROBERT CLARK & MAIRE NI SHUILLEABHÁIN, INTELLECTUAL PROPERTY LAW IN IRELAND (1st. ed. 2010).

<sup>43</sup> For the United States provisions, see 35 U.S.C. §§ 311–29; for oppositions of patentability in the European Patent Office, see EUR. PAT. CONV. art. 100 (17th ed. Nov. 2020).

<sup>44</sup> See generally *What is prior art?*, EUROPEAN PATENT OFFICE, <http://www.epo.org/learning-events/materials/inventors-handbook/novelty/prior-art.html> [<https://perma.cc/L48A-BJX3>]. Title

Convention,<sup>45</sup> post patent invalidation can be sought *inter partes* on a number of limited grounds.<sup>46</sup> These grounds include (1) unpatentable subject matter,<sup>47</sup> (2) insufficient disclosure of the invention,<sup>48</sup> or (3) that the subject matter of the patent extends beyond the scope of the filed application.<sup>49</sup>

A prior art challenge, however, is perhaps the most important issue that impacts the legal validity of a patent right. In the United States, a prior art challenge for lack of novelty, a requirement of patentability, occurs where there is public information which compromises the patent's claim to originality in its filing.<sup>50</sup> A prior art challenge for obviousness will succeed if it can be shown that "the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains."<sup>51</sup> In *Graham v. John Deere Co.* the Supreme Court addressed standards for challenges to obviousness and noted that attacking the validity of a patent

---

35 of the United States Code permits an ex parte reexamination by the USPTO as an alternative to court action, see 35 U.S.C. §§ 301–07 (2011).

<sup>45</sup> See generally GERALD PATERSON, *THE EUROPEAN PATENT SYSTEM: THE LAW AND PRACTICE OF THE EUROPEAN PATENT CONVENTION* (2d. ed. 2001).

<sup>46</sup> EUR. PAT. CONV, *supra* note 43. A similar provision arises in Irish law under the Patents Act of 1992, which adds two additional grounds which are of no import for the current discussion, see Patents Act 1992 s. 58(d)–(e) (Act No. 1/1992) (Ir.), available at <http://www.irishstatutebook.ie/eli/1992/act/1/section/58/enacted/en/html#sec58> [https://perma.cc/R7RS-LH22].

<sup>47</sup> EUR. PAT. CONV., *supra* note 43, at art. 100(a).

<sup>48</sup> *Id.* at art. 100(b).

<sup>49</sup> *Id.* at art. 100(c).

<sup>50</sup> See 35 U.S.C. § 102 (2011) (describing the categories of prior art which can be used in a novelty challenge).

<sup>51</sup> *Id.* § 103.

must present clear and convincing evidence establishing facts that lead to the legal conclusion of invalidity—certain factual predicates are required before the legal conclusion of obviousness or nonobviousness can be reached.<sup>52</sup>

The factual predicates outlined in *Graham* (known colloquially as “the *Graham* factors”) are:

- (1) the scope and content of the prior art;
- (2) the differences between the claimed invention and the prior art;
- (3) the level of ordinary skill in the art; and
- (4) objective evidence of non-obviousness, such as commercial success, long-felt but unsolved need, failure of others, copying, and unexpected results.<sup>53</sup>

Should a prior art challenge against a patent succeed for either lack of novelty or obviousness succeed, or should the patent be invalidated another way, it will no longer hold legal weight, and, consequently, provide no value to the owner. Patent valuation should therefore include an examination of the legal validity for the grant of the patent right. Curiously, a patent which has withstood a challenge is often more secure than one which has not been the subject of challenge.<sup>54</sup>

#### ***D. Some Traditional Valuation Techniques***

Many valuation methods used today are focused only on the economic value of the IP right. They tend not to deal with either the technical or legal inputs to the overall

---

<sup>52</sup> *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

<sup>53</sup> *Id.*

<sup>54</sup> Where a patent has undergone a legal challenge, it essentially means that the patent will have been reviewed by at least two legal teams and a court. Weaknesses in the patent, if present, will have been exposed in a way that a patent which has not been subject to such challenge may still have undiscovered flaws.

valuation. Valuers assume either the patent is legally valid or it is not; either it is technically valid or it is not. In that regard, legal and technical validity are excluded from any input into the actual valuation matrix. With respect, this is not a useful approach – which shall be discussed later – but at this point it is useful to survey the fairly well-developed field of economic valuation.

In the view of this author, existing economic valuation techniques for patents can be divided into three basic models.<sup>55</sup> Each model has a number of advantages coupled with a corresponding set of difficulties, and often, the choice of which model to use becomes somewhat arbitrary and personal to the entity undertaking the valuation. It will be useful to briefly introduce each model with their own specific criticisms before collectively criticising them as somewhat lacking intellectual and analytical rigour.

First, there is the 25% model which essentially states that the licensor should receive 25% of the licensee's gross profit from the patent.<sup>56</sup> Although this method does not value the patent *per se*, it permits an extrapolation of economic value. Certainly, the value would have to be adjusted in line with the factors described earlier. A refinement on the 25% rule can be found in the Monte Carlo method, where instead of a single value, varying values with modified by corresponding probabilities of occurrence can be used.<sup>57</sup>

---

<sup>55</sup> *But see* Hagelin, *supra* note 20. Hagelin suggests there are seven such models or measures. However, this author suggests that four of Hagelin's models or measures (Monte Carlo, Options, Industry Standards, and Rankings) are simply variants of either the 25% model or the comparative model.

<sup>56</sup> *See* SMITH & PARR, *supra* note 23, at 366.

<sup>57</sup> For information regarding Monte Carlo simulations, see generally NICK T. THOMOPOULOS, *ESSENTIALS OF MONTE CARLO SIMULATION: STATISTICAL METHODS FOR BUILDING SIMULATION MODELS* (2012).

Second, the comparative model seeks to value the royalty rate for patents by comparing other similar patents in past transactions.<sup>58</sup> There are several difficulties with this approach. First, there may be an information deficit between the parties.<sup>59</sup> Second, it may be excessively time consuming to collect the correct dataset. Third, patents generally do not lend themselves to direct comparisons, since by their nature a patent protects innovation and novel ideas.<sup>60</sup>

Third, there is the so-called surrogate model, which uses comparative values from surrogate inputs to establish the value attaching to the patent: for example, the level of patent registration by the company together with prior art citations are particularly useful for valuing a bundle of patents.<sup>61</sup> However, this could be expanded, say for example one could use the market value of the company as a guide to the value of its patents. A further refinement would rely on the market value of the firm, less the net value of its tangible or non-patent assets. This model runs the risk of allocating an unwarranted speculative risk premium on the value of the

---

<sup>58</sup> See ROBERT C. MEGANTZ, *HOW TO LICENCE TECHNOLOGY* 56 (1st. ed. 1996).

<sup>59</sup> For example, prior transactions may not be in the public domain, or even where the price may be in the public domain, additional non-price terms and conditions may not be known which would impact upon the value or price being paid. For a discussion on information asymmetry and resultant problems it can bring to markets, see generally, George A. Akerlof, *The Market for “Lemons”: Quality Uncertainty and the Market Mechanism*, 84 Q. J. OF ECON. 488 (1970) (introducing and explaining the “lemons problem” and explaining its potential for the disruption of the purchase of goods).

<sup>60</sup> Two of the necessary requirements for patentability in the United States are novelty and nonobviousness, among others, see generally 35 U.S.C. §§ 101, 102, 103, and 112.

<sup>61</sup> Hagelin, *supra* note 20, at 1135–36. Surrogate valuation methods are inappropriate for single patents but can be useful for patent portfolios held by a company in its entirety.



company to the IP rights.<sup>62</sup> A similar process would look at the income of the company and calculate the percentage of the revenue of the company attributable to the patent.

All of these models have become the subject of small variations which seek to make each model more sophisticated, more costly, and less accessible.<sup>63</sup> For most patent valuation, these models have become the preserve only of the accountants, providing ever more statistically complex and one-dimensional valuations which ignore the legal and technical valuation elements. Yet in substance, the refined models are based on one of the three models referred to above.

Unfortunately, the concentration on economic value fails to establish a global or holistic view of valuation. Technical and legal valuation inputs are excluded on the false assumption that these issues raise only binary inputs. Part III of this article further addresses this issue.

### **III. A ROBUST VALUATION PROCESS**

Creating a robust valuation process should accommodate all three valuation inputs: the economic input, the technical input, and the legal input. Therefore, the issue of technical and legal inputs must be addressed. Few lawyers could absolutely guarantee that no prior art exists with respect to a given patent. A limitless investigation may reveal that there is a low probability that such prior art exists.

---

<sup>62</sup> The value of the company will be influenced by many factors, including potential takeovers, and the inflated value of the company could be due to potential buyers of the company, rather than the owned IP assets of that company.

<sup>63</sup> See, e.g., SMITH & PARR, *supra* note 23, at 164, for the Monte Carlo variation on the income model; PETER F. BOER, THE VALUATION OF TECHNOLOGY, 302–06 (1999), for the use of the option method and variants such as the Black-Scholes formula; Hagelin, *supra* note 20, at 1137–39, for Hagelin’s analysis of the Competitive Advantage Valuation® (CAV) model.

Of course, the probability of this being true depends upon the level and resources invested in the investigation. Lawyers should be able to quantify that chance as a percentage probability, as should technical experts in the field regarding the science.

As Hagelin suggests, successful models for valuation should be specific, understandable, repeatable, scalable, affordable, and flexible.<sup>64</sup> What do these individual terms actually mean, according to Hagelin?

1. *Specific* requires that the model must be able to value a single patent within a group of patents.

2. *Understandable* to all professionals dealing with IP, including not merely the accountants but also lawyers and IP specialists.

3. *Repeatable* requires that a model is not based on the subjective choice of one or more individuals.

4. *Scalable* means that the model can be varied to the level of sophistication required of the client.

5. *Flexible* requires that it can be used across most types of intellectual property

6. *Affordable* as the name suggests, means that it should not incur excessive cost in making a valuation.<sup>65</sup>

An emerging valuation model has been suggested by Murphy, Orcutt and Remus, or what will be hereinafter termed the Murphy-Orcutt model.<sup>66</sup> This model satisfies all Hagelin's criteria and characteristics that one would expect to find in a worthwhile valuation model for all intellectual property.

The Murphy-Orcutt model relies on decision tree analysis in a structured and rigorous manner to holistically value a patent using all relevant data from the different

---

<sup>64</sup> Hagelin, *supra* note 20, at 1137–39.

<sup>65</sup> *Id.* at 1137–38.

<sup>66</sup> *See generally*, WILLIAM J. MURPHY ET AL., PATENT VALUATION: IMPROVING DECISION MAKING THROUGH ANALYSIS (2012).

constituent elements.<sup>67</sup> The Murphy-Orcutt model requires assembling the necessary information from the different professionals involved. This will involve a diverse group, typically accountants, engineers, and lawyers. Other professionals may be added if required. The information can be obtained independently, so that there is no need for any liaison between the various professionals. Each professional inputs the information from their own sphere of expertise. The parameters of the information gathered can be applied to either individual or multiple patents.

The information is aggregated within a decision tree process. The inputs may again be scaled to reflect the needs of the valuation. In certain situations, only a simplified valuation may be required, for example where speed matters or where the nature of the patent requires a less complex analysis. If a more comprehensive analysis is required, then the specificity and nature of the inputs can be increased. The decision tree process is flexible regarding the order or sequence of the process. In some situations, a client might wish to prioritize economic worth over legal validity, while in others they may want the patent to pass a threshold of legal validity before analysing its economic worth. The process can be extremely simplistic – not requiring complex math or statistical analysis once such input has been gathered from the relevant professionals. On the other hand, the process may be amended to become increasingly complex if that is what is required. Such complexity may require a computer programme or at least an increased amount of mathematical calculation, to provide a valuation. The driving force behind the level of complexity is the comfort level of the professionals tasked with inputting the information, as they

---

<sup>67</sup> *See generally id.* On decision tree analysis, see generally DAVID SKINNER, INTRODUCTION TO DECISION ANALYSIS (3d. ed. 2009). Decision tree analysis is not dissimilar to the flowchart analysis which has more popular currency than decision tree analysis outside the business world.

are only required to input and process the data at a level they are comfortable with. Subsequent calculations after the event may not be their concern.

Murphy-Orcutt use the example of a University Technology Transfer decision evaluating whether or not to invest in the patenting of a particular device which has arisen from research activity.<sup>68</sup> This article will now present a modified version of that example.

As a first step, the decision maker approaches the relevant parties needed for the process. In this case the relevant parties are those within the University for whom the potential patent has some value or cost. Some possibilities could be the financial department of the University, but there could be many others, for example the research office, the student recruitment division, and so forth. Where the patent might impact reputational issues, the relevant parties may include the communication and marketing divisions. In the case of a patent arising from a funded programme, the donor or funding government entity may also be a relevant party.

Each relevant party would input a specific set of direct and indirect benefits from their perspective and from within their knowledge set. For example, patenting the research might be valued exclusively in terms of direct benefit by the finance department. On the other hand, the student recruitment division may be concerned about the potential benefit it could add to graduate recruitment and so on. Each benefit would then be evaluated as the percentage it would provide to the overall benefit if the device were patented. Obviously, this cannot exceed 100%. Then, that benefit might be worth more to one division than to another, so each division is required to allocate a weighted value between 1 and 5, with 1 being of the lowest importance and 5 being of the highest importance.

---

<sup>68</sup> See MURPHY ET AL., *supra* note 66, at 78–83.

*Can We Reliably Value IP Rights: A Model Process for  
Valuation 271*

The tables below set out what some of the possible inputs might look like in such an example. In a real-world context, one would expect these tables to be as simple or as complex as the circumstances require.

**Direct Benefits**

Division	Description	Percentage Benefit (max 100)	Weight	Total
Finance	Royalties	100	1	1.0

**Indirect Benefits**

Division	Description	Percentage Benefit (max 100)	Weight	Total
Research office	Link with local industry	30	1	0.3
	Help secure further research	50	4	2.0
	Attract more students	20	1	0.2

Division	Description	Percentage Benefit (max 100)	Weight	Total
Student recruitment	Royalties	20	1	0.2
	Attract more students	80	3	0.4

This would be repeated by each of the other relevant parties.

Gathering information in this way requires each relevant party to analyse their perspective, forcing them to assign a subjective valuation on the decision to patent. Each relevant party is contributing to the final decision within the realm of their own expertise.

The ultimate decision maker now has information which is robust in that it has arisen from the considered views of the all the relevant parties. From the tables we can

see that although the indirect benefit of attracting more students, if the device is patented, is a common indirect benefit to both the research office and student recruitment, the percentage of that benefit and the importance of it differs substantially, i.e., 20:1 versus 80:3. Each of the relevant parties has had to express and quantify the perceived benefit of patenting the device from their perspective.

This information can now be used in a decision tree analysis by the decision-maker to render determination as to whether the device should be patented or not. Use of the decision tree analysis requires that, following the disaggregation of inputs, there is what is known as a rollback calculation so the final, arrived-at figure should indicate whether to patent the device or not.

Murphy and Orcutt themselves use this model to suggest how governments who wish to invest in patent cost subsidisation could rationally make their decision based on objective analysis evaluation.<sup>69</sup> Essentially, if as might be advocated, the Irish state were to assist inventors in Ireland by subsidising the cost of patent approval, then the model could be used to rationally justify the efficient allocation of scarce resources.

The given example uses the decision of whether or not a device should be patented for the purposes of simplicity, but essentially, such a decision is based around value. Although, in this case, the value is not merely monetary. If the task were estimating the commercial value of an existing patent, the disaggregated information from the three relevant inputs might look something like this:

---

<sup>69</sup> See, e.g., William J. Murphy & John L. Orcutt, *Using Valuation-Based Decision Making to Increase the Efficiency of China's Patent Subsidy Strategies*, 2013 DE NOVO 116 (2013).

**Economic Input**

<b>Description</b>	<b>Percentage Significance (max 100)</b>	<b>Weight</b>	<b>Total</b>
Income method	50	3	1.5
Cost method	10	0	0.0
Market method	40	1	0.4

**Technical Input**

<b>Description</b>	<b>Percentage Significance (max 100)</b>	<b>Weight</b>	<b>Total</b>
Breakthrough	20	2	0.4
Incremental	70	2	0.4
Disruptive	10	1	0.1

**Legal Input**

<b>Description</b>	<b>Percentage Significance (max 100)</b>	<b>Weight</b>	<b>Total</b>
Encumbrance	40	1	0.40
Prior art	35	3	0.05
Insufficient disclosure	25	1	0.50

Here, however, the decision tree moves from a yes/no application to a decision tree with values inserted for the economic analysis part of the model. The decision tree analysis then rolls back these quantitative values in the same way to provide an objectively-verifiable evaluation. Where the decision tree becomes more complex, software is available to perform the roll back calculations.<sup>70</sup>

---

<sup>70</sup> *E.g.*, TreeAge Pro 2020 and Lumenaut Excel Software both provide the capability for the creation of decision trees.

#### **IV. CONCLUSION**

The Murphy-Orcutt model of patent valuation satisfies all of the characteristics that one would be looking for in any putative model. However, it provides an additional advantage. By providing a framework which is accessible to, and required from, all the professional inputs in the valuation process, it is not merely more comprehensive, but it permits the owner of the patent and the professional team a rigorous structure to analyse the potential value of the patent, something not normally available in the other models.

Given the importance of patent and other IP valuation in a number of significant areas of legal practice (e.g., investment, lending, sales, insolvency, etc.), it is virtually inexplicable that this area has not received much legal attention. The failure to base advice on robust methodology and analysis of patent valuation opens significant potential for professional negligence. Reliance upon one group of experts who use models that – although may be commonplace – suffer significantly in intellectual foundation, completeness, and simplicity to be understood by other professionals is a questionable approach. The Murphy-Orcutt approach represents an opportunity to finally provide a robust, understandable, and logical framework within which valuation can occur.



## A RIGHT THAT SHOULD'VE BEEN: PROTECTION OF PERSONAL IMAGES ON THE INTERNET

EUGENIA GEORGIADES\*

“The right to the protection of one’s image is ... one of the essential components of personal development.”

*Grand Chamber of the European Court of Human Rights*

### ABSTRACT

*This paper provides an overview of the current legal protection of personal images that are uploaded and shared on social networks within an Australian context. The paper outlines the problems that arise with the uploading and sharing of personal images and considers the reasons why personal images ought to be protected. In considering the various areas of law that may offer protection for personal images such as copyright, contract, privacy and the tort of breach of confidence. The paper highlights that this protection is limited and leaves the people whose image is captured bereft of protection. The paper considers scholarship on the protection of image rights in the United States and suggests that Australian law ought to incorporate an image right. The paper also suggests that the law ought to protect image rights and allow users the right to control the use of their own image. In addition, the paper highlights that a right to be forgotten may provide users with a mechanism to control the use of their image when that image has been misused.*

---

\* Dr. Eugenia Georgiades, Assistant Professor Faculty of Law, Bond University, the author would like to thank Professor Brad Sherman, Professor Leanne Wiseman and Dr. Allan Ardill for their feedback.

Abstract .....	275
I. Introduction.....	276
II. What is a Social Network?.....	281
III. Problems Brought About by Social Network Sites.....	291
IV. Why Should We Protect Personal Images? .....	300
V. Balancing Competing Interests .....	312
VI. Current Legal Framework for Protecting Personal Images.....	314
VII. Existing Scholarship on Social Networks, Image Rights, and the Law .....	318
VIII. Moving Forward.....	323

## **I. INTRODUCTION**

This paper examines the effectiveness of the existing legal regimes in protecting personal images that are shared online. In Australia, the stark reality is that while there is some legal protection for personal images shared online, the protection is limited. The paper examines how the law in this area can be improved. In particular, it argues that people whose image is captured in photographs that are shared on social networks ought to have the ability to control the use of those images through a right of publicity and a right to be forgotten. In considering the developments and legal protection afforded to personal images in the United States and Europe, it will be argued that Australian law is lagging behind these jurisdictions.

The last decade or so has seen an explosion in social networking. Web 2.0 sparked the growth of online participatory culture, where the user is a central actor in

creating and sharing information.<sup>1</sup> The introduction of new websites and services enabled users to create and share things about themselves with other users on the Internet in an unprecedented way. Previously, online communication technologies such as email, email lists, text messaging and instant messaging existed in isolation.<sup>2</sup> Social networks changed the ways in which people share and disseminate personal images in an online environment. This has created a number of problems, particularly when images are used without permission or are altered, changed, or used for different purposes. Problems also arise when circumstances change, such as when a creator or subject changes their mind about an uploaded image, or when a creator or subject dies.

The origin of social network sites can be traced back to the formation of SixDegrees.com in 1997.<sup>3</sup> At the time, SixDegrees was a pioneering online social network site that fused the features of creating profiles, friends lists, and email messaging; the site allowed users to create profiles, list friends and view the lists of their friends.<sup>4</sup> SixDegrees paved

---

<sup>1</sup> Daniel Gervais, *The Tangled Web of UGC: Making Copyright Sense of User Generated Content*, 11 VAND. J. OF ENT. & TECH. L. 841, 843 (2009); see also David Beer, *Social network(ing) Sites . . . Revisiting the Story So Far: A Response to Danah Boyd and Nicole Ellison*, 13 J. COMPUT.–MEDIAT. COMM. 516, 519 (2008). See generally Alessandro Acquisti & Ralph Gross, *Imagined Communities: Awareness, Information Sharing, and Privacy on the Facebook*, in PROCEEDINGS OF 6TH WORKSHOP ON PRIVACY ENHANCING TECH. 36–58 (P. Golle and G. Danezis eds., 2006) [hereinafter *Imagined Communities*]; Alessandro Acquisti & Ralph Gross, *Information Revelation and Privacy in Online Social Networks*, in PROCEEDINGS OF THE 2005 ACM WORKSHOP ON PRIVACY IN THE ELEC. SOC'Y 71–80 (2005) (Conf. Rep.) [hereinafter *Information Revelation*]; Niva Elkin-Koren, *User-Generated Platforms, in WORKING WITHIN THE BOUNDARIES OF INTELLECTUAL PROP.* 111, 112–13 (2010).

<sup>2</sup> Danah M. Boyd & Nicole Ellison, *Social Network Sites: Definition, History and Scholarship*, 13 J. COMPUT.–MEDIAT. COMM. 210, 214 (2008).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

the way for other sites that supported combinations of various profile and “friend” articulated networks such as AsianAvenue, BlackPlanet and MiGente.<sup>5</sup> These sites not only enabled users to create their own profiles, but also allowed them to add friends without the friends needing to approve the connections.<sup>6</sup>

While SixDegrees closed down in 2000 due to its inability to implement features other than accepting friend requests,<sup>7</sup> various new sites were launched between 1997 and 2001 that shared some form or a combination of communication technologies. LiveJournal, for example, allowed users to mark people as friends, follow their journals and manage privacy settings.<sup>8</sup> In 2001, the next surge of sites centered on linking personal and professional networks.<sup>9</sup> Notably, the people behind sites such as “Tribe.net, LinkedIn, Friendster, and Ryze were tightly entwined personally and professionally” because the people behind the sites were all connected, “[t]hey believed they could support each other without competing.”<sup>10</sup>

In 2002, the popular social network site Friendster was developed to compete with Match.com, an online dating

---

<sup>5</sup> *Id.*

<sup>6</sup> Profiles existed as part of dating sites and email lists prior to SixDegrees starting up. For example, profiles were visible on the user’s end for instant messaging service like AIM (American Instant Messenger), but not visible to other people. *See* Boyd & Ellison, *supra* note 2, at 214; Kevin Lewis, Jason Kaufman & Nicholas Christakis, *The Taste for Privacy: An Analysis of College Student Privacy Settings in an Online Social Network*, 14 J. COMPUT.–MEDIAT. COMM. 79, 80–81 (2008).

<sup>7</sup> *See* Boyd & Ellison, *supra* note 2, at 214.

<sup>8</sup> *Id.* at 215. *See generally Imagined Communities*, *supra* note 1, at 36–58.

<sup>9</sup> *See* Boyd & Ellison, *supra* note 2, at 215.

<sup>10</sup> Boyd & Ellison, *supra* note 2, at 215; *see also* Paul Festa, *Investors Snub Friendster in Patent Grab*, CNET (Apr. 19, 2004, 11:21 AM), <https://www.cnet.com/news/investors-snub-friendster-in-patent-grab/> [<https://perma.cc/FN2V-RWSM>]

site.<sup>11</sup> Building on the common features of dating sites, it focused on introducing people to “strangers.”<sup>12</sup> The distinguishing feature of Friendster was that it was “designed to help friends-of-friends meet, based on the assumption that friends-of-friends would make better romantic partners than strangers.”<sup>13</sup> Friendster’s popularity quickly surged to 300,000 users via word of mouth among various groups, particularly bloggers, attendees at the Burning Man arts festival, and gay men.<sup>14</sup> As Friendster’s popularity grew, the site began to experience difficulties.<sup>15</sup> Specifically, Friendster’s databases and servers were unable to keep up with the growing demands of users.<sup>16</sup> The users became frustrated with the faltering site, especially those who had and replaced email with Friendster.<sup>17</sup> After the failure of Friendster, various new social networks launched, adopting the popular features of Friendster, such as the profile-centric feature.<sup>18</sup>

Following the failure of Friendster, social networks surged in the early 2000s, first with MySpace and then with Facebook.<sup>19</sup> Since 2003, a range of new social networks have proliferated.<sup>20</sup> There are now social networks for everyone: from activists, religious groups and gamers, to travelers and

---

<sup>11</sup> Boyd & Ellison, *supra* note 2, at 215.

<sup>12</sup> *Id.* at 215.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 216; See Richard Sanvenero, *Social Media and Our Misconceptions of the Realities*, 22 INFO. & COM. TECH. L. 89, 90–91 (2013) (describing the foundation of Facebook).

<sup>19</sup> Scholarship places the first online social network as SixDegrees in 1997. After the failure of SixDegrees, other sites emerged during the period between 1998 and 2001. See generally Boyd & Ellison, *supra* note 2, at 214–16; *Imagined Communities*, *supra* note 1, at 38–39.

<sup>20</sup> See Boyd & Ellison, *supra* note 2, at 216.

photographers.<sup>21</sup> Presently, there are billions of users of social media with Facebook citing 2.6 billion monthly active users,<sup>22</sup> 330 million Twitter users,<sup>23</sup> and 1 billion Instagram users.<sup>24</sup> Popular sites such as Facebook, Twitter, Instagram, Pinterest, Flickr, Google+, YouTube, and Windows Live have transformed the way people communicate and interact with each other. Social networks have enabled people to translate their existing physical networks into visible digital connections within social network structures.<sup>25</sup> Before a person can gain access to a social network, they are first required to create and complete an online profile.<sup>26</sup> From the profile, users are also

---

<sup>21</sup> *Id.*

<sup>22</sup> *Facebook Q1 2020 Results*, FACEBOOK, at 3, [https://s21.q4cdn.com/399680738/files/doc\\_financials/2020/q1/Q1-2020-FB-Earnings-Presentation.pdf](https://s21.q4cdn.com/399680738/files/doc_financials/2020/q1/Q1-2020-FB-Earnings-Presentation.pdf) [<https://perma.cc/F7Q3-ZZHT>].

<sup>23</sup> *Number of Twitter Users 2021/2022: Demographics, Breakdowns & Predictions*, FINANCESONLINE, <https://financesonline.com/number-of-twitter-users/> [<https://perma.cc/5AEB-FVTV>]; see *The top 500 sites on the web*, ALEXA (Oct. 27, 2020), <https://www.alexa.com/topsites> [<https://perma.cc/VU4N-3ZFX>] (showing, as of Oct. 27, 2020, that Twitter is the 43<sup>rd</sup> most visited website).

<sup>24</sup> *Instagram Revenue and Usage Statistics*, BUSINESS OF APPS (Jan. 28, 2021), <https://www.businessofapps.com/data/instagram-statistics/> [<https://perma.cc/D47R-E268>] (saying that Instagram hit 1 billion monthly active users by June 2018).

<sup>25</sup> See generally *Imagined Communities*, *supra* note 1; Boyd & Ellison, *supra* note 2, at 214; Won Kim, Ok-Ran Jeong & Sang-Won Lee, *On Social Web Sites*, 35 INFO. SYS. 215, 215–17 (2010); *Information Revelation*, *supra* note 1, at 72–74.

<sup>26</sup> See *Imagined Communities*, *supra* note 1, at 36–37; Cliff Lampe et al., *A Familiar Face(book): Profile Elements as Signals in an Online Social Network*, in PROC. OF CONFERENCE ON HUMAN FACTORS IN COMPUTING SYS. 435, 435 (2007); Mike Thelwall, *Social Networks, Genders and Friending: An Analysis of MySpace Member Profiles*, 59 J. ASSOC. INF. SCI. TECHNOL. 1321, 1324 (2008). See generally David Fono & Kate Raynes-Goldie, *Hyperfriendship and Beyond: Friends and Social Norms on LiveJournal*, in INTERNET RESEARCH AN. VOLUME 4: SELECTED PAPERS FROM THE AOIR CONF. 91, 93 (M. Consalvo and C. Haythornthwaite ed., 2006); Peter Lang & Caroline Haythornthwaite, *Social Networks and Internet Connectivity Effects*, 8 INFO., COMMC’N,

able to share and control the information distributed to their contacts.<sup>27</sup> Some social networks have a varied user base and offer photo-sharing, video-sharing, instant-messaging, or blogging features that people can use to communicate with one another.<sup>28</sup> These networks allow people to share their lives in an online environment.<sup>29</sup>

## II. WHAT IS A SOCIAL NETWORK?

Social networks allow users to network and communicate with other users. There are many different types of social networks, including Google+, Windows Live, MySpace, Bebo IMBD, Flickr, LinkedIn, Tumblr, YouTube, Photobucket, Twitter, Facebook, Pinterest, and Instagram.<sup>30</sup> These are multifaceted social networks with tools for a user to share and exchange personal images. While these social network platforms vary significantly in appearance, they all have a number of core features. These core features include profiles, contacts, content/information, and control (or access to control). For the purpose of the paper, social network sites are taken to mean:

---

& SOC'Y 125, 126–27 (2005); Leucio Antonio Cutillo et al., *Security and Privacy in Online Social Networks*, in HANDBOOK OF SOCIAL NETWORK TECHNOLOGIES AND APPLICATIONS 501–03 (B. Furht ed., 2010).

<sup>27</sup> This allows the users to be interconnected with one another through a visible social network structure. See *Imagined Communities*, *supra* note 1, at 38–39.

<sup>28</sup> See Boyd & Ellison, *supra* note 2, at 214; David Fono & Kate Raynes-Goldie, *supra* note 26, at 92 (describing LiveJournal as a “blogging service”); see also Danah Boyd & Jeffrey Heer, *Profiles as Conversation: Networked Identity Performance on Friendster*, in *PROC. OF THE HAWAII INT'L CONF. ON SYS. SCI. (HICSS-39) PERSISTENT CONVERSATION TRACK* 59, 59 (2006) (discussing the impact of blogs and photosharing communities on the idea of “conversation”).

<sup>29</sup> See generally *Imagined Communities*, *supra* note 1; Boyd & Ellison, *supra* note 2, at 214; *Information Revelation*, *supra* note 1, at 72–73.

<sup>30</sup> This is not an exhaustive list.

[W]eb-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site.<sup>31</sup>

There are a number of key characteristics of a social network site. One key characteristic is the user's profile. The profile influences how people communicate information, and how they interact and engage with other people within the social network. A profile, like one that can be found on Facebook, contains information about users including their name, age, marital status, gender, likes and dislikes, education, and friends/contacts.<sup>32</sup> It may also include the names of other people users are connected to or wish to be connected to.<sup>33</sup> Each person who is on a social network completes a profile, thus revealing information about themselves. This is irrespective of whether a person is creating content about themselves or another person. A person's profile information can take various forms, including images, videos, audio, written comments, posts, and written information, as well as combinations thereof.<sup>34</sup>

---

<sup>31</sup> Boyd & Ellison, *supra* note 2, at 211 (noting while this definition has been widely accepted, it does not reflect the crucial role that personal information plays within a social network; nor does it account for the importance of information sharing and exchanging by users. The definition provides limited consideration of social network analysis and social network theory).

<sup>32</sup> Leslie Walker, *Facebook Basics: Manage Your Profile, News Feed, and More*, LIFEWIRE (Nov. 11, 2020), <https://www.lifewire.com/use-facebook-profile-wall-and-news-feed-2654605> [<https://perma.cc/52J3-38EH>].

<sup>33</sup> *See Information Revelation*, *supra* note 1, at 79–80.

<sup>34</sup> This is not an exhaustive list. *See Privacy Act 1988* (Cth), §6(1) (Austl.) (defining personal information as: information or an opinion (including information or an opinion forming part of a database) about an individual whose identity is apparent, or can reasonably be



A second key characteristic of social networks is that they connect people.<sup>35</sup> The networking function has a dual purpose of supporting the social network and allowing the user to establish connections with other users.<sup>36</sup> This provides a link between one user and another user or multiple users.<sup>37</sup> This is done by way of a notification, which may be accepted or ignored by the user.<sup>38</sup> Accepted requests are added to a user's contact lists, which may or may not be visible.<sup>39</sup> The networking function also facilitates the sharing of information/content<sup>40</sup> created by the users to their contacts on the social network. Profiles may contain links to a user's friend's profile. Through the profile function, users can view other users' friends lists. For example, Facebook's "People You Know" feature allows a user to view other users who are connected to their friends' profiles.<sup>41</sup> Twitter has follower lists and following lists which shows who the person follows.<sup>42</sup> Each social network has its own version of these features.<sup>43</sup> All social networks provide a profile for people to create and allow the person to show their contacts, friends, or followers.

---

ascertained, from the information or opinion. Information qualifies as "personal information" whether it is true or not, and whether or not it is recorded in a material form. This means that content that is uploaded and shared online falls within the scope of personal information that may be protected under privacy law.)

<sup>35</sup> See Cutillo et al., *supra* note 26, at 501 (explaining that "networking" is a main function of a social network).

<sup>36</sup> See *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> See *Information Revelation*, *supra* note 1, at 79–80.

<sup>41</sup> *People You May Know*, FACEBOOK, <https://www.facebook.com/help/336320879782850> [<https://perma.cc/REC2-AZ9S>].

<sup>42</sup> Following FAQs, TWITTER, <https://help.twitter.com/en/using-twitter/following-faqs> [<https://perma.cc/9N5T-F92K>].

<sup>43</sup> See *generally* Boyd & Ellison, *supra* note 2.

Another key characteristic of social networks is that they facilitate the exchange of information. This is done by way of blogs, posts, emails, chats, uploading of videos and images, wall-to-wall (Facebook),<sup>44</sup> private messaging, and notes.<sup>45</sup> A post is a block of information comprised of written text, images, videos, and links.<sup>46</sup> This forms part of the main thread of the profile. Here the person, along with their contacts, can comment and interact with one another by depicting their own self as well as other users through posts, comments, image, and video sharing. They can also link their own content to other users via features such as “tagging” or “liking.” The tag feature allows people to identify another person in their content.<sup>47</sup> Personal images that are shared on a person’s profile are stored on a social network.<sup>48</sup> When people share personal images on a profile page, other information about a user may also be revealed such as the user’s identity, name, age, and address.<sup>49</sup> It may also contain information of all of the user’s connections on their network and the information exchanged within the social network by all users.<sup>50</sup>

Another key characteristic of social networks is the privacy settings that allow users to control who accesses their images. The privacy settings of a social network commonly determine how peoples’ profile information and personal images are shared with their friends and other users in the network. The privacy settings provide different levels

---

<sup>44</sup> Facebook’s wall-to wall feature allows where a user to post a comment on another user’s wall.

<sup>45</sup> This is not an exhaustive list of features. Cutillo et al., *supra* note 26, at 501; *See* Boyd & Ellison, *supra* note 2, at 213.

<sup>46</sup> Cutillo et al., *supra* note 26, at 502.

<sup>47</sup> *Id.* Tagging is a feature best known in Facebook.

<sup>48</sup> *See id.*

<sup>49</sup> *See* James Grimmelman, *Saving Facebook*, 94 IOWA L. REV. 1137, 1149–51 (2009) (providing an overview of a general discussion about identity); *Imagined Communities*, *supra* note 1.

<sup>50</sup> *See* Cutillo et al., *supra* note 26, at 503.

of access to a person's images when uploaded on a profile page.<sup>51</sup> From the privacy settings, people can also control whether their profile (along with its contents) is visible to and accessible by other users, and whether third parties have access to their content and posts.<sup>52</sup> This in turn allows users to have some control over their profile within the network.<sup>53</sup>

A social network's contract terms also regulate the network's privacy settings, which allow users to restrict access to their images. As will be shown, people's ability to control their images depends on the network's settings. When a user's profile is restricted, control may be overridden by the social network's default settings, which are public.<sup>54</sup> This occurs, for example, in Facebook's graph search because people's information on their profile can be viewed publicly if their privacy settings are not changed. However, even if a user did restrict their individual privacy setting, they would still have very little control over the use of their images. This is because when a person uploads and shares an image on a profile page, that image is also subject to the privacy settings of third parties such as contacts/friends.<sup>55</sup> One of the consequences of gaining

---

<sup>51</sup> See *id.* at 502.

<sup>52</sup> *Id.* at 502–03.

<sup>53</sup> *Id.*

<sup>54</sup> For example, Facebook's announcement of its facial recognition technology in 2010 reignited privacy concerns from privacy advocates and lawmakers in Europe and the United States. At the time, Facebook used facial recognition technology to identify people in photos on its website. See Geoffrey A. Fowler & Christopher Lawton, *Facebook Again in Spotlight on Privacy*, WALL ST. J. (Jun. 8, 2011), <http://online.wsj.com/article/SB10001424052702304778304576373730948200592.html> [<https://perma.cc/X5BZ-CCNN>]. See generally Eugenia Georgiades, *Reusing Images Uploaded Online: How Social Networks Contracts Facilitate the Misuse of Personal Images*, 40 EUR. INTELL. PROP. REV. 435 (2018) (discussing how popular social networks regulate the use of images that users upload on their service) [hereinafter Georgiades, *Reusing Images*].

<sup>55</sup> See Adi Kamdar, *Facebook Graph Search: Privacy Control You Still Don't Have*, ELECTRONIC FRONTIER FOUNDATION (Jan. 29, 2013),

access to a social network service is that people involuntarily relinquish control over their personal images because the contract terms are mandated by the social network.<sup>56</sup> One example of the problems that arise is the licencing and ownership of content clause that users agree to when they join the network.<sup>57</sup> This clause enables the network to use any information that is created by users; for example, when a user uploads an image, the network needs to obtain the user's consent so as to be able to publish the image on the network.<sup>58</sup>

The social networks such as Facebook, Twitter, and Instagram illustrate the different problems that arise when personal images are exchanged, used and shared within each network. These social networks each illustrate different problems that occur when personal images are shared, exchanged and used online.

Facebook demonstrates the problems that arise when users share, exchange and use images with their contacts. Facebook was launched in February 2004, and by 2020 had

---

<https://www.eff.org/deeplinks/2013/01/facebook-graph-search-privacy-control-you-still-dont-have> [<https://perma.cc/B8YJ-XAA7>]; Adi Kamdar, *The Creepy Details of Facebook's New Graph Search*, ELECTRONIC FRONTIER FOUNDATION (Jan. 18, 2013), <https://www.eff.org/deeplinks/2013/01/facebooks-graph-search> [<https://perma.cc/QAL9-33A3>]; See also Adi Kamdar, *Experimenting With Your Privacy, Facebook Begins Selling Access to Your Inbox*, ELECTRONIC FRONTIER FOUNDATION (Dec. 22, 2012), <https://www.eff.org/deeplinks/2012/12/experimenting-privacy-facebook-sells-access-your-inbox> (describing Facebook's 2012 plan allow people to pay money to send an email to any user's mailbox) [<https://perma.cc/C2MV-H62M>].

<sup>56</sup> See Georgiades, *Reusing Images*, *supra* note 54, at 438.

<sup>57</sup> See *id.*

<sup>58</sup> *Id.* at 438; Eugenia Georgiades, *Protecting the Image: Applying a Right of Publicity to Images Uploaded on Social Networks*, 41 EUR. INTELL. PROP. REV. 38, 45 (2019) [hereinafter Georgiades, *Protecting the Image*].

more than 2.6 billion users.<sup>59</sup> Facebook offers its users the ability to create a personal profile, add other users as friends, receive automatic notifications when they update their profiles, exchange messages, instant message, join common interest groups, and like fan pages that comprise workplace, organisations, schools, or colleges.<sup>60</sup> Users must register prior to using the site and use real names and information; they must also be at least 13 years old.<sup>61</sup> Presumably due to these features, Facebook is the number one ranked social network.<sup>62</sup> This is due to its attractiveness for users to engage in a range of online communications such as chatting, apps, games, uploading and sharing images, notes, videos, and tagging.<sup>63</sup> Facebook highlights the problems with the misuse of personal images that occur when people upload images on their profile pages. When a person enters into a social network contract, they often sign away many of their intellectual property rights.<sup>64</sup> Consequently, images may be misused when third parties reuse and reshare images that

---

<sup>59</sup> *Facebook Q1 2020 Results*, *supra* note 22; See Craig Smith, *250 Facebook Statistics and Facts in 2020 | By the Numbers*, DMR (July 14, 2020), <http://expandedramblings.com/index.php/by-the-numbers-17-amazing-facebook> [<https://perma.cc/96AQ-HWF7>]; See also *The Top 500 Sites on the Web*, ALEXA (Feb. 11, 2021), <http://www.alexa.com/topsites> (reflecting that Facebook is also ranked as the number one social network site) [<https://perma.cc/VT94-L3CD>].

<sup>60</sup> See generally *Your Profile and Settings*, FACEBOOK, [https://www.facebook.com/help/239070709801747/?helpref=hc\\_global\\_nav](https://www.facebook.com/help/239070709801747/?helpref=hc_global_nav) [<https://perma.cc/74M8-J8R6>] (last visited Feb. 11, 2021).

<sup>61</sup> *Creating an Account*, FACEBOOK, [https://www.facebook.com/help/570785306433644/?helpref=hc\\_fnav](https://www.facebook.com/help/570785306433644/?helpref=hc_fnav) (last visited Feb. 11, 2021) (explaining how to create a Facebook account, mentioning that you must be at least 13 years old to create a Facebook account, and stating that users are required to “use the name they go by in everyday life”) [<https://perma.cc/X4Y9-RKX9>].

<sup>62</sup> See *The Top 500 Sites on the Web*, *supra* note 59.

<sup>63</sup> Andrés Sanchez, *The Facebook Feeding Frenzy: Resistance-Through-Distance and Resistance-Through-Persistence in the Societied Network*, 6 SURVEILLANCE & SOC’Y 275, 277 (2009).

<sup>64</sup> See Georgiades, *Reusing Images*, *supra* note 54, at 438.

have been uploaded; for example, when an uploaded image is subsequently distorted or altered. Social network contracts usually contain wide licence terms that enable a social network to use, reuse and sub-license their photographs.<sup>65</sup> The consequence of this clause is that when a person becomes a member of a network, they give the network a very broad license over the use of their images. This facilitates the misuse of personal images.<sup>66</sup> These problems are made worse by the fact that social networks can alter the terms of service without allowing the users to negotiate the terms.<sup>67</sup> An example of this occurred in *Fraleley v. Facebook, Inc.* where it was argued that users, when they sign up, give permission for their profile images to be used in Facebook’s sponsored stories feature.<sup>68</sup> In particular, it exemplifies the problems that arise when third parties reuse images that have been uploaded and shared by people on their profile pages.

Another platform that illustrates the misuse of personal images that are uploaded online is Twitter. Twitter highlights the problems that arise when users share personal images and third parties reuse those images. Twitter was launched in 2006, and, as of 2015, had 1.3 billion registered

---

<sup>65</sup> *Id* at 435–36, 438.

<sup>66</sup> See *Fraleley v. Facebook*, 830 F. Supp. 2d 785, 802 (N.D. Cal. 2011); *Cohen v. Facebook, Inc. (Cohen I)* 798 F. Supp. 2d 1090, 1097 (N.D. Cal. 2011); *Cohen v. Facebook, Inc. (Cohen II)*, No. C 10-5282 RS, 2011 WL 5117164, at \*3 (N.D. Cal. Oct. 27, 2011) (dismissing plaintiff’s amended complaint even though the court previously dismissed the plaintiffs’ complaint with leave to amend and despite the amendments made by the plaintiffs); Jesse Koehler, *Fraleley v. Facebook: The Right of Publicity in Online Social Networks*, 28 BERKELEY TECH. L.J. 963, 984 (2013).

<sup>67</sup> *Fraleley*, 830 F. Supp. 2d at 814.

<sup>68</sup> *Id.* at 814 (stating that “[Plaintiffs were] likely to be deceived into believing [they] had full control to prevent [their] appearance in Sponsored Story advertisements while otherwise engaging with Facebook’s various features, such as clicking on a ‘Like’ button, when in fact members lack such control.”).

users.<sup>69</sup> It is a social networking and micro blogging service that allows users to send and receive short text-based messages of, originally, up to 140 characters.<sup>70</sup> The messages that are sent and received are called “tweets,” and are publicly visible by default although the users can restrict the messaging delivery to their friends.<sup>71</sup> Twitter’s functionality works based on a “following” system where a user may follow another user without any reciprocity.<sup>72</sup> Twitter’s function of establishing connections is similar to Facebook’s friends and friending; Twitter users “follow” other users and can have “followers.”<sup>73</sup> A user creates a public profile which has the user’s “full name, the location, a web page, a short biography, and the number of tweets of the user.”<sup>74</sup> Users must register before they can post a tweet, follow or be followed.<sup>75</sup>

Another social network that highlights the misuse of personal images is Instagram. Instagram is an image-sharing

---

<sup>69</sup> Adrianus Wagemakers, *There is a Possibility That the Quality of Twitter’s Users is Deteriorating*, BUSINESS INSIDER TECH (Aug. 3, 2015, 6:45 AM), <http://www.businessinsider.com/twitter-monthly-active-users-2015-7?r=UK&IR=T> [<https://perma.cc/DJ3J-KBCM>]; Nicholas Carlson, *The Real History of Twitter*, BUSINESS INSIDER TECH (APR. 13, 2011, 1:30 PM), <https://www.businessinsider.com/how-twitter-was-founded-2011-4> [<https://perma.cc/VEY2-FNG9>].

<sup>70</sup> *Counting Characters*, TWITTER, <https://developer.twitter.com/en/docs/counting-characters>, [<https://perma.cc/T8NQ-CKMQ>]; *see also* It’s *What’s Happening*, TWITTER, <https://about.twitter.com/company> [<https://perma.cc/NY8F-Z555>].

<sup>71</sup> Haewoon Kwak et al., *What is Twitter, a Social Network or News Media?*, WWW ‘10: Proceedings of the 19<sup>th</sup> International Conference on World Wide Web 591, 591 (April 2010), <https://doi.org/10.1145/1772690.1772751> [<https://perma.cc/LEL9-UFHC>]; Joshua Phillips, *How to Have Private Conversations on Twitter*, CHRON, <https://smallbusiness.chron.com/private-conversations-twitter-71465.html> [<https://perma.cc/7RJS-9743>].

<sup>72</sup> Kwak et al., *supra* note 71, at 591.

<sup>73</sup> *Id.*

<sup>74</sup> *Id.* at 592.

<sup>75</sup> *See Id.* at 591–92.

and hosting social network site that provides various filters for “images” and then allows people to share them on other social networks.<sup>76</sup> Recently, Instagram has expanded to include the uploading of videos by adding “Instagram Live” as a feature.<sup>77</sup> Instagram, as a platform, also highlights the problems that arise when users upload images and those images are reused, and reshared by third parties. Instagram enables users to capture an image on their mobile phone and then, using a filter, enhance the image and then share it via Instagram.<sup>78</sup> As Facebook owns Instagram, the platform enables users to post content from their Instagram profile directly to Facebook.<sup>79</sup> Users on Instagram can upload photographs, share photos, and follow other users.<sup>80</sup> Features on Instagram include a web profile which contains biographical information, personal details, and personal images.)<sup>81</sup>

---

<sup>76</sup> William Antonelli, *A beginner’s guide to Instagram, the wildly popular photo-sharing app with over a billion users*, BUSINESS INSIDER TECH (Dec. 14, 2020, 12:14 PM), <https://www.businessinsider.com/what-is-instagram-how-to-use-guide> [<https://perma.cc/N9BF-FKTY>].

<sup>77</sup> Josh Constine, *Instagram Launches Disappearing Live Video and Messages*, TECHCRUNCH (Nov. 21, 2016, 10:00 AM), <https://techcrunch.com/2016/11/21/instagram-live/> [<https://perma.cc/9HR3-XJ9Z>].

<sup>78</sup> Antonelli, *supra* note 76.

<sup>79</sup> Instagram allows users the option to share Instagram posts to Facebook after they have already been posted on Instagram. See Gillon Hunter, *3 Ways to Republish Instagram Content on Facebook*, SOCIAL MEDIA EXAMINER (Dec. 14, 2016), <https://www.socialmediaexaminer.com/3-ways-to-republish-instagram-content-on-facebook> [<https://perma.cc/VFZ7-JVG8>].

<sup>80</sup> Antonelli, *supra* note 76.

<sup>81</sup> Jared Newman, *Instagram’s Webfeed Keeps It Clean, Keeps It Simple*, TIME (Feb. 3, 2013), <http://techland.time.com/2013/02/07/instagrams-web-feed-keeps-it-clean-keeps-it-simple/#ixzz2L7fai7np> [<https://perma.cc/V6KZ-BCDL>].



### III. PROBLEMS BROUGHT ABOUT BY SOCIAL NETWORK SITES

Social networks have brought about a convergence of public and private worlds. Before social networks, people shared photographs by sending physical photographs via the post or digital photographs via email. As communication technologies evolved, so too did social networks. Most social networks allow people to upload and share their images with multiple people instantaneously.<sup>82</sup> In some situations, people who upload images on a social network page are able to identify or “tag”<sup>83</sup> a third party captured in a photograph. One consequence that arises when images are uploaded online is that third parties are able to upload images of other people without their permission or knowledge.<sup>84</sup> Another consequence is that, when personal images are shared online, they may be reused and reshared with ease and with limited restrictions.<sup>85</sup>

While sharing information on social networks allows people to interact and communicate with greater ease, it also raises a number of problems. Problems may arise, for example, when a person uploads an image of themselves and that image is reshared and reused, or when people’s images are uploaded by third parties without permission. In thinking about the problems that potentially arise when personal images are captured and uploaded on social networks, it is important to note that two different groups are potentially affected: the people who create the images and the people whose images are captured in the photographs.

---

<sup>82</sup> See generally Donath & Boyd, *supra* note 28; Boyd & Ellison, *supra* note 2.

<sup>83</sup> “Tagging” is a Facebook feature that allows users to identify people in an uploaded image. Cutillo et al., *supra* note 26, at 502.

<sup>84</sup> See Georgiades, *Protecting the Image*, *supra* note 58, at 38.

<sup>85</sup> See generally Georgiades, *Reusing Images*, *supra* note 54, at 4–9.

When a person takes a photograph of themselves and uploads it, the personal images may be reused and reshared without the permission of the person who uploaded the image. A well-known example of this occurred in 2012, when Randi Zuckerberg posted an image of her family on her Facebook page and a third party reposted the image on Twitter without her permission.<sup>86</sup> While access to the uploaded image was restricted to “friends”, there was little she could do to stop her friends from reposting or re-sharing her image.<sup>87</sup>

Problems may also arise when a social network reuses or reshapes images that have been uploaded on a person’s profile page. This occurs because, when people upload and share images on their profile page, the network is able to collect the images and reuse them. When a third party takes a photograph and uploads the image onto their own profile page, problems may arise if the subject of the photograph does not wish to have their image captured and uploaded online. Because copyright law protects the form of a copyright work and not the subject matter, copyright protection does not extend to the person whose image is captured in a photograph.<sup>88</sup> Problems can arise when the uploaded image is reshared or reused by other parties or by

---

<sup>86</sup> Sam Biddle, *Watch Randi Zuckerberg Have a Facebook Freak Out over Her Photo Going Viral*, GIZMODO (Dec. 28, 2012, 11:12 PM), <http://gizmodo.com/5971918/watch-randi-zuckerberg-have-a-facebook-freakout-over-her-photo-going-viral> (last visited Feb. 10, 2021).

<sup>87</sup> A person may think that they are only sharing their image with their contacts, but may not realize that their contacts’ friends and contacts may also be able to access the image(s); see Alessandro Acquisti & Jens Grossklags, *Privacy Attitudes and Privacy Behavior*, Econ. Info. Sec. 165, 165–178 (2004); Acquisti & Gross, *supra* note 1, at 36; Amanda Nosko et al., *All About Me: Disclosure in Online Social Networking Profiles: The Case of FACEBOOK*, 26 COMPUTS. IN HUM. BEHAV. 406, 406–07 (2010); Cliff Lampe et al., *supra* note 26, at 436–37.

<sup>88</sup> See Eugenia Georgiades, *The Limitation of Copyright: Sharing Personal Images on Social Networks*, 40 EUR. INTELL. PROP. REV. 230, 231–34 (2018).

a social network. The person whose image is captured has a limited ability to control the use of their image and prevent any misuse. Problems may also arise when the image is distorted or altered. There may also be a change in circumstance of the person uploading the image—for example, when a creator of an image has a change of mind or dies.

As social media has become increasingly pervasive, people's images have become more prone to misuse, abuse, and exploitation. One way that personal images are exploited is when third parties use people's images for advertising purposes without permission.<sup>89</sup> Social networks receive revenue through targeted advertising; each advertisement that appears on a person's profile is specific to the information contained in their posts and images.<sup>90</sup> In sharing and exchanging personal images on social networks, each person that becomes a user of a social network has competing interests with other users.

While Instagram, Twitter and Facebook all collect images that are uploaded and shared on their networks, each network uses the images differently. Social networks, such as Twitter, collect personal images and allow their affiliates and third party advertisers to access the images.<sup>91</sup> For example, images may be indexed in search engines or used for advertising purposes.<sup>92</sup> In contrast, Instagram uses personal images to personalise content and provide information to users for advertising and marketing purposes.<sup>93</sup> The network shares user activity and

---

<sup>89</sup> Georgiades, *Reusing Images*, *supra* note 54, at 435–36.

<sup>90</sup> *See id.* at 439 (describing Facebook's targeted advertising practices).

<sup>91</sup> *See Twitter Privacy Policy*, TWITTER (June 18, 2020), <https://twitter.com/privacy?lang=en> [<https://perma.cc/LU23-DZ6V>].

<sup>92</sup> *Id.*

<sup>93</sup> *See Data Policy*, INSTAGRAM (Aug. 21, 2020), <https://help.instagram.com/155833707900388> [<https://perma.cc/4QU8-M484>]; *Data Policy*, FACEBOOK (Aug. 21, 2020), <https://www.facebook.com/policy.php> [<https://perma.cc/C9XS-V8N2>].

information with their advertisers for marketing and advertising purposes.<sup>94</sup> Facebook uses personal images to “provide, improve and develop” their service, it also provides “short cuts” to people by making suggestions such as tagging friends in photographs or liking a product when they upload and share images on their profile page.<sup>95</sup>

As a result of people sharing and exchanging personal images online, networks are able to collect personal images and use these images for advertising or marketing purposes. The social network contracts/policies allow the networks to use and access all images that are uploaded, even if they are subject to restricted privacy settings.<sup>96</sup> The result of this is that even though social networks have privacy settings, these settings do not necessarily guarantee that personal images are not misused.

Another problem that potentially arises when a person uploads their image onto a profile page is that a third party may distort or alter the image—for example, by turning the personal image into a meme.<sup>97</sup> In these circumstances, copyright and moral rights may protect the creator of an image.<sup>98</sup> This is because in Australia, copyright law

---

<sup>94</sup> *About Instagram Ads*, INSTAGRAM, <https://help.instagram.com/478880589321969/> [<https://perma.cc/8QUY-RHA3>].

<sup>95</sup> *Data Policy*, FACEBOOK, <https://www.facebook.com/about/privacy/previous> [<https://perma.cc/TT4F-9UZF>].

<sup>96</sup> See Georgiades, *Reusing Images*, *supra* note 54, at 440–46.

<sup>97</sup> *Meme*, Merriam-Webster, <https://www.merriam-webster.com/dictionary/meme> (defining a meme as “an idea, behavior, style, or usage that spreads from person to person within a culture”) [<https://perma.cc/62L8-SWMX>]; see Bethany Ramos, Mom Finds Toddler’s Photos Were Turned Into Disturbing Internet Memes, SHEKNOWS.COM (Oct. 16, 2015), <https://www.sheknows.com/parenting/articles/1099383/offensive-facebook-memes-stolen-photos/> (describing a mother finding out that pictures of her daughter, which her daughter had posted to her personal Facebook page, had been turned into offensive memes) [<https://perma.cc/Y8RL-BQUJ>].

<sup>98</sup> See Georgiades, *The Limitation of Copyright*, *supra* note 88, at 239–41.

provides a creator of an artistic work with moral rights that may protect the integrity of their work.<sup>99</sup> For example, the right to integrity may protect the integrity of the creator of the image, but it does not protect the creator from ridicule.<sup>100</sup> In this situation, the subject of the meme must seek alternative means of protection for the misuse of their image.<sup>101</sup>

Problems also potentially arise when a person uploads an image and there is a change of circumstance—for example, if the person changes their mind about the sharing of an image online. In situations where a person poses for a photograph and later changes their mind about the image being shared, they have a limited ability to prevent the use of their image. This is because the person who captures (or takes the photograph) of a third party is the creator of the image and the copyright owner. A creator of an image has rights over the use and distribution of the image, whereas the subject of image is not afforded copyright protection.<sup>102</sup> At best, a subject in an image can request the copyright owner to remove their image from the social network.<sup>103</sup> In the event that a copyright owner is unwilling to remove the photograph from their profile page the same problems that were discussed above arise.<sup>104</sup> A creator may have a limited ability to prevent the misuse of their images, if they have changed their mind about uploading the photographs when those images are subsequently reshared by third parties. In contrast, a subject of an image who changes their mind about having their image captured and subsequently uploaded and shared is

---

<sup>99</sup> *Id.* at 239.

<sup>100</sup> *Id.* at 240–41.

<sup>101</sup> *See id.* at 241–42.

<sup>102</sup> *See id.* at 231–35, 239–42 (discussing ownership of copyright and the rights that flow from it).

<sup>103</sup> *See id.* at 241–42.

<sup>104</sup> *See id.*

unable to prevent the use of their image in most circumstances. This is because the creator controls the use of the image, whereas the subject of the image cannot control the use of the image. Consequently, a person who is photographed by a third party has limited control over the use of their image that captured in a photograph.<sup>105</sup> In situations where the subject and creator of an image are different, the subject must seek alternate avenues of legal protection.<sup>106</sup>

Further problems potentially arise when someone dies. While social networks like Facebook have provisions for how a person’s profile page may be accessed after they die, such as providing a “legacy” contact, the provisions are limited in scope and provide little protection against misuse.<sup>107</sup> A well-known example of the problems that arise when a person dies is the case of Nikki Catsouras who, in October 2006, was decapitated when she lost control of her father’s Porsche.<sup>108</sup> The Californian Highway Patrol (CHP) followed standard procedure and took photographs of the crime scene.<sup>109</sup> The crime scene was so gruesome that the coroner refused to allow the parents to identify the body.<sup>110</sup> Two CHP employees then emailed nine of the gruesome

---

<sup>105</sup> *See id.*

<sup>106</sup> *See id.*

<sup>107</sup> *See What will happen to my Facebook account if I pass away*, FACEBOOK, <https://www.facebook.com/help/103897939701143> [https://perma.cc/72QX-7B5X].

<sup>108</sup> *Catsouras v. Dep’t of Cal. Highway Patrol*, 181 Cal. App. 4th 856, 863, 865 (Cal. Ct. App. 2010); Jeffrey Toobin, *The Solace of Oblivion: In Europe the Right to Be Forgotten Trumps the Internet*, THE NEW YORKER (Sept. 22, 2014), <http://www.newyorker.com/magazine/2014/09/29/solace-oblivion> [https://perma.cc/S3NC-PB92]; *see also* Daniel Solove, *Family Privacy Rights in Death Scene Images of the Deceased*, TEACHPRIVACY (Apr. 27, 2009), <https://teachprivacy.com/family-privacy-rights/> [https://perma.cc/2AVX-TA8R].

<sup>109</sup> Toobin, *supra* note 108.

<sup>110</sup> *Id.*

photographs to their friends and family members on Halloween to take advantage of the photograph's shock value.<sup>111</sup> The photographs subsequently went viral.<sup>112</sup> The Supreme Court of Appeal held that the dissemination of the images "was not in furtherance of the investigation, the preservation of evidence, or any other law enforcement purpose, to deliberately make a mutilated corpse the subject of lurid gossip."<sup>113</sup> It is significant to note that the plaintiff's claims did not fit within the ambit of a privacy right as the court asserted that "California law clearly provides that surviving family members have no right of privacy in the context of written media discussing, or pictorial media portraying, the life of a decedent. Any cause of action for invasion of privacy in that context belongs to the decedent and expires along with him or her."<sup>114</sup> Californian law is different to Australian law in the fact that "family members have a common law privacy right in the death images of a decedent."<sup>115</sup> In this respect, Australian privacy law does not provide protection to deceased persons nor does it allow family members to bring actions on the decedent's behalf.<sup>116</sup> After a long legal battle spanning negligence, infliction of

---

<sup>111</sup> *Id.*

<sup>112</sup> *Id.*

<sup>113</sup> Catsouras, 181 Cal. App. 4th, at 864.

<sup>114</sup> *Id.* at 863–64 (citing *Flynn v. Higham*, 149 Cal. App. 3d 677, 683 (Cal. Ct. App. 1983)).

<sup>115</sup> *Id.* at 864 (stating that "[t]he publication of death images is another matter, however. How can a decedent be injured in his or her privacy by the publication of death images, which only come into being once the decedent has passed on? The dissemination of death images can only affect the living. As cases from other jurisdictions make plain, family members have a common law privacy right in the death images of a decedent, subject to certain limitations").

<sup>116</sup> See *Privacy Act 1988* (Cth) s 6(1) (Austl.) (defining an individual as a natural person; notably, this does not include deceased individuals); *Natural Person*, LEGAL DICTIONARY (Apr. 12, 2017), <https://legaldictionary.net/natural-person/> [https://perma.cc/N896-5PAF] (stating that a natural person is a living human being).

emotional distress, copyright, and invasion of privacy issues, the defendants settled with the Catsouras family in 2012.<sup>117</sup> At the time of the litigation, developments in strengthening data protection laws were emerging in Europe with the decision of *Google Spain v Gonzalez*.<sup>118</sup> This decision was significant because the court held that users had a right to request the removal of their data in certain situations.<sup>119</sup> In a court mandated settlement conference order the two parties to settled ahead of a jury trial.<sup>120</sup> The Catsouras case highlighted that there was limited protection in the United States for a privacy right that extended to family members, allowing them to bring claims for privacy breaches of deceased persons. The Supreme Court in Catsouras recognised that a familial right to privacy in autopsy images, or similar images, existed for family members of deceased persons.<sup>121</sup>

---

<sup>117</sup> Toobin, *supra* note 108.

<sup>118</sup> See Case C-131/12, *Google Spain SL v. Agencia Española de Protección de Datos (AEPD)*, ECLI:EU:C:2014:317, ¶ 34, (May 13, 2014).

<sup>119</sup> See Eugenia Georgiades, *Down the Rabbit Hole: Applying a Right to Be Forgotten to Personal Images Uploaded on Social Networks*, 30 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1111, 1118 (2020) [hereinafter Georgiades, *Down the Rabbit Hole*].

<sup>120</sup> Greg Hardesty, *Family Gets \$2.4 Million Over Grisly Crash Images*, THE ORANGE COUNTY REG. (Jan. 31, 2012, 7:16 AM), <http://www.ocregister.com/articles/family-337967-catsouras-nikki.html> [<https://perma.cc/7KGP-3NH9>] (stating that “[t]he family was compensated for the emotional pain and suffering associated with the release of the photos,” and the Catsouras family attorney saying “The CHP came to the table with significant funds in an effort to resolve this case and remove any chances of a monumental verdict”).

<sup>121</sup> Solove, *supra* note 108 (noting that some scholars argue that “[f]amilies have a privacy interest in death-scene photos of deceased relatives”); see also *Nat’l Archives & Recs. Admin. v. Favish*, 541 U.S. 157, 167–68 (2004) (where the United States Supreme Court stated: “We have little difficulty ... in finding in our case law and traditions the right of family members to direct and control disposition of the body of the deceased and to limit attempts to exploit pictures of the deceased family



Problems also arise when people share and exchange images of deceased Aboriginal and Torres Strait Islander people on social networks because the publication may cause distress to family members.<sup>122</sup> There are also customary practices among these peoples against publishing images of deceased people during mourning periods.<sup>123</sup> Another cultural practice is the prohibition on publishing names of

---

member's remains for public purposes ... In addition this well-established cultural tradition acknowledging a family's control over the body and death images of the deceased has long been recognized at common law. Indeed, this right to privacy has much deeper roots in the common law ... An early decision by the New York Court of Appeals is typical: 'It is the right of privacy of the living which it is sought to enforce here. That right may in some cases be itself violated by improperly interfering with the character or memory of a deceased relative, but it is the right of the living, and not that of the dead, which is recognized. A privilege may be given the surviving relatives of a deceased person to protect his memory, but the privilege exists for the benefit of the living, to protect their feelings, and to prevent a violation of their own rights in the character and memory of the deceased.'" (quoting *Schuyler v. Curtis*, 147 N.Y. 434, 447 (1895))). See generally Clay Calvert, *The Privacy of Death: An Emergent Jurisprudence and Legal Rebuke to Media Exploitation and a Voyeuristic Culture*, 26 LOY. L.A. ENT. L. REV. 133, 133–42 (2006); Clay Calvert, *A Familial Privacy Right Over Death Images: Critiquing the Internet-Propelled Emergence of a Nascent Constitutional Right that Preserves Happy Memories and Emotions*, 40 HASTINGS CONST. L.Q. 475, 503–07 (2013); Catherine Leibowitz, "A Right to be Spared Unhappiness": *Images of Death and the Expansion of the Relational Right of Privacy*, 32 CARDOZO ARTS & ENT. L.J. 347, 347–50 (2013).

<sup>122</sup> Jens Korff, *Aboriginal use of social media*, CREATIVE SPIRITS (Feb. 8, 2021), <https://www.creativespirits.info/aboriginalculture/media/aboriginal-use-of-social-media> [<https://perma.cc/R265-3AV9>]. See generally Alpana Roy, *Recent Developments in Law Reform and Indigenous Cultural and Intellectual Property in Australia*, 31 EUR. INTELL. PROP. L.R. 1 (2009).

<sup>123</sup> See Korff, *supra* note 122; See generally Michael Blakeney, *Protecting the Spiritual Beliefs of Indigenous Peoples: Australian Case Studies*, 22 PAC. RIM L. & POL'Y J. 391 (2013) (discussing the spiritual beliefs of indigenous peoples in the context of their legal rights).

deceased Aboriginal and Torres Strait Islander people.<sup>124</sup> While the name of the deceased person may be withheld, the publication of the image may still cause distress and harm to the family and the community.<sup>125</sup>

#### **IV. WHY SHOULD WE PROTECT PERSONAL IMAGES?**

While there are many situations in the online world where images may be misused, the mere fact that something has been misused is not necessarily a reason why it should be protected. This section considers what might be considered a fundamental question; namely, why should we protect images online? Before considering the questions of why personal images should be protected, it is necessary to consider whether all images should be treated equally or whether the law should differentiate between different types of images. This is important because there are many different types of images online, from the mundane and trivial to the highly personal, each of which may warrant different protection.

In some situations, Australia, like the United Kingdom, has treated personal images differently, depending on the nature of the image.<sup>126</sup> For example the

---

<sup>124</sup> Jens Korff, *Mourning an Aboriginal Death*, CREATIVE SPIRITS (July 17, 2021), <https://www.creativespirits.info/aboriginalculture/people/mourning-an-aboriginal-death> [<https://perma.cc/4P6P-MT9Q>]. See generally Natalie Stoianoff & Alpana Roy, *Indigenous Knowledge and Culture in Australia - The Case for Sui Generis Legislation*, 41 MONASH U. L. REV. 745 (2015).

<sup>125</sup> See Korff, *supra* note 122; see also *Indigenous Portal*, Queensland Government, <https://indigenousportal.education.qld.gov.au/> [<https://perma.cc/P6SB-Y6UE>] (noting that the summary applies to journalists and Australian media to observe cultural protocols); Michael Blakeney, *Protecting the Spiritual Beliefs of Indigenous Peoples: Australian Case Studies*, 22 PAC. RIM L. & POL'Y J. 391, 397 (2013).

<sup>126</sup> *Privacy Act 1988* (Cth) s 6(1) (Austl.) (Personal images are a subset of “personal information” that is currently protected under the Act and includes written information about a person. Because an image allows a

law of breach of confidence has treated images differently depending on the information that is depicted in the photograph.<sup>127</sup> While images that are of a sexual or intimate nature may be protected, an image of a person walking outside may not warrant protection.<sup>128</sup> Here, the law has been willing to pass judgment over the nature and quality of the information, changing the way the law applies accordingly.<sup>129</sup> In other contexts, however, the law has been less willing to pass judgement over the quality of the

---

person to be identified (even without written information identifying them), it is one of the most significant forms of identification because the image represents a person thus “identification of the person appears to be an obvious and sufficient condition for awarding protection.”); Tatiana Synodinou, *Image Right and Copyright Law in Europe: Divergences and Convergences*, 3 LAWS 181, 183 (2014); Susan Corbett, *The Retention of Personal Information Online: A Call for International Regulation of Privacy*, 29 COMPUT. L. & SEC. REV. 246, 248 (2013).

<sup>127</sup> *Campbell v. MGN Ltd.* [2004] UKHL 22, [122] (appeal taken from Eng.) (stating that “[a] person who just happens to be in the street when the photograph was taken and appears in it only incidentally cannot as a general rule object to the publication of the photograph. . . [b]ut the situation is different if the public nature of the place where a photograph is taken was simply used as background for one or more persons who constitute the true subject of the photograph.”).

<sup>128</sup> See *Wilson v Ferguson* [2015] WASC 15, ¶ 56 (implying confidentiality in cases where the photographs are of an intimate nature but refusing protection for a photograph taken on a public street).

<sup>129</sup> *Campbell v. MGN Ltd.* [2004] UKHL 22, [154] (opinion of B. Hale) (stating that “We have not so far held that the mere fact of covert photography is sufficient to make the information contained in the photograph confidential. The activity photographed must be private. If this had been, and had been presented as, a picture of Naomi Campbell going about her business in a public street, there could have been no complaint. She makes a substantial part of her living out of being photographed looking stunning in designer clothing. Readers will obviously be interested to see how she looks if and when she pops out to the shops for a bottle of milk. There is nothing essentially private about that information nor can it be expected to damage her private life.”).

image.<sup>130</sup> This is the case, for example, with copyright law which has traditionally refused to pass judgement over the relative quality of artistic works, once a work is classified as an artistic work (such as a photograph), no consideration is given to the quality of the photograph.<sup>131</sup>

It is clear that there are many different types of images online. Some contain sensitive and important information, while other images are trivial and of fleeting interest. While the former are deserving of protection, the latter are less so. Having said this, this does not mean that we should create a two-tier system which only protects certain types of images. As copyright law has long acknowledged, it is often difficult, or dangerous, to pass judgement on artistic works such as photographs.<sup>132</sup> This is particularly the case with personal images—some people may be highly sensitive to disclosure, while others thrive on it. A better option would be to accept all images from the sensitive to the trivial, but to take account of these

---

<sup>130</sup> See *Douglas v. Hello! Ltd.* [2005] EWCA Civ 595, [106] (stating “Nor is it right to treat a photograph simply as a means of conveying factual information. A photograph can certainly capture every detail of a momentary even in a way which words cannot, but a photograph can do more than that. A personal photograph can portray, not necessarily accurately, the personality and the mood of the subject.”).

<sup>131</sup> 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2A.08[3][a][i] (Matthew Bender, Rev. Ed. 2021) (citing *Ets-Hokin v. Sky Spirits, Inc.*, 225 F.3d 1068, 1076 (9th Cir. 2000)).

<sup>132</sup> See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251–52 (1903) (saying that it is dangerous for judges to be the final arbiters of whether a “pictorial illustration[]” has artistic merit, because it is ultimately the public that judges the worth of a work); see also 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2A.08[3][a][i] (Matthew Bender, Rev. Ed. 2021) (stating that “almost any photograph may claim the necessary originality to support a photograph merely by virtue of the photographers’ personal choice of the rendition of the image, the subject matter, or the precise time when the photograph is taken.”) (citing *Ets-Hokin v. Sky Spirits, Inc.*, 225 F.3d 1068, 1076 (9th Cir. 2000)).

differences in the application of the law. This approach would work especially well in relation to remedies and damages. With this in mind we now revisit the question: why should we bother protecting personal images online?

Given the diversity of images online and the myriad of different interests potentially affected, it is not surprising that there is no single reason why personal images should be protected. Instead there is a patchwork of different reasons why images might be protected that will differ depending on the type of image in question. There are a number of different reasons why a person's image warrants protection that span economic and non-economic considerations that are associated with image rights.<sup>133</sup> The following section examines the arguments for protecting a person's image.<sup>134</sup>

One reason why we should protect a person's image is because the image is an intangible asset.<sup>135</sup> As Beverley-Smith suggests, "the increasing commodification of the human image demands that any modern classification of interests in personality should take account of the fact that a person's name or features are also valuable economic

---

<sup>133</sup> HUW BEVERLY-SMITH, *THE COMMERCIAL APPROPRIATION OF PERSONALITY* 8-9 (2002); Richard S. Murphy, *Property Rights in Personal Information: An Economic Defense of Privacy*, 84 *Geo. L.J.* 2381, 2381-82 (1996). See generally Debbie V. S. Kasper, *The Evolution (Or Devolution) of Privacy*, 20 *Sociological Forum* 69(2005) (describing the evolution of notions of privacy as they have appeared in various historical and cultural contexts); Synodinou, *supra* note 126.

<sup>134</sup> See Synodinou, *supra* note 126, at 182, (stating that "Protection of a person's image often takes a dual form based on the privacy/property dichotomy that fails to express in legal terms the autonomy and the particular features of a person's image. Based on the foregoing, a person's image appears to be a legal asset with a multiple identity and an indiscernible nature."). See generally BEVERLY-SMITH, *supra* note 133 (analyzing the problem of commercial appropriation and offering various recommendations and means to address the issue).

<sup>135</sup> See Synodinou, *supra* note 126, at 196.

assets.”<sup>136</sup> This typically occurs where celebrity’s, athlete’s, and musician’s images are used in connection with advertising and marketing purposes.<sup>137</sup> Another reason for protecting images builds on the protection of personality,<sup>138</sup> which in turn, is founded on Lockean labor theory.<sup>139</sup> As Locke said:

[E]very man has a property in his own person. This nobody has any right to but himself. The labour of his body, and the work of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property.<sup>140</sup>

Given, as Locke said, that everyone has “a property in his own person” it can be argued that a person’s image is their property.<sup>141</sup> Nimmer built upon Locke’s labor theory when he said, “it would seem to be a first principle of Anglo-

---

<sup>136</sup> BEVERLY-SMITH, *supra* note 133, at 6–7. *See generally* Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 330–64 (1988) (exploring the “personality justification” of intellectual property).

<sup>137</sup> *See* Alisa M. Weisman, *Publicity as an Aspect of Privacy and Personal Autonomy*, 55 S. Cal. L. Rev. 727, 730 (1982) (stating that “[b]ecause most publicity cases have arisen in the commercial advertising context, many courts and commentators have thought and written about publicity primarily in economic terms”). *See* BEVERLY-SMITH, *supra* note 133, at 8–10 (describing the economic interests present in personality rights).

<sup>138</sup> *See* Synodinou, *supra* note 126, at 182. *See generally* PATRICK BRÜGGEMEIER ET AL., PERSONALITY RIGHTS IN EUROPEAN TORT LAW 567–77 (2010) (describing the basis of personality protection).

<sup>139</sup> JOHN LOCKE, TWO TREATISES, Book II, Chapter V, para 27. JEREMY WALDRON, THE RIGHT TO PRIVATE PROPERTY 177–83 (1988) (providing a discussion of Locke’s labor theory).

<sup>140</sup> LOCKE, *supra* note 139. *See also* Walton H. Hamilton, *Property According to Locke*, 41 YALE L.J. 864, 867 (1932) (quoting Locke and explaining his initial premises).

<sup>141</sup> LOCKE, *supra* note 139.

American jurisprudence, an axiom of the most fundamental nature, that every person is entitled to the fruit of his labors unless there are important countervailing public policy considerations.”<sup>142</sup> In *Edison v Edison Polyform Mfg.*,<sup>143</sup> the court remarked that: “If a man’s name be his own property. . . it is difficult to understand why the peculiar cast of one’s features is not also one’s property, and why it’s a pecuniary value, if it has one, does not belong to its owner, rather than to the person seeking to make an unauthorized use of it.” The Lockean labor theory is particularly important for celebrities who often invest a considerable amount of time and energy in their images. As Judge Neville says in *Uhlander v. Henricksen*:

[A] celebrity has a legitimate proprietary interest in his public personality. A celebrity must be considered to have invested his years of practice and competition in a public personality which eventually may reach marketable status. That identity, embodied in his name, likeness, statistics and other characteristics, is the fruit of his labors and is a type of property.<sup>144</sup>

One of the most powerful reasons why we should protect personal images is because abuse of a personal image potentially impinges on the fundamental human values of dignity and autonomy. The need to protect dignity and

---

<sup>142</sup> Melville B. Nimmer, *The Right of Publicity*, 19 L. & Contemp. Probs. 203, 216 (1954). *But see* BEVERLY-SMITH, *supra* note 133, at 294–96 (arguing that Lockean labor theory falls short in this application, and explaining that the expended labor is often directed at a different task and that publicity is a secondary consideration, e.g., an athlete training for competition is expending effort for the competition and fame may not necessarily follow).

<sup>143</sup> *Edison v. Edison Polyform Mfg. Co.*, 67 A. 392, 394 (N.J. Ch. 1907); Michael Madow, *Private Ownership of the Public Image: Popular Culture and Publicity Rights*, 81 CALIF. L. REV. 125, 156 (1993).

<sup>144</sup> *Uhlander v. Henricksen*, 316 F. Supp. 1277, 1282 (1970), *abrogated by* *Dryer v. National Football League*, 55 F. Supp. 3d 1181 (2014).

autonomy is reflected in Article 1 of the *International Convention on Human Rights*, which provides that “all human beings are born free and equal in dignity and rights.”<sup>145</sup> That need is also reflected in the preamble of *The Universal Declaration of Human Rights*, which provides that all human beings should have fundamental human rights of dignity and worth of human person.<sup>146</sup> Allowing the misuse of personal images online has the potential to impinge on dignity and autonomy. This is because, as the Canadian Supreme Court said,

The camera lens captures a human moment at its most intense, and the snapshot “defiles” that moment. . . . A person surprised in his or her private life by a roving photographer is stripped of his or her transcendence and human dignity, since he or she is reduced to the status of a “spectacle” for others. . . . The “indecentcy of the image” deprives those photographed of their most secret substance.<sup>147</sup>

As Beverley-Smith argues, many “violations of individual personality are of a non-pecuniary nature, not only because they cannot be assessed in monetary terms with any mathematical accuracy, but also because they are usually of inherently non-economic value.”<sup>148</sup> In part, this is because there is an “organic link between the intangible value of image and the core of personality, human

---

<sup>145</sup> G.A. Res. 217 A, Art. 1 (Dec. 10, 1948).

<sup>146</sup> *Id.* (providing, in Article 3, that “everyone has the right to life, liberty and security of person.” Article 18 states that “[e]veryone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.”)

<sup>147</sup> *Les Editions Vice-Versa Inc v Aubry*, [1998] S.C.R. 591 (Can.).

<sup>148</sup> BEVERLY-SMITH, *supra* note 133, at 6; *see also* BRÜGGEMEIER ET AL., *supra* note 138, at 565–69.



dignity.”<sup>149</sup> Because a person’s image is an element of personality that is “inextricably linked to the self,” the economic aspects cannot be divorced from the moral aspects of personality that include human dignity.<sup>150</sup>

While there may not be a “coherent notion of human dignity as a legal value,” nonetheless, dignitary interests in a personal image often reflect a broad spectrum of factors including reputation, privacy, and liberty.<sup>151</sup> As Rosen points out, misuse of a person’s image constitutes “an intrinsic offense against individual dignity.”<sup>152</sup> As the Canadian Supreme Court said in *Les Editions Vice-Versa Inc. v Aubry*,<sup>153</sup> it is important to protect personal images in order to safeguard a person’s “individual autonomy and the control of each person over their identity. . . .”<sup>154</sup>

Protecting dignity is closely aligned with the protection of autonomy. Autonomy “is a complex assumption about the capacities, developed or underdeveloped, of persons, which enable them to develop, want to act on, and act on higher-order plans of action which take as their self-critical object one’s life and the way it is

---

<sup>149</sup> Synodinou, *supra* note 126, at 197; *see also* BRÜGGEMEIER ET AL., *supra* note 138, at 567–69.

<sup>150</sup> Synodinou, *supra* note 126, at 197.

<sup>151</sup> BEVERLY-SMITH, *supra* note 133, at 10–11.

<sup>152</sup> JEFFREY ROSEN, *THE UNWANTED GAZE: THE DESTRUCTION OF PRIVACY IN AMERICA* 19 (2000). *See also* Richard C. Post, *Three Concepts of Privacy* 89 *GEO. L.J.*, 2087, 2092 (2001) (stating that “to equate privacy with dignity is to ground privacy in social forms of respect that we owe each other as members of a common community”); *Australian Broadcasting Corporation v Lenah Game Meats Pty Ltd* (2001) 208 *CLR* 199 (Austl.), (Gleeson C.J., noting that the foundation of the rights of privacy is human dignity).

<sup>153</sup> *Aubry*, *supra* note 147, at ¶ 52.

<sup>154</sup> *Id.*; *see* Jonathan Morgan, *Privacy, Confidence and Horizontal Effect: “Hello” Trouble*, 62 *CAMBRIDGE L.J.* 444, 446–47 (2003) (Discussing the *Aubry* decision).

lived.”<sup>155</sup> Autonomy is also an important value because it requires that a person should be able to take “self-critical responsibility for one’s ends and the way they cohere in a life.”<sup>156</sup> Autonomy is the freedom that an individual has to control what is revealed about them.<sup>157</sup> It has been suggested that “autonomy, and the separation of the personal and the public are rights based[.]”<sup>158</sup> These rights, as one scholar suggests, reflect the “primacy of the individual over society.”<sup>159</sup> This is particularly significant because “privacy theory is focused on individual freedom and not only sees the individual as the locus of privacy rights, but also sees the protection of individual freedom as the ultimate goal of privacy.”<sup>160</sup> Autonomy allows an individual the power and freedom to choose for themselves what is private and what is not.<sup>161</sup>

---

<sup>155</sup> David A. J. Richards, *Rights and Autonomy*, 92 *ETHICS* 3, 6 (1981); see also Harry Frankfurt, *Freedom of the Will and The Concept of a Person*, 68 *J. PHIL.* 5, 7 (1971) (the author states, that persons “are capable of wanting to be different, in their preferences and purposes, from what they are. Many animals appear to have the capacity for . . . “first order desires” or “desires of the first order,” which are simple desires to do or not to do one thing or another. No animal other than man, however, appears to have the capacity for reflective self-evaluation that is manifested in the formation of second-order desires”).

<sup>156</sup> Richards, *supra* note 155, at 9.

<sup>157</sup> See generally Ari Ezra Waldman, *Privacy as Trust: Sharing Personal Information in a Networked World*, 69 *U. MIAMI L. REV.* 559, 585 (2015) (explaining that theories of privacy are concepts of autonomy and choice: the choice to disseminate information. . . and the correlative right to control what others know about us. He further argues that “[a]utonomy and choice are central to both Locke and Kant, as both agree that the freedom to choose defines man”).

<sup>158</sup> *Id.* at 566.

<sup>159</sup> *Id.* (stating that these rights reflect Lockean and Kantian ideals which are “united by the respect they offer the individual and individual rights”).

<sup>160</sup> *Id.* at 567.

<sup>161</sup> *Id.* at 581 (claiming that individual freedom is viewed from a privacy perspective that is a “necessary condition for generating the ideals of

Another reason why images should be protected is because misuse of a personal image may unduly intrude upon the private life of an individual. As another scholar noted, “nothing is better worthy of legal protection than private life, or, in other words, the right of every man to keep his affairs to himself, and to decide for himself to what extent they shall be the subject of public observation and discussion.”<sup>162</sup> The sanctity of the private sphere is reflected in many human rights treaties, including the *European Convention of Human Rights*, which seek to protect a person’s private or family life.<sup>163</sup> Importantly, respect for the private life of an individual extends beyond the invasion of private physical spaces (such as the home) to include the taking of a photograph of someone in a public place.<sup>164</sup> While “we venture into the public, in order to further our private lives, we do not ipso facto relinquish all claims to a private sphere. Even tacit consent to being observed by others cannot automatically extend to their taking and, a

---

independence and autonomy” and also stating that “previous theories of privacy reflected the individual’s right to seclude himself and exclude others from certain aspects of his life, whether intimate, deviant, or not. They appreciated privacy as guaranteeing freedom *from* something: private places and private things were so called because they belonged to the individual, who had the power to control dissemination”).

<sup>162</sup> E. L. Godkin, *Libel and Its Legal Remedy*, 46 THE ATLANTIC MONTHLY, July–Dec. 1880, at 729, 736.

<sup>163</sup> Eur. Conv. H.R., Art. 8 (Rome, 1950) (providing: “Right to respect for private and family life 1. Everyone has the right to respect for his private and family life, his home and his correspondence. 2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.”).

<sup>164</sup> See, e.g., Morgan, *supra* note 154, at 446–47. But see AUSTRALIAN LAW REFORM COMMISSION, SERIOUS INVASION OF PRIVACY IN THE DIGITAL ERA ¶ 5.16 (stating the proper question should be centered on whether a plaintiff would have a reasonable expectation of privacy).

fortiori, publishing photographs.”<sup>165</sup> As Lord Hoffmann, in *Campbell v MGN Ltd*, said, “the publication of a photograph taken by intrusion into a private place (for example, by a long distance lens) may in itself by [sic] such an infringement [of the privacy of one’s personal information], even if there is nothing embarrassing about the picture itself[.]”<sup>166</sup>

A person’s image is one of the core features that identifies them to others.<sup>167</sup> The protection of a person’s image is important because the face is “the most transparent part of the body”;<sup>168</sup> it captures a person’s facial expression which shows “‘real’ feelings, character, and personality.”<sup>169</sup> An image consists of a person’s identification and often is a representation of them which is an “obvious and sufficient condition for awarding protection.”<sup>170</sup> A “person’s image constitutes one of the chief attributes of his or her personality, as it reveals the person’s unique characteristics and distinguishes the person from his or her peers.”<sup>171</sup> This is because it “presupposes the individual’s right to control the use of that image, including the right to refuse

---

<sup>165</sup> Morgan, *supra* note 154, at 446 (emphasis original).

<sup>166</sup> *Campbell v. MGN Ltd*. [2004] 2 AC 457 (HL) 75 (appeal taken from Eng.).

<sup>167</sup> See *von Hannover v. Germany* (no 2) (2012) 55 E.H.R.R. 15, ¶ 96; see generally JILL MARSHALL, PERSONAL FREEDOM THROUGH HUMAN RIGHTS LAW? AUTONOMY, IDENTITY AND INTEGRITY UNDER THE EUROPEAN CONVENTION OF HUMAN RIGHTS (2008) (discussing the European Court of Human Rights’ treatment of privacy, personal autonomy, and personal identity); Synodinou, *supra* note 126 (discussing the treatment of image rights in Europe).

<sup>168</sup> Robert E. Mensel, *Kodakers Lying in Wait: Amateur Photography and the Right of Privacy in New York, 1885-1915*, 43 AM. Q. 24, 31 (1991) (citing KAREN HALTTUNEN, CONFIDENCE MEN AND PAINTED WOMEN: A STUDY OF MIDDLE-CLASS CULTURE IN AMERICA, 1830–70, 1883 (1982)).

<sup>169</sup> *Id.*

<sup>170</sup> Synodinou, *supra* note 126, at 183.

<sup>171</sup> *von Hannover*, 55 E.H.R.R. ¶ 96.

publication thereof.”<sup>172</sup> As the Grand Chamber of the European Court of Human Rights noted, “the right to the protection of one’s image is thus one of the essential components of personal developments.”<sup>173</sup>

Another reason why we should protect images online is because of Australia’s obligations under international law. Specifically, we should provide effective protection to images of people because Australia is a signatory to the *International Covenant on Civil and Political Rights*.<sup>174</sup> Of key importance here is Article 17, which provides that member states should ensure that citizens are protected from the unlawful interference with family, privacy, home or correspondence, and reputation.<sup>175</sup> Further, Article 1 provides that all people have the “right of self-determination and are free to determine and freely pursue their economic, social and cultural development.”<sup>176</sup> These provisions demand that we “recognise the significance of individual privacy, particularly in view of the privacy threats posed by rapidly developing information, communication and surveillance technologies and an increasingly invasive

---

<sup>172</sup> *Id.*

<sup>173</sup> *Id.* See also *Reklos & Davourlis v. Greece*, IPPT20090115 Eur. Ct. H.R. (2009), at ¶ 40 (stating “[w]hilst in most cases the right to control such use involves the possibility for an individual to refuse publication of his or her image, it also covers the individual’s right to object to the recording, conservation and reproduction of the image by another person. As a person’s image is one of the characteristics attached to his or her personality, its effective protection presupposes, in principle and in circumstances such as those of the present case. . . obtaining the consent of the person concerned at the time the picture is taken and not simply if and when it is published. Otherwise an essential attribute of personality would be retained in the hands of a third party and the person concerned would have no control over any subsequent use of the image.”).

<sup>174</sup> G.A. Res. 2200A (XXI), *Covenant on Civil and Political Rights* (Mar. 23, 1976), in accordance with Article 49.

<sup>175</sup> *Id.* at art. 17.

<sup>176</sup> *Id.* at art. 1.

media industry.”<sup>177</sup> They also suggest that we should “encourage the protection of other privacy interests founded on personal autonomy and dignity, such as the interest in protecting against intrusions upon seclusion.”<sup>178</sup>

While Australia has incorporated elements of the *International Covenant on Civil and Political Rights* into domestic law (notably anti-discrimination law), the extent of existing protection is inadequate.<sup>179</sup> This is because there is no recognized right to one’s image (or to personal privacy) in Australia. In order to comply with Australia’s international obligations more effective legal protection needs to be introduced.

## V. BALANCING COMPETING INTERESTS

The law dealing with personal images builds upon and balances a range of competing interests. These include freedom of expression, the right for the public to know (e.g., public interest), the right to private life, and the interests of

---

<sup>177</sup> Jillian Caldwell, *Protecting Privacy Post Lenah: Should the Courts Establish a New Tort or Develop Breach of Confidence?*, 26 U. N.S.W. L.J. 90, 124 (2003).

<sup>178</sup> *Id.*

<sup>179</sup> G.A. Res. 2200A (XXI), *Covenant on Civil and Political Rights* (Mar. 23, 1976); see *International Covenant on Civil and Political Rights – List of Issues Prior to Reporting*, AUSTL. HUM. RTS. COMM’N (Aug. 10, 2012), <https://humanrights.gov.au/our-work/legal/international-covenant-civil-and-political-rights-list-issues-prior-reporting> (showing Australia’s progress, as of 2012, incorporating the International Covenant on Civil and Political Rights into domestic law) [<https://perma.cc/4862-3HVK>]; see also *International Human Rights System*, AUSTL. GOV’T: A’TTY-GEN.’S DEPT., <https://www.ag.gov.au/rights-and-protections/human-rights-and-anti-discrimination/international-human-rights-system> (showing that Australia was a party to the International Covenant on Civil and Political Rights) [<https://perma.cc/GT7M-GQ79>].

creators.<sup>180</sup> In determining where and how these different interests are to be balanced, the law grapples with a range of cultural, technological, and ethical considerations. Traditionally, when drawing the balance, the law has consistently prioritized freedom of expression over all other interests. This traditional view was captured in a comment by Lord Hoffman in *R. v. Central Television Plc* that:

It cannot be too strongly emphasized that outside the established exceptions, or any new ones which Parliament may enact in accordance with its obligations under the Convention [for the Protection of Human Rights and Fundamental Freedoms], *there is no question of balancing freedom of speech against other interests. It is a trump card which always wins.*<sup>181</sup>

Over the last two decades there has been a lot of commentary on the way in which digital technologies have challenged and unsettled traditional arrangements.<sup>182</sup> This commentary is equally true in relation to the protection of personal images. The advent of the internet in general and social networks in particular means that the traditional balancing of interests used in relation to images needs to be rethought and re-evaluated. Of particular importance is the

---

<sup>180</sup> *Schering Chems. Ltd. v. Falkman Ltd.* [1981] 2 WLR 848 (AC) at 865 (Eng.) (stating “Freedom of the press is of fundamental importance in our society. It covers not only the right of the press to impart information of general interest or concern, but also the right of the public to receive it. It is not to be restricted on the ground of breach of confidence unless there is a ‘pressing social need’ for such restraint. In order to warrant a restraint, there must be a social need for protecting the confidence sufficiently pressing to outweigh the public interest in freedom of press.”).

<sup>181</sup> *R. v. Cent. Television Plc* [1994] 2 WLR 20 (AC) at 30 (Eng.).

<sup>182</sup> See Gervais, *supra* note 1, at 855. See generally Beer, *supra* note 1, at 519; *Imagined Communities*, *supra* note 1; *Information Revelation*, *supra* note 1; Elkin-Koren, *supra* note 1, at 112–13.

need to rethink the balance between freedom of expression and the right to private life. The new digital world means that ordinary people are all creators with competing interests.<sup>183</sup> One of the recurrent themes of this paper is that changes in technology mean that we need to recalibrate the line between freedom of expression and other interests.

## VI. CURRENT LEGAL FRAMEWORK FOR PROTECTING PERSONAL IMAGES

The current legal framework offers a piecemeal approach to protect personal images uploaded online. Presently, the law offers limited protection to personal images in which copyright, breach of confidence, privacy, and contract issues that arise within social networks in Australia.<sup>184</sup> Specifically, this paper will *not* deal with patent and trademark issues on social networks. Patent and trademark infringement relate to commercial intellectual property rights; this paper focuses on the amateur copyright interests. In the earlier stages of Facebook's social network development, several trademark and patent infringement issues occurred.<sup>185</sup> In 2008, Hasbro, which has the rights to

---

<sup>183</sup> See Gervais, *supra* note 1, at 849. See generally Beer, *supra* note 1, at 519; *Imagined Communities*, *supra* note 1; *Information Revelation*, *supra* note 1, at 71–80; Elkin-Koren, *supra* note 1, at 112–13.

<sup>184</sup> See generally Eugenia Georgiades, *Ignoring the Call for Law Reform: Is It Time to Expand the Scope of Protection for Personal Images Uploaded on Social Networks?*, 26 TORT L. REV. 166, 166 (2019) [hereinafter Georgiades, *Ignoring the Call for Law Reform*]; Georgiades, *Protecting the Image*, *supra* note 58, at 10.

<sup>185</sup> See Andrew Harris, *Facebook, Timelines Website End Trademark Lawsuit*, BLOOMBERG (May 7, 2013, 6:25 PM EDT), <http://www.bloomberg.com/news/2013-05-07/facebook-timelines-website-end-trademark-infringement-suit-1-.html> [<https://perma.cc/ZH7D-5D9P>] (reporting on an example where the parties settled out of court); see also James Johnson, *Facebook Sued Over 'Like' Button, Other Patent Technologies*, Sky News (Feb. 11, 2013, 7:51 PM GMT), <http://news.sky.com/story/facebook-sued-over->



sell Scrabble, launched a trademark infringement action against Facebook for its “Scrabulous” app.<sup>186</sup> While patent and trademark issues are significant to social networks; they fall outside the scope of protection of personal images. The tort of breach of confidence may provide protection in the absence of copyright protection, and confidential information captured under the *Patent Act 1990* (Cth).<sup>187</sup>

Social networks have generated a range of issues that arise with the misuse of social media that span from pedophilia, through to identity theft, and fraud, as well as defamatory content and passing off.<sup>188</sup> While these issues are important, the focus of the paper is on whether personal images on social networks ought to be protected and considers whether images are protected adequately under the existing legislative framework.

---

like-button-patent-10454872 [https://perma.cc/BEY4-MEQR]  
(reporting on a patent infringement suit brought by the family of a Dutch inventor over Facebook’s use of the ‘like’ button and ‘newsfeed’).

<sup>186</sup> See Declan McCullagh, ‘Scrabble’ maker Hasbro’s sues over ‘Scrabulous’, CNET (July 25, 2008, 5:27 AM PT), <https://www.cnet.com/news/scrabble-maker-hasbro-sues-over-scrabulous/> [https://perma.cc/6VS5-DNKC]; see also Alex Pham, *Scrabble vs. Scrabulous: A lesson in copyright law*, L.A. TIMES (July 30, 2008, 7:03 PM), <http://latimesblogs.latimes.com/technology/2008/07/scrabulous-sc-1.html> [https://perma.cc/ZN57-PGMT].

<sup>187</sup> Any information that is confidential is potentially protected under the law of confidence. It also is not simply restricted to the technical or formal requirements required for protection under the Patents Act 1990 (Cth). For instance, see § 7 of Patents Act 1990 (Cth), which lays out the novelty and an inventive step requirements and § 29 of Patents Act 1990 (Cth), which describes some of the formal requirements that a patent application must meet.

<sup>188</sup> See *Information Revelation*, *supra* note 1, at 73; Henderson et al., *Legal Risks for Students Using Social Networking Sites*, 25 AUSTRALIAN EDUC. COMPUTING 3, 3–5 (2010) (discussing the various risks that students run into on social networking websites); Ryan Lex, *Can Myspace Turn into My Lawsuit: The Application of Defamation Law to Online Social Networks*, 28 LOY. L.A. ENT. L. REV. 47, 62–69 (2007) (discussing defamation law in the context of MySpace).

When a person takes and uploads their photograph and that image is reused and reshared online, the law provides limited protection. For example, copyright protects against misuse of the image in some situations—such as when people take photographs of themselves and shares them on a profile page. In some situations, however, like when the use falls within the defence of fair dealing—notably where the image is used to report the news or the image is used for parody or satire purposes—the reuse of an image may not constitute a copyright infringement.<sup>189</sup> Other areas of the law, such as privacy, the tort of breach of confidence, and contract, are also of little use. For example, privacy law will not prevent the misuse of a person’s image when that image has been reshared online. While there is some protection for personal images under the *Privacy Act 1988* (Cth), the protection is inadequate. The reason for this is that the *Privacy Act* only applies to government agencies and departments, and to Australian corporations that collect, use, and disclose images; the *Privacy Act* does not apply to individuals who collect, use and disclose personal images on social network sites.<sup>190</sup> Another limitation of the *Privacy Act* is that personal images shared on social networks are not protected when journalists use them for journalistic purposes.

While in some cases the law of confidence potentially provides protection when a person shares their image online, this protection is limited. There are many problems here, the key one being that the law of confidence does not protect personal images that fall within the public

---

<sup>189</sup> Georgiades, *The Limitation of Copyright*, *supra* note 88 at 236–40.

<sup>190</sup> See Eugenia Georgiades, *Blind Hope, Magnificent Delusions: The Need for Privacy Protection of Personal Images Uploaded on Social Networks*, 43 *EUR. INTELL. PROP. REV.* (forthcoming 2021) [hereinafter Georgiades, *Blind Hope, Magnificent Delusions*].

domain.<sup>191</sup> The problem here is that when people share and exchange personal images on social networks, the images fall within in the public domain. This means that they lose the condition of confidentiality; this is the case even if the images that are disclosed are private and access is restricted.<sup>192</sup>

Another problem that potentially arises when personal images are shared online is when third parties distort or alter the images. This occurs, for example, when third parties turn photographs into memes.<sup>193</sup> The legal protection here is limited. In rare cases, copyright may offer protection. When an image is reshared and reused without attributing the creator of the image, this may amount to a breach of the moral right to attribution.<sup>194</sup> While this offers some protection, it is limited in that the only person who can

---

<sup>191</sup> *Austl Broad Corp v Lenah Game Meats Pty Ltd* (2001) 208 CLR 199, ¶ 34 (Austl.) (citing RESTATEMENT (SECOND) OF TORTS § 652A, cmt. b (Am. L. Inst. 1977)) (stating that “equity may impose obligations of confidentiality even though there is no imparting of information in circumstances of trust and confidence. And the principle of good faith upon which equity acts to protect information imparted in confidence may also be invoked to ‘restrain the publication of confidential information improperly or surreptitiously obtained’. The nature of the information must be such that it is capable of being regarded as confidential. A photographic image, illegally or improperly or surreptitiously obtained, where what is depicted is private, may constitute confidential information”). See also AUSTRALIAN LAW REFORM COMMISSION, *Serious Invasion of Privacy in the Digital Era*, at 265 (Report No. 123, June 2014).

<sup>192</sup> See Georgiades, *Ignoring the Call for Law Reform*, *supra* note 184, at 174.

<sup>193</sup> See, e.g., Georgiades, *The Limitation of Copyright*, *supra* note 88, at n.149.

<sup>194</sup> See *id.* at 240. See generally Aaron Schwabach, *Reclaiming Copyright from the Outside in: What the Downfall Hitler Meme Means for Transformative Works, Fair Use, and Parody*, 8 BUFF. INTEL. PROP. L.J. 1 (2012) (discussing the use of memes).

bring an action for breach of attribution of authorship is the photographer.<sup>195</sup>

As noted previously, breach of confidence may offer protection for personal images that are captured by a third party; however, that protection is limited by the fact that any rights a subject has in an image will end when the image is placed in the public domain. This is the case even if the image is private or personal. Unlike in the United States, there are no image rights in Australia on which people may rely when they are photographed.<sup>196</sup> One of the ramifications of this is that a person cannot prevent a third party from photographing them in a public or even a private place. Another ramification of not having any image rights is that a subject cannot control the use of their image or the information captured in the image after their photograph is taken.

## VII. EXISTING SCHOLARSHIP ON SOCIAL NETWORKS, IMAGE RIGHTS, AND THE LAW

While there has been a lot written on the legal status of social networks,<sup>197</sup> there is an important gap in the literature regarding the legal standing of personal images on social networks in Australia. There is limited scholarship that explores how personal images are protected within a

---

<sup>195</sup> See Georgiades, *The Limitation of Copyright*, *supra* note 88, at 240.

<sup>196</sup> See generally Georgiades, *Protecting the Image*, *supra* note 58, at 38–39.

<sup>197</sup> E.g., Mary W. S. Wong, *User-Generated Content & the Open Source/Creative Common Movements: Has the Time Come for Users' Rights?*, in PROCEEDINGS OF THE FIFTH WORKSHOP ON OPEN SOURCE SOFTWARE ENGINEERING 1; Gervais, *supra* note 1; Julie E. Cohen, *A Right to Read Anonymously: A Closer Look at Copyright Management in Cyberspace*, 28 CONN. L. REV. 981 (1996); Elkin-Koren, *supra* note 1; Carlisle George & Jackie Scerri, *Web 2.0 and User Generated Content: Legal Challenges in the New Frontier*, J. INFO. L. & TECH., no. 2, 2007.

social network that exists outside of third-party copyright. While there has been scholarship that has considered commercial copyright infringement by people within a social network, it has not examined a person-to-person infringement of amateur copyright.<sup>198</sup>

When reflecting upon the role played by the law of confidence in protecting personal images that are shared online, the existing scholarship tends to focus on images that reveal confidential or private information.<sup>199</sup> The law of confidence has a limited application when images are shared on social networks.<sup>200</sup> While the law of confidence may protect personal images in some situations, the protection is limited.<sup>201</sup>

There is also little literature that examines the way that Australian privacy law protects personal images that are

---

<sup>198</sup> For example, YouTube and Viacom third-party copyright infringement where people upload and reshare third-party copyright content. For more information, see generally Cohen, *supra* note 197; Wong, *supra* note 197; Gervais, *supra* note 1, at 843, 852 (stating that “the right to make private use of copyrighted material is considered fundamental in several European copyright statutes, and may have a constitutional basis in a number of other legal systems.”).

<sup>199</sup> See, e.g., TANYA APLIN ET AL., GURRY ON BREACH OF CONFIDENCE: THE PROTECTION OF CONFIDENTIAL INFORMATION 13 (2d ed. 2012); Leo Tsaknis, *The Jurisdictional Basis, Elements and Remedies in the Action for Breach of Confidence: Uncertainty Abounds*, 5 BOND L. REV. 18 (1993); see also *Coco v A.N. Clark (Eng’rs) Ltd.* [1969] RPC 41 (Eng.) (discussing the disclosure of confidential information relating to a moped engine).

<sup>200</sup> See Greg Taylor, *Why is There No Common Law Right of Privacy?*, 26 MONASH U.L. REV. 235, 246 (2000) (stating that if there is no “communication in confidence,” (which there is not in the case of images shared on social networks) then the publication may not qualify as a breach of confidence).

<sup>201</sup> See generally Gavin Phillipson, *Transforming Breach of Confidence? Towards a Common Law Right of Privacy under the Human Rights Act*, 66 MOD. L. REV. 726 (2003).

shared on social networks.<sup>202</sup> The sharing and exchanging of people’s images on social networks pose challenges for privacy law to prevent the misuse of personal images.<sup>203</sup> Consequently, the sharing of personal images on social networks has also highlighted concerns over the use and control of the use of the personal image.

There is also limited scholarship in relation to the impact that social network contracts have on the use of personal images.<sup>204</sup> In particular, existing scholarship has focused on the way that social networks use people’s information.<sup>205</sup> Because the focus is on personal information, this scholarship has overlooked the protection of the use of personal images on social networks.

The scholarship looking at intellectual property and social networks has tended to focus on the use of third-party copyright on social networking sites.<sup>206</sup> For example, Elkin-Koren argues that amateur copyright is the fundamental ingredient of the means of producing and communicating content to the masses that enabled individual users to connect with each other.<sup>207</sup> This primarily stemmed from the interactivity of digital networks as a result of the Internet,

---

<sup>202</sup> For an example of a work that does address this, see generally Georgiades, *Ignoring the Call for Law Reform*, *supra* note 184.

<sup>203</sup> See generally Georgiades, *Blind Hope, Magnificent Delusions*, *supra* note 190.

<sup>204</sup> For examples of works that address the contracts of service of social networks, see generally Georgiades, *Reusing Images*, *supra* note 54; Van Alsenoy et al., *From Social Media Service to Advertising Network: A Critical Analysis of Facebook’s Revised Policies and Terms* (Ku Leuven Ctr. for Info. Tech. & Intell. Prop. L., Working Paper Mar. 31, 2015), <http://www.law.kuleuven.be/citip/en/news/item/facebook-revised-policies-and-terms-v1-2.pdf> [<https://perma.cc/95RE-9AK5>].

<sup>205</sup> Elkin-Koren, *supra* note 1, at 11.

<sup>206</sup> *Id.* at 3–5, 7 (suggesting that when people create content it is “often associated with the buzzword *Web 2.0*, which refers to social networks, social media sites, collaborative initiatives, and a variety of works created, remixed, and exchanged by individual users”).

<sup>207</sup> *Id.*

subsequently enabling a revamping of the production and distribution of creative works.<sup>208</sup> Third party content was present before the internet or the phenomenon of digital networks as people were creating content in various forms, including taking family pictures (or pictures more generally), telling stories, playing music, and recording (family) events.<sup>209</sup> But disseminating this content was restricted.<sup>210</sup>

The scholarship in the United States is more extensive. Legal scholars became concerned that the development of cameras was intruding into people's privacy.<sup>211</sup> The legal scholars Warren and Brandeis were concerned with the protection of people's privacy as photography and photographic equipment evolved.<sup>212</sup> Arguably, Warren and Brandeis attempted to protect image rights under the tort of privacy with the first landmark case to explore the right to privacy: *Marion Manola v. Stevens & Myers*.<sup>213</sup> Miss Manola was a theatre actor who objected to a photographer taking secret pictures of her in tights from his box for advertisements.<sup>214</sup> The question in this case, ignited scholars to consider "the right of circulating portraits."<sup>215</sup> This concept played a pivotal role when questioning whether the law would recognize and protect the right to privacy.<sup>216</sup>

---

<sup>208</sup> *Id.*

<sup>209</sup> *Id.* at 3–5; *See also* *Marion Manola v. Stevens & Myers*, N.Y. Supreme Court, N.Y. TIMES, June 15, 18, 21, 1890.

<sup>210</sup> Elkin-Koren, *supra* note 1, at 3–5.

<sup>211</sup> *See* Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193, 195–96 (1890).

<sup>212</sup> *Id.*

<sup>213</sup> *Marion Manola v. Stevens & Myers*, N.Y. Supreme Court.

<sup>214</sup> *Id.*

<sup>215</sup> Warren & Brandeis, *supra* note 211, at 195–96.

<sup>216</sup> *Id.*; *see also* Dorothy J. Glancy, *Privacy and the Other Miss M*, 10 N. ILL. U.L. REV. 401 (1990); J. Thomas McCarthy, *The Spring 1995 Horace S Manges, Lecture – The Human Persona as Commercial Property: The Right of Publicity*, 19 COLUMBIA-VLA J. L. & ARTS 129, 130–32 (1995).

However, it was subsequent scholars who ended up playing the pivotal role in establishing four different torts for protecting privacy in the United States.<sup>217</sup> These torts are as follows: intrusion upon the plaintiff's seclusion, public disclosure of embarrassing private facts about the plaintiff, publicity which places the plaintiff in a false light, and appropriation (for the defendant's advantage) of the plaintiff's name or likeness.<sup>218</sup> It protects four aspects of personality, which relate to a person's name, history, and image (likeness), and a common law protection of personal diaries, letters and eavesdropping.<sup>219</sup> Despite the extensive scholarship centering on image rights in the United States,<sup>220</sup> there is little clarity when it comes to how image rights are protected when used, shared, and exchanged on social networks in Australia. This is because there are no known image rights upon which people can rely to protect their image, or subsequent use or misuse, when those images are shared online in Australia. The lack of image rights in Australia reflects limitations of Australian law to provide adequate protection for the use of personal images when those images are misused.

---

<sup>217</sup> Warren & Brandeis, *supra* note 211, at 195–96; W.A.C., *The Right of Privacy in News Photographs*, 44 VA. L.REV. 1303–05 (1958).

<sup>218</sup> W.A.C., *supra* note 217, at 1303–04, 1313.

<sup>219</sup> *Id.* at 1303.

<sup>220</sup> *See, e.g.*, Warren & Brandeis, *supra* note 211; Neil M. Richards & Daniel J. Solove, *Privacy's Other Path: Recovering the Law of Confidentiality*, 96 GEO. L.J., 123, 149 (2007); W.A.C., *supra* note 217, at 1303 (suggesting that Prosser's adaptation of Brandeis and Warren's right to privacy protects four aspects of personality, which relate to a person's name, a person's history, a person's image (likeness) and a common law protection of personal diaries, letters and eavesdropping. As a result, the law of torts in the United States protects image rights broadly because legal protection is afforded under the broad banner of tort of a right to privacy). *See generally* Dorothy J. Glancy, *Privacy and the Other Miss M*, 10 N. ILL. U.L. REV. 401 (1990); Georgiades, *Protecting the Image*, *supra* note 58.



## VIII. MOVING FORWARD

This paper has considered the different interests in relation to image rights that arise in two situations; when a creator takes and uploads their image and when a third party takes and uploads an image of someone else on a social network. It has shown that while Australian law provides some protection in these two situations, this protection is limited and fragmented. The current law in Australia illustrates that people whose images are uploaded and shared online are unable to control the use of their images. This has serious ramifications for many people. This paper highlighted that the limitations of the current legal protection in Australia allow for the misuse of personal images on social networks to continue. In particular, it has highlighted that people in Australia do not have a right *not* to be photographed, and thus are unable to prevent the misuse of their image. Despite having an initial framework for such a right to be incorporated into the legal framework via existing legislation such as the Commonwealth Privacy Act, perhaps the most viable solution to the current legal framework is to incorporate and adopt image rights and a right to be forgotten. There have been recent developments in Australia that may provide some protection for the misuse of personal images, namely the proposed “revenge porn” laws<sup>221</sup> which

---

<sup>221</sup> The Australian Labor Party has introduced a proposed Bill against revenge porn; however, there has been no movement to pass the Bill. New South Wales is the third state in Australia to introduce revenge porn legislation. This is in line with the United Kingdom, which has made revenge porn illegal. See HL Deb (21 July 2014) col. 968 (UK) (“the term ‘revenge pornography’ refers to the publication, usually but not always, on the internet, of intimate images of former lovers without their consent . . . . Obtaining such images has become more common and much easier with the prevalence, popularity and sophistication of smartphones, with their ability to take or record high quality images, still and video, instantly and simply, with accompanying sound in the case of video. . . . The widespread publication of such images causes, and is

respond to the growing problem of so-called revenge porn.<sup>222</sup> Because of the proliferation of sharing sexual images online, some states in Australia have attempted to criminalize the misuse of sexual images.<sup>223</sup> In effect, these provide that a person would have a right for a specific type of use of their image—for example, when a person is photographed partially nude. It is uncertain whether attempts to criminalize the use of sexual images online will resolve the problems that arise once people share images on social networks. Moving forward, the potential criminalization of capturing images of people that are of a sexual nature without their consent is a step in the right direction. This is because the proposed reforms potentially create an image right for a particular use of a person’s image. While criminalising the uploading and sharing of sexual images is an important development, it creates a disparity of protection for personal images that fall outside the scope of protection. Even though some Australian states have initiated reforms to criminalise the uploading and sharing of sexual images on social networks, the law remains uncertain.

---

generally intended to cause, distress, humiliation and embarrassment for the victim. . .”); Criminal Justice and Courts Act, (2015) § 33 (UK).

<sup>222</sup> As of June 2017, only Victoria and South Australia have revenge porn laws, with New South Wales thinking about introducing new laws for revenge porn. See Press Release, Gabrielle Upton, Attorney General, New South Wales, Moving Ahead on New Law to Stop Revenge Porn (Sept. 5, 2016), <https://www.justice.nsw.gov.au/Documents/Media%20Releases/2016/Moving-ahead-on-new-law-to-stop-revenge-porn.pdf> [<https://perma.cc/2SS9-ZZ4G>].

<sup>223</sup> See South Australia’s prohibition of “invasive images”: *Summary Offences Act 1953* (SA) s 26C (Austl.). See also *Summary Offences Act 1966* (Vic) ss 41DA, 41DB (Austl.). Currently, New South Wales has some criminal provisions for the publication of sexual images – for example, *Crimes Act 1900* (NSW) s 578C(2) (Austl.). See generally TOM GOTSIS, REVENGE PORNOGRAPHY, PRIVACY AND THE LAW (2015), <https://www.parliament.nsw.gov.au/researchpapers/Documents/revenge-pornography-privacy-and-the-law/revenge%20pornography%20privacy%20and%20the%20law.pdf> [<https://perma.cc/79CU-4F46>].

It is important to note that there are many practical issues that will potentially impact upon the effectiveness of these potential reforms. As socio-legal studies teaches us, these factors are often integral to the effectiveness of legal policy.

Of the many issues that arise two stand out. The first relates to the problems of group photographs. The problem here is that, since a photograph may contain images of a number of different people, there may be a series of different rights that need to be negotiated if one person wanted to protect the use of their image. As occurred with performer rights, a problem may arise where one member of the group does not agree with another group member's wishes.<sup>224</sup> In the absence of specific considerations, there are two options: one is that an individual is able to hold the group "hostage," or, second, the wishes of the group override the interests of the individual.<sup>225</sup> While there may be some solutions (such as redacting a person's image), this is be an issue that needs to be taken into account when creating new legal arrangements.

A second more practical problem relates to the removal of images from the internet. The problem here is that when people share and exchange personal images on social networks, the images are stored on the network's information systems. As one scholar says, even if "notice and take down procedures might take content out of the

---

<sup>224</sup> See generally *Garcia v. Google Inc.*, 786 F.3d 733 (9th Cir. 2015) (en banc); JAMES GRIMMELMANN, COPYRIGHT 44 (2015), [james.grimmelman.net/courses/ip2016F/chapter4.pdf](http://james.grimmelman.net/courses/ip2016F/chapter4.pdf) [<https://perma.cc/Q7TB-7JK6>].

<sup>225</sup> Group interests in a photograph would be similar to in films with large casts. See *Garcia*, 786 F.3d at 742–43 ("films with a large cast—the proverbial 'cast of thousands'—such as *Ben-Hur* or *Lord of the Rings*. The silent epic *Ben-Hur* advertised a cast of 125,000 people. In the *Lord of the Rings* trilogy, 20,000 extras tramped around Middle-Earth alongside Frodo Baggins (played by Elijah Wood). Treating every acting performance as an independent work would not only be a logistical and financial nightmare, it would turn cast of thousands into a new mantra: copyright of thousands.").

(public) sight,” it does not result in the removal of the images from the data user’s servers.<sup>226</sup> Similarly, it may be difficult for a person to remove their image when it is captured and uploaded online by a third party.<sup>227</sup> Even if a person chooses to remove their images from their own profile page, the image may still be available if the image has been shared and reshared. These problems are exacerbated by the global nature of the internet, which may place images in jurisdictions with little or no protection: there is little use in demanding an image be removed in Australia if users in Australia can simply obtain the image from another country.

These practical problems highlight the difficulties of controlling the spread of images after they have been published online. Clearly it would be much better to prevent the uploading of images before it happens than attempt to remove images once they have been uploaded and shared. (Although, this will necessarily occur where the removal of the image is demanded because of a change in circumstances, as with the right to be forgotten.)<sup>228</sup> Ideally, the solution would be to change the way people deal with and think about private images to prevent problems arising in the first place rather than dealing with the problems after

---

<sup>226</sup> Jef Ausloos, *The Right to be Forgotten – Worth Remembering?*, 28 *COMPUT. L. & SEC. REV.* 143, 148, 148 n.57 (2012) (stating that “European citizens can request Facebook to send them all personal data in Facebook’s possession . . . In these reports it becomes clear that Facebook keeps track of all your ‘removed’ data as well.”).

<sup>227</sup> See Ausloos, *supra* note 224 (“But in an ever-increasing personalised web (where every piece of personal data can be considered as ‘useful’), the value of [the purpose limitation] principle has become questionable too. A ‘right to be forgotten’ could bring back effective control over what happens to an individual’s data.”); see also Bert Jaap Kooops, *Forgetting Footprints, Shunning Shadows. A Critical Analysis of the “Right to Be Forgotten” In Big Data Practice*, 8 *SCRIPTED* 229, 237–39 (2011).

<sup>228</sup> See Georgiades, *Down the Rabbit Hole*, *supra* note 119, at 1124–25 (discussing the various situations in which the right to be forgotten arises).

the event. A range of measures have been suggested to prevent (potentially harmful) information being shared in the first place including “awareness raising, transparency, clearer privacy notices, data-minimization, stricter control on the purpose limitation principle, ‘anonymization,’ transparency, encryption, etc.”<sup>229</sup> While we wait for these solutions, the potential harm to the fundamental human rights of dignity, autonomy, and private life caused by the misuse of personal images on-line demands that Australian law be modified to provide more effective protection. This is also important to protect the economic and property rights that (some) people have in their image. While such legal changes will not provide a complete solution, they will help to counter some of the problems that have been created by that have arisen around social media in recent years.

---

<sup>229</sup> Ausloos, *supra* note 226, at 147.

## EXPANDING THE PUBLIC DOMAIN AFTER GEORGIA V. PUBLIC.RESOURCE.ORG., INC.

DEBORA HALBERT\*

### ABSTRACT

*In 2020, the U.S. Supreme Court in Georgia v. Public.Resource.Org., Inc., sided with Carl Malamud in his ongoing fight to assure that access to the law remains free and in the public domain. By finding for Public.Resource.Org, the Court established that the law and its ancillary texts are indeed in the public domain, and in doing so, the Court expanded the government edicts doctrine to include virtually all official statements by judges or legislative bodies. This article discusses the Court's decision in the context of the larger political movement for open access and argues that, while the outcome is a reason to celebrate, the result is only a modest step forward in terms of protecting and accessing the public domain. The paper discusses the political context within which the Court's decision is situated, a brief review of efforts to develop a democratic movement toward open access as a counter to the privatization of the public domain in the information age; and then turns to the case itself before offering an analysis of the implications and the more permanent steps that need to be taken.*

---

\* Debora J. Halbert is a Professor of Political Science at the University of Hawai'i at Mānoa. She is also currently serving as the Associate Vice President for Academic Programs and Policy for the University of Hawai'i System. I would like to thank Professor Nicholas Mirkay at the Richardson School of Law, University of Hawai'i for reading earlier drafts of this paper.

*Expanding the Public Domain after Georgia v. Public.Resource.Org., Inc.*   **329**

Abstract .....	328
I. Introduction.....	330
II. IP Maximalism: Setting The Background on the Enclosure of the Public Domain and Setting the Stage For <i>Georgia v. Pro</i> .....	333
A. Expanding Statutory Control in the Information Age .....	335
B. The Enclosure of the Public Domain .....	336
1. Privatization of Government-Funded Research .....	338
2. Privatization of Access to the Law .....	340
3. The Privatization of Standards Incorporated by Reference .....	344
III. The Movement for Open Access .....	346
A. The Open Access Movement.....	348
B. Extralegal Resistance: Pirate Utopias and Public Sharing .....	354
1. Aaron Swartz and JSTOR.....	354
2. Sci-Hub, Filesharing, and the Piracy of Academic Scholarship.....	355
IV. <i>Georgia v. Pro</i> .....	358
A. An Early Pre-Cursor to <i>Georgia v. PRO</i> .....	359
B. The District Court Decision .....	360
C. The Eleventh Circuit Reversal .....	362
D. The Supreme Court Decision.....	366
V. The Importance of <i>Georgia v. Pro</i> .....	371
A. Impact on the Incorporation by Reference Debate .....	371

B. Contributions to our Understanding of the Relationship Between Copyright and the Public Domain .....	375
C. Possible Next Steps.....	377
VI. Conclusion .....	381

## I. INTRODUCTION

In 1991, officials at the International Telecommunication Union (“ITU”) provided Carl Malamud with a magnetic tape copy of ITU’s Blue Book, a 20,000-page manual covering standards for modern communication, so that he could scan the document and make it available for free online.<sup>1</sup> Until Malamud put the standards online, access to the technical manual cost users about one dollar per page to copy.<sup>2</sup> In a later interview, Malamud called putting the private standards online free for all “standards terrorism,” though what exactly he meant by this term is unclear.<sup>3</sup> Fast-forward to 2015, when the meaning of terrorism had radically changed in the aftermath of 9/11; the State of Georgia asserted that Carl Malamud had committed an “act of terrorism” in its complaint against him for copyright infringement.<sup>4</sup> Malamud’s answer called Georgia’s

---

<sup>1</sup> Clint Hender, *Carl Malamud, Public Printer*, COLUM. JOURNALISM REV. (Mar. 13, 2009), [https://www.cjr.org/campaign\\_desk/carl\\_malamud\\_public\\_printer.php](https://www.cjr.org/campaign_desk/carl_malamud_public_printer.php) [<https://perma.cc/RB2V-2ZP5>].

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Amended Complaint for Injunctive Relief at 20–21, Code Revision Comm’n v. Public.Resource.Org, Inc., 244 F. Supp. 3d 1350 (N.D. Ga. 2017) (No. 1:15-CV-02594-MHC); Adam Liptak, *Accused of ‘Terrorism’ for Putting Legal Materials Online*, N.Y. TIMES (May 13, 2019), <https://www.nytimes.com/2019/05/13/us/politics/georgia-official-code-copyright.html> [<https://perma.cc/WNK5-L4DL>].



allegation “bizarre, defamatory, and gratuitous.”<sup>5</sup> The act of terrorism Malamud was accused of committing by the State of Georgia was that he purchased a copy of Georgia’s official annotated code, scanned it, posted it for free online, and distributed copies to Georgia legislators and others.<sup>6</sup>

Malamud, under the auspices of his nonprofit “Public.Resource.Org.” (“PRO”), is fighting a battle to ensure free access for the public to official standards incorporated by reference into public laws, legal codes, case law annotations deemed official, and any other documents produced by the government that he deems should be in the public domain.<sup>7</sup> His efforts put him into conflict with the State of Georgia, which had entered into a contract with Matthew Bender, a subsidiary of Lexis-Nexis (“Lexis”), to produce the State’s official annotated code in exchange for the exclusive rights to distribution.<sup>8</sup> In filing a copyright infringement case against Malamud, Georgia argued that while the code itself was in the public domain, the annotations were the copyrighted work of the Georgia Revision Commission (“Commission”).<sup>9</sup> The U.S. District

---

<sup>5</sup> Elizabeth Scheibel, Note, *No Copyright in the Law: A Basic Principle, Yet a Continuing Battle*, 7 CYBARIS INTELL. PROP. L. REV. 350, 370 (2016) (citing Malamud’s answer to Georgia’s claim of terrorism).

<sup>6</sup> Steven Levy, *The Internet’s Own Instigator*, WIRED (Sept. 12, 2016), <https://www.wired.com/2016/09/the-internets-own-instigator/> [<https://perma.cc/4JL7-DCEB>]; Cory Doctorow, *The New York Times on Carl Malamud and His Tireless Battle to Make the Law Free for All to Read*, BOING BOING (May 14, 2019), <https://boingboing.net/2019/05/14/grifting-the-law.html> [<https://perma.cc/Y59Z-ST47>]; Scheibel, *supra* note 5, at 351, 368–69.

<sup>7</sup> See PUBLIC.RESOURCE.ORG, <https://public.resource.org/> (last visited June 21, 2020) (archiving Malamud’s scanned code projects).

<sup>8</sup> Amended Complaint for Injunctive Relief, *supra* note 4, at 10.

<sup>9</sup> See David E. Shipley, *Code Revision Commission v. Public.Resource.Org and the Fight over Copyright Protection for Annotations and Commentary*, 54 GA. L. REV. 111, 119–20 (2019) (describing the work made for hire process deployed by Georgia to produce the annotated code in collaboration with Lexis-Nexis).

Court for the Northern District of Georgia sided with the State of Georgia, but was reversed by the United States Court of Appeals for the Eleventh Circuit,<sup>10</sup> paving the way for the Supreme Court’s recent decision in favor of PRO.<sup>11</sup>

The Supreme Court’s 2020 decision in *Georgia v. Public.Resource.Org., Inc.* (“*Georgia v. PRO*”) is significant because the Court established that the law and its ancillary texts are in the public domain and, in doing so, expanded the government edicts doctrine to include virtually all official statements by judges or legislative bodies.<sup>12</sup> In real terms, the decision will impact how states publish their official codes and how they contract with private companies to outsource the work of writing and publication, especially since only two publishers control virtually all official state code publications.<sup>13</sup> While the outcome of the Supreme Court’s decision is generally positive, this paper contends that the result is only a modest step forward and proposes that more concrete steps need to be taken to ensure free and

---

<sup>10</sup> Code Revision Comm’n v. Public.Resource.Org, Inc., 244 F. Supp. 3d 1350, 1353 (N.D. Ga. 2017), *rev’d and remanded sub nom.* Code Revision Comm’n for Gen. Assembly of Georgia v. Public.Resource.Org., Inc., 906 F.3d 1229 (11th Cir. 2018), *aff’d sub nom.* Georgia v. Public.Resource.Org, Inc., 140 S. Ct. 1498 (2020).

<sup>11</sup> See Corynne McSherry & Mitch Stoltz, *Supreme Court Affirms That No One Owns the Law*, ELEC. FRONTIER FOUND. (Apr. 27, 2020), <https://www.eff.org/deeplinks/2020/04/supreme-court-affirms-no-one-owns-law> [<https://perma.cc/PR45-YF86>]; Jordan S. Rubin, *Georgia Copyright Loss at High Court Could Jolt Many States*, BLOOMBERG LAW (Apr. 27, 2020), <https://news.bloomberglaw.com/us-law-week/georgia-loses-legal-code-copyright-clash-at-supreme-court> [<https://perma.cc/ZM29-AQTE>].

<sup>12</sup> See *Georgia v. Public.Resource.Org., Inc.*, 140 S. Ct. 1498 (2020) (holding that the official Georgia annotated code was in the public domain); McSherry & Stoltz, *supra* note 11.

<sup>13</sup> See Leslie A. Street & David R. Hansen, *Who Owns the Law: Why We Must Restore Public Ownership of Legal Publishing*, 26 J. INTEL. PROP. L. 205, 206, 218 (2019) (detailing that virtually all official state codes are owned by two companies: Thomson Reuters and the Dutch-owned RELX Group, which includes Lexis-Nexis).

open access to a full and accurate statement of the law. As it stands, the Court left numerous escape hatches for those who would privatize the law that could further jeopardize public access.

Section Two of this paper discusses the political context within which the Court's decision is situated: the enclosure of the public domain, the subject of legal commentary for decades. Section Three provides a brief review of efforts to develop a democratic movement toward open access as a counter to the privatization of the public domain in the information age. Section Four then analyzes the flow of the legal arguments from the District Court, the Court of Appeals for the Eleventh Circuit, and then ultimately to the U.S. Supreme Court, each of which offered a different legal analysis grounded in existing copyright law. Section Five offers an analysis of the implications of the Supreme Court's opinion in *Georgia v. PRO* and the more permanent steps that need to be taken. Finally, Section Six concludes the paper by looking briefly at the future.

## **II. IP MAXIMALISM: SETTING THE BACKGROUND ON THE ENCLOSURE OF THE PUBLIC DOMAIN AND SETTING THE STAGE FOR *GEORGIA V. PRO***

The enclosure of the public domain, meaning the use of copyright to limit access to otherwise public materials, has been the subject of concern and legal commentary for decades.<sup>14</sup> The Internet, designed as a tool to share

---

<sup>14</sup> See generally Tyler T. Ochoa, *Origins and Meanings of the Public Domain*, 28 U. DAYTON L. REV. 215 (2002); James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 LAW CONTEMP. PROBS. 33 (2003); Edward Lee, *The Public's Domain: The Evolution of Legal Restraints on the Government's Power to Control Public Access through Secrecy or Intellectual Property*, 55 HASTINGS L. J. 91 (2003); Pamela Samuelson, *Enriching Discourse on Public Domains*, 55 DUKE L. J. 783 (2006); Anupam Chander & Sunder Madhavi, *The Romance of the Public Domain*, 92 CAL. L. REV. 1331

information, also sparked a movement towards increasingly restrictive copyright laws, raising the corresponding concern of reduced access to what would otherwise have been public domain materials.<sup>15</sup> Professor Susan Sell coined the term IP Maximalism to describe global efforts to use the law to ratchet up IP protection at the expense of the public.<sup>16</sup> Professor Madhavi Sunder more recently expressed concern that the maximalist approach will undermine what she calls “fair culture.”<sup>17</sup> While the struggle between expanding intellectual property law and resistance to that expansion is both global and ongoing, this section focuses on the United States and the decisions made to enclose the public domain under the auspices of protecting copyright, along with the corresponding resistance to that enclosure. This section outlines the larger political context that clarifies why the decision in *Georgia v. PRO* is important.

---

(2004); JAMES BOYLE, *THE PUBLIC DOMAIN: ENCLOSING THE COMMONS OF THE MIND* (2008).

<sup>15</sup> See generally LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* (2001); Ochoa, *supra* note 14; Lee, *supra* note 14; Chander & Madhavi, *supra* note 14; Samuelson, *supra* note 14; DEBORA HALBERT, *RESISTING INTELLECTUAL PROPERTY* (2005); *THE FUTURE OF THE PUBLIC DOMAIN: IDENTIFYING THE COMMONS IN INFORMATION LAW* (Lucie Guibault & P. Bernt Hugenholtz, eds., 2006); Randal C. Picker, *Access and the Public Domain*, 49 *SAN DIEGO L. REV.* 1183 (2012).

<sup>16</sup> Susan K. Sell, *The Global IP Upward Ratchet, Anti-Counterfeiting and Piracy Enforcement Efforts: The State of Play*, P2P FOUND. (2010), [http://p2pfoundation.net/IP\\_Maximalist](http://p2pfoundation.net/IP_Maximalist) [<https://perma.cc/4BW7-LRJJ>] (arguing that, at a global level, IP maximalists have worked diligently to expand intellectual property well beyond what is required by international agreements and have mounted an anti-access campaign to limit access to materials).

<sup>17</sup> See MADHAVI SUNDER, *FROM GOODS TO A GOOD LIFE: INTELLECTUAL PROPERTY AND GLOBAL JUSTICE* 84, 85, 88–89 (2012).

**A. *Expanding Statutory Control in the Information Age***

Technology has always had a disruptive effect on copyright law, whether that technology was a printing press, a camera, a photocopy machine, a computer, or an MP3 player. Technologies that enable people to share copyrighted work without permission require the creation of new copyright protections, so those asserting ownership over copyrighted materials have legal protection from possible infringement.<sup>18</sup> Policymakers are thus constantly faced with adapting copyright law so that those who hold the copyrights can control all aspects of those items fixed in a “tangible medium of expression”<sup>19</sup> as technology makes sharing easier.

Since the passage of the 1976 Copyright Act, the last major overhaul of copyright in the U.S., and especially through the 1990s as computer technology advanced quickly, most changes to the law have expanded copyright protection.<sup>20</sup> Even as it became easier to access and share

---

<sup>18</sup> See generally DEBORA J. HALBERT, *INTELLECTUAL PROPERTY IN THE INFORMATION AGE: THE POLITICS OF EXPANDING OWNERSHIP RIGHTS* (1999) (outlining the expansion of copyright laws in reaction to new technology making copyright infringement easier).

<sup>19</sup> Copyright Act of 1976, 17 U.S.C. §102(a).

<sup>20</sup> See Sonny Bono Copyright Term Extension Act of 1998, Pub. L. No. 105-298, 112 Stat. 2827 (1998) (extending the term of copyright protection to life of the author plus seventy years, significantly reducing the public domain); Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860, 2887 (1998) (addressing access to copyrighted materials by making anti-circumvention devices illegal as well as establishing the protocol for addressing copyright infringement on the internet). See generally U.S. COPYRIGHT. OFF., *Circular 92: Copyright Law of the United States and Related Laws Contained in Title 17 of the United States Code* (2020), (this publication contains the text of Title 17 of the United States Code, including all amendments enacted by Congress through March 27, 2020; showing the reduction of the public

copyrighted works via the Internet, content owners used the law to secure additional protection, including enhanced criminal protection against copyright infringement.<sup>21</sup> The resulting legal implications were made especially visible by music industry efforts to control digital filesharing and shut down what they called “pirate” websites.<sup>22</sup> Those who seek expansive control of copyrighted works have more recently argued that copyright infringement is done by terrorists, a move that has significant implications for how those who had committed what is generally understood as a civil offense is now demonized as a national security threat.<sup>23</sup> While copyright has been expanding and the consequences for infringement have become more severe, the corollary of the expansion of copyright law, both in terms of the range of what is protected and the length of protection, is the enclosure of the public domain.

### ***B. The Enclosure of the Public Domain***

A critical concept that defines what is outside the scope of copyright protection is the idea of the public

---

domain through the enactment of additional copyright protections and extensions since 1976).

<sup>21</sup> See No Electronic Theft (Net) Act of 1997, Pub. L. No. 105-147, 111 Stat. 2678 (1997) (establishing criminal prosecution even if the copyright infringement was not for commercial benefit).

<sup>22</sup> See generally MATTHEW DAVID, PEER TO PEER AND THE MUSIC INDUSTRY: THE CRIMINALIZATION OF SHARING (2010); Sarah Jacobsson Purewal, *RIAA Thinks LimeWire Owes \$75 Trillion in Damages*, PC WORLD (2011), [http://www.pcworld.com/article/223431/riaa\\_thinks\\_limewire\\_owes\\_75\\_trillion\\_in\\_damages.html](http://www.pcworld.com/article/223431/riaa_thinks_limewire_owes_75_trillion_in_damages.html) [https://perma.cc/EF4R-CH9X] (describing the surreal claim made by the music industry that the filesharing service LimeWire owed them seventy-five trillion dollars in damages).

<sup>23</sup> See Debora Halbert, *Intellectual Property Theft and National Security: Agendas and Assumptions*, 32 INF. SOC’Y. 256, 264 (2016).

domain.<sup>24</sup> While copyright gives an author certain controls over their creative work, that control is not perpetual. In 1996, Congress expanded the term of copyright protection from the life of the author plus 50 years to the life of the author plus 70 years.<sup>25</sup> The 20-year extension of copyright sparked an ultimately unsuccessful challenge when the Supreme Court held that the extension was constitutional in *Eldrid v. Ashcroft*.<sup>26</sup> While the copyright term is now the life of the author plus 70 years, when copyright ends, the copyrighted work transitions into the public domain where anybody is free to use it, to create derivative works, to distribute it, or to perform the work without the permission of the original author.<sup>27</sup> The balance between copyright control and the public domain exists so that everyone can contribute to and share in a common culture.<sup>28</sup>

The Supreme Court's decision in *Eldrid* limits the public's access to what would have been public domain materials for an additional 20 years, but it also is part of the transformation of copyright into a private property right that

---

<sup>24</sup> See generally Boyle, *supra* note 14 (comparing the enclosure caused by expansive copyright to the enclosure of previously public land during the British Enclosure Movement); Samuelson, *supra* note 14 (describing multiple copyright-focused public domains discussed in the legal literature).

<sup>25</sup> Sonny Bono Copyright Term Extension Act, 112 Stat. 2827.

<sup>26</sup> See *Eldred v. Ashcroft*, 537 U.S. 186, 199–200 (2003) (holding that the Copyright Term Extension Act was constitutional and did not violate the “for a limited time” language when Congress expanded copyright to life of the author plus seventy years).

<sup>27</sup> Rich Stim, *Welcome to the Public Domain*, STANFORD UNIVERSITY LIBRARIES: COPYRIGHT AND FAIR USE, (Oct. 2016), <https://fairuse.stanford.edu/overview/public-domain/welcome/> [<https://perma.cc/LR67-MDGY>] (describing the scope of the public domain and how works enter the public domain).

<sup>28</sup> See Lee, *supra* note 14, at 162 (arguing that the public domain ensures “access to our common culture and knowledge.”).

does not facilitate the free flow of information.<sup>29</sup> Such a free flow of information is not only critical for cultural production,<sup>30</sup> but is also the heart of innovation within scientific and academic communities. While copyright protects all creative work, in this paper, the focus will be on the enclosure of work funded by or produced by the government or individuals acting in the capacity of government officials.

### **1. Privatization of Government-Funded Research**

While the United States has always been driven by “free-market” ideology, with the election of Ronald Reagan in the 1980s, an even more concerted effort to privatize public functions began.<sup>31</sup> One avenue of privatization was to replace government work with contracts awarded to private corporations under the ideological assumption that the market was more efficient than government.<sup>32</sup> As part of

---

<sup>29</sup> See Shubha Ghosh, *Deprivatizing Copyright*, 54 CASE W. RES. L. REV. 387, 388–89, 452 (2003) (arguing that copyright has, over time, become a private right rather than articulating a limited monopoly to balance public access with a private incentive structure).

<sup>30</sup> See generally RONALD V. BETTIG, *COPYRIGHTING CULTURE: THE POLITICAL ECONOMY OF INTELLECTUAL PROPERTY* (1996); KEMBREW MCLEOD, *OWNING CULTURE: AUTHORSHIP, OWNERSHIP, & INTELLECTUAL PROPERTY LAW* (2001); LAWRENCE LESSIG, *FREE CULTURE: THE NATURE AND FUTURE OF CREATIVITY* (2004); HENRY JENKINS, *CONVERGENCE CULTURE: WHERE OLD AND NEW MEDIA COLLIDE* (2006); MATT MASON, *THE PIRATE’S DILEMMA: HOW YOUTH CULTURE IS REINVENTING CAPITALISM* (2009).

<sup>31</sup> See Michal Laurie Tingle, *Privatization and the Reagan Administration: Ideology and Application*, 6 YALE L. POL’Y REV. 229, 256 (1988) (arguing that President Reagan sought efficiency through privatization but that, while shifting government functions to the private sector was ideologically motivated, its impact on efficiency is inconclusive).

<sup>32</sup> Steve R. Letza et al., *Reframing Privatisation: Deconstructing the Myth of Efficiency*, 37 POL’Y SCIENCES 159, 162-64 (2004) (describing the ideology of efficiency as a foundational component of privatization).



this larger ideological shift, Congress passed the Bayh-Dole Act, designed to allow recipients of publicly-funded grant money to use the findings of their research to create privately owned innovation and technologies.<sup>33</sup> Bayh-Dole focused on patentable subject matter funded by the federal government rather than copyright.<sup>34</sup> However, it is indicative of the general ideological effort to privatize what might otherwise have been understood as public. Despite being credited with sparking innovation spin-offs from publicly funded university research, it could equally be argued that opening all such publicly funded research to the public domain would have had an even more substantive impact and that outside of a few elite institutions, there have been serious unintended consequences for public universities including a loss of trust due to the perception that such privatization is a predatory practice.<sup>35</sup>

---

<sup>33</sup> For the literature on the privatization of public research under the Bayh-Dole Act and its assessment, see generally David C. Mowery et al., *The Growth of Patenting and Licensing by U.S. Universities: an Assessment of the Effects of the Bayh–Dole Act of 1980*, 30 RSCH. POL’Y 99 (2001); Richard R. Nelson, *Observations on the Post-Bayh-Dole Rise of Patenting at American Universities*, 26 J. TECH. TRANSFER 13 (2001); Bhaven N. Sampat, *Patenting and US Academic Research in the 20th Century: The World Before and After Bayh-Dole*, 35 RSCH. POL’Y 772 (2006); Wei-Lin. Wang, *Technology Transfer from Academia to Private Industry: A Critical Examination of the Bayh-Dole Act (2004)* (S.J.D. dissertation, Washington University in St. Louis) (on file with the Washington University Libraries, Washington University in St. Louis); and DAVID MOWERY ET AL., *IVORY TOWER AND INDUSTRIAL INNOVATION: UNIVERSITY-INDUSTRY TECHNOLOGY TRANSFER BEFORE AND AFTER THE BAYH-DOLE ACT* (2015).

<sup>34</sup> Bayh-Doyle Act, 35 U.S.C. §§ 200–212 (2010).

<sup>35</sup> See Rafael A. Corredoira ET AL., *The Impact of Intellectual Property Rights on Commercialization of University Research* (Apr. 5, 2020) (manuscript at 17–18), <https://papers.ssrn.com/abstract=3399626> [<https://perma.cc/2J5C-U82J>] (finding that the public domain performed better than privatized university research in commercializing products); David Orozco, *Assessing the Efficacy of the Bayh-Dole Act Through the Lens of University Technology Transfer Offices (Ttos)*, 21 N.C. J. L. &

## 2. Privatization of Access to the Law

Private publishers have played a role in publishing legal texts since the first published volumes of case law, and they continue to be the primary vehicle for access to the law as these writings are digitized. The very first copyright case, *Wheaton v. Peters*, was about copyrighting the law.<sup>36</sup> In *Wheaton*, the Court held that there could be no copyright in judicial opinions, and so there was no copyright to grant to the publisher of those opinions.<sup>37</sup> The Court several decades later extended *Wheaton* to apply to state court decisions.<sup>38</sup> However, after declaring that the law itself could not be the subject of copyright, the Court held that pagination and headings added to the public domain text were sufficiently original to be copyrighted by a reporter's author.<sup>39</sup> Thus, a private publisher could take the legal text, typeset it into a specific page range, add some additional materials, and copyright the final product. While a competitor could also use the original text, they could not copy the pagination and formatting wholesale from a different publisher, even when the court required quotation to specific pages in specific reporters. To cite appropriately to a case, one must use the proper pagination for the relevant reporter. Although a

---

TECH. 115, 162–64, 167 (2019) (commenting that aside from about twenty high-performing technology transfer offices, the vast majority of universities do not capitalize on their government-funded research and are open to criticisms of predatory practices that undermine public trust).

<sup>36</sup> See *Wheaton v. Peters*, 33 U.S. 591, 593–94 (1834).

<sup>37</sup> *Id.* at 668; see Joseph Scott Miller, *Brandeis's IP Federalism: Thoughts on Erie at Eighty*, 52 AKRON L. REV. 367, 375–76 (2018).

<sup>38</sup> See Christina M. Frohock, *The Law as Uncopyrightable: Merging Idea and Expression Within the Eleventh Circuit's Analysis of "Law-Like" Writing*, 73 U. MIAMI L. REV. 1269, 1278–79 (2019) (describing the outcome of *Banks v. Manchester*, 128 U.S. 244 (1888), where the court denied copyright protection to state judicial opinions).

<sup>39</sup> *Id.* at 1279–80 (describing the outcome of *Callaghan v. Meyers*, 128 U.S. 617 (1888), which held that, outside the law itself, copyright could cover the work of the reporter as original).

company cannot own the law itself, they can and have successfully asserted copyright over the pagination, claiming that the layout of cases in a given reporter is original, and so page numbers must be protected.<sup>40</sup>

The issue of copyright over pagination was litigated beginning in the 1990s, with mixed results. West Publishing won an early victory to control its star pagination against Lexis in *West Publishing Co. v. Mead Data Central, Inc.* where the U.S. Court of Appeals for the Eighth Circuit held that arrangement and pagination could be copyrightable.<sup>41</sup> Following the Eighth Circuit decision, a Minnesota district court affirmed the copyrightability of star pagination in *Oasis Publishing Co. v. West Publishing Co.*<sup>42</sup> However, a district court in New York found the opposite in *Matthew Bender v. West Publishing Co.*, holding that West's star pagination was not copyrightable, an opinion affirmed by the U.S. Court of Appeals for the Second Circuit.<sup>43</sup> Pagination, according to the Second Circuit, is not sufficiently creative to justify copyright protection, despite the earlier ruling in the Eighth Circuit.<sup>44</sup> West appealed, arguing that copyright

---

<sup>40</sup> See Vito Petretti, *Matthew Bender & Co. v. West Publishing Co.: The End of West's Legal Publishing Empire?*, 43 VILL. L. REV. 873, 891–95 (1998) (describing the outcome of the Eight Circuit Court of Appeals decision).

<sup>41</sup> See *West Publ'g Co. v. Mead Data Cent., Inc.*, 799 F.2d 1219, 1223 (8th Cir. 1986).

<sup>42</sup> See Petretti, *supra* note 40, at 896–97; *Oasis Publ'g Co., Inc. v. West Publ'g. Co.*, 924 F. Supp. 918, 925 (D. Minn. 1996) (holding that pagination was sufficiently creative to justify its copyright).

<sup>43</sup> See Katie Fortney, *Ending Copyright Claims in State Primary Legal Materials: Toward an Open Source Legal System*, 102 LAW LIBR. J. 59, 63 (2010) (describing the outcome of *Matthew Bender & Co. v. W. Pub. Co.*, 158 F.3d 693 (2d Cir. 1998)); Petretti, *supra* note 40, at 917–18 (arguing that the outcome in *Matthew Bender* is appropriate because it will allow for additional publishers to enter the legal market).

<sup>44</sup> See Ed Walters, *Georgia v. Public.Resource.org: Ending Private Copyright in Public Statutes*, MEDIUM (June 27, 2019),

over the pagination is important because without protection anyone could copy the digital versions of caselaw and continue to cite to West's published reporters.<sup>45</sup> The Supreme Court declined to hear Matthew Bender leaving the circuit split intact.<sup>46</sup> That a copyright could be asserted in page numbering strikes some as problematic because page numbering should not rise to the level of creativity necessary to achieve copyright protection.<sup>47</sup> Furthermore, at the time, extending copyright to West's page numbering system effectively gave them a monopoly over access to the law.<sup>48</sup>

Rejecting copyright over star pagination may allow smaller companies to enter the legal market while also reducing what West can charge for licensing fees.<sup>49</sup> However, the consolidation of the legal publishing industry leaves little room for small players and poses its own set of concerns regarding access to the law.<sup>50</sup> While highlighting

---

<https://medium.com/@ejwalters/who-owns-the-law-5e356ea5b5f8>  
[<https://perma.cc/M724-JN2F>].

<sup>45</sup> *West asks Supreme Court to Rule on Copyrightability of Pagination System: West Publishing Co. v. Hyperlaw Inc.*, 5 No. 18 ANDREWS INTELL. PROP. LITIG. REP. 5 (Apr. 28, 1999).

<sup>46</sup> *See West Publ'g Co. v. Mead Data Ctr., Inc.*, 799 F.2d 1219, 1223 (8th Cir. 1986) (holding that West's arrangement of legal decisions was entitled to copyright protection); *Matthew Bender & Co. v. West Publ'g Co.*, 158 F.3d 693 (2d Cir. 1998), *cert. denied*, 526 U.S. 1154 (1999) (holding that West's pagination was not copyrightable).

<sup>47</sup> *See* Eman H. Jarrah, *Victory for the Public: West Publishing Loses Its Copyright Battle over Star Pagination and Compilation Elements*, 25 U. DAYTON L. REV. 163, 165 (1999) (arguing that "compilations of judicial opinions consisting of individual case reports with additional information such as parallel citations, identification of counsel, and facts on procedural history are not sufficiently original or creative to merit copyright protection.").

<sup>48</sup> *See* Petretti, *supra* note 40, at 891–95.

<sup>49</sup> *See id.* at 917–19 (arguing that rejecting pagination copyright will be beneficial for competition).

<sup>50</sup> *See* Olufunmilayo B. Arewa, *Open Access in a Closed Universe: Lexis, Westlaw, Law Schools, and the Legal Information Market*, 10 LEWIS & CLARK L. REV. 797, 824–25 (2006) (discussing the consolidation of the

how companies privatize the law, seeking access to pagination also demonstrates that sometimes efforts to achieve public access may prevail, at least when it is a battle between major private actors operating in their own self-interest.

While an uneasy truce exists regarding star pagination, until the outcome in *Georgia v. PRO*, copyright over headnotes, annotations, and other ancillary texts had remained unchallenged since the nineteenth century.<sup>51</sup> The current Copyright Act only explicitly exempts works authored by the federal government, but States are not mentioned, suggesting they are free to copyright any number of government materials.<sup>52</sup> In fact, 22 states, two territories, and the District of Columbia assert copyright over their official codes and have arrangements like Georgia with private companies to publish these works.<sup>53</sup> States assert copyright over a range of other publications as well.<sup>54</sup> The law itself is not the only area where privatization has made it difficult for citizens to ascertain what they might need to know to be in compliance with official rules. The next

---

legal publishing industry from eighteen to twelve with only three major publishers controlling 90% of the legal materials, sparking anti-trust concerns).

<sup>51</sup> See *Callaghan v. Myers*, 128 U.S. 617, 647 (1888).

<sup>52</sup> See Scheibel, *supra* note 5, at 354–55; 17 U.S.C. §105 (2019) (describing the limitations on copyright for the federal government).

<sup>53</sup> See *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498, 1513, 1519 (2020) (Thomas, J., dissenting) (arguing that the ruling will come as a shock to those jurisdictions with arrangements like the one found in Georgia); Eric E. Johnson, *The Misadventure of Copyrighting State Law*, 107 Ky. L. J. 593, 604–05 (2019) (describing the efforts of Mississippi to enforce its copyright over state law. Public.Resource.org has also scanned and placed Mississippi's code on its website but aside from sending a cease and desist letter, Mississippi has not yet litigated).

<sup>54</sup> See State Copyright Res. Ctr., *Copyright at Harvard Library*, <http://copyright.lib.harvard.edu/states/> [<https://perma.cc/H7PW-A5JP>] (providing a state-by-state assessment of what is copyrighted in each state).

section addresses another facet of privatization that impacts the public’s ability to know what the law requires of them—private standards incorporated by reference into public law.

### 3. The Privatization of Standards Incorporated by Reference

Yet another area where privatization has meant the public has diminished access to the official regulatory structure is in the area of uniform codes, which are most often written by private rather than public entities.<sup>55</sup> Ronald Reagan was the first to direct agencies to use private voluntary standards instead of government created ones, a practice that was more broadly mandated in 1996.<sup>56</sup> Known as “incorporation by reference,” uniform codes written by private associations are often incorporated into local, state, and federal regulations, effectively giving them the authority of the law.<sup>57</sup> Private codes incorporated by reference pose a challenge for accessing the official law because the full text of the private standard is not always published in an official government publication.<sup>58</sup> To access these private codes incorporated by reference, an interested party would have to either view a hard copy in a public reading room, in which sometimes only a single copy is available and housed in Washington DC; or purchase the text from the private association that published the standards, for hundreds or

---

<sup>55</sup> See Ghosh, *supra* note 29, at 455–56 (describing the complexity of public and private code drafting and the need for uniform codes produced by experts).

<sup>56</sup> See James M. Sweeney, *Copyrighted Laws: Enabling and Preserving Access to Incorporated Private Standards*, 101 MINN. L. REV. 1331, 1337–38 (2017).

<sup>57</sup> Emily S. Bremer, *On the Cost of Private Standards in Public Law*, 63 U. KAN. L. REV. 279, 280–81 (2014) (stating that over 10,000 codes have been incorporated by reference at the federal level alone).

<sup>58</sup> *Id.* at 287–88 (describing that while such private codes incorporated into federal law are ostensibly publicly available, they must only be “reasonably available.”).

even thousands of dollars.<sup>59</sup> Sometimes the official version incorporated by reference is out of date, but the private standard has been revised and updated, but because the official rule making process means new versions cannot be updated automatically, the older and now out-of-date standard that is the law becomes difficult to find.<sup>60</sup> Such limited access in the Internet age means that without purchasing the high-priced private codes, or a subscription to the *Federal Register*, the public which is required to adhere to these rules may not be able to readily access them.

The U.S. Court of Appeals for the Fifth Circuit in *Veck v. Southern Building Code Congress* held that such private codes once incorporated by reference into municipal law are in the public domain so that citizens can know what the law is.<sup>61</sup> Municipal law, including these incorporated private standards, could not be copyrighted because building codes were “facts.”<sup>62</sup> However, a definitive conclusion regarding whether materials incorporated by reference are in the public domain has not been reached.<sup>63</sup> Interestingly, Carl Malamud is also central to the copyright claims regarding incorporation by reference—he is being sued for purchasing,

---

<sup>59</sup> *Id.* at 286.

<sup>60</sup> Sweeney, *supra* note 56, at 1340.

<sup>61</sup> *Veck v. S. Bldg. Code Cong. Int’l, Inc.*, 293 F.3d 791, 793 (5th Cir. 2002).

<sup>62</sup> *Id.* at 794–95, 800–01.

<sup>63</sup> Code Revision Comm’n for Gen. Assembly of Georgia v. *Public.Resource.Org, Inc.*, 906 F.3d 1229, 1238–39 (11th Cir. 2018) (describing the ongoing circuit split on the issue of copyrightability over privately authored codes); Emily S. Bremer, *Incorporation by Reference in an Open-Government Age*, 36 HARV. J. L. PUB. POL’Y 131, 168–69 (2013) [hereinafter *Incorporation by Reference in an Open-Government Age*] (describing that both the Second Circuit and the Ninth Circuit have rejected arguments that would place private standards incorporated by reference into the public domain).

scanning, and making available free online private codes that have been incorporated by reference.<sup>64</sup>

As this section demonstrates, government-funded research and the law itself has faced ongoing privatization, especially as companies seek to define their property rights in the information age. Even as the Internet made sharing easier, new legislation was passed to restrict the possibility of free access. However, as the next section demonstrates, there are those who sought to create and enhance the public domain.

### III. THE MOVEMENT FOR OPEN ACCESS

The preceding section tracked how privatization has limited what can go into the public domain, either through the expansion of copyright as the architecture of the information age or through asserting copyright over government writings. This section turns to how that expansion sparked a corresponding resistance to

---

<sup>64</sup> Tim Cushing, *Public.Resource.Org Sued (Again) For Publication Of A Document Incorporated Into Federal Regulations [Update]*, TECHDIRT (May 29, 2014, 3:29 AM), <https://www.techdirt.com/articles/20140526/17193727368/publicresourceorg-sued-again-publication-document-incorporated-into-federal-regulations.shtml> [<https://perma.cc/9U5S-A6DF>]; Simon Reichley, *A Federal Appeals Court has Ruled in Favor of Carl Malamud's Public.Resource.Org, Ordering a Trial Court to Reconsider His Fair Use Claims*, MELVILLE HOUSE BOOKS (2018), <https://www.mhpbooks.com/a-federal-appeals-court-has-ruled-in-favor-of-carl-malamuds-public-resource-org-ordering-a-trial-court-to-reconsider-his-fair-use-claims/> [<https://perma.cc/C2JM-CPJC>] (providing the best—and snarkiest—analysis of the issue: “Malamud’s been a tireless advocate for transparency and open access to legal and civic documents, publishing thousands and thousands of pages of material online at public.resource.org and law.resource.org. Since we live in a cartoonish dystopia, where utterly shameless—and incompetent—corporations more or less dictate public policy to a craven political class, Malamud has been repeatedly sued for this activity.”).



privatization under the heading of open access. Earlier expansion of the laws governing intellectual property was met with little resistance, or even public awareness. However, when Congress sought to pass the Stop Online Piracy Act (“SOPA”) and the Protect Intellectual Property Act (“PIPA”), the legislation was met with unprecedented public resistance.<sup>65</sup> General public awareness of what SOPA and PIPA meant for Americans was made possible in part because platforms such as Google had a competing interest in continued flexibility for online sharing and helped frame a resistance to the legislation.<sup>66</sup> Furthermore, the litigation around peer-to-peer networks starting with Napster and the subsequent RIAA suits against end-users meant copyright became increasingly negatively perceived by many in the public.<sup>67</sup> Also critical to the growing resistance of enhanced IP laws is the development and framing of a counter-narrative to expansive intellectual property—the movement towards open access.

---

<sup>65</sup> Josh Constine, *SOPA Protests Sway Congress: 31 Opponents Yesterday, 122 Now*, TECHCRUNCH, (Jan. 19, 2012, 8:37 PM), <http://techcrunch.com/2012/01/19/sopa-opponents-supporters/> [<https://perma.cc/U4QE-SQ4W>]; Vlad Savov, *The SOPA blackout: Wikipedia, Reddit, Mozilla, Google, and many others protest proposed law*, THE VERGE (Jan. 18, 2012, 12:10 AM), <https://www.theverge.com/2012/1/18/2715300/sopa-blackout-wikipedia-reddit-mozilla-google-protest> [<https://perma.cc/5WEK-KS56>]; Michael A. Carrier, *SOPA, PIPA, ACTA, TPP: An Alphabet Soup of Innovation-Stifling Copyright Legislation and Agreements*, 11 NW. J. TECH. & INTELL. PROP. 21, 22 (2013).

<sup>66</sup> Savov, *supra* note 65.

<sup>67</sup> Peter S. Menell, *This American Copyright Life: Reflections on Re-equilibrating Copyright for the Internet Age*, 61 J. COPYRIGHT SOC’Y U.S.A. 201, 235 (2014) (showing the downward spiral of copyright approval post Napster and SOPA using a graph).

### A. *The Open Access Movement*

The open-access movement is a multifaceted effort to resist the privatization of knowledge, technologies, ideas, and life-saving medicines, arguing that such privatization is harmful to global development, culture, scientific progress, and democracy. The struggle of the information age is in advocating for access to information, a new kind of “product” privatized through the use of intellectual property.<sup>68</sup> Advocates for open-access and the public domain argue that the privatization of knowledge, culture, and science threatens a future of innovation and even democracy itself.<sup>69</sup> While providing access to knowledge was the original intent of the U.S. constitutional language, U.S. intellectual property law has instead evolved to undermine this intent.<sup>70</sup>

The modern-open access movement can be traced to efforts of activist software engineers to create an alternative to copyright law for computer code, because they saw copyright law as a threat to the culture of sharing intrinsic to

---

<sup>68</sup> See generally MCKENZIE WARK, *A HACKER MANIFESTO* (2004) (providing a rewrite of Marxist analysis of property for the information age); CHRISTOPHER MAY & SUSAN K SELL, *INTELLECTUAL PROPERTY RIGHTS: A CRITICAL HISTORY* (2006) (offering a political economy of intellectual property framing privatization as a key node in efforts to own the property of the future).

<sup>69</sup> See generally Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 *YALE L. J.* 283 (1996); LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* (2002); RICHARD M. STALLMAN, LAWRENCE LESSIG & JOSHUA GAY, *FREE SOFTWARE, FREE SOCIETY: SELECTED ESSAYS OF RICHARD M. STALLMAN* (2002); Malla Pollack, *The Democratic Public Domain: Reconnecting the Modern First Amendment and the Original Progress Clause (A.K.A. Copyright and Patent Clause)*, 45 *JURIMETRICS J.* 23 (2004).

<sup>70</sup> Pollack, *supra* note 69, at 39 (arguing that the original meaning of progress was to disseminate information and using this definition would revolutionize American intellectual property laws).

coding.<sup>71</sup> Open-access to software code sparked the idea of open access to culture generally, including the call to access knowledge.<sup>72</sup> Building on the ideas of free software, and in the aftermath of the Supreme Court's decision in *Eldred*, the Creative Commons emerged as an alternative to copyright.<sup>73</sup> The Creative Commons recognized that not all creative work was well suited to the one-size-fits-all copyright statute. Thus, it uses copyright law to help copyright owners license the type of sharing they are willing to grant.<sup>74</sup>

The Creative Commons continues to innovate, providing new ways to enhance open-access. In 2005 the Science Commons Open-Access Law Program was announced.<sup>75</sup> Built on the same assumptions as the broader Creative Commons, the Open-Access Law Program works with law journals to assure that access to legal texts is

---

<sup>71</sup> See generally ERIC S. RAYMOND, *THE CATHEDRAL & THE BAZAAR: MUSINGS ON LINUX AND OPEN SOURCE BY AN ACCIDENTAL REVOLUTIONARY* (2001) (developing an early theoretical framework of open-source software); STALLMAN, *supra* note 69 (providing writings by the computer scientist generally understood to have sparked the free software movement).

<sup>72</sup> See generally PETER DRAHOS & RUTH MAYNE, *GLOBAL INTELLECTUAL PROPERTY RIGHTS: KNOWLEDGE, ACCESS AND DEVELOPMENT* (2002) (discussing the global issues of access to knowledge).

<sup>73</sup> See generally LAWRENCE LESSIG, *FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY* (2004); LAWRENCE LESSIG, *REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY* (2008).

<sup>74</sup> *Frequently Asked Questions*, CREATIVE COMMONS, <https://creativecommons.org/faq/#what-are-creative-commons-licenses> [https://perma.cc/9ZSE-M2GS] (last visited Oct. 23, 2019).

<sup>75</sup> Raul, *Creative Commons and Science Commons Announce Open Access Law Program*, CREATIVE COMMONS (2005), <https://creativecommons.org/2005/06/06/creativecommonsandsciencecommonsannounceopenaccesslawprogram/> [https://perma.cc/3NE8-55RQ].

available to all.<sup>76</sup> State-wide initiatives to broaden access to the law, including access to legal materials, are also underway. Washington State in 2006, for example, promulgated Access to Justice Principles in an effort to establish an open framework for its citizens to access the law.<sup>77</sup> Another example is the Free Law Project, which, among other things, has developed a web app called RECAP that allows users to access court documents that they would otherwise have to pay for free using PACER.<sup>78</sup> Such access to the law is positioned as being critical for due process and democracy.<sup>79</sup>

As attention focused on access to knowledge, it became apparent that access to knowledge was hampered by the increasing privatization and high cost of educational materials, journal articles, and a business model where the public was charged to access the research funded by their tax dollars.<sup>80</sup> Two permutations of the global call for access to

---

<sup>76</sup> Michael W. Carroll, *The Movement for Open Access on Law*, 10 LEWIS & CLARK L. REV. 741, 754–55 (2006) (describing the scope of the Open Access Law Program).

<sup>77</sup> Arewa, *supra* note 50, at 833; *Washington State Access to Justice Technology Principles*, WASH. STATE CT. 1, [https://www.courts.wa.gov/court\\_rules/?fa=court\\_rules.rulesPDF&ruleId=amatj02principles&pdf=1](https://www.courts.wa.gov/court_rules/?fa=court_rules.rulesPDF&ruleId=amatj02principles&pdf=1) [<https://perma.cc/PB9C-SEHK>].

<sup>78</sup> *About Free Law Project*, FREE L. PROJECT, <https://free.law/about> [<https://perma.cc/7MXA-Z8ZR>] (last visited July 22, 2020); Timothy K. Armstrong, *Crowdsourcing and Open Access: Collaborative Techniques for Disseminating Legal Materials and Scholarship*, 26 SANTA CLARA COMPUT. HIGH TECH. L. J. 591, 604 (2010).

<sup>79</sup> Johnson, *supra* note 53, at 624, 627.

<sup>80</sup> See UC Office of the President, *UC Terminates Subscriptions with World's Largest Scientific Publisher in Push for Open Access to Publicly Funded Research*, U. C. (Feb. 28, 2019), <https://www.universityofcalifornia.edu/press-room/uc-terminates-subscriptions-worlds-largest-scientific-publisher-push-open-access-publicly> [<https://perma.cc/6JXP-DNZG>]; Julie L. Kimbrough & Laura N. Gasaway, *Publication of Government-Funded Research, Open Access, and the Public Interest*, 18 VAND. J. OF ENT. & TECH. L. 267,

knowledge can be found in the United States.<sup>81</sup> First, is the Open Educational Resources (“OER”) movement now building at college campuses across the world and in the U.S. It is one response to the monopoly pricing of textbooks that have made them all but unaffordable for students.<sup>82</sup> Second, is a corresponding effort by libraries and academics to create open-access repositories designed to make academic research more easily available without expensive paywalls.<sup>83</sup>

Libraries have been active in securing access to knowledge and, as a result, became a central player in yet another case out of Georgia, this time between the major corporate publishers and Georgia State University over the use of electronic reserves. In *Cambridge University Press v. Becker*, the major publishing companies took issue with Georgia State’s e-reserve system where electronic book selections were made available to students as part of an electronic course reserve system.<sup>84</sup> Georgia State argued for fair use of these copyrighted materials, and the most recent decision in this decade-long battle was issued in March of

---

269-270 (2016) (describing the argument that taxpayers should not have to pay twice for access to publicly funded research).

<sup>81</sup> See generally GAËLLE KRİKORIAN & AMY KAPCZYNSKI, ACCESS TO KNOWLEDGE IN THE AGE OF INTELLECTUAL PROPERTY (2010) (the two permutations include: First, the high cost of textbooks and second is access to publicly funded research, both resulting in new efforts to expand access and take on the private controllers of information).

<sup>82</sup> OER COMMONS, <https://www.oercommons.org/> [<https://perma.cc/GML2-MZQ8>] (last visited June 13, 2020); see also Jacob J. Jenkins et al., *Textbook Broke: Textbook Affordability as a Social Justice Issue*, 2020 J. OF INTERACTIVE MEDIA IN ED., Issue 1, Art. 3, 3 (2020) <https://doi.org/10.5334/jime.549> (demonstrating that OER is a response to the high price of textbooks as well as enhancing equity for underrepresented populations).

<sup>83</sup> Armstrong, *supra* note 78, at 595–96 (discussing the role played by academics and libraries in expanding the open access model and developing options to access scholarship).

<sup>84</sup> *Cambridge Univ. Press v. Becker*, No. 1:08-CV-1425-ODE, 2020 WL 998763, at \*2 (N.D. Ga. 2020).

2020.<sup>85</sup> After having the decision reversed and remanded twice, the district court again largely sided with Georgia State, when for a third time, it had to calculate which of the 48 copyright infringement claims constituted fair use.<sup>86</sup> While each time the district court found for Georgia State on the vast majority of the fair use challenges (in the most recent 37 of 48),<sup>87</sup> what is illuminating about the decades-long litigation is twofold. First, the decision clarifies just how unhelpful fair use is as a doctrine for identifying what can and cannot be used without costly litigation. Second, that the interests of academic authors to be read, cited, and contribute to knowledge, as well as the interest in educators to provide easy and affordable access to their students, is at odds with their publisher’s interests in making money. To date, it is unclear if the publishers will appeal this third ruling, but the outcome, while generally supporting fair use, has not contributed any bright lines to understanding what fair use actually entails.<sup>88</sup>

---

<sup>85</sup> *District Court Finds Majority of Uses to be Fair in Georgia State E-Reserves Case*, AUTHORS ALL. (Mar. 4, 2020), <https://www.authorsalliance.org/2020/03/04/district-court-finds-majority-of-uses-to-be-fair-in-georgia-state-e-reserves-case/> [<https://perma.cc/9LXX-3GBH>].

<sup>86</sup> *Id.*

<sup>87</sup> *Id.* (arguing for fair use by claiming “[w]e explained that the primary motivation of academic authors to write scholarly book chapters is generally to share the knowledge and insights they have gained, and the type of reward that academic authors have generally sought and hoped to attain through writing scholarly book chapters is enhancement of their reputations. Bolstering the case for fair use, we discussed how the use of fact-, method-, and theory-intensive scholarly book chapters assigned primarily because of the originality of ideas, theses, research, data, and methods they contain, rather than on originality of expression, should tip in favor of fair use.”).

<sup>88</sup> Lindsay McKenzie, *Georgia State and Publishers Continue Legal Battle over Fair Use of Course Materials*, INSIDE HIGHER ED (Oct. 30, 2018), <https://www.insidehighered.com/news/2018/10/30/georgia-state-and-publishers-continue-legal-battle-over-fair-use-course-materials>

The complications of the fair use analysis aside, the push for open access to academic scholarship, especially scholarship funded by the U.S. federal government has met with some success. In 2013, the Obama administration issued a statement that research funded with federal dollars would be made available a year after publication as part of a commitment to open access, a move widely criticized by publishers.<sup>89</sup> In February 2020, the Trump Administration issued a request for comments to take Obama's rule one step further and require immediate free access to government-funded research, a move also widely criticized by publishers.<sup>90</sup> This federal trend toward more access rather than less suggests that calls for open-access have been at least somewhat successful.

There is yet another dimension in the push for broader and more expansive open access to academic work that has taken a more direct approach to securing access to knowledge. The next section describes the acts of civil disobedience, what publishers would call "piracy," taken as activists for open access have engaged in resistance to copyright law. These efforts at extralegal resistance demonstrate how the law is shaped in favor of a status quo of privatization.

---

[<https://perma.cc/VRG2-Y64J>] (arguing that the publishers should have dropped the suit years ago).

<sup>89</sup> Michael Stebbins, *Expanding Public Access to the Results of Federally Funded Research*, WHITE HOUSE: BLOG (Feb. 22, 2013, 12:04 PM), <https://obamawhitehouse.archives.gov/blog/2013/02/22/expanding-public-access-results-federally-funded-research> [<https://perma.cc/DLZ2-6GZJ>].

<sup>90</sup> Kelsey Brugger, *White House Formally Invites Public Comment on Open-Access Policies*, SCIENCE (Feb. 21, 2020, 2:15 PM), <https://www.sciencemag.org/news/2020/02/white-house-formally-invites-public-comment-open-access-policies> [<https://perma.cc/GT2Z-XUDQ>].

## **B. Extralegal Resistance: Pirate Utopias and Public Sharing**

Two examples tell the story of how the power of the State to enforce copyright laws is used to stifle access to privatized knowledge and also serves to demonstrate why the Supreme Court decision in favor of even a small de-privatization effort is significant.

### **1. Aaron Swartz and JSTOR**

By all accounts, Aaron Swartz was a brilliant coder and, at an early age, had become part of the movement to ensure everyone could access knowledge.<sup>91</sup> As part of this effort, Swartz illegally downloaded the contents of JSTOR, a repository of academic articles, including many already in the public domain, and posted them on the Internet for free access.<sup>92</sup> JSTOR typically charges universities around \$50,000 per year for access to their journal repository, and Swartz accessed their database by tapping into MIT's network. Swartz violated JSTOR's licensing agreement and, at one point, broke into a closet on MIT's campus to tap directly into their system.<sup>93</sup> For these acts, Swartz was arrested and charged with a variety of crimes ranging from wire and computer fraud to unauthorized access.<sup>94</sup> Federal prosecutors sought penalties of up to 30 years in prison for the array of crimes they continued to pursue against Swartz.<sup>95</sup> Faced with the federal charges and a legal battle,

---

<sup>91</sup> Aaron Swartz, *Guerilla Open Access Manifesto*, PASTEBIN (July 20, 2011), <http://pastebin.com/cefxMVAy> [<https://perma.cc/J2ZD-HHGJ>].

<sup>92</sup> Orin Kerr, *The Criminal Charges Against Aaron Swartz (Part 1: The Law)*, VOLOKH CONSPIRACY (Jan. 14, 2013, 2:50 AM), <http://www.volokh.com/2013/01/14/aaron-swartz-charges/> [<https://perma.cc/TU5A-7WNV>].

<sup>93</sup> *Id.*

<sup>94</sup> Picker, *supra* note 15, at 1208; VOLOKH CONSPIRACY, *supra* note 92.

<sup>95</sup> Nathan Robinson, *Prosecutors Sought 30 Years for Swartz's JSTOR Download, 35 for Headley's Mumbai Massacre*, HUFFINGTON POST



the 26-year-old Swartz committed suicide.<sup>96</sup> His tragic death galvanized public opinion in opposition to the State of the law and inspired a documentary about Swartz's commitment to the question of access to information.<sup>97</sup> His actions outside the law, inspired by his belief in access to information as a social justice issue, helped shed light on how the law is used to protect owners of knowledge against those who would seek access.

## **2. Sci-Hub, Filesharing, and the Piracy of Academic Scholarship**

A second activist has also taken up the call for open access to knowledge by confronting the legal structure that prohibits such access directly. Using similar technologies as those used for sharing music online, Alexandra Elbakyan created a global database of scientific research called Sci-Hub, which is, as the copyright owners would call it, a massive piracy site.<sup>98</sup> Elbakyan developed Sci-Hub.org as a graduate student when she was unable to access the vast majority of peer-reviewed articles she needed for her studies

---

(Jan. 30, 2013, 11:41 AM), [http://www.huffingtonpost.com/nathan-robinson/headley-mumbai-massacre-conviction\\_b\\_2571156.html](http://www.huffingtonpost.com/nathan-robinson/headley-mumbai-massacre-conviction_b_2571156.html) [<https://perma.cc/76UA-YKTH>].

<sup>96</sup> Tony Cartalucci, *In Memory of Aaron Swartz: Here are 14 Ways to Fight Back Against the "Intellectual Property" Racket*, FILMS FOR ACTION (Jan. 13, 2013), [http://www.filmsforaction.org/takeaction/in\\_memory\\_of\\_aaron\\_swartz\\_here\\_are\\_14\\_ways\\_to\\_fight\\_back\\_against\\_the\\_intellectual\\_property\\_racket/](http://www.filmsforaction.org/takeaction/in_memory_of_aaron_swartz_here_are_14_ways_to_fight_back_against_the_intellectual_property_racket/) [<https://perma.cc/7JJN-NS9A>].

<sup>97</sup> Brian Knappenberger, *The Internet's Own Boy* (2014), AMAZON, <https://www.amazon.com/Internets-Own-Boy-Aaron-Swartz/dp/B00L89QCPE> [<https://perma.cc/H3ZY-WNFE>] (documenting Swartz's efforts to expand access to information as part of a larger commitment to social justice).

<sup>98</sup> Ernesto Van der Sar, *Sci-Hub Tears Down Academia's "Illegal" Copyright Paywalls*, TORRENTFREAK (June 27, 2015), <https://torrentfreak.com/sci-hub-tears-down-academias-illegal-copyright-paywalls-150627/> [<https://perma.cc/QF22-XP2M>].

because they all resided behind expensive paywalls.<sup>99</sup> Sci-Hub was the solution. It makes available globally and for free over sixty-four million academic papers.<sup>100</sup> As the Sci-Hub website notes, it is “the first website in the world to provide mass & public access to research papers.”<sup>101</sup>

Elbakyan’s website did not go unnoticed by the major for-profit publishers who charge monopoly prices for access to the scientific literature published in their journals. In 2015 one of those publishers, Elsevier, sued Elbakyan and another academic filesharing service, Library Genesis in U.S. court.<sup>102</sup> Elbakyan is from Kazakhstan and did not respond to the complaint, nor did she appear in court to face charges. As a result, the District Court sided with Elsevier, and issued a permanent injunction against Sci-Hub and a \$15 million fine, the maximum amount the law allows for copyright infringement of each of the 100 articles Elsevier used in its complaint.<sup>103</sup> Had Elsevier included additional articles, they could have claimed a ridiculous sum of money for sharing academic research that, because of the existing paywall structure, most users would never have accessed or read. To illustrate how skewed the law is towards copyright owners, consider the fine the RIAA claimed that music filesharing

---

<sup>99</sup> *Id.*

<sup>100</sup> Ian Graber-Stiehl, *Meet the Pirate Queen Making Academic Papers Free Online*, VERGE (Feb. 8, 2018), <https://www.theverge.com/2018/2/8/16985666/alexandra-elbakyan-sci-hub-open-access-science-papers-lawsuit> [https://perma.cc/95F2-C4RB].

<sup>101</sup> SCI-HUB, <https://sci-hub.se/> (last visited June 21, 2020).

<sup>102</sup> Ernesto Van der Sar, *Elsevier Cracks Down on Pirated Scientific Articles*, TORRENTFREAK (June 9, 2015), <https://torrentfreak.com/elsevier-cracks-down-on-pirated-scientific-articles-150609/> [https://perma.cc/6LKN-PJME].

<sup>103</sup> Ernesto Van der Sar, *Sci-Hub Ordered to Pay \$15 Million in Piracy Damages*, TORRENTFREAK (June 23, 2017), <https://torrentfreak.com/sci-hub-ordered-to-pay-15-million-in-piracy-damages-170623/> [https://perma.cc/RW7G-EYYE] (reporting that the court fined Sci-Hub for the copyright infringement of 100 articles at \$150,000 an article).

service LimeWire owed them—\$75 trillion dollars—ultimately settling for \$105 million dollars.<sup>104</sup>

Sci-Hub remains available, and as research has shown, it is used by people across the world, including the United States and throughout Europe.<sup>105</sup> One reason Sci-Hub is popular, even when a researcher may have access to peer-reviewed articles legitimately through their university library, is that it offers an easy way to access the world's academic literature.<sup>106</sup> However, despite its superior access model for those wanting to read scientific papers, Sci-Hub is illegal because it violates copyright law and threatens the business model of some of the largest corporations in the world. As a result, Elbakyan faces “financial ruin, extradition, and imprisonment,” and keeps her current whereabouts unknown.<sup>107</sup> Such are the stakes in the ongoing efforts to make access to knowledge a reality.

The push to expand access to knowledge through means that violate the law illuminates how privatized knowledge has become. The law provides copyright owners with a range of protective measures such that even if Elbakyan had chosen to appear in U.S. court to defend herself, she would have no grounds under current law to do so. Ironically, academics tend to want to be read and cited, yet when their scholarship is housed behind a paywall, it is unlikely their ideas will gain full exposure. Sci-Hub thus

---

<sup>104</sup> See Greg Sandoval, *Lime Wire Settles with RIAA for \$105 Million*, CNET (May 12, 2011), <https://www.cnet.com/news/lime-wire-settles-with-riaa-for-105-million/> [<https://perma.cc/39DC-J7WH>].

<sup>105</sup> John Bohannon, *Who's Downloading Pirated Papers? Everyone*, SCIENCE (Apr. 28, 2016, 2:00 PM), <https://www.sciencemag.org/news/2016/04/whos-downloading-pirated-papers-everyone> [<https://perma.cc/Y49V-7TAN>].

<sup>106</sup> *Id.* (“It is as simple to use as Google’s search engine, and as long as you know the DOI or title of a paper, it is more reliable for finding the full text. Chances are, you’ll find what you’re looking for.”).

<sup>107</sup> *Id.*

promotes “[p]rogress of [s]cience and useful [a]rts,”<sup>108</sup> the constitutional mandate justifying the limited monopoly of copyright, far better than the concentrated publishing industry does.

Understanding the larger political context of privatization and open access helps communicate why this Supreme Court’s decision is important. The next section traces *Georgia v. PRO* from the District Court’s decision in favor of the State of Georgia to the Supreme Court’s decision in favor of Public.Resource.org. Privatization of the materials surrounding judicial opinions has meant over time that the law itself has become difficult to access. Furthermore, because many states assert copyright over their official codes so that they can contract with a private company to help produce them, access to the law varies from state to state. The Supreme Court’s finding for the public domain within this broader context will potentially impact how law is accessed across the United States.

#### **IV. *GEORGIA V. PRO***

According to interviews, Malamud believes his quest for open law and open standards is essential to a democratic society.<sup>109</sup> From his early project putting the ITU code online for free, he learned “the power of open standards,” and the importance of “putting large document archives online.”<sup>110</sup> Malamud has used his small, primarily grant-funded nonprofit Public.Resource.org to scan documents he believes should be public domain materials and ensure they

---

<sup>108</sup> U.S. CONST. art. I, §8, cl. 8.

<sup>109</sup> Hendler, *supra* note 1.

<sup>110</sup> *Id.*; Priyanka Pulla, *The Plan to Mine the World’s Research Papers*, 571 NATURE 316, 316–18 (2019) (describing Malamud’s efforts to create a data mining site for researchers to access the world’s published research for meta data analysis).

are available online for free access.<sup>111</sup> Georgia's copyright infringement claims are not the first he has encountered. Before Georgia filed its complaint, Malamud, along with the website Justia, had been involved in a similar clash with the State of Oregon over the ability to copyright the Oregon Revised Statutes.<sup>112</sup>

In Oregon, like Georgia, while the State did not claim copyright to the law, it did assert copyright over all ancillary text, including annotations, explanatory notes, numbering, indexing, and more.<sup>113</sup> Upon learning that the Oregon Revised Statutes had been scanned and put online, Oregon sent a cease and desist letter requesting that their copyrighted annotated statute be taken down.<sup>114</sup> The ensuing controversy led the State to instead publicly revoke their cease and desist request and invite the CEO of Justia, Tim Stanley, and Malamud to Oregon to work out a compromise.<sup>115</sup> While Oregon did not rescind their copyright, they did grant Public.Resource.org and Justia a limited license to publish the Oregon statute. The agreement resolved the immediate controversy but not the larger question about the copyrightability of the text associated with a state's official law.<sup>116</sup> Georgia, it turned out, was not open to sharing their official code.

### *A. An Early Pre-Cursor to Georgia v. PRO*

The case against Malamud was not Georgia's first attempt to defend its official code from copyright

---

<sup>111</sup> Doctorow, *supra* note 6.

<sup>112</sup> Walters, *supra* note 44.

<sup>113</sup> Fortney, *supra* note 43, at 62.

<sup>114</sup> Johnson, *supra* note 53, at 603–04 (describing the Oregon cease and desist letters to Justia).

<sup>115</sup> Walters, *supra* note 44.

<sup>116</sup> *Id.*; Carroll, *supra* note 76, at 759 (arguing for enhanced public domain access to state official codes as part of the movement for open access to the law).

infringement. In the early 1980s, Georgia had just revised its official code and gave the Michie Company a ten-year exclusive right to publish the official code while retaining copyright ownership.<sup>117</sup> In *Georgia v. Harrison Co.* the State asserted copyright ownership over the newly revised Georgia code when it was copied by the defendant publisher.<sup>118</sup> The District Court sided with the defendants and held that Georgia could not copyright the law because it was not sufficiently original, but the case ultimately settled, making the current litigation decades later possible.<sup>119</sup>

### ***B. The District Court Decision***

The District Court began by describing the agreement between Georgia and Matthew Bender, the subsidiary of Lexis that worked on the code, that would allow the company to publish and sell the official version in print and CD-ROM while providing for the public an unannotated version online for free.<sup>120</sup> The Court did not discuss the authorship of Georgia or Lexis in the opinion. The analysis of the Court began with determining the rights the authors had over their work. Specifically, the District Court pointed to the fact the Copyright Act itself and the Copyright Office list annotations as copyrightable subject matter.<sup>121</sup> The Court acknowledged that a government edict

---

<sup>117</sup> *Georgia v. Harrison Co.*, 548 F. Supp. 110, 112 (N.D. Ga. 1982), *vacated sub nom. on different grounds*, State of Ga. on Behalf of Gen. Assembly of Ga. By & Through Code Revision Comm'n v. Harrison Co., 559 F. Supp. 37 (N.D. Ga. 1983).

<sup>118</sup> *Id.* at 113.

<sup>119</sup> *Id.* at 115–16; *see Harrison Co.*, 559 F. Supp. at 37.

<sup>120</sup> *Code Revision Comm'n v. Public.Resource.Org. Inc.*, 244 F. Supp. 3d 1350, 1353–54 (N.D. Ga. 2017), *rev'd and remanded sub nom.* *Code Revision Comm'n for Gen. Assembly of Georgia v. Public.Resource.Org, Inc.*, 906 F.3d 1229 (11th Cir. 2018), *aff'd sub nom.* *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498 (2020).

<sup>121</sup> *Id.* at 1356.

is not copyrightable, but because annotations are not government edicts and thus do not have the force of law, they are not included in public domain materials.<sup>122</sup> The Court sided with Georgia that the annotations were not enacted into law and thus cannot have the force of law required to be a government edict.<sup>123</sup>

The Court then rejected each of PRO's claims. First, they rejected PRO's argument that the merger doctrine, a doctrine that limits copyright if there are no other ways to express an idea, applied.<sup>124</sup> Instead, the Court held that, "[t]here is no question that there are a multitude of ways to write a paragraph summarizing a judicial decision, and further, a multitude of ways to compile the different annotations throughout the O.C.G.A."<sup>125</sup>

Second, the Court rejected PRO's argument that copyrighting the code was fair use for several reasons. First, according to the Court, directly copying the code and annotations was not transformative.<sup>126</sup> Second, although PRO is a nonprofit that distributed the code for free, it gained reputation from its actions and thus "profited" for the purposes of the fair use analysis.<sup>127</sup> Third, the District Court found that because Lexis recoups the cost of writing the annotations through its sales, the impact on the market is significant and PRO's free copy is not a fair use because it "destroy[ed] Lexis/Nexis's ability to recover these costs."<sup>128</sup>

In finding for Lexis, the District Court took the authorship of Lexis as a given because the Copyright Act includes "annotations" as one possible copyrightable

---

<sup>122</sup> *Id.*

<sup>123</sup> *Id.* at 1357.

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*

<sup>126</sup> *Id.* at 1358.

<sup>127</sup> *Id.* at 1359.

<sup>128</sup> *Id.* at 1360–61.

item.<sup>129</sup> As a copyrightable text, the Court applied a conventional fair use analysis to the wholesale copying of the code rather than looking at alternative explanations raised by the defense, like the government edicts doctrine or the merger doctrine.<sup>130</sup> The Court did not dwell on the relationship between Lexis and the Commission, tasked with coordinating the annotated code, nor did it spend much time analyzing what constituted a government edict. For the Court, the outcome was straightforward: Georgia held a copyright in the annotated code, and when PRO copied the entire annotated code and distributed it for free it was not protected by fair use.<sup>131</sup> The U.S. Court of Appeals for the Eleventh Circuit, however, arrived at a different decision.

### ***C. The Eleventh Circuit Reversal***

Unlike the district court, the Eleventh Circuit focused on the concept of authorship and the role sovereign power played in the construction of the annotations.<sup>132</sup> The code itself cannot be copyrighted because, according to the Eleventh Circuit, it is a document authored by the people as “constructive authors” who are the “reservoir of all sovereignty[,]” making legal texts “intrinsicly in the public domain.”<sup>133</sup> In an opinion that sometimes reads as an exegesis on the political philosophy of sovereignty, the Eleventh Circuit created a three-part test to determine if the sovereignty of the people could be found in the challenged work. First, it looked to the identity of public officials who had authored the work, second, it assessed the

---

<sup>129</sup> *Id.* at 1356.

<sup>130</sup> *Id.* at 1357–58.

<sup>131</sup> *Id.* at 1361.

<sup>132</sup> Code Revision Comm’n for Gen. Assembly of Georgia v. Public.Resource.Org. Inc., 906 F.3d 1229, 1232 (11th Cir. 2018), *aff’d sub nom.* Georgia v. Public.Resource.Org, Inc., 140 S. Ct. 1498 (2020).

<sup>133</sup> *Id.*



authoritativeness of the work, and finally, it evaluated the process used to create the text.<sup>134</sup>

Unlike the district court that clearly demarcated annotations from public domain code, the Eleventh Circuit found Georgia's official annotations to be "sufficiently law-like" to "be properly regarded as a sovereign work."<sup>135</sup> To support its argument, the Eleventh Circuit pointed to the fact that Georgia, itself, makes the annotations part of its official code, that the Commission tasked with directing the production of the annotations is primarily made up of public officials, and that Lexis takes explicit instructions from the Commission in what annotations will be included, rather than writing them independently.<sup>136</sup> As a result, when looking at the Georgia Official Code the Court located authorship within the People, and by doing so, removed the code from being subject to the Copyright Act at all; instead, they placed it squarely in the public domain.<sup>137</sup> Because it is in the public domain, PRO could not have infringed the copyright, nor was there a need to apply a fair use analysis. As the Court opined rather poetically, "[w]hen the legislative or judicial chords are plucked it is in fact the People's voice that is heard. Not surprisingly, then, for purposes of copyright law, this means that the People, as the constructive authors are also the owners of the law."<sup>138</sup> The court saw important public policy reasons for the law to be in the public domain and was willing to extend this principle even when the "creator of the work was a private sector actor."<sup>139</sup>

---

<sup>134</sup> *Id.*

<sup>135</sup> *Id.* at 1233.

<sup>136</sup> *Id.* at 1234.

<sup>137</sup> *Id.* at 1236.

<sup>138</sup> *Id.* at 1239.

<sup>139</sup> *Id.* at 1241 (applying the logic of the Fifth Circuit Court of Appeals in *Veeck* that held private standards incorporated by reference into public statute became part of the public domain to the annotations at issue here).

The Eleventh Circuit still had to grapple with the fact that the annotations were not written by the state but by a private actor. To get around this, the Court acknowledged that while in a “zone of indeterminacy,” materials like these annotations are “sufficiently law-like” to be comprehended as emanating from the constructive authorship of the state.<sup>140</sup> Essentially, the Eleventh Circuit defined Lexis’s authorship out of existence by relying upon the notion of constructive authorship. Lexis may have written the annotations, but the product was something law-like and thus technically authored by the state. Furthermore, Lexis, the Court stated, may have been a scribe, but they were merely following directions because Georgia had provided “punctiliously specific instructions” on what to write, how much to write, and how to organize it.<sup>141</sup> According to the Court, the Commission, not Lexis, was the author, and the Commission acted as a virtual arm of the legislature, a body that ultimately votes the official annotated code into law.<sup>142</sup>

The Eleventh Circuit did not have to address the fair use arguments that were a substantial part of the district court ruling because the work at issue was not subject to copyright protection to begin with. As a work in the public domain, the official code and its annotations can be copied because it was authored by the people themselves, channeling their sovereignty through the Georgia State Legislature to the Commission, which then directed the hand of Lexis employees to write these law-like annotations. It is like the automatic writing of the occult—something beyond the actual writer is directing the writing, in this case, the sovereign citizen.

The decision vindicated Malamud’s quest for access to the law and was a decision that open access advocates

---

<sup>140</sup> *Id.* at 1242.

<sup>141</sup> *Id.* at 1243.

<sup>142</sup> *Id.* at 1245.

*Expanding the Public Domain after Georgia v. Public.Resource.Org., Inc.* 365

could embrace.<sup>143</sup> However, not all commentators supported the outcome of the Eleventh Circuit.<sup>144</sup> While it was the State of Georgia that appealed the ruling, Malamud also supported the appeal, stating that, “[r]epeating the laws of our country should not be considered a crime . . . I would like the Supreme Court to tell us which laws we are allowed to speak.”<sup>145</sup>

The Supreme Court of the United States needed to speak, in part because even after the Eleventh Circuit ruling, the State resisted providing a copy of the official code to Malamud. After the district court issued summary judgment in favor of Georgia, Malamud immediately removed Georgia’s code from his website. However, once the Eleventh Circuit found in his favor, he sought to purchase the code so that he could digitize it again. However, the State refused to sell him a copy, as did Lexis.<sup>146</sup> Even in the

---

<sup>143</sup> Street & Hansen, *supra* note 13, at 226 (arguing the decision was good for open access because there isn’t a clear dividing line between the law and the annotations and in the case of the official code, citizens were required to go through Lexis to access the official code).

<sup>144</sup> See Shipley, *supra* note 9, at 115 (arguing the Eleventh Circuit wrongly decided the case); Caroline L. Osborne, *A Research Tool is not Law: A Response to Code Revision Commission v. Public.Resource.Org, Inc.*, 28 TEX. INTELL. PROP. L. J. 53, 60–61 (2019) (arguing that much like a headnote, annotations are a research tool and are thus considered a secondary source that cannot be cited as part of an official document); *but see* Frohock, *supra* note 38, at 1299 (arguing the Eleventh Circuit’s outcome was correct but that it should have based its decision on the merger doctrine).

<sup>145</sup> Liptak, *supra* note 4 (ellipses added).

<sup>146</sup> Mike Masnick, *Despite Losing Its Copyright Case, The State of Georgia Still Trying to Stop Carl Malamud from Posting Its Laws*, TECHDIRT (Jan. 7, 2019, 10:45 AM), <https://www.techdirt.com/articles/20190106/22250741346/despite-losing-copyright-case-state-georgia-still-trying-to-stop-carl-malamud-posting-laws.shtml> [https://perma.cc/NK6B-UW8W]; Letter from Carl Malamud, President and Founder, Public.Resource.Org, Inc., to Richard C. Ruskell, Legislative Counsel, Office of Legislative Counsel, and Anders Ganten, Director of Government Content Acquisition, The RELX Group (Jan. 2,

face of a circuit court ruling, the state of Georgia continued to exert ownership and control over access to the law rather than let it be freely available to all.

#### *D. The Supreme Court Decision*

In April 2020, Chief Justice Roberts writing for a 5-4 majority that included Justices Sotomayor, Kagan, Gorsuch, and Kavanaugh, handed down a victory for Carl Malamud’s single-handed efforts to ensure that official legal materials are in the public domain.<sup>147</sup> Affirming the Eleventh Circuit’s conclusion, the Supreme Court agreed that copyright did not extend to the annotations included in Georgia’s official annotated code.<sup>148</sup> In doing so, the Court expanded the government edicts doctrine that had previously applied only to judges and judicial opinions to include “non-binding, explanatory legal materials created *by a legislative body* vested with the authority to make law.”<sup>149</sup> While affirming the Eleventh Circuit ruling, the Supreme Court did so on slightly different grounds by setting forth what it called a “straightforward rule.”<sup>150</sup> The Court declared that those “vested with the authority to make and interpret the law” are not “authors” as understood by the Copyright statute, and anyone, judge or legislator, who speaks with the authority of the state, cannot hold a copyright in their written work.<sup>151</sup> The conclusion was simply made: “no one can own the law.”<sup>152</sup>

---

2019), <https://assets.documentcloud.org/documents/5676251/Ga-Gov-20190102-1.pdf> [<https://perma.cc/F25T-Y43>].

<sup>147</sup> See *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498, 1506 (2020).

<sup>148</sup> *Id.* at 1503–04.

<sup>149</sup> *Id.* at 1504.

<sup>150</sup> *Id.* at 1506.

<sup>151</sup> *Id.* at 1507.

<sup>152</sup> *Id.*

While easy to declare, when applied to the trickier case in Georgia, the Court had some legal maneuvering to do. First, the Court explained why even though the annotations were written by a private company, they could still be declared government edicts. The answer was that while the Commission is not the legislature, it acts for them and with their authority.<sup>153</sup> Thus, as the Court concluded, “[a]lthough Lexis expend[ed] considerable effort preparing the annotations, for purposes of copyright that labor [sic] redounds to the Commission as the statutory author.”<sup>154</sup> Since the Commission was the author and not Lexis, the Court then asked if the annotations were written as part of the Commission’s legislative duties, and without much fanfare, decreed that it was so.<sup>155</sup>

The remainder of the opinion responded to the arguments made by Georgia and Justice Thomas’s dissent. First, Georgia argued that because annotations are specifically mentioned in §101 of the Copyright Act, they should be understood as appropriate subject matter for copyright.<sup>156</sup> The Court quickly dispatched this argument by noting that once the possibility of judges or legislators being authors is done away with, the works of authorship described in §101 are not relevant.<sup>157</sup> Despite Foucault’s claims to the contrary, authorship, it turns out, is a statutory construct that can be legally reasoned away so that copyright does not apply to these annotations.<sup>158</sup>

---

<sup>153</sup> *Id.* at 1508 (stating that this logic is supported by the Georgia Supreme Court that held the work of the Commission “*is within the sphere of legislative authority.*”) (italics in original).

<sup>154</sup> *Id.*

<sup>155</sup> *Id.* at 1509.

<sup>156</sup> *Id.*

<sup>157</sup> *Id.*

<sup>158</sup> See generally MICHELE FOUCAULT, *What is an Author?*, in LANGUAGE, COUNTER-MEMORY, PRACTICE: SELECTED ESSAYS AND INTERVIEWS 113, 130 (1977).

Second, Georgia claimed that the government edicts doctrine does not apply to the states, but only to the federal government.<sup>159</sup> The Court did not choose to comment on state’s rights or federalism, but held that while the federal government does have a more sweeping approach to what is in the public domain, such broad federal application was not applied here.<sup>160</sup> Rather, the Court explained, it is a “much narrower government edicts doctrine” that is at work—one that only applies to law making officials.<sup>161</sup> The states can continue to assert copyright “in the vast majority of expressive works they produce, such as those created by their universities, libraries, tourism offices, and so on.”<sup>162</sup> It isn’t entirely clear how this analysis answers Georgia’s claim about the Court’s extension of the government edicts principle to state officials and their written works, but the Court did not rise to protect federalist principles.

Third, Georgia argued that the Court should not apply the nineteenth-century precedents to this case because those decisions made public policy declarations rather than “statutory interpretations” as the “modern era” is more prone to do.<sup>163</sup> Georgia’s policy making argument hints at the ongoing tension between what conservatives call “judicial activism,” or policy making from the bench without appropriate deference to the legislative branch, and a more limited judicial interpretation of statutory meaning.<sup>164</sup>

---

<sup>159</sup> *Public.Resource.Org, Inc.*, 140 S. Ct. at 1509.

<sup>160</sup> *Id.* at 1509–10.

<sup>161</sup> *Id.* at 1510.

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> Warren S. Grimes, *Judicial Activism in the First Decade of the Roberts Court: Six Activism Measures Applied*, 48 SW. L. REV. 37, 41 (2019) (arguing that an unelected court should not be a policy maker); see also Neil S. Siegel, *Interring the Rhetoric of Judicial Activism*, 59 DEPAUL L. REV. 555, 557–71 (2010) (detailing the political rhetoric of conservative judicial activism as a failure to show deference to legislatures).

*Expanding the Public Domain after Georgia v.  
Public.Resource.Org., Inc.*    **369**

Without delving into the politicized morass of judicial interpretation, much like it did with the issue of federalism, the Court sidestepped the issue and instead claimed that it was “particularly reluctant to disrupt precedents interpreting language that Congress has since reenacted.”<sup>165</sup> Basically, because Congress has used these prior cases as the basis for its own copyright revisions, it clearly intended for the law to be in the public domain.<sup>166</sup> As a result, because Congress has let the centuries roll by without removing the government edicts doctrine from the interpretation of the statute, the Court wasn’t going to do that for them.<sup>167</sup> The Court found that the Compendium of practices produced by the Copyright Office, while only persuasive, was further evidence that government edicts are not copyrightable and instead the Court’s precedents should prevail.<sup>168</sup>

The Court then moved to Georgia’s argument that the government edicts doctrine should be narrowly construed to only those items that have the “force of law.”<sup>169</sup> The Court addressed Justice Thomas’s dissenting argument that the Court should go to the “root” of the government edicts precedents of which Thomas locates somewhere in history, but the majority locates this in the text of the Copyright statute itself.<sup>170</sup> It is in response to Justice Thomas’

---

<sup>165</sup> *Public.Resource.Org., Inc.*, 140 S. Ct. at 1510.

<sup>166</sup> See Shubha Ghosh, *Copyright As Privatization: The Case of Model Codes*, 78 TUL. L. REV. 653, 675 (2004) (“[P]ublic ownership of the law means precisely that ‘the law’ is in the ‘public domain’ for whatever use the citizens choose to make of it.” (quoting *Veeck v. S. Bldg. Code Cong. Int’l, Inc.*, 293 F.3d 791, 799 (5th Cir. 2002))).

<sup>167</sup> *Public.Resource.Org., Inc.*, 140 S. Ct. at 1510.

<sup>168</sup> *Id.* at 1510–11

<sup>169</sup> *Id.* at 1511–12.

<sup>170</sup> *Id.* at 1512 (“Furthermore, despite Georgia’s and Justice Thomas’s purported concern for the text of the Copyright Act, their conception of the government edicts doctrine has *less* of a textual footing than the traditional formulation. The textual basis for the doctrine is the Act’s ‘authorship’ requirement, which unsurprisingly focuses on – the author. Justice Thomas urges us to dig deeper to ‘the root’ of our government

argument regarding the root of the government edicts doctrine that the majority frames access to the law as an issue of democracy and equity, albeit in relatively shallow terms.<sup>171</sup> As Chief Justice Roberts stated, without access to the official annotated version of Georgia’s statutes, a citizen of Georgia who can only access the “economy-class version” will not be in a position to understand how the law has evolved, while “first-class readers” will understand how the law is currently interpreted and applied.<sup>172</sup> To allow Georgia to copyright and control access to everything but the statutes and opinions would place everyone at risk of severe penalties, including criminal sanctions, for accessing the law.<sup>173</sup>

Given that the Court stripped copyright away by removing the possibility of the Commission being an author for the purposes of copyright, there was no need to delve into the possible fair use defenses that made up a substantive part of the district court opinion.<sup>174</sup> The larger issues of authorship and state authors as voices of the sovereign raised by the Eleventh Circuit were also not central to the Supreme

---

edicts precedents. But, in our view, the text *is* the root. The Court long ago interpreted the word ‘author’ to exclude officials empowered to speak with the force of law, and Congress has carried that meaning forward in multiple iterations of the Copyright Act.”) (internal cross-reference omitted).

<sup>171</sup> *Id.*

<sup>172</sup> *Id.*

<sup>173</sup> *Id.* at 1513.

<sup>174</sup> *Compare id.* at 1512–13 (holding that how just as the government edicts doctrine, under which judges cannot be the author of and cannot copyright the works they produce in the course of their official duties as judges, applies to whatever work legislators perform in their capacity as legislators; Georgia’s Code Revision Commission, discharged legislative duties and authored annotations contained in Georgia’s official annotated code, qualified as legislator), *with* Code Revision Comm’n v. Public.Resource.Org, Inc., 244 F. Supp. 3d 1350, 1357-61 (N.D. Ga. 2017) (the District Court discusses fair use for four consecutive pages).



Court's analysis.<sup>175</sup> Additionally, while the Eleventh Circuit found the annotations "sufficiently law like," the Supreme Court simply declared them to be government edicts outright.<sup>176</sup> The next section will discuss the importance of the decision in terms of current interpretations of copyright, authorship, and the public domain.

## V. THE IMPORTANCE OF *GEORGIA V. PRO*

### A. *Impact on the Incorporation by Reference Debate*

The victory in *Georgia v. PRO* may be helpful in Malamud's ongoing litigation to assure the public has free access to private standards "incorporated by reference" into official codes.<sup>177</sup> As Malamud's case in Georgia was heading to the Supreme Court, he was also involved in litigation over the publication on his website of private

---

<sup>175</sup> Compare *Public.Resource.Org, Inc.*, 140 S. Ct. at 1512-13 (the Supreme Court did not include authorship and state authors as voices of the sovereign as a central part of its analysis), with *Code Revision Comm'n for Gen. Assembly of Georgia v. Public.Resource.Org, Inc.*, 906 F.3d 1229, 1232, 1239-40, 1247-55 (11th Cir. 2018) (the Eleventh Circuit discussed authorship and state authors as voices of the sovereign extensively).

<sup>176</sup> Compare *Public.Resource.Org, Inc.*, 140 S. Ct. at 1506, 1509, with *Code Revision Comm'n*, 906 F.3d at 1233.

<sup>177</sup> Mike Masnick, *Appeals Court Says Of Course Georgia's Laws (Including Annotations) Are Not Protected by Copyright and Free to Share*, TECHDIRT (Oct. 19, 2018), <https://www.techdirt.com/articles/20181019/12232640876/appeals-court-says-course-georgias-laws-including-annotations-are-not-protected-copyright-free-to-share.shtml> [<https://perma.cc/3AV6-K6YX>]; Cathy Gellis, *Appeals Court Tells Lower Court to Consider if Standards 'Incorporated Into Law' Are Fair Use; Could Have Done More*, TECHDIRT (July 20, 2018), <https://www.techdirt.com/articles/20180719/13434440270/appeals-court-tells-lower-court-to-consider-if-standards-incorporated-into-law-are-fair-use-could-have-done-more.shtml> [<https://perma.cc/7UWQ-A4XW>].

standards incorporated by reference into public law.<sup>178</sup> The timing was such that the litigants in *American Society for Testing and Materials et. al. v. Public.Resource.Org., Inc.*,<sup>179</sup> did not want any decision by the Supreme Court to influence the outcome of their case.<sup>180</sup>

In 2018, the D.C. Circuit Court of Appeals reversed and remanded the incorporation by reference controversy on the issue of fair use.<sup>181</sup> However, the Court’s majority specifically noted that they were not addressing the “far thornier question of whether standards retain their copyright after they are incorporated by reference into law.”<sup>182</sup> Because the Court did not address the copyright implications, the American Society for Testing filed an amicus brief in *Georgia v. PRO* requesting that even if the Supreme Court found for Malamud, that the Court not apply the outcome to the ongoing litigation against PRO on the issue of incorporation by reference.<sup>183</sup> Some commentators,

---

<sup>178</sup> Brief of Amici Curiae American Society for Testing and Materials et al., in Support of Neither Party, *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498 (2020) (No. 18-1150), 2019 WL 4192161 (“In 2013, ASTM, NFPA, and ASHRAE filed a copyright infringement action against Public.Resource.Org challenging Public.Resource.Org’s unauthorized online posting of their copyrighted works. That litigation remains pending in the District Court for the District of Columbia and is discussed further in this brief.”).

<sup>179</sup> See *Am. Soc’y for Testing & Materials v. Public.Resource.Org, Inc.*, 896 F.3d 437 (D.C. Cir. 2018).

<sup>180</sup> Brief of Amici Curiae American Society for Testing and Materials et al., *supra* note 178, at \*7 (“Whatever this Court decides in this case, amici respectfully request that the Court’s holding not cast doubt upon longstanding and critically important copyright protection for private standards that are subsequently incorporated by reference. Those copyright questions should be resolved in the litigation directly addressing them, based on the complete record and arguments the involved parties develop.”).

<sup>181</sup> Gellis, *supra* note 177.

<sup>182</sup> *Am. Soc’y for Testing and Materials*, 896 F.3d at 441.

<sup>183</sup> Brief of Amici Curiae American Society for Testing and Materials et al., *supra* note 178, at \*6–7.

who believed the *Veck* decision was overbroad, will interpret the outcome of *Georgia v. PRO* as setting a bad precedent because it disrupts what had been understood as a positive public-private partnership between states and private publishing companies when incorporating private standards by reference.<sup>184</sup> However, others see such public-private partnerships as simply shifting costs to fund private entities without actually demonstrating savings on the part of the State.<sup>185</sup> Private standard setters have numerous methods to recoup the costs associated with developing such standards, even without copyright protection.<sup>186</sup>

The Supreme Court did not specifically mention the incorporation by reference issue in its *Georgia v. PRO* decision. However, the underlying logic of ensuring citizen access to the law could easily be applied to the incorporation by reference debate. Thus, despite concern on the part of private standard setters, the Court's decision could mean that the incorporation by reference cases will also turn in favor of the public domain.

The Supreme Court's analysis in *Georgia v. PRO* offers a clearer path forward than the more complicated D.C. Circuit Court of Appeal's conclusion regarding the application of fair use. The Supreme Court bypassed the

---

<sup>184</sup> Bremer, *supra* note 57, at 282; *Incorporation by Reference in an Open-Government Age*, *supra* note 63, at 136–37 (arguing that requiring standards be made public if they are incorporated by reference will mean private standards setting organizations will refuse, ultimately harming the public); Daniel J. Russell, *Veck v. Southern Building Code Congress International, Inc.: Invalidating the Copyright of Model Codes upon Their Enactment into Law*, 5 TUL. J. TECH. INTELL. PROP. 131, 139 (2003) (arguing *Veck* was overbroad and sweeping).

<sup>185</sup> Johnson, *supra* note 53, at 614–19 (describing why public-private partnerships should be viewed critically because claims regarding cost savings must be actually demonstrated, not asserted).

<sup>186</sup> Pamela Samuelson, *Questioning Copyrights in Standards*, 48 B.C. L. REV. 193, 222–23 (2007) (providing reasons why removing copyright protection for standards will not harm their ability to profit).

question of fair use by decreeing that even aspects of the law written by private companies can be included in the public domain because states and those writing at the behest of states are not authors and are not protected by copyright.<sup>187</sup> The D.C. Circuit, in contrast, relied upon the fair use criteria and stated that the fair use factors need to be applied case-by-case, standard-by-standard, establishing a nearly impossible future of ongoing and constant litigation given that there are tens of thousands of standards incorporated by reference across the United States.<sup>188</sup> However, by specifically leaving out the controversy surrounding incorporation by reference, not only did the Supreme Court keep its decision narrow, but it also left the issue decidedly unclear. While one case addressing the issue of incorporation by reference was remanded by the D.C. Circuit Court of Appeals and dismissed in October of 2020, another case remains pending, and so the issue has not yet been definitively concluded.<sup>189</sup>

---

<sup>187</sup> *Public.Resource.Org, Inc.*, 140 S. Ct. at 1506.

<sup>188</sup> *Am. Soc’y for Testing & Materials, et al. v. Public.Resource.Org, Inc.*, 896 F.3d 437, 451 (D.C. Cir. 2018) (“Faithfully reproducing the relevant text of a technical standard incorporated by reference for purposes of informing the public about the law obviously has great value, but whether PRO’s specific use serves that value must be assessed standard by standard and use by use.”).

<sup>189</sup> *Stipulation And Order Of Voluntary Dismissal* at 1, *American Educational Research Association, Inc. et al v. Public.Resource.Org, inc.*, No. 1:14-cv-00857 (D.D.C. Oct. 14, 2020) (“Plaintiffs, American Educational Research Association, Inc., American Psychological Association, Inc. and National Council on Measurement in Education, Inc., voluntarily dismiss their claim and this action against defendant, *Public.Resource.Org, Inc.* with prejudice.”); see Cathy Gellis, *We Interrupt This Hellscape With A Bit Of Good News On The Copyright Front*, *TECHDIRT* (Oct. 15, 2020), <https://www.techdirt.com/articles/20201015/14111445510/we-interrupt-this-hellscape-with-bit-good-news-copyright-front.shtml> [<https://perma.cc/8HZZ-V8KT>] (“One case still remains pending – *ASTM v Public.Resource.Org* – but the other one, *American Educational Research Association et al. v. Public.Resource.Org*, has now been dismissed by the plaintiffs with

***B. Contributions to our Understanding of the  
Relationship Between Copyright and the  
Public Domain***

The Supreme Court, unlike the Eleventh Circuit, did not spend much time theorizing about copyright and its relationship to authorship, ownership, creativity, or fair use. As a result, the decision did not contribute much to our theoretical understanding of the public domain. However, by broadening the scope of the public domain to include what were original works of authorship (annotations) into public domain materials, the decision will have real-world policy impacts.

First, the logic of the decision meant that the Court spent no time on a fair use analysis because fair use is only relevant for copyrighted works, not those in the public domain. While there is no need to spend time discussing fair use, a clearer understanding of what fair use is and how the standards for ascertaining fair use should be applied would be of considerable help in the copyright litigation arena. The district court failing to find PRO's activities to be fair use demonstrates how little ground there is for fair use claims under circumstances where the privatization of knowledge may impact access and progress.

Second, the decision demonstrated how reliant the idea of authorship is on the statutory construction of the concept. A claim of authorship can easily be denounced, and an author can be stripped of protection with a few choice sentences. By expanding the government edicts doctrine to cover all aspects of Georgia's code, including the annotations written by the Commission, the Court helped

---

prejudice. Effectively that means that Public Resource wins and can continue to host these standards online. Which is good news for Public Resource and its users. But it does still leave anyone else's ability to repost standards incorporated into law up in the air.").

demonstrate just how fragile the concept of authorship can be. Authorship, as this decision demonstrates, is a statutory construct, and once removed, all the protections of the Copyright Act are removed with it.<sup>190</sup> The fact that statutory authorship can be granted and taken away so easily has implications for the future of authorship and who will be deemed an author.<sup>191</sup>

Third, the future of government edicts was also raised in the Court’s decision. After more than 100 years, the Court expanded the government edicts doctrine to cover annotations. However, the Court specifically noted that other types of government communications beyond official codes were not included in the government edicts doctrine. States, for example, remain able to assert copyright over tourist materials, products created by their universities, and any other state-written documents.<sup>192</sup> However, if all works produced by the U.S. federal government are understood as the work of “the People,” it is not entirely clear why the 50 states should not also be seen as the voice of the people producing public domain documents. The question

---

<sup>190</sup> See *Public.Resource.Org, Inc.*, 140 S. Ct. at 1507 (highlighting that authorship is a statutory construction which means judges and legislative officials cannot be authors).

<sup>191</sup> The issue is far from theoretical. Already courts have established that animals cannot be authors and are increasingly called upon to determine if an AI can be an author for the purposes of copyright. See generally Elizabeth Carbone, *No, Animals Cannot Claim Authorship Under the Copyright Act*, COLE SCHOTZ IP BLOG (May 23, 2018), <https://www.csipblog.com/2018/05/23/no-animals-cannot-claim-authorship-copyright-act/> [<https://perma.cc/6GFB-APBS>]; Edward Klaris, *Copyright Laws and Artificial Intelligence*, A.B.A. (Dec. 2017), <https://www.americanbar.org/news/abanews/publications/youraba/2017/december-2017/copyright-laws-and-artificial-intelligence/> [<https://perma.cc/ZDJ5-C6QR>].

<sup>192</sup> *Public.Resource.Org, Inc.*, 140 S. Ct. at 1510 (“That doctrine does not apply to non-lawmaking officials, leaving States free to assert copyright in the vast majority of expressive works they produce, such as those created by their universities, libraries, tourism offices, and so on.”).

remaining is whether a state should be able to issue a copyright on any publication it produces at all, and if so, under what conditions.

All told, while the decision will impact how citizens access the official code in states currently asserting copyright, it provides a limited understanding of the relationship between state-constructed works and the public domain. The next section looks at what may, and in some cases should, happen next. Given the policy considerations, the fact that numerous states assert copyright in their annotated code, and Malamud's ongoing attempt to ensure access to the law is free for everyone; it is likely that the Court's decision has only set in motion a new round of political maneuvering.

### *C. Possible Next Steps*

While a win for public access to the law and its annotations, the Court's majority decision provides a number of ways out for Georgia and other states should they seek to pursue ongoing private control over their statutes. First, but for Georgia's official Commission writing the annotations and giving them the force of law, copyright would still vest in the annotations.<sup>193</sup> While the Court acknowledged Matthew Bender & Co. does "the lion's share of the work in drafting the annotations," the process was micromanaged by the Georgia Code Revision Commission, a state-authorized entity charged with writing and revising Georgia's official statutes, including the annotations.<sup>194</sup> For its part, Lexis, the parent company of Matthew Bender, compiles the official code and, in exchange for its work, has the exclusive right to "publish, distribute, and sell the

---

<sup>193</sup> *See id.* at 1504 (clarifying that Georgia itself sets up the conclusion that annotations are in the public domain because Georgia specifically asserts that the annotated code is the "official Code" of Georgia).

<sup>194</sup> *Id.* at 1504–05.

OCGA” for a set price of \$412.00.<sup>195</sup> Lexis agreed to make an unannotated copy available for free, but the official annotated code is only legally available for purchase.<sup>196</sup>

Had the Court wanted to firmly establish annotations as part of the public domain, they could have ruled that all such materials were “facts” using the merger doctrine and not eligible for copyright protection, even if the author was a private individual. The merger doctrine holds that the law and “law-like” annotations are facts, rather than ideas, and as such, cannot be protected by copyright because under the conventional idea/expression analysis because facts are not protectable.<sup>197</sup> Such a solution would be a promising method of ensuring that the law and its interpretations are in the public domain that does not rely upon a theory of sovereignty in the people.<sup>198</sup>

Given the logic of the Court in *Georgia v. PRO*, states who assert copyright over an official annotated code may still be able to do so. As the Court reminded Georgia, even though §101 of the Copyright Act covers annotations written by private actors, the point here is that the annotations are not works of authorship, but rather

---

<sup>195</sup> *Id.* at 1505, 1509 (“But that provision refers only to ‘annotations . . . which . . . represent an original work of *authorship*.’ The whole point of the government edicts doctrine is that judges and legislators cannot serve as authors when they produce works in their official capacity.”) (citation omitted).

<sup>196</sup> Jason B. Binimow, Annotation, *Copyright in and Fair Use of Statutory Annotations and Case Headnotes*, 38 A.L.R. Fed. 3d Art. 6 (2019) (“First, the agreement requires that Lexis create a free, unannotated, online version of the Code for use by the general public.”).

<sup>197</sup> Frohock, *supra* note 38, at 1272 (“Copyright law protects expressions rather than ideas. The law, along with law-like writing, is uncopyrightable because its idea and its official expression are inseparable. Application of the merger doctrine here is unconventional, but promising.”); see Samuelson, *supra* note 177, at 215 (arguing that the merger doctrine should be used to avoid copyright claims in standards incorporated by reference).

<sup>198</sup> Frohock, *supra* note 38, at 1288.



government edicts issued by the State. Dividing official annotations written by the State from those written by private individuals leaves plenty of room to copyright private annotations.<sup>199</sup> Minnesota, for example, publishes its official code free online but also has an unofficial annotated code produced for purchase by a private publisher if individuals want access to the annotations associated with Minnesota's official code.<sup>200</sup> Therefore, even from the jaws of public domain victory, there are options for ensuring that annotations remain copyrightable; they simply must be written without the official sanction of the State.

Second, the Court proscribed the policy approach Georgia should take quite clearly—get Congress to change the law.<sup>201</sup> Georgia claimed that without copyright protection, a for-profit corporation like Lexis would not produce affordable annotated codes.<sup>202</sup> It then asserted that the Court was engaged in policymaking if it were to declare annotations part of the public domain.<sup>203</sup> The Court did not rise to the claim that making annotations public domain materials is policymaking, but rather tossed “[the ball] into Congress’s court.”<sup>204</sup> If a solution is to be had, it is up to Congress to make one by changing the scope of the Copyright Act.<sup>205</sup> While, as of this writing, no legislation

---

<sup>199</sup> See *Public.Resource.Org, Inc.*, 140 S. Ct. at 1509.

<sup>200</sup> Scheibel, *supra* note 5, at 374–75.

<sup>201</sup> *Public.Resource.Org, Inc.*, 140 S. Ct. at 1510 (“A century of cases have rooted the government edicts doctrine in the word ‘author,’ and Congress has repeatedly reused that term without abrogating the doctrine. The term now carries this settled meaning, and ‘critics of our ruling can take their objections across the street, [where] Congress can correct any mistake it sees.’”) (alteration in original and citation omitted).

<sup>202</sup> Scheibel, *supra* note 5, at 369–70 (describing Georgia’s argument that without privatizing the code, there will be no incentive for Lexis to publish it).

<sup>203</sup> *Public.Resource.Org, Inc.*, 140 S. Ct. at 1510.

<sup>204</sup> *Id.* at 1511 (alteration in original and citation and quotations omitted).

<sup>205</sup> Congress could also add official codes to the list of exclusions in §102 to clarify the issue of incorporation by reference. See Sweeney, *supra*

has been introduced, it is not outside the realm of possibility that some measure will be introduced that would secure copyright protection in official state codes.

Third, an alternative and hopefully more likely outcome is that more states will pass, and should pass, the Uniform Electronic Legal Materials Act (“UELMA”).<sup>206</sup> While access to the law has tended to be pushed by activists rather than representing a change in state philosophy, there is a slow trend in favor of open access.<sup>207</sup> The UELMA, already law in 22 states and the District of Columbia, creates an online accessible official repository for State law that is “reasonably available” to the public.<sup>208</sup> Developed by the Uniform Law Commission in 2011, the UELMA is intended to provide better access to citizens via electronic means to the law.<sup>209</sup> Illinois and Massachusetts both have legislation pending that could mean the adoption of the model law bringing the state total to 24.<sup>210</sup> Notably, Georgia is not among the states who have adopted the model regulations.<sup>211</sup>

---

note 56, at 1361 (arguing for changes in the Copyright Act to help clarify that official codes incorporated by reference are in the public domain).

<sup>206</sup> Walters, *supra* note 44; Street & Hansen, *supra* note 13, at 243.

<sup>207</sup> Johnson, *supra* note 53, at 605 (arguing that there is a shift to open access despite states efforts to retain copyright over their code).

<sup>208</sup> *Electronic Legal Material Act*, UNIF. L. COMM’N, [https://www.uniformlaws.org/committees/community-home/librarydocuments?communitykey=02061119-7070-4806-8841-d36afc18ff21&tab=librarydocuments&LibraryFolderKey=&DefaultView= \[https://perma.cc/MF45-AKPA\]](https://www.uniformlaws.org/committees/community-home/librarydocuments?communitykey=02061119-7070-4806-8841-d36afc18ff21&tab=librarydocuments&LibraryFolderKey=&DefaultView= [https://perma.cc/MF45-AKPA]) (including model legislation for state use in developing the UELMA where §8 covers public access and is reasonably available).

<sup>209</sup> *Id.*

<sup>210</sup> *Uniform Electronic Legal Material Act: State Legislation*, NAT’L CONF. ST. LEGIS. (Mar. 31, 2020), <https://www.ncsl.org/research/about-state-legislatures/uniform-electronic-legal-material-legislation.aspx>, [https://perma.cc/YH9G-J72U] (covering the legislative history of adoption of the model rule since 2012).

<sup>211</sup> *Electronic Legal Material Act*, UNIF. L. COMM’N (Jan. 22, 2021), <https://www.uniformlaws.org/committees/community-home?CommunityKey=02061119-7070-4806-8841-d36afc18ff21>

Finally, it is important to push for an even more open-access future. Mere access to the law is not sufficient because in order to appropriately understand the law, one must also access the interpretive materials associated with it.<sup>212</sup> Including annotations associated with the official code is one small step, but access to all judicial decrees should be free.<sup>213</sup> Professor Bartow suggests pushing the bar higher and requiring compulsory licensing for all proprietary legal materials.<sup>214</sup> She argues that access to the law isn't meaningful unless it also includes case law summaries, secondary sources, and specialized collections.<sup>215</sup> While the victory in *Georgia v. PRO* is important, it is just one small step towards a legal system that could really be open to all.

## VI. CONCLUSION

The politics of copyright defy conventional ideological categorization. The U.S. District Court for the Middle District of Florida and the Eleventh Circuit panel judges were Clinton appointees, while the Supreme Court majority was a combination of Obama, Bush, and Trump appointees.<sup>216</sup> Democratic and Republican Presidents alike

---

[<https://perma.cc/6NKP-KNKB>] (listing states that have signed on to the Electronic Legal Material Act).

<sup>212</sup> Ann Bartow, *Open Access, Law, Knowledge, Copyrights, Dominance and Subordination*, 10 LEWIS & CLARK L. REV. 869, 874 (2006).

<sup>213</sup> Street & Hansen, *supra* note 13, at 244 (arguing for access to all relevant materials online for free to citizens).

<sup>214</sup> Bartow, *supra* note 212, at 869–70.

<sup>215</sup> *Id.* at 874.

<sup>216</sup> *About the Judges: Susan Bucklew*, U. S. DIST. Ct. M.D. FLA., <https://www.flmd.uscourts.gov/judges/susan-bucklew>

[<https://perma.cc/X9HX-MECQ>] (last visited Dec. 4, 2020) (providing Susan Bucklew's biography and information regarding her appointment by President Clinton); *Judges: Hull, Frank M.*, FED. JUD. CTR., <https://www.fjc.gov/history/judges/hull-frank-m>

[<https://perma.cc/9GKA-A7MD>] (last visited May 22, 2020) (providing Frank Hull's biography and information regarding his appointment by

have advocated for IP maximalist positions.<sup>217</sup> Early resistance to expansive copyright protection included the “cyber-libertarian” and former Grateful Dead musician John Perry Barlow.<sup>218</sup> Two decades into the 21<sup>st</sup> century, the ideological lines of the information age continue to be negotiated and tested, with the clear line of demarcation being privatization versus open access.

This paper framed the recent Supreme Court decision *Georgia v. PRO* in the context of public access versus privatization because, while ultimately the outcome is a small concession to the public domain with several avenues for further privatization left open, it marks an important contribution on the part of an ideologically mixed set of justices for greater public access. While the language of democracy, public policy, and social justice is only alluded to in the majority opinion when Justice Roberts referenced the “economy-class version” of the law, this decision upholds the notion that there is a public domain collectively owned by the American citizenry that cannot be privatized. It is a small win in the otherwise massive privatization of

---

President Clinton); Lee Peifer, *Judge Stanley Marcus to Take Senior Status*, EVERSHEDES SUTHERLAND 11TH CIR. BUS. BLOG (Sept. 6, 2019), <https://www.11thCircuitBusinessBlog.com/2019/09/judge-stanley-marcus-to-take-senior-status/> [<https://perma.cc/S92P-9D6N>] (providing information regarding Judge Marcus’ appointment by President Clinton); Edward A Marshall, *Hon. Richard W. Story: U.S. District Judge, Northern District of Georgia*, FED. LAW. 36–37 (Aug. 2017) (providing information regarding Judge Story’s appointment by President Clinton).

<sup>217</sup> DEBORA HALBERT, *THE STATE OF COPYRIGHT: THE COMPLEX RELATIONSHIPS OF CULTURAL CREATION IN A GLOBALIZED WORLD* 29–33 (2014) (outlining the similarity of approaches to intellectual property from President Reagan to President Obama).

<sup>218</sup> Richard Gonzalas, *Cyber-Libertarian and Pioneer John Perry Barlow Dies At Age 70*, NPR (Feb. 7, 2018, 7:08 PM), <https://www.npr.org/sections/thetwo-way/2018/02/07/584124201/cyber-libertarian-and-pioneer-john-perry-barlow-dies-at-age-70> [<https://perma.cc/783T-DW7S>].

*Expanding the Public Domain after Georgia v.  
Public.Resource.Org., Inc.* **383**

America's prisons, military, road systems, educational systems, and so much more, but it is a win nonetheless.

## IS “LINK TAX” AN ENDING OF ONLINE FREEDOM? COMPARISON WITH THE U.S. AND E.U. NEW DIRECTIVE

YUFEI XIAO\*

### ABSTRACT

*With the rapid development of the Internet, new media technologies have provided us with convenient channels for obtaining information. They have also created new problems. News aggregators, such as Google News, collect the works from press publications, showing titles, snippets, and pictures that may already offer users enough information. Even if a company, like Google, does not rely on direct advertisements, it is still able to attract users. Authors' creations are freely used by a company like Google. To vigorously protect original content, the E.U. promulgated a new copyright directive for the Digital Single Market in 2019, giving news publishers more rights to protect their original works. This article examines the E.U.'s new copyright directive and compares this new law with the current U.S. law. The author challenges the current U.S. copyright law, thinking it is unjustified for news publications. As the fair use doctrine and the U.S. utilitarian background currently exist, courts may grant more protection to news aggregators. Under the current U.S. copyright law, it is ambiguous whether the news aggregators' conduct should be considered as infringement. Based on comparative research on the content of the E.U.'s new copyright law and the United States' legislative*

---

\*J.D., Chicago-Kent College of Law. Many thanks for comments and helpful discussions to Professor Edward Lee and Professor Runhua Wang as well as to Ying Chen, and Ziyu Shang for their valuable research assistance.

*Is "Link Tax" an Ending of Online Freedom? Comparison with the U.S. and E.U. New Directive* 385

*purpose, the author proposes that the United States ought to update its copyright laws, granting more rights to press publications and limiting news aggregators' free use of their works.*

Abstract.....	384
I. Introduction.....	386
II. The Controversy Over the E.U. Directive .....	390
A. Press Publications and News Aggregators.....	391
1. Press Publications .....	392
2. News Aggregator– Google News .....	392
B. The E.U.'s "Link Tax" and New Rights for Press Publications Online.....	393
1. Interpretation of Article 15 .....	394
2. The New Rights of Publishers of Press Publications.....	395
3. Google News' Response to Article 15.....	396
4. French Media's Lawsuit Against Google .....	397
C. Comparison with the U.S. Approach to Copyright and News Aggregators.....	398
1. Interpretation of "Fair Use" Doctrine .....	399
2. Field v. Google, Inc. ....	400
3. Perfect 10, Inc. v. Amazon.com, Inc. ....	401
4. Summary of the United States' Situation of Press Publications.....	402
D. The Dispute in Implementing the Article 15 .....	403
1. Why the Press Publication Should be Protected .....	404
2. End Online Freedom, or Fit the Digital Age ..	405

III. Proposal for the U.S. to Update Its Copyright Law	408
A. Proposal of an Adapting Way Applied to Press Publications and News Aggregators	409
1. The Proposal Explanation in General	411
2. Definition	412
3. Exceptions	412
B. Reasons to Adapt this Proposal	415
1. Better Protect Endangered Traditional Publications	415
2. Harmonization	416
IV. Criticisms of this Proposal	417
A. Exacerbate Internet Information Inequities	418
B. Not the Right Balance—Violating Utilitarianism for Copyright	419
V. Conclusion	421

## **I. INTRODUCTION**

With the development of technology and science, people are getting more and more used to seeing this world on a tiny screen. Reading whole passages is no longer a quick way to know what is happening right now. We only like to read short notifications instead of clicking on longer articles. Besides, newsworthy events can make headlines in minutes and spread online to millions of readers worldwide. This aspect of digital communications explains why print and ink newspapers are endangered. In order to give more protection to traditional press publications, the European Parliament passed a controversial part of the new Digital



Single Market (Article 15) on 26 March 2019.<sup>1</sup> When the European Parliament drafted the framework of this new copyright directive, some big internet enterprises announced that they would shut down their news services in the E.U. for the sake of showing their opposition to this new directive.<sup>2</sup>

The problem is that the news aggregators collect the works from press publications, showing titles, snippets, and pictures that may already offer users enough information. In fact, many users do stop searching at this step without accessing the further web pages.<sup>3</sup> Many ISPs (Internet Service Providers) are extremely opposed to the new Digital Single Market due to its implementation becoming a serious problem.<sup>4</sup> Why did the E.U. consider that press publications need to be protected? Aggregators like Google and Facebook have earned a lot of profit from using only “snippets” of an original work. This may potentially make some authors’ creations freely used by companies like Google, though. So even if Google does not directly advertise on webpages, it can still attract users. Further, they can ask users to spend money to buy more personalized news push services and earn even greater benefits from the free use of these works. This new directive faces the new

---

<sup>1</sup> Directive 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC PE/51/2019/REV/1, art. 15, 2019 O.J. (L 130) 92–125 [hereinafter Copyright Directive].

<sup>2</sup> See, e.g., Saman Javed, *European Publishers condemn Google decision against Article 15*, TRADEMARK BRANDS ONLINE (Feb. 10, 2019), <https://www.trademarksandbrandsonline.com/news/european-publishers-condemn-google-decision-against-article-15-5546> [https://perma.cc/KB4U-2TXS].

<sup>3</sup> Matthew Karnisching & Chris Spillane, *Plan to Make Google Pay for News Hits Rocks*, POLITICO (Feb. 15, 2017), <https://www.politico.eu/article/plan-to-make-google-pay-for-news-hits-rocks-copyright-reform-european-commission/> [https://perma.cc/RYK6-WFNR].

<sup>4</sup> See, e.g., Javed, *supra* note 2.

digital age, aiming to protect original works and stimulate innovation. Further, it encourages internet services like news aggregators to work with press publications to create win-win situations.<sup>5</sup> Until now, this dispute has caused a heated debate, which has led to some opponents dubbing this directive the “link tax.”<sup>6</sup>

In the U.S., many scholars assert this rule could not be applied domestically.<sup>7</sup> Under the Fair Use Doctrine and First Amendment of the Constitution, the government’s intent is to protect freedom of speech.<sup>8</sup> These both support the notion that the U.S. copyright law loses its control to ideas and facts.<sup>9</sup> And the doctrine formulated four factors of fair use to achieve this fair use defense.<sup>10</sup> Also, when arguing whether something is fair use, all four elements shall be proven, but you can interpret one or two more important factors and show why.<sup>11</sup> The U.S. copyright law aims to help share values and interests and to promote innovative expressions of creation.<sup>12</sup> Some courts have insisted on the importance of conversion and have used it to determine whether the digital use of copyrighted works constituted fair use.<sup>13</sup> The problem was that transformative use is subject to

---

<sup>5</sup> See generally Copyright Directive, *supra* note 1.

<sup>6</sup> See Mike Smith, *Will the EU’s Link Tax Change the Web Forever?*, COMPANYDEBT (Dec. 3, 2020), <https://www.companydebt.com/articles/will-the-eus-link-tax-change-the-web-forever/> [https://perma.cc/8229-P9VJ].

<sup>7</sup> Andrew Tyner, *The EU Copyright Directive: “Fit For the Digital Age” or Finishing it*, 26 J. INTELL. PROP. L. 275, 276 (2019).

<sup>8</sup> See generally *id.*

<sup>9</sup> Patrick H.J. Hughes, *Q&A: Copyright expert Christopher Beall on the European Union Copyright Directive*, IPDBRF 0089 (2018).

<sup>10</sup> 17 U.S.C. § 107 (1992).

<sup>11</sup> See *id.*

<sup>12</sup> See generally JULIE E. COHEN & LYDIA PALLAS LOREN, COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 564 (4th ed. 2015).

<sup>13</sup> See, e.g., *Field v. Google, Inc.*, 412 F. Supp. 2d 1106, 1113–14 (D. Nev. 2006); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1174 (9th Cir. 2007).

a variety of interpretations.<sup>14</sup> The courts often support the “deployment of original works for different commercial purposes,” rather than new techniques for creating new works,<sup>15</sup> so if the court always granted “a different commercial use” to achieve transformative use, then the result should be more beneficial to the public.<sup>16</sup>

Although the digital age puts forth a more impersonal environment, any freedom of using or speaking cannot stand above the rights protected by law. Everything is easily made available online; therefore, this access should be balanced with a level of protection and reasonable reward for creating parties.<sup>17</sup> In Article 15 of the Copyright Directive, the final rule explicitly demonstrates that “[t]he rights provided for in the first subparagraph shall not apply to private or non-commercial uses of press publications by individual users.”<sup>18</sup> The text continues, stating “[t]he rights provided for in the first subparagraph shall not apply in respect of the use of individual words or very short extracts of a press publication.”<sup>19</sup> Also, the section excludes hyperlinks.<sup>20</sup> These exceptions preserve individual online free-speaking rights and the principle of “fair use.” It is a reasonable criterion instead of a limitation.

---

<sup>14</sup> Matthew D. Bunker, *Eroding Fair Use: The “Transformative” Use Doctrine After Campbell*, 7 COMM. L. & POL’Y 1, 9 (2002).

<sup>15</sup> See generally Raymond T. Nimmer, *Information Wars and the Challenges of Content Protection in Digital Contexts*, 13 VAND. J. ENT. & TECH. L. 825 (2010–2011).

<sup>16</sup> See Bunker, *supra* note 14, at 9.

<sup>17</sup> Council of the EU, *Copyright rules for the digital environment: Council agrees its position*, EUROPEAN COUNCIL/COUNCIL OF THE EUROPEAN UNION (May 20, 2018, 5:52 PM), <https://www.consilium.europa.eu/en/press/press-releases/2018/05/25/copyright-rules-for-the-digital-environment-council-agrees-its-position/> [https://perma.cc/AD3A-JNM3].

<sup>18</sup> Copyright Directive, *supra* note 1.

<sup>19</sup> *Id.*

<sup>20</sup> See *id.*

This article is intended to explore how the United States may update its copyright laws to better protect journalism via the Internet. Part I of the article analyzes the controversy over the E.U. Digital Single Market Directive’s news aggregators or search engines, and further illustrates some concepts mentioned in Article 15. Also, this Part examines a similar situation under U.S. law, interpreting related cases applied with the principle of “fair use.” The end of this part discusses the dispute about implementing the new directive, as well as whether the U.S. needs to have similar law to protect press publications. Part II proposes to add a new statute to distinguish search engines and news aggregators in order to achieve equilibrium between press publications and news aggregators. Part III states some objections, which point out the proposal in Part II may be inconsistent with the legislative purposes of the U.S.

## **II. THE CONTROVERSY OVER THE E.U. DIRECTIVE**

The problem is that news aggregators collect the works from press publications, only showing titles, snippets and pictures that may already offer users enough information. In fact, many users do stop searching at this step, without accessing the further web pages. In the U.S., the courts may not adequately consider this situation, which substantially is an infringement of copyright. Therefore, many traditional media outlets have publicly called for correcting the considerable imbalance between Internet companies and traditional media.<sup>21</sup> Industry analysts say that traditional media organizations are facing severe

---

<sup>21</sup> See generally Cory Doctorow, *The European Copyright Directive: What Is It, and Why Has It Drawn More Controversy Than Any Other Directive In EU History?*, EFF (Mar. 19, 2019), <https://www.eff.org/zh-hans/deeplinks/2019/03/european-copyright-directive-what-it-and-why-has-it-drawn-more-controversy-any> [https://perma.cc/V92E-DWFA].

challenges under the new, digital business model, and this newly-adopted draft is a new type of right that the E.U. has given to news publishers.<sup>22</sup> This lopsided relationship between Internet companies and traditional media also exists in the U.S. However, a drawback of U.S. copyright law, as applied here, is the excessive protection of public interests, which has caused publishers to lose some of their fundamental rights related to the ownership of their original works.

### **A. *Press Publications and News Aggregators***

Generally, “‘press publication’ means a collection composed mainly of literary works of a journalistic nature, but which can also include other works or other subject matter,”<sup>23</sup> whereas “news aggregator” means a site that collects and presents aggregated third-party news content from traditional media and other websites.<sup>24</sup>

In fact, “European publishers, including the European Magazine Media Association, the European Newspaper Publishers’ Association, New Media Europe and the European Publishers’ Council, have welcomed the changes to copyright law.”<sup>25</sup> “They believe it will prevent

---

<sup>22</sup> *See id.*

<sup>23</sup> Copyright Directive, *supra* note 1, at art. 2.

<sup>24</sup> Kevin Skaggs, *What’s New in News Aggregation?*, THE GUARDIAN (July 17, 2012, 05:47 EDT),

<https://www.theguardian.com/media-network/media-network-blog/2012/jul/17/what-is-new-news-aggregation>

[<https://perma.cc/J2GG-CJYN>].

<sup>25</sup> Sam Forsdick, *MEPs Vote in Favour of ‘Link Tax’ as Part of New Copyright Laws Welcomed by European Publishers*, PRESS GAZETTE: DIGITAL JOURNALISM (June 20, 2018), <https://www.pressgazette.co.uk/meps-vote-in-favour-of-link-tax-as-part-of-new-copyright-laws-welcomed-by-european-publisher> [<https://perma.cc/XLE6-GXP8>].

companies, such as Google and Facebook, from ‘free-riding’ on news publishers.’<sup>26</sup>

### 1. Press Publications

In the past, a traditional news business model was very similar to what news aggregators apply now.<sup>27</sup> Press publications used to collect news and fantastic stories, arranging them in the newspaper to sell to readers.<sup>28</sup> They would make money by selling space for advertisements and from the sale of papers.<sup>29</sup> Nowadays, with the great development of technology and the Internet, the circulation of traditional newspapers has declined largely.<sup>30</sup> These publishers have diverted their traditional business model to the Internet, hiring writers to create good interpretations of the news.<sup>31</sup> However, news aggregators now collect news and information from a large number of publishers and websites. This allegedly, helps the public access information; yet, it also potentially damage the publications themselves.<sup>32</sup> At the very least, the publishers do not have optimized circulations to attract advertising investments.<sup>33</sup>

### 2. News Aggregator– Google News

Google News is an aggregator, showing news titles, short introductions, and thumbnails to users by computer

---

<sup>26</sup> *Id.*

<sup>27</sup> See generally *Reinventing the newspaper*, THE ECONOMIST (July 7, 2011), <https://www.economist.com/special-report/2011/07/09/reinventing-the-newspaper> [<https://perma.cc/7YBA-KEPL>].

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> MICHAEL BARTHEL, PEW RES. CTR., STATE OF THE NEWS MEDIA 2016 9 (June 15, 2016).

<sup>31</sup> See *Reinventing the newspaper*, *supra* note 27.

<sup>32</sup> See AMY MITCHELL & JESSE HOLCOMB, PEW RES. CTR., STATE OF THE NEWS MEDIA 2016 48 (June 15, 2016).

<sup>33</sup> See *id.* at 4.

algorithms.<sup>34</sup> When you search for some news via Google News, these algorithms determine which articles, pictures, and videos to display and the order in which they are displayed.<sup>35</sup> Some content will even be shown in a personalized way.<sup>36</sup> Personalization makes it easier to navigate the content of interest. However, aggregators collect news by linking individuals to their articles, then using their technology to automatically select news for users.<sup>37</sup> Aggregators use the original works without any license or consent from their creators.<sup>38</sup> Over time, they have gained large profits from this aggregation with low original output but high advertising investments.<sup>39</sup>

**B. The E.U.'s "Link Tax" and New Rights for Press Publications Online**

"Link tax" is a phrase coined by opponents to the E.U.'s reform.<sup>40</sup> The provisions on "link tax" are found in Article 15.<sup>41</sup> It is true that this phrase only appears once in the entire article. However, the terms related to the protection of original news and other content, as well as the requirement to charge the website for the original news content reprinting fees, were vehemently opposed by Google, Facebook, and other websites. So, the common

---

<sup>34</sup> See *Google News*, GOOGLE, <https://news.google.com/about/> [<https://perma.cc/73NJ-NPXL>]

<sup>35</sup> See *id.*

<sup>36</sup> See Doctorow, *supra* note 21.

<sup>37</sup> See *id.*

<sup>38</sup> Zachary Davidson, *The Next Balancing Act: Can the Law Save the Traditional News Media Without Eliminating News Aggregators?*, 85 S. CAL. L. REV. 88, 91 (2012).

<sup>39</sup> *Id.*

<sup>40</sup> Julia Reda, *Extra Copyright For News Sites (Link Tax)*, JULIA REDA (2018), <https://juliareda.eu/eu-copyright-reform/extra-copyright-for-news-sites/> [<https://perma.cc/EH8S-H26E>].

<sup>41</sup> See Copyright Directive, *supra* note 1; see also Reda, *supra* note 40.

term “link tax” is generally accepted by the media.<sup>42</sup> After long-term negotiations, the negotiators of the European Parliament reached a principled consensus with the E.U. countries on copyright law reform which resulted in the new copyright directive.

### **1. Interpretation of Article 15**

“Member States shall provide publishers of press publications established in a Member State with the rights provided for in Article 2 and Article 3(2) of Directive 2001/29/EC for the online use of their press publications by information society service providers.”<sup>43</sup> Neither does it involve the issue of tax payment to the government, nor does it stipulate how much website A must give media B, but it is simply about the fact that media B has the right to claim reasonable compensation from website A for its use of media B’s works.<sup>44</sup>

The concept of “digitally using press publications on the website” is the key to understanding this provision. This new technology can automatically calculate information in digital form, such as text, sound, image or data, commonly referred to as text and data mining.<sup>45</sup> This technology is great for a creative market.<sup>46</sup> However, there is a grey area in the law regarding this technology. In some cases, text and data mining may involve acts protected by copyright and/or proprietary database rights, especially the copying of works or other topics and/or extracting content from databases.<sup>47</sup> “Digital use” here means that a website does not “copy” and “paste” other media reports onto its website, but website A

---

<sup>42</sup> See generally Reda, *supra* note 40.

<sup>43</sup> Copyright Directive, *supra* note 1, at arts. 2 & 3(2).

<sup>44</sup> See generally Proposal for a Directive of the European Parliament and of the Council on Copyright in the Digital Single Market, COM (2016) 593 (Sept. 14, 2016).

<sup>45</sup> See *id.*

<sup>46</sup> See *id.*

<sup>47</sup> See *id.*



can introduce the title, individual words, and hyperlinks of media B reports to its website.

## **2. The New Rights of Publishers of Press Publications**

According to the rules applied in Article 15, the European Union has decreased the standard of online infringement by news aggregators.<sup>48</sup> To sum up, new rights provided to the publishers mainly have four parts. First, it describes what press publications are in Article 2.<sup>49</sup> Second, the rule emphasizes news publications have exclusive rights over their works.<sup>50</sup> So, no one could use their work unless they have a pre-license.<sup>51</sup> If the part does not have such a license, the publisher has a right to claim compensation for the use of their work.<sup>52</sup> Third, if society service providers receive revenues by using the publisher's works, the publishers own rights to a share of the resulting revenue.<sup>53</sup> Fourth, Article 15 sets some exclusions.<sup>54</sup> It excludes private or non-commercial uses by individual users, hyperlinking, and individual words or short extracts.<sup>55</sup> Also, it sets a time limit for these rights – two years after the press publication is originally published.<sup>56</sup>

---

<sup>48</sup> See Jonathan Griffiths, *Dematerialization, Pragmatism and the European Copyright Revolution*, 1, 3–4 (Queen Mary University of London, Sch. of Law, Legal Stud. Rsch. Paper No. 156/2013, 2013).

<sup>49</sup> See Copyright Directive, *supra* note 1, at art. 2; see also *infra* Part IA.

<sup>50</sup> See *id.* at art. 15.

<sup>51</sup> Davidson, *supra* note 38, at 108–09.

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> Copyright Directive, *supra* note 1, at art. 15.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

### 3. Google News' Response to Article 15

Google's long-standing attitude toward Article 15 is firm opposition.<sup>57</sup> After the E.U. Council's announcement of the new copyright proposal, Internet companies represented by Google and Facebook have done a lot of lobbying work in the E.U., hoping to modify this rule.<sup>58</sup> Google also refuses to pay publishers under the first "link tax" legislation.<sup>59</sup> They deliberately published a blog that hinted at their positions and practices. This so-called "link tax" will be applied to abstracts and previews of articles (such as articles used in Google News) but will not extend to hyperlinks or only a few individual words used to describe them.<sup>60</sup> However, Google announced that articles, images, and videos will only appear in search results if the media company agrees to make them available to tech giants for

---

<sup>57</sup> See Richard Gingras, *Proposed Copyright Rules: Bad for Small Publishers, European Consumers and Online Services*, VP, NEWS (Dec. 6, 2018), <https://www.blog.google/around-the-globe/google-europe/proposed-copyright-rules-bad-small-publishers-european-consumers-and-online-services/> [<https://perma.cc/J6TG-CWBD>].

<sup>58</sup> Daniel Sanchez, *Google Spent More Than \$36 Million to Scuttle Article 13 & the Copyright Directive*, DIGITAL MUSIC NEWS (July 3, 2018), <https://www.digitalmusicnews.com/2018/07/03/google-article-13-copyright-directive/> [<https://perma.cc/K8JW-UV3G>].

<sup>59</sup> Charlotte Tobitt, *Google Refuse to Pay Publishers In France under First "Link Tax" Legislation*, PressGazette (Sep 26, 2019), <https://www.pressgazette.co.uk/google-refuses-to-pay-publishers-in-france-under-first-link-tax-legislation-european-copyright-directive/#:~:text=Google%20has%20refused%20to%20pay,is%20being%20introduced%20next%20month> [<https://perma.cc/34KA-XMAW>].

<sup>60</sup> See generally Richard Gingras, *Nouvelles règles de droit d'auteur en France : notre mise en conformité avec la loi*, FRANCE | GOOGLE BLOG (Sep. 25, 2019) (Fr.), <https://france.googleblog.com/2019/09/comment-nous-respectons-le-droit-dauteur.html> [<https://perma.cc/JX8K-JB5Q>]; see also Tobitt, *supra* note 59.

free. If they refuse, they will only show naked links to the content and title.<sup>61</sup>

People believe that Google can help them find useful and authoritative information from a variety of sources.<sup>62</sup> In order to maintain this trust, search results must be determined by relevance rather than by business partnerships.<sup>63</sup> That is why they do not accept anyone's payments to be included in search results. Google sells ads instead of search results, and every ad on Google is marked.<sup>64</sup> That is why people can read news compilations — the reason they do not pay publishers when we click on their link.<sup>65</sup>

#### **4. French Media's Lawsuit Against Google**

France is the first country of the E.U. to ratify the E.U.'s new copyright law.<sup>66</sup> After the French government implemented this law, Google explicitly refused to pay and would only display naked links and titles.<sup>67</sup> Representatives of French media groups have stated that they are bringing Google to court because "[t]he future of the French and

---

<sup>61</sup> See Anne Bagamery, *Google Hit With Harsh Copyright Ruling From Competition Watchdog in France*, LAW.COM (Apr. 10, 2020, 4:17 PM), <https://www.law.com/2020/04/10/for-google-a-harsh-copyright-ruling-from-french-competition-watchdog-403-48838/> [https://perma.cc/9SDJ-KPW7].

<sup>62</sup> See *How Americans Get Their News*, AM. PRESS. INST. (Mar. 17, 2014, 3:00 PM), <https://www.americanpressinstitute.org/publications/reports/surveyresearch/how-americans-get-news> [https://perma.cc/FW64-45HC].

<sup>63</sup> See Gingras, *supra* note 60.

<sup>64</sup> See *id.*

<sup>65</sup> See *id.*

<sup>66</sup> *French Media Groups to Take Google Copyright Fight to Court*, FRANCE24 (Oct. 24, 2019), <https://www.france24.com/en/20191024-french-media-groups-to-take-google-copyright-fight-to-court> [https://perma.cc/N4A6-YF7L].

<sup>67</sup> Sanchez, *supra* note 58; see also Bagamery, *supra* note 61.

European press is at stake,”<sup>68</sup> as they assert that Google is using this to circumvent the copyright law and so nothing has changed.<sup>69</sup> More than 1,000 journalists, photographers, and members of the media signed a letter to the government, declaring that they will not compromise, and the government must ensure Google will respect the law and European sovereignty.<sup>70</sup> Recently, the publishers argued that besides not complying with French copyright laws, Google also tried to violate the E.U. competition law by abusing its market position in online news so that the publishers would relent and agree to let Google use their materials for free.<sup>71</sup> According to lawyers, just before French law came into effect in October, Google made a proposal to French publishers to continue publishing its content, but only if the publishers granted Google a zero-cost license within a week.<sup>72</sup> Google’s actions are more like extortion than honesty, which is why the government rules are so harsh.<sup>73</sup> Thus, they must negotiate with press publications in good faith.

### ***C. Comparison with the U.S. Approach to Copyright and News Aggregators***

When the principle of fair use was introduced in the U.S., it stirred up many controversies. As this rule was entirely new, many cases needed to be decided to further understand its full reach<sup>74</sup> After deciding some cases, the judges gradually got a set of understandings and rules for comprehending the entirety of this fair use doctrine.

---

<sup>68</sup> *French Media*, *supra* note 66.

<sup>69</sup> *See id.*; *see also* Gingras, *supra* note 57.

<sup>70</sup> *French Media*, *supra* note 66.

<sup>71</sup> *See generally* Bagamery, *supra* note 61.

<sup>72</sup> *Id.*

<sup>73</sup> *Id.*

<sup>74</sup> *See* Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1105 (1990).

Nevertheless, in order to stimulate and encourage innovation, judges remain more inclined to protect aggregators to increase public access to information.<sup>75</sup> However, courts should instead adopt a similar approach in their decisions on press publications as they have in the decisions to protect works related to the music industry.<sup>76</sup> They should be more active in using copyright law to protect original content from news aggregators, preventing the commercial exploitation of free distribution of these works by aggregators on the Internet.<sup>77</sup> However, under the Fair Use Doctrine as it currently exists, press publications have difficulty proving copyright infringement.<sup>78</sup>

### **1. Interpretation of "Fair Use" Doctrine**

A court's application of the four-factor test of the fair use principle usually involves an extensive analysis of how secondary use affects copyright works.

In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

---

<sup>75</sup> See Keiyana Fordham, *Can Newspaper Be Saved? How Copyright Law Can Save Newspapers from the Challenges of New Media*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L. J. 939, 973 (2010).

<sup>76</sup> *Id.* at 990.

<sup>77</sup> See, e.g., *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005); see also Fordham, *supra* note 75, at 989–90.

<sup>78</sup> See *Metro-Goldwyn-Mayer Studios Inc.*, 545 U.S. at 941.

(4) the effect of the use upon the potential market for or value of the copyrighted work.<sup>79</sup>

In the preamble of section 107, which covers fair use, news reporting is listed as one of the six permissible fair uses of protected works.<sup>80</sup> Courts typically prefer to safeguard the public interest in accessing information over protecting the author’s exclusive right to their copyrighted works.<sup>81</sup> Thus, it satisfies that the alleged infringing work is transformative enough to have a new purpose.

## **2. Field v. Google, Inc.**

Blake Field (Plaintiff) posted his copyrighted work on his own website.<sup>82</sup> Field then sued Google for copyright infringement after Google’s “web crawler” copied the entire site, including the copyrighted work, to create a cached link.<sup>83</sup> Google provided many defenses to this copyright infringement claim, including fair use. The Court believed that it was reasonable for Google to use Blake’s copyrighted works to create “cached” links.<sup>84</sup> First, the Court found transformative use.<sup>85</sup> It also found that Field’s copyrighted works had an artistic purpose while Google’s cached links offered users an efficient access to the copyrighted works online.<sup>86</sup> So, the Google System Cache served a different purpose from that of Plaintiff’s original works. Furthermore, “[w]hen a use is found to be transformative, the ‘commercial’ nature of the use is of less importance in

---

<sup>79</sup> 17 U.S.C. § 107 (1992).

<sup>80</sup> *Id.*

<sup>81</sup> *See, e.g.,* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 549–50 (1985).

<sup>82</sup> Field v. Google, Inc., 412 F. Supp. 2d 1106, 1113–14 (D. Nev. 2006).

<sup>83</sup> *Id.* at 1110–14; *see also* Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1174 (9th Cir. 2007) (mentioning Google’s “web crawler”).

<sup>84</sup> *Field*, 412 F. Supp. 2d at 1118.

<sup>85</sup> *Id.* at 1119.

<sup>86</sup> *Id.* at 1118.

analyzing the first fair use factor.”<sup>87</sup> The Court held, even though Google is a for-profit corporation, when users accessed Plaintiff’s work, they did not display any advertisement or offer any commercial transaction.<sup>88</sup> The second and third factors could not overcome the Court’s revolutionary conclusions about the use of Google.<sup>89</sup> The Court held that the copyrighted work was creative, but it was also posted on his website, “mak[ing] his works available to the widest possible audience for free.”<sup>90</sup> Since Field provided his work free of charge, there was no evidence that the fourth factor would undermine the market.<sup>91</sup> The case further clarifies how courts would justify reasonable use in the context of technology, facilitating more comprehensive access to information on the Internet.<sup>92</sup>

### **3. Perfect 10, Inc. v. Amazon.com, Inc.**

In response to an image search, Google’s search engine communicates thumbnail versions of images to users.<sup>93</sup> In *Perfect 10, Inc. v. Amazon.com, Inc.*, the Court finally held that Google’s showing of Perfect 10’s images to users was a fair use.<sup>94</sup> When determining whether the work was used reasonably, the Court considered the four factors that are explained above. First, the defendant’s purpose in displaying thumbnails was to direct the user to find the full size of the image.<sup>95</sup> The defendant used the thumbnail as a “pointer,” and they did not intend to provide entertainment

---

<sup>87</sup> *Id.* at 1119 (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579, 114 S. Ct. 1164, 1171 (1994)).

<sup>88</sup> *Field*, 412 F. Supp. 2d at 1119–20.

<sup>89</sup> *Id.* at 1123.

<sup>90</sup> *Id.* at 1120.

<sup>91</sup> *Id.* at 1121.

<sup>92</sup> *See id.* at 1117–23.

<sup>93</sup> *See Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1155 (9th Cir. 2007).

<sup>94</sup> *Id.* at 1168.

<sup>95</sup> *Id.* at 1161.

or aesthetic value like the plaintiff's purpose.<sup>96</sup> Thus, the defendant's use was highly transformative.<sup>97</sup> These images were creative works, so the second factor was not conducive to the discovery of fair use.<sup>98</sup> Although the defendant copied the image in its entirety, they reduced the size of the image and allowed the user to identify the image to click to see the full-size version.<sup>99</sup> Thus, the use was reasonable, and the third factor was neutral.<sup>100</sup> As for the fourth factor, thumbnails are usually not a substitute for full-size thumbnails, so they generally do not affect the full-size market.<sup>101</sup> However, when viewing thumbnails on a mobile device, the thumbnails may be equivalent to the full-size images.<sup>102</sup> As a result, Perfect 10's image mobile market may be harmed, and the Court ruled that the factor was neutral.<sup>103</sup> All in all, given the high degree of conversion of thumbnails, the Court held that the defendant's use was a fair use.<sup>104</sup>

#### **4. Summary of the United States' Situation of Press Publications**

In the United States, courts aim to protect the public value and stimulate innovative ways to protect copyright works.<sup>105</sup> However, this allows for little room for copyright owners to argue when there is an infringement of other uses by news aggregators or search engines. First, press publications allege that news aggregators have no transformative uses of the original works, and that the news

---

<sup>96</sup> *Id.* at 1165.

<sup>97</sup> *Id.* at 1167.

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> *Id.* at 1168.

<sup>102</sup> *Id.* at 1166–68.

<sup>103</sup> *Id.* at 1168.

<sup>104</sup> *Id.*

<sup>105</sup> See Fordham, *supra* note 75, at 981–82.



aggregators' ultimate goal is just to make profits.<sup>106</sup> Second, even though press publications publish news, which may probably consider to be facts, the writers of these articles add enough self-interpretations to make their works more creative.<sup>107</sup> The third and the fourth fair use factors can be discussed together. News aggregators collect the works from press publications, showing titles, snippets, and pictures that may already offer users enough information. In fact, many users do stop searching at this step, without accessing the further webpages.<sup>108</sup> This potentially harms the publishers' markets. At least, the publishers cannot attract advertising benefits when users do not visit their webpages.

#### ***D. The Dispute in Implementing the Article 15***

As discussed in the cases above, U.S. courts have held that the use of copyrighted works by search engines is transformative with a view of improving access to information on the Internet for public interest.<sup>109</sup> However, the courts should avoid overemphasizing the public interest of technology. Similar to what the E.U. does now, the U.S. should give press publications reasonable rights to claim some profits when others use their works. In the E.U., although the European Commission has already passed the new directive, there are still many parties opposed to the directive. Some even think this will be the end of online free speech. To interpret the new directive, the parliament of the E.U. also addresses many of the controversies.<sup>110</sup>

---

<sup>106</sup> See CHRISTOPHER ALAN JENNINGS, AM. L. DIV., CONG. RSCH. SERV., RL31423, FAIR USE ON THE INTERNET 1 (2002).

<sup>107</sup> See Fordham, *supra* note 75, at 951–53.

<sup>108</sup> Karnitschnig & Spillane, *supra* note 3.

<sup>109</sup> See Fordham, *supra* note 75, at 981–82.

<sup>110</sup> Zsófia Lendvai, *Controversies Around the New Copyright Directive*, 24 No. 7 CYBERSPACE LAWYER NL 2.

## 1. Why the Press Publication Should be Protected

Every trend in the newspaper industry, whether in circulation, income, or employment rate, indicates a crisis of survival.<sup>111</sup> Take the American newspaper industry as an example.

Total paid circulation for U.S. daily newspapers peaked in 1987 at sixty-three million. Circulation in 2009 stood at forty-six million, a twenty-seven percent decline over twenty-two years. Total advertising revenues for newspapers peaked in 2000 at \$49 billion but declined to \$26 billion in 2010, representing a forty-seven percent reduction over half as much time.<sup>112</sup>

Even if they want to increase their income through advertising, they don't seem to be competitive enough.

On the contrary, technology companies such as Google and Facebook have been consistently claiming that the platform shares revenue with copyright parties, but the truth is not as simple as that.<sup>113</sup> Take a Google search as an example. Websites can use the Google banner to separate traffic. Nevertheless, most of Google's revenue happens before it goes to the search result list.<sup>114</sup> Similarly, Facebook, the WeChat friends circle, the Baidu homepage, the new Google homepage, and today's headlines are all in the stream. The advertising fee is their primary source of income, which does not need to be distributed to content providers, as those providers have no valid claim to such

---

<sup>111</sup> See Fordham, *supra* note 75, at 943.

<sup>112</sup> Priya Barnes, Note, *The Prospects for Protecting News Content Under the Digital Millennium Copyright Act*, 3 HARV. J. SPORTS & ENT. L. 201, 204 (2012).

<sup>113</sup> See Karnitschnig & Spillane, *supra* note 3.

<sup>114</sup> See *id.*

income.<sup>115</sup> Google argues that the company's search platform has brought more page views to the news industry, which seems to be an obvious benefit.<sup>116</sup> But, an E.U. survey shows that only news links on Google's search sites have fewer than 50% of reader clicks.<sup>117</sup> Most people just read the title and abstract, but Google has successfully sold the stream and the ads on the side of the search page in the process.<sup>118</sup>

Nonetheless, Apple News uses a different business model. They offer services like page design for individual users, and they only show titles from the original papers.<sup>119</sup> Besides, they offer users thousands of digital magazines in exchange for joining their membership.<sup>120</sup> In this way, Google could adopt a similar model to make sure they have money to get licenses from press publications; they also could offer their users more services and diverse online magazines to read. This model could result in a win-win situation for both news aggregators and press publications.

## **2. End Online Freedom, or Fit the Digital Age**

Traditional news publications face so many problems, so even though the new directive directly gives them an avenue to request profits from news aggregators, there still are some negative aspects of the new directive. Without implementation, we do not have enough case law to form a harmonized standard. Even though nothing can be perfect, everything needs to be balanced. Importantly, Internet technology giants such as Google and Facebook

---

<sup>115</sup> Javed, *supra* note 2.

<sup>116</sup> Karnitschnig & Spillane, *supra* note 3.

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

<sup>119</sup> *Read the latest headlines in the Apple News app*, APPLE: SUPPORT (July 15, 2020), <https://support.apple.com/en-us/HT202329> [<https://perma.cc/AEE4-NYPE>].

<sup>120</sup> *See generally id.*

have long held a strong position in the European market; there is no Internet company in Europe that has a competitive edge.<sup>121</sup> The commercial powers, traditional content publishers, and media organizations face severe challenges under the impact of the former business model.<sup>122</sup> The struggle for copyright reform in the European Union is a game between European Internet innovation forces and international Internet technology giants.<sup>123</sup> It is also a dispute between European intellectual property improvement appeals and the Internet giant's platform in the digital content era.<sup>124</sup>

Some opponents of the directive have declared that one of the most direct problems is that the directive does not go far enough, i.e., it will not break up the monopoly of technology giants that cause these problems.<sup>125</sup> In turn, some small aggregate websites will be the ones most affected by the new E.U. copyright law. Article 15 requires aggregators to purchase copyrighted content, which can result in huge expenses.<sup>126</sup> The European Parliament has also taken this into account, so small companies were exempted in the final version.<sup>127</sup>

---

<sup>121</sup> See Sanchez, *supra* note 58.

<sup>122</sup> See *id.*

<sup>123</sup> See *id.*

<sup>124</sup> See *id.*

<sup>125</sup> See David Lowery, *The Google Funded Astroturf Group that Hacked The EU Copyright Vote (In Pictures)*, THE TRICHORDIST (July 28, 2018), <https://thetrichordist.com/2018/07/28/the-google-funded-astroturf-group-that-hacked-the-eu-copyright-vote-in-pictures/> [https://perma.cc/828A-H8EA].

<sup>126</sup> Copyright Directive, *supra* note 1.

<sup>127</sup> See Brussels, *Questions and Answers – European Parliament's vote in favour of modernised rules fit for digital age*, EUROPEAN COMMISSION (Mar. 26, 2019), [https://ec.europa.eu/commission/presscorner/detail/en/MEMO\\_19\\_1849](https://ec.europa.eu/commission/presscorner/detail/en/MEMO_19_1849) [https://perma.cc/4CJU-DSU9].

[S]mall platforms will benefit from a lighter regime in case there is no authorisation granted by right holders. This concerns online service providers which have less than three years of existence in the Union and which have a turnover of less than 10 million euros and have less than 5 million monthly users. In order to avoid liability for unauthorised works, these new small companies will only have to prove that they have made their best efforts to obtain an authorisation and that they have acted expeditiously to remove the unauthorised works notified by right holders from their platform.<sup>128</sup>

Furthermore, the lobbying group the Computer and Communications Industry Association (CCIA) members, including Google and Facebook, have been publicly criticizing the new copyright law. "We are concerned that this law will not be conducive to European network innovation and growth, and will limit online freedom," said CCIA Vice President Christian Berggren.<sup>129</sup> Sergey Brin, one of Google's founders, announced at the beginning of the company's founding that Google's goal was to "process and understand all the information in the world" with a "perfect search engine."<sup>130</sup> In the past two decades, the existence of Google has promoted free dissemination of information on the Internet and information fairness.<sup>131</sup> "Free" is the best manner to disseminate information. When the platform is constrained by copyrights before generating revenue, the

---

<sup>128</sup> *Id.*

<sup>129</sup> Heather Greenfield, EU Copyright Deal Will Harm European Online Innovation and Online Rights, CCIA (Feb. 13, 2019).

<https://www.cciainet.org/2019/02/eu-copyright-deal-will-harm-european-online-innovation-and-online-rights/> [<https://perma.cc/74XH-XGLC>].

<sup>130</sup> Sequoia Capital & Kleiner Perkins, *Google Receives \$25 Million in Equity Funding*, Google News from Google (June 7, 1999), <https://googlepress.blogspot.com/1999/06/google-receives-25-million-in-equity.html> [<https://perma.cc/CP5A-43K4>].

<sup>131</sup> *See id.*

degree of freeness will inevitably change.<sup>132</sup> Today in the United States, where the payment model is popular, large and small media have built paywalls. People who are unwilling or unable to pay ten dollars in monthly subscription fees are basically unable to access first-hand information and further must pay more expensive fees to view information. Information equality is fading, and this began to happen even before the new copyright law.

To sum up, under the digital circumstance, there is a need to find a more balanced way to protect both press publications and news aggregators. In order to establish a fair online environment, giving press publications rights to claim some profits is a good solution. Not only in the E.U., but also in other areas, the emergence of the network news aggregators has undoubtedly brought a huge market impact on the traditional newspaper industry. Although, in the U.S., courts aim to give more protection to innovative expression via the Internet, it is still needed to measure whether these news aggregators gain a lot from using works freely., courts aim to give more protection to innovative expression via the Internet, it is still needed to measure whether these news aggregators gain a lot from using works freely.

### **III. PROPOSAL FOR THE U.S. TO UPDATE ITS COPYRIGHT LAW**

In order to find a more proper way of balancing the interests of press publications and news aggregators, both the U.S. provision of Fair Use Doctrine and the E.U. new copyright directive should be considered. According to Part I in this essay, the same situation occurs in two different areas.<sup>133</sup> In the U.S., when courts determine cases about the

---

<sup>132</sup> See Greenfield, *supra* note 129.

<sup>133</sup> See *infra* Part I; see also Paul Farhi, *Don't Blame the Journalism: The Economic and Technological Forces Behind the Collapse of Newspapers*, 30 AM. JOURNALISM REV. 14, 14 (2008) [hereinafter *Don't*

Internet, they often rule and hold that the uses by aggregators constitute a highly transformative use, for they provide more chances for civilians to know the world better.<sup>134</sup> However, in the E.U., strict limitations on adopting articles or news from press publications seem to be implemented.<sup>135</sup> This paper proposes to combine the E.U. approach and some exceptions under fair use, aiming to secure a more balanced way for the U.S. courts to decide these cases.

**A. *Proposal of an Adapting Way Applied to Press Publications and News Aggregators***

Beyond all doubts, the best way to encourage beneficial relationships between copyright owners and technology developers is licensing. Under current U.S. law and judicial precedent, it is not clear whether news aggregators and social media sites violate newspaper's copyrights.<sup>136</sup> To ensure the balance and flexibilities of solving these problems, and to better protect endangered traditional publications, this proposal will offer a new amendment to U.S. copyright law to give publishers basic rights and specify ways that can be considered fair use by

---

*Blame the Journalism*] ("The gravest threats include the flight of classified advertisers, the deterioration of retail advertising and the indebtedness of newspaper owners.").

<sup>134</sup> See, e.g., *Field v. Google, Inc.*, 412 F. Supp. 2d 1106, 1118–19 (D. Nev. 2006); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1167 (9th Cir. 2007).

<sup>135</sup> See Catherine Stupp, *Commission Pushes Controversial 'Google Tax' to Save News Publishers*, EURACTIV (Sept. 14, 2016), <https://www.euractiv.com/section/digital/news/commission-pushes-controversial-google-tax-to-save-news-publishers/> [<https://perma.cc/82LK-9H2C>].

<sup>136</sup> See, e.g., Nancy J. Whitmore, *Extending Copyright Protection to Combat Free-Riding by Digital News Aggregators and Online Search Engines*, 24 CATH. UNIV. J. L. & TECH. 1, 55–56 (2015) (arguing for narrowing the fair-use doctrine to protect copyright of newspapers).

adding a new statute in Title 17 of the United States Code. The proposed section reads as follows:

**In general**

Publishers of press publications shall have exclusive rights which provided in the 17 U.S. Code § 106 for the online use of their press publications by information society service providers.

**(1) Definition**

A news publication is a collection of literary works of a journalistic nature, but may also include other works or other topics, and:

(a) constitutes an individual item within a periodical or regularly updated publication under a single title, such as a newspaper or a general or special interest magazine; **(except for scientific or academic periodicals)**

(b) has the purpose of providing the general public with information related to news or other topics; and

(c) is published in any media under the initiative, editorial responsibility and control of a service provider.

**(2) Exceptions**

The rights provided for in the first subparagraph shall not apply to private or non-commercial uses of press publications by individual users.

The rights provided for in the first subparagraph shall not apply in respect of the use of individual words or very short extracts of a press publication.

The protection granted under the first subparagraph shall not apply to acts of hyperlinking **and titles**.



## 1. The Proposal Explanation in General

This proposal aims to state clearly what constitutes infringement by a news aggregator and what does not. The current U.S. copyright law is not clear about the way infringement can be induced in this circumstance.<sup>137</sup> Thus, news aggregators can easily defend their use under the Fair Use Doctrine, so then it would be up to aggregators to provide the public access to news.<sup>138</sup> They can allege that there is a transformative use of the original news articles.<sup>139</sup> The use of copyrighted works may benefit the public, but it may not necessarily comport with the stated purpose of use. Even if an aggregator like Google News did not put any advertisements on the summary pages, they can earn other benefits when users click this summary page.

Therefore, in the general paragraph, this proposal grants press publications all the exclusive rights which a copyright owner can enjoy under 17 U.S.C. § 106. This means that, if we do not set any restrictions, the news aggregator can only use the press publisher's news works by licensing. In this way, the copyright is paid for and then used, and the copyright owner can realize his own interests through license. Although fair use is regarded as a transfer of the copyright owner's own interests, such transfer does not constitute a significant damage to the interests.<sup>140</sup> That is, the impact on the market value of freely using copyright works does not result in the conversion of infringement in any circumstances.<sup>141</sup> In this situation, a court may be neutral about whether there are potential damages to press

---

<sup>137</sup> *See id.* at 7.

<sup>138</sup> *See, e.g., Perfect 10*, 508 F.3d at 1166.

<sup>139</sup> *See id.*

<sup>140</sup> *See Wendy J. Gordon, Fair Use as Market Failure: A Structural and Economic Analysis of the "Betamax" Case and Its Predecessors*. 82 COLUM. LAW REV. 1600, 1600–57 (1982).

<sup>141</sup> *See id.*

publications. Even if news aggregators benefit from the use, the courts might hold that news aggregators potentially increase the amount of reading for original articles. It seems like a win-win situation for both parties. In fact, news aggregators merely summarize the main points, and as a consequence, users stop reading without clicking the link to get further information.

## **2. Definition**

The second part of this proposal, as discussed in Part I, is a definition of what could be considered a press publication. News itself has the characteristics of facts, while a news report not only contains facts, but also carries the impressions of the author. Therefore, press publications select and refine abstract conceptions in the form of news, giving them material form through publication and production, and then spreading them to the public. The E.U. offers a good explanation. According to Article 2(4) of the new E.U. copyright directive, press publications (mainly literary works) which have a journalistic nature, can be protected under this law.<sup>142</sup> The EU classifies journalistic work into three categories: (1) each individual's works regularly updated under newspapers or magazines (except for scientific or academic periodicals); (2) works related to the news, aiming to provide public information; and (3) works published under a service provider.<sup>143</sup> The E.U. approach includes almost all the works related to a journalistic nature and excludes scientific or academic periodicals. Therefore, the U.S. could adapt the same definition of press publication as the E.U.

## **3. Exceptions**

This proposal sets some exceptions and tries to distinguish the conduct of news aggregators which can be

---

<sup>142</sup> Copyright Directive, *supra* note 1, at art. 2(4).

<sup>143</sup> *Id.*

treated as fair use. In a nutshell, if news aggregators only use a title and hyperlinks, without advertisement along the sides, or small snippets, or any further personalized push functions, the free use of press publications' works can be considered fair use. The main controversial part of the E.U. approach is whether showing snippets to the public constitutes infringement.<sup>144</sup> In my opinion, showing merely snippets to the public may have its pros and cons. Nevertheless, the "heart" of copyrighted work is an essential point to figure out this problem. In some cases of search engines, like in *Perfect 10, Inc. v. Amazon.com, Inc.*,<sup>145</sup> although the defendants copied the image in its entirety, they reduced the image and gave the purpose of allowing users to identify the image and click to see the full-size version, and thus the use was reasonable.<sup>146</sup> To further interpret this holding, the court may allow reasonable use, which should be a non-substantive use with appropriate extraction and limited reproduction. If plagiarism replaces the reference and the new work crowds out the original work, it constitutes an unreasonable "substantive use."

Furthermore, investigating the extent to which works are used requires both quantitative and qualitative analysis. In many copyright examples, "substantive" analysis is more important than quantitative analysis. Does the technology of aggregators abstract essential parts of the original news articles? Does the news aggregators' web page list all essential parts to the public? Also, courts should consider the relationship between the news posted on aggregators'

---

<sup>144</sup> See generally *Associated Press v. Meltwater U.S. Holdings, Inc.*, 931 F. Supp. 2d 537, 542 (S.D.N.Y. 2013) (internal citation omitted); *Snippet*, MERRIAM WEBSTER, <https://www.merriam-webster.com/dictionary/snippet> [<https://perma.cc/ZVU4-TUM5>] ("a small part, piece, or thing; especially: a brief quotable passage").

<sup>145</sup> *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1167–68 (9th Cir. 2007).

<sup>146</sup> *Id.*

pages and the original articles. Can the former replace the latter? Will a substantial number of readers stop to click the links to see all details? The quantity of freely used parts of the news article could be small, but the aggregators use the essential parts of the original works. The consequence is limiting the exposure of the original news articles. It seems ambiguous for courts to determine each small snippet.

Therefore, this proposal excludes snippets, but grants hyperlinks and titles an exception for news aggregators to use in their businesses. Alternatively, news aggregators can use some key words from the original works in order to help the public find out what they want to read. In this way, news aggregators can serve as search engines and provide retrieval service. As can be seen, basic search engines and the news pages are completely different. For instance, Google News not only provides headlines, but also provides a personalized push customization service for each user. It should be noted that this function greatly facilitates the retrieval of news by users, yet, this series of services are beyond the use of search engines themselves. Most importantly, the news aggregator does not own the copyright of the original text and does not pay any fees to the original author. Copyright law should encourage innovation in science and technology and use these innovative technologies to facilitate the lives of the public. However, technological innovation must not override infringement. Even if the aggregator provides the public with a more convenient way to learn about current world events, it cannot circumvent the fact that they infringe upon the copyright of the publishing industry.

**B. Reasons to Adapt this Proposal**

As discussed in Part I, traditional press publications are endangered in the Internet environment.<sup>147</sup> When news aggregation services strongly impact the interests of news publishers, news publishers have turned to the law to resist the systematic capture and use of news products by news aggregators and to protect their investment and earnings from news products. This fact demonstrates that press publications have faced a situation that cannot be dealt with through compromise.<sup>148</sup>

**1. Better Protect Endangered Traditional Publications**

The first benefit of this proposal is that it can better protect traditional press publication by directly transferring the original copyrights to them. After the E.U. new copyright directive was implemented, news publications found their way to stimulate the amount of reading. A new law, strict but crucial for press publications, can totally change the way of sharing revenues. Last October, Facebook created a new news section, titled News Tab.<sup>149</sup> Facebook is in talks with multiple news agencies and will pay to publish the content of these news agencies on the platform.<sup>150</sup> This seems to be an opportunity to increase read rates for major news agencies. On one hand, today's social

---

<sup>147</sup> See generally *Public Relations Consultants Ass'n Ltd. v. The Newspaper Licensing Agency Ltd.* [2013] UKSC 18. (appeal taken from Eng. & Wales).

<sup>148</sup> See Monika Isia Jasiewicz, *Copyright Protection in an Opt-Out World: Implied License Doctrine and News Aggregators*, YALE L.J. 837, 840–41 (2012).

<sup>149</sup> Casey Newton, *A new Facebook News tab is starting to roll out in the United States*, THE VERGE (Oct 25, 2019, 6:00 AM), <https://www.theverge.com/2019/10/25/20930664/facebook-news-tab-launch-united-states-test> [<https://perma.cc/8C9Z-72DW>].

<sup>150</sup> *Id.*

media does occupy a large part of people’s screen usage time. If news agencies can get publicity on social platforms and increase profits at the same time, it may be a good thing. On the other hand, Facebook can also change the shortcomings of the previous algorithms to recommend news, adding authority to news on its platform. This new type of cooperation model not only creates revenue for Facebook, but also guarantees that copyrighted works of news publishers can be used reasonably under the condition of remuneration. The introduction of the E.U.’s new copyright law has given publishers a new business model, so it can also stimulate the author to create more valuable articles. In addition, small copyright owners can profit from it. At least, from the perspective of legislation, the law directly gives them rights. They are different from the previous large-scale joint publishing groups and may have private contracts with news aggregators.<sup>151</sup>

## **2. Harmonization**

The next reason to adopt the proposal is harmonization. News aggregators’ infringing behaviors have precedent abroad, as news aggregators like Google News collect news in global areas.<sup>152</sup> Many countries started to pursue a balance of the distribution of benefits between news publishers and news aggregation search platforms to achieve the orderly development of the news and periodical industry. At first, Germany amended the Intellectual Property Law and created the rights of newspaper publishers to give traditional newspaper publishers certain rights to

---

<sup>151</sup> See Paul Farhi, *A Costly Mistake?*, 31 AM. JOURNALISM REV. 36, 41 (2009), [hereinafter *A Costly Mistake?*] (noting that the AP President and Chief Executive Officer stated, “[i]t was a dumb idea to think that you could pay the rent on the Internet with advertising alone”).

<sup>152</sup> See Mark Scott, *Google News to Shut Down in Spain*, N.Y. TIMES (Dec. 11, 2014, 4:43 AM), [http://bits.blogs.nytimes.com/2014/12/11/google-to-drop-its-news-site-in-spain/?\\_r=1](http://bits.blogs.nytimes.com/2014/12/11/google-to-drop-its-news-site-in-spain/?_r=1) [https://perma.cc/3WJ8-846L].

protect their interests.<sup>153</sup> German legislators passed *Leistungsschutzrecht für Presseverleger* (translated as “ancillary copyright for press publishers”) a bill in 2013.<sup>154</sup> Then, in 2014, the Spanish “Intellectual Property Law” created a “fair compensation right” system in the “Restrictions on Rights” section to regulate news aggregation search behavior.<sup>155</sup> As a result, in order to protect endangered news publications, the E.U. promulgated their new directive on copyright last year.<sup>156</sup> The aforementioned reason to set a harmonized law in the E.U. is that the establishment of the European Union confuses the copyright of news publications. The European Union does not have a unified system for defining when the author of news content is a journalist, and when the news publisher is a journalist.<sup>157</sup> All these facts show that the unbalanced relationship in the U.S. should be taken into account. Only a harmonized standard of this problem can save the endangered press publications.

#### IV. CRITICISMS OF THIS PROPOSAL

Since this proposal aims to add a section into the current U.S. copyright law and combine most of the E.U. new directive elements into this proposal, critics might

---

<sup>153</sup> See, e.g., Harro Ten Wolde & Eric Auchard, *Germany’s Top Publisher Bows to Google in News Licensing Row*, REUTERS (Nov. 5, 2014, 10:35 AM), <http://www.reuters.com/article/us-google-axel-sprngr-idUSKBN0IP1YT20141105> [<https://perma.cc/3FXT-S38Q>].

<sup>154</sup> Christopher Gagne, Note, *Canon AEDE: Publishers’ Protections from Digital Reproductions of Works by Search Engines Under European Copyright Law*, 29 TEMP INT’L & COMPAR. L.J. 203, 216 (2015).

<sup>155</sup> *Id.* at 221–22.

<sup>156</sup> See generally Copyright Directive, *supra* note 1.

<sup>157</sup> Lindsay Marks, *Can Copyright Save the U.S. News Industry?: Applying The 2016 European Union Proposal to The US*, 46 AM. INTELL. PROP. L. ASS’N. Q. J. 61, 90 (2018).

object that it is inconsistent with the legislative purposes of the current U.S. legislation. Potential main criticisms shall be addressed in the following part of the paper.

**A. Exacerbate Internet Information Inequities**

The first objection to consider is whether this proposal can actually be implemented in the U.S. When news aggregators want to keep their current business models, they have to distribute their economic loss to their users. This proposal may exacerbate Internet information inequities. Today, in the United States, where the payment model is popular, large and small media companies have built payment walls. People who are unwilling or unable to pay tens of dollars a month for subscription fees are basically not able to see first-hand information.<sup>158</sup> they often pay more fees to see information from different positions. Information equality has been declining, and this happened even before the new copyright law.<sup>159</sup> Sergey Brin, one of the founders of Google, declared at the beginning of the company's establishment that Google's goal is to use "a perfect search engine [to] process and understand all the information in the world."<sup>160</sup> In the past two decades, the existence of Google has promoted the free dissemination of information on the Internet and the fairness of information. As Part I of this article addressed, after the E.U. passed the new copyright directive, Google announced that they may consider leaving the entire European market.

---

<sup>158</sup> See generally Jason Brett, *Congress Explores Benefits of Digital Equity And Internet Adoption In U.S.*, FORBES (Jan 29, 2020, 2:37 AM), <https://www.forbes.com/sites/jasonbrett/2020/01/29/congress-explores-benefits-of-digital-equity-and-internet-adoption-in-us/#7ca754af2dfc> [https://perma.cc/PE6B-RJ4Z].

<sup>159</sup> See generally *id.*

<sup>160</sup> Capital & Perkins, *supra* note 130.



However, faced with the impact of new communication channels such as the Internet, radio, and television, the revenues of E.U. and U.S. press publications have declined year by year.<sup>161</sup> In fact, the relationship between news publishers and network service providers is very delicate. On one hand, the former accuses the network platforms of hurting the traditional news publishing market. On the other hand, news publishers also hope that the network platforms can create diversion and transmission channels for traditional news publishing.<sup>162</sup> Existing laws cannot curb the problem of news aggregation and infringement.<sup>163</sup> If this happens, in the long run, it will not be conducive to encouraging the continuous production of high-quality original news works. In fact, both the European Union and the suggestions in this article hope to modify legislation to increase the ability to obtain digital rights and bargaining power via transferring the power to the original copyright owners and letting them decide how to distribute or reproduce their works. It should be noted that, even though both ways will utterly change the current business model of news aggregators, the original creators are not supposed to be hurt.

***B. Not the Right Balance—Violating Utilitarianism for Copyright***

The second objection is that copyright is a right that is extremely easy to establish. The scope of protection of copyright is very wide, and the standard is low.<sup>164</sup> As long as a work can be proved to be original, the system makes it difficult to guarantee that there is no duplicate copyright

---

<sup>161</sup> *See infra* Part I.

<sup>162</sup> *See id.*

<sup>163</sup> *See id.*

<sup>164</sup> *See* 17 U.S.C. § 102 (1992).

protected work.<sup>165</sup> However, the legitimate goal of the U.S. copyright law is encouraging innovation. Besides, the dominant copyright law theory in the United States is utilitarian and provides creators with limited motivation for copyright protection in order to produce materials that are valuable to the society.<sup>166</sup> Copyright laws are currently being adjusted to encourage the development of digital technologies and the innovative use of copyrighted content.<sup>167</sup> In defending the use of copyrighted materials, courts tend to find the rational use of search engines to support the public interest of obtaining information.<sup>168</sup> Meanwhile, case law also shows that courts have made a distinction between protecting the growth of digital technology for the public interest and admitting that it does not allow the systematic acquisition of digital copyright and the unauthorized use of copyright content.<sup>169</sup> Furthermore, in October 2015, the Second Circuit Federal Court of Appeals ruled that Google’s digital scanning of books and the provision of electronic retrieval to users is a fair use and complies with Section 107 of the Copyright Act, which means that commercial text and data mining are legal uses.<sup>170</sup> This verdict essentially created a new era for the commercial application of the Google Digital Library project using the fair use system. It should be noted, however, that if the U.S. totally copies the approach of E.U. right now, things would be different in application. The E.U.’s new directive is too strict for news aggregators. This proposal aims to set a right balance between two parties.

---

<sup>165</sup> *See id.*

<sup>166</sup> *See* Jeanne C. Fromer, *An Information Theory of Copyright Law*, 64 EMORY L. J. 71, 73 (2014).

<sup>167</sup> *See generally* Runhua Wang, *New Private Law? Intellectual Property “Common-Law Precedents” in China*, 89 UMKC L. REV. 109 (2020).

<sup>168</sup> *See* Fordham, *supra* note 75, at 989.

<sup>169</sup> *See id.*

<sup>170</sup> *Authors Guild v. Google, Inc.*, 804 F.3d 202, 217 (2nd Cir. 2015).

According to current U.S. copyright law, works created by the original writer and fixed in any tangible media can be protected under copyright law.<sup>171</sup> That is a plain definition of the current U.S. copyright law, which means the original copyright owners have exclusive rights to choose how to distribute their works.<sup>172</sup> Internet service providers, like news aggregators, are the ones who freely use the original work and benefit from it. In order to balance interests, news aggregators should only have their basic function, which is to help the public select and retrieve. In this proposal, excluding the title and hyperlinks is meant to encourage news aggregators to continue to provide access to the content. Nonetheless, if they want to make huge profits like they used to by offering snippets, putting advertisements, and other personalized push services, they must get licenses from the press publication.

## V. CONCLUSION

Under the current U.S. copyright law, it is ambiguous whether the news aggregators' conduct could be considered infringement. Besides, as the Fair Use Doctrine and U.S. utilitarian background currently exist, courts may grant more protection to news aggregators. However, this phenomenon is the key to change and must be taken into account. As Internet technology grows in this era, innovation cannot be encouraged blindly, and the fundamental problem of protecting the original creators should not be ignored. This time, since the E.U. became the leader in this reform, the problems between news publishers and news aggregators should be known and reasonable rights should be granted so that they can survive and create more value for the society.

---

<sup>171</sup> 17 U.S.C. § 102 (1992).

<sup>172</sup> *Id.*

## INCENTIVIZING INNOVATION AND RECLAIMING BALANCE IN THE PHARMACEUTICAL INDUSTRY: A CASE FOR SECONDARY PATENTS

MEREDITH E. FOOR\*

### ABSTRACT

*In the pharmaceutical industry as it exists today, brand-name companies are often criticized for attempting to minimize competition and raise drug prices. In response to this reaction, incentives have been put in place to benefit generic drug companies. These existing incentives create an imbalance, favoring generic companies. However, the balance should be restored to account for the important role that brand companies have in the industry, specifically with the innovation they provide by investing in the research and development of new and improved products. The need for innovation in the industry stems from the greater need of the public to have drug products to treat illnesses and ailments. This Note proposes that a maximized innovation incentive for brand companies can be created by further expanding on already-existing incentives, specifically focusing on the role of secondary patents in the industry.*

---

\* J.D. Candidate, University of New Hampshire Franklin Pierce School of Law, 2021; M.S. & B.E., Stevens Institute of Technology, 2018. I would like to thank Professor Ryan Vacca for his invaluable guidance on this Note, which was selected by the IDEA Volume 60 Editorial Board for publication in Volume 61.

*Incentivizing Innovation and Reclaiming Balance in the  
Pharmaceutical Industry* 423

Abstract .....	422
I. Introduction.....	423
II. Structure of the Pharmaceutical Industry.....	427
A. Brand vs. Generic.....	427
B. The Hatch-Waxman Act .....	428
C. The Major Obstacles for Brand Companies.....	430
III. Innovation Incentives .....	433
A. The FDA Exclusivity Incentives.....	433
B. Limitations of the FDA Exclusivity Incentives ..	436
C. The Patent Incentive .....	437
D. Limitations and Criticisms of the Patent Incentive .....	439
IV. The Hidden Solution to Restore Balance in the Industry .....	441
A. Recognizing the Importance of Secondary Patents .....	441
B. Encouraging the Secondary Patent Incentive .....	448
C. Effect on Generic Companies .....	453
V. Conclusion .....	453

**I. INTRODUCTION**

The pharmaceutical industry has a high-cost, low success-rate model for new drug research and development. For example, a new drug product may cost up to \$2.6 billion dollars from its initial research phase to its market approval stage, and there is less than a twelve percent chance of gaining market approval for those products that do make it

to clinical development.<sup>1</sup> Further, the majority of non-capitalized costs are incurred by pharmaceutical companies during early stage development, creating high up-front costs for early research of new, potential drug products.<sup>2</sup> While facing failure at every turn, large pharmaceutical companies continue to invest in early-stage research and development despite the heavy financial burden and low success rate of developing a new drug. These companies play a critical role in healthcare, creating invaluable new drugs that are used to treat patients. Although there are certain systems in place to encourage these companies to continue their innovative roles, these systems may currently be insufficient. Therefore, to continue encouraging the innovation that drives the creation of invaluable drugs, pharmaceutical companies should have a maximized incentive to bear the unreturned costs and chance of failure in new drug research and development.

The pharmaceutical industry as a whole is incentivized to innovate through exclusivity grants provided by the patent law system and the Food and Drug Administration (FDA). Exclusivity provided by the patent law system provides pharmaceutical companies the ability to prevent third parties from making, selling, or using the new drug claimed in the patent; however, due to the timeline of filing for a patent application and ultimately getting a new drug product to market, pharmaceutical companies do not

---

<sup>1</sup> Thomas Sullivan, *A Tough Road: Cost to Develop One New Drug is \$2.6 Billion; Approval Rate for Drugs Entering Clinical Development is Less than 12%*, POLICY & MEDICINE (Mar. 21, 2019), <https://www.policymed.com/2014/12/a-tough-road-cost-to-develop-one-new-drug-is-26-billion-approval-rate-for-drugs-entering-clinical-de.html> [https://perma.cc/4M2Y-Y4X5].

<sup>2</sup> Joseph A. DiMasi et al., *Innovation in the Pharmaceutical Industry: New Estimates of R&D Costs*, 47 J. HEALTH ECON. 20, 23–25 (2016); Ed Price, *Want to Know Why Early Drug Development Costs So Much*, PCI (Mar. 22, 2019), <https://www.pcisynthesis.com/want-to-know-why-early-drug-development-costs-so-much/> [https://perma.cc/5BSP-ZRJJ].

necessarily enjoy a full patent term.<sup>3</sup> Meanwhile, the FDA's grant of exclusivity allows the owner of the new drug to have exclusive rights on the market for an amount of time typically between six months and seven years.<sup>4</sup> The downfall of this innovation incentive is that it only comes into existence once a new drug has FDA approval, a checkpoint that the majority of potential products never reach.<sup>5</sup>

Taking a closer look at the U.S. patent law system reveals another means to incentivize the industry beyond the initial patent granted (the primary patent) for a drug product. This incentive is the granting of secondary pharmaceutical patents. In the pharmaceutical context, a primary patent is one that typically covers the active pharmaceutical ingredient of a new drug, while a secondary patent is one that can cover other aspects of a drug product such as the form of the active compound, a method of use, a dosage, or a formulation.<sup>6</sup>

While there is widespread concern in the industry regarding secondary patents and the potential for unfairly extending patent protection for products beyond the initial twenty-year patent term, this Note will argue that more readily granting secondary patents serves to incentivize innovation—specifically with respect to product improvement—without unfairly creating a market monopoly on previously patented drug products. Further, this Note will argue that encouraging such secondary patents, coupled with other already existing incentives, can create a maximized

---

<sup>3</sup> Angélique McCall & Gene Quinn, *The FDA Process, Patents and Market Exclusivity*, IPWATCHDOG (Mar. 12, 2017), <https://www.ipwatchdog.com/2017/03/12/fda-process-patents-market-exclusivity/id=79305/> [<https://perma.cc/2R8V-8MJG>].

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> María José Abud Sittler et al., *An Empirical Analysis of Primary and Secondary Pharmaceutical Patents in Chile* 2 (Nat'l Bureau of Econ. Research, Working Paper No. 20995, 2015).

incentive that will adequately encourage brand pharmaceutical companies to continue investing time and money into risky, early-stage innovation for new drugs.

It is important to acknowledge that this Note does not seek to disregard the tension between brand and generic interests. Generic companies serve an invaluable purpose by creating market competition and, consequently, lowering consumer costs, among other things. These are valuable considerations, and a balancing of these interests is critical for maximizing public good. However, this Note will argue that the balance currently weighs too far in favor of generic companies, which ultimately stifles innovation in the industry by limiting brand companies' ability to recoup costs and collect profits. The underlying logic of the argument being that the more brand companies profit, the more they will reinvest their increased profits in further research. This reinvestment could lead to a significant increase in groundbreaking new drug innovations and product improvements. Therefore, this Note does not seek to invalidate the important purpose of generic companies, but rather argues that because current incentives tip the balance too far in the favor of generics, a correction is needed. Specifically, the correction would provide greater incentives for brand companies to continue developing innovative products for the benefit of the consumers.

In advocating for this correction, Section I of this Note outlines the structure of the pharmaceutical industry with respect to the competition created between brand and generic companies, the role that the Hatch-Waxman Act of 1984 serves in creating such competition, and the current problems faced by brand companies. Section II outlines the current innovation incentives, exclusivities provided by the patent law system and the FDA, with an analysis of the pros and cons of each. Section III explores a method for maximizing innovation incentives for brand companies, ultimately drawing a conclusion that the best way to do so is



by supplementing currently existing incentives with a greater emphasis on secondary patents and the role they should play.

## II. STRUCTURE OF THE PHARMACEUTICAL INDUSTRY

### A. *Brand vs. Generic*

The pharmaceutical industry is comprised of brand companies and generic companies, each of which serve a different role in the industry. Brand companies are those that serve to invest in research and development to create new pharmaceutical products while generic companies produce imitator copies of the brand-name pharmaceutical products.<sup>7</sup> To comply with FDA requirements, generic companies must produce drug products that are the same as brand-name drugs in their dosage form, safety, strength, administration route, quality, and performance character.<sup>8</sup> As generic products are copies of brand products, the generic drugs cannot be introduced to the market until the brand company's patent(s) and FDA exclusivities have expired.<sup>9</sup> Yet, generic companies benefit from the investment made by brand companies because generic medicines do not have to repeat clinical trials that were done for the original brand product; rather, to comply with the FDA, a generic company may submit an abbreviated application to gain FDA approval, relying on the clinical data obtained by the testing of the brand product.<sup>10</sup>

This distinction between brand and generic companies, and their products, creates competition within

---

<sup>7</sup> Fiona M. Scott Morton, *Barriers to Entry, Brand Advertising, and Generic Entry in the U.S. Pharmaceutical Industry*, 18 INT'L J. INDUS. ORG. 1085, 1090–92 (2000).

<sup>8</sup> *Generic Drug Facts*, FDA, <https://www.fda.gov/drugs/generic-drugs/generic-drug-facts> [<https://perma.cc/2CVC-GSTG>].

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

the pharmaceutical market. Generic companies have the ability to enter the market at a lower price with generic products, but brand companies have the opportunity to enter the market first. While it may seem like a fair trade-off, the brand pharmaceutical companies may actually benefit less. This trade-off, as it exists today, was established through the creation of the Hatch-Waxman Act, which provides a path for generic manufacturers to challenge patent validity of a brand product more readily.<sup>11</sup>

### ***B. The Hatch-Waxman Act***

The Hatch-Waxman Act was passed by Congress in 1984 and has resulted in an overall increase in pharmaceutical competition between brand and generic companies.<sup>12</sup> One of the primary goals of the Act is to facilitate the approval of generic drugs, thus encouraging a larger presence of generic drugs on the market.<sup>13</sup> The Act also provides generic companies an avenue to challenge brand-name patents prior to obtaining market entry; this can ultimately allow the generic company to avoid simultaneous challenge to, and infringement of, brand products.<sup>14</sup>

One way generic companies can challenge a brand company's patent is through a Paragraph IV certification, where the generic company files an Abbreviated New Drug Application (ANDA).<sup>15</sup> When a generic company files an

---

<sup>11</sup> Henry Grabowski et al., *Recent Trends in Brand-Name and Generic Drug Competition*, J. MED. ECON. 1, 1–2 (2013).

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 2.

<sup>14</sup> Garth Boehm et al., *Development of the Generic Drug Industry in the Hatch-Waxman Act of 1984*, 3(5) ACTA PHARMACEUTICA SINICA B 297, 298 (2013).

<sup>15</sup> Meredith H. Boerschlein & Shana K. Cyr, *Intricacies of the 30-Month Stay in Pharmaceutical Patent Cases*, FINNEGAN (Mar. 25, 2018), <https://www.finnegan.com/en/insights/articles/intricacies-of-the-30->

ANDA to seek FDA approval of a generic drug, it must certify “that each listed patent (a) has expired (a Paragraph II certification), (b) will expire before the generic drug is marketed (a Paragraph III certification), or (c) is invalid, unenforceable, or will not be infringed by the generic drug (a Paragraph IV certification).”<sup>16</sup> When a generic company files a Paragraph IV certification, it is required to notify the owner(s) of the branded drug and the owner(s) of the related patents for that drug.<sup>17</sup> The patent owner(s) may then sue the generic drug company for patent infringement within forty-five days of such notice.<sup>18</sup> When the suit is filed, a thirty-month stay is triggered for the FDA, preventing it from approving the generic product for the market until the end of the stay.<sup>19</sup> Does such a stay favor brand companies? Yes. It allows the brand company to remain on the market without competition while the infringement suit is ongoing. However, generic companies also have an incentive to trigger such a suit. The first generic product of its kind on the market receives 180 days of exclusivity before other generics of the kind may enter the market, *and* a court may shorten the thirty-month stay if the patent owner fails “to reasonably cooperate in expediting the action.”<sup>20</sup>

The Hatch-Waxman Act also incentivizes innovation with brand companies by creating a data exclusivity provision that provides for a period of time, either four or five years after a brand product’s FDA approval, where the FDA cannot receive generic applications that rely on the

---

month-stay-in-pharmaceutical-patent-cases.html  
[<https://perma.cc/26XG-GEFB>].

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*; *Exclusivity and Generic Drugs: What Does it Mean?*, FDA, <https://www.fda.gov/files/drugs/published/Exclusivity-and-Generic-Drugs--What-Does-It-Mean-.pdf> [<https://perma.cc/WN5M-6KB8>].

brand product’s clinical trial data.<sup>21</sup> In addition, the Act creates an opportunity for inventors to receive an additional time period of patent term protection, called patent restoration, to compensate the inventor for some of the time it took the product to obtain FDA approval while the patent term was running.<sup>22</sup> Patent restoration can add up to five years of life to a patent, but the extension cannot result in the remaining patent term exceeding fourteen years after FDA approval of the product has been obtained.<sup>23</sup>

These benefits are recognized and utilized by brand companies, yet the ultimate ability of generic companies to challenge patent validity of brand products advantages generic companies under the Act.<sup>24</sup> Therefore, despite the targeted innovation incentives for brand companies, the Hatch-Waxman Act serve to benefit generic companies more than brand companies, creating the present issue of brand companies lacking an adequate incentive for further innovation.

### ***C. The Major Obstacles for Brand Companies***

Within the last ten years, the presence of generic pharmaceuticals rose to account for eighty-eight percent of the prescriptions filled in the United States.<sup>25</sup> In today’s pharmaceutical market, “nearly every brand pharmaceutical item has, or will have, a generic competitor.”<sup>26</sup> This stands

---

<sup>21</sup> Grabowski et al., *supra* note 11, at 2.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> See Boehm, *supra* note 14, at 298 (“[D]espite all the attempts by the brand industry to counter generic product development and use after the enactment of the Hatch-Waxman Act, generic drugs have risen to become a significant majority of the US prescription pharmaceutical market by volume.”).

<sup>25</sup> Joseph Muha, *Pharmaceutical Patents: What are the Differences?*, 19 W. MICH. U. COOLEY J. PRAC. & CLINICAL L. 209, 209–10 (2018).

<sup>26</sup> *Id.* at 214.

in stark contrast to the thirty-five percent of brand name products that had a generic version of the same product competing with it on the market prior to the implementation of the Hatch-Waxman Act.<sup>27</sup> This may be because generic companies now have an easier avenue to invalidate brand products' patents through litigation, allowing generic companies to obtain market entry without fear of infringing those patents. This incentive for generic companies to bring lawsuits against brand companies was created by certain provisions of the Hatch-Waxman Act.<sup>28</sup>

In the current pharmaceutical industry, brand companies argue that they do the heavy-lifting with respect to the development of new and important, lifesaving drugs. To develop a new product, the brand company must take steps to identify potential drug targets, synthesize and then characterize prospective chemical compounds, perform in vivo and in vitro studies followed by clinical testing phases, communicate extensively with the FDA to obtain approval, and establish a market for the new product.<sup>29</sup> While substantially investing in the new drug development process, brand companies may view generic companies as “free-riding” their work as generic companies take advantage of

---

<sup>27</sup> *Id.*

<sup>28</sup> See Margaret K. Kyle, *Competition Law, Intellectual Property, and the Pharmaceutical Sector*, 81 ANTITRUST L.J. 1, 7 (2016) (“The first generic firm to challenge a patent successfully on the grounds that it is invalid or not infringed . . . receives 180 days of exclusivity, during which time the FDA approves no other generic. The Hatch-Waxman Act created the 180-day exclusivity ‘prize’ explicitly for the purpose of rewarding challenges to weak pharmaceutical patents. Without such a prize, a patent challenge is costly for the generic firm that attempts it, and successfully invalidating a patent creates a public good for all other generic firms.”).

<sup>29</sup> Dmitry Karshedt, *The More Things Change: Improvement Patents, Drug Modifications, and the FDA*, 104 IOWA L. REV 1129, 1146–47 (2019).

the clinical testing data that the brand product obtained through the brand companies' resources.<sup>30</sup>

In addition, when a drug product receives regulatory approval, the FDA lists the new drug in the book *Approved Drug Products with Therapeutic Equivalence Evaluations*, commonly referred to in the industry as “the Orange Book.”<sup>31</sup> If the product is listed in the Orange Book, the pharmaceutical company owning that product is required to submit patent information, which is outlined to include, for example, the “patent number for each drug for which a reasonable claim of patent infringement could be made,” to be included in the book listing.<sup>32</sup> The listings in the book are required by statute to be updated at least every thirty days.<sup>33</sup> This requirement serves to put the public on notice of the patents associated with any FDA-approved product. However, by providing notice to the public, the listings also draw the attention of generic companies, giving competitors the opportunity to identify the “most valuable patent assets” for any given product.<sup>34</sup> It is typically from these listings that litigation ensues regarding pharmaceutical patent validity.

The heavy financial burden of early-stage research and development, coupled with the requirement of essentially putting competitors on notice of its most valuable assets, poses significant hurdles for brand companies to profit from their innovation. If brand companies are given a means of protecting various aspects of their inventions, blocking competitors from using their obtained data, *and* keeping a competitor product off the market for a set period

---

<sup>30</sup> *Id.* at 1147.

<sup>31</sup> Carlos A. Garcia & Jonathan Stroud, *Ships in the Night: Resolving Administrative Conflict Between FDA- and Patent-Related Legislation*, 68 AM. U. L. REV. 1111, 1131 (2019).

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

time, the brand companies may be more willing to continue investing larger amounts of money in innovation. As innovation is the core of the pharmaceutical industry, the need for brand companies to continue serving in this revolutionizing capacity is apparent so that the public can ultimately access new and improved products.

### III. INNOVATION INCENTIVES

Current innovation incentives for pharmaceutical companies include FDA exclusivities and patents. Each serves its own role to incentivize innovation but falls short of providing an adequate incentive on its own. However, a closer look into FDA exclusivities and patents shows that an expansion upon each option's most basic grants could provide a solution to maximize brand company innovation incentives.

#### A. *The FDA Exclusivity Incentives*

There are two types of FDA exclusivity that are relevant to the pharmaceutical industry: data exclusivity and market exclusivity. While seemingly similar, the two serve different purposes. Generally, data exclusivity prohibits generic companies from referencing data produced by a brand company for a period of time, while market exclusivity prevents competition over a specific product on the market.<sup>35</sup> These regulatory exclusivities are awarded for an FDA-approved product and are only of "commensurate scope with the drugs" that are approved.<sup>36</sup> Granted regulatory exclusivity "may or may not run concurrently and may or may not cover the same aspects of the drug product"

---

<sup>35</sup> John R. Thomas, *The End of "Patent Medicines"?: Thoughts on the Rise of Regulatory Exclusivities*, 70 *FOOD & DRUG L.J.* 39, 48–49 (2015).

<sup>36</sup> *Id.* at 43.

as does the granted patent(s) for that same product.<sup>37</sup> It is the FDA's role to automatically grant regulatory exclusivities as part of a "routine judgment."<sup>38</sup> Once the exclusivity is granted, the FDA withholds other new drug applications that are either directed at that product type or use the brand company's generated data, preventing them from obtaining market approval for the specified period of exclusivity.<sup>39</sup>

A drug product is required to undergo extensive testing to obtain FDA regulatory approval.<sup>40</sup> The required submission data for the FDA includes the results of extensive clinical trials demonstrating that the new drug is both safe and effective.<sup>41</sup> It is this data that is protected by the FDA's grant of data exclusivity.<sup>42</sup> During the specified period of data exclusivity, which can last only up to five years in the United States, the FDA will not accept an application for a generic product that uses the data produced from the brand pharmaceutical's clinical trials.<sup>43</sup> The goal of allowing for a time period in which generic companies cannot rely on the safety and efficacy data that the brand product used in obtaining market authorization is to allow for the brand company to recover some of its costs expended as a result of having to perform extensive testing for clinical trials.<sup>44</sup> In this way, exclusivities incentivize innovation because brand companies, in theory, may take the profits resulting from the exclusivity and reinvest in further research once the initial research investment costs have been

---

<sup>37</sup> McCall & Quinn, *supra* note 3.

<sup>38</sup> Thomas, *supra* note 35, at 43.

<sup>39</sup> *Id.*

<sup>40</sup> Paul Grootendorst et al., *Patents and Other Incentives for Pharmaceutical Innovation*, ELSEVIER ENCYCLOPEDIA OF HEALTH ECON. (forthcoming).

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> Kyle, *supra* note 28, at 4.

<sup>44</sup> *Id.*



recovered. However, with this exclusivity, competitors are not prevented from doing their own research and submitting new drug applications for a similar product based on the independent safety and efficacy research performed.<sup>45</sup>

In contrast, market exclusivity creates a barrier for competitors to even enter the specific market of a new product for a specified period of time.<sup>46</sup> Market exclusivity is only available for certain types of drug products, and the exclusivity can vary depending on the drug type.<sup>47</sup> For example, an orphan drug, one that treats a disease or condition affecting fewer than 200,000 people in the United States, is afforded up to seven years of market exclusivity.<sup>48</sup> Meanwhile, a pediatric drug, a brand-name drug that has been clinically studied and approved for pediatric patients, may receive an extra six months of exclusivity in addition to any other market exclusivity awarded for the drug product.<sup>49</sup> Once again, the goal of providing market exclusivity for some drug products is to encourage new drug innovation by halting generic competition for the specified period of market exclusivity, thus allowing brand companies to collect additional profits that may ultimately be invested in new drug research and development.<sup>50</sup> The objective of awarding this type of exclusivity is to apply it to drug products that are limited in treatment scope, such as is the case with an orphan drug product, because it protects the product from all market competition for a given time period. In this way, this exclusivity serves as a research and development incentive for brand companies in these specific, narrow market areas.

---

<sup>45</sup> Gene Quinn, *Fact vs. Fiction: The Truth on Biologics and Biosimilars*, IPWATCHDOG (Dec. 6, 2009), <https://www.ipwatchdog.com/2009/12/06/fact-vs-fiction-the-truth-on-biologics-and-biosimilars/id=7579/> [<https://perma.cc/VPB3-R4GT>].

<sup>46</sup> *Id.*

<sup>47</sup> *Exclusivity and Generic Drugs: What Does it Mean?*, *supra* note 20.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

## **B.     *Limitations of the FDA Exclusivity Incentives***

Utilizing exclusivities as an innovation incentive has its limitations. First and foremost, new pharmaceutical innovations are only eligible for these exclusivities once they have become FDA-approved.<sup>51</sup> While brand companies strive to develop new drug products from start to finish, it is uncommon for a new product to make it through the demanding stages of early clinical development and clinical trials to ultimately obtain market approval.<sup>52</sup> Therefore, providing this avenue as a primary incentive to innovate in the early stages of product development is unrealistic. Brand companies are aware of the reality of frequent failure in the industry and thus may not be fully incentivized to innovate across a broad spectrum of projects based solely on the guarantee of certain FDA exclusivities for FDA-approved products.

Second, the applicability of the exclusivity and the effect of each exclusivity type on the industry vary, and yet, the two are sometimes conflated.<sup>53</sup> However, the important distinction is: data exclusivity may be available for any new drug product with a new active pharmaceutical ingredient while market exclusivity is only available for certain types of drug products.<sup>54</sup>

Market exclusivity, in theory, prohibits competition with a newly approved product that is granted such exclusivity.<sup>55</sup> In contrast, data exclusivity only prevents competitors from relying on a brand company's data for approval, rather than prohibiting them from competing by

---

<sup>51</sup> Thomas, *supra* note 35, at 43.

<sup>52</sup> See Sullivan, *supra* note 1.

<sup>53</sup> See Quinn, *supra* note 45.

<sup>54</sup> *Id.*; *Exclusivity and Generic Drugs: What Does it Mean?*, *supra* note 20.

<sup>55</sup> *Id.*

keeping their products off the market.<sup>56</sup> With data exclusivity available, competitors are still able “to conduct their own costly research and development, including clinical trials, and create their own [products].”<sup>57</sup> This distinction is critical in understanding the role of the exclusivity types. Yet, the thought of market exclusivity still raises some concerns about restricting pharmaceutical competition and the potential consequences it can have on the industry and consumers.<sup>58</sup> Hence, the existence of these exclusivities and their role in incentivizing brand companies remains limited in scope and, therefore, should not be the only means of encouraging innovation with brand companies.

### **C. *The Patent Incentive***

Patents are critical to many industries, not just the pharmaceutical industry. The current United States patent law system incentivizes innovation by rewarding an inventor with the right to exclude others from using her invention for the length of the patent in exchange for public disclosure and full relinquishment of the invention to the public domain at the close of the patent term. A patent is awarded for an invention that covers a new, useful, and non-obvious process, machine, manufacture, or composition of matter.<sup>59</sup> The patent serves to protect the claimed invention from public use, in the form of an exclusionary right, for the length of the patent term, which is twenty years from the date of filing.<sup>60</sup> In exchange for the exclusionary right, the

---

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> 35 U.S.C. § 101 (1952); 35 U.S.C. § 102 (2015); 35 U.S.C. § 103 (2011).

<sup>60</sup> Grootendorst et al., *supra* note 40.

inventor is required to disclose the invention to society.<sup>61</sup> This quid pro quo is the fundamental core of the patent law system.<sup>62</sup>

With respect to the unique role that patents play in the industry, it must be recognized that the pharmaceutical industry is distinct in three ways: “[f]irst, the marginal costs of production are generally relative to the fixed cost of development, and the cost of imitation is also usually low;” second, “the cost structure of pharmaceutical development explains why patents are cited as more important in drugs and chemicals than in all other sectors;” and third, the amount of government intervention in the market is widespread.<sup>63</sup> Pharmaceutical companies attempt to utilize patents in an effective way to help protect their inventions from competitors, as do players in many other industries. However, the types of patents and the strategy for obtaining them differs for the pharmaceutical industry as a result of the industry’s unique characteristics.

The original patent granted on a new drug, specifically on the active pharmaceutical ingredient or the molecule itself (the drug’s primary patent) is often especially valuable because it is extremely difficult for competitors to invent around this patent.<sup>64</sup> Companies often also seek secondary patents, commonly referred to as improvement patents, which cover other aspects of the pharmaceutical product such as a manufacturing process, a dosage form, a method of use, or a formulation, for example.<sup>65</sup> In contrast with primary patents, these secondary patents are typically deemed to be weaker than the primary patent, lacking in

---

<sup>61</sup> Brent A. Olson, *Obtaining a Patent – Formal and disclosure requirements – 35 U.S.C.A. § 112*, 20A1 MINN. PRAC., BUSINESS LAW DESKBOOK § 17:15 (2019).

<sup>62</sup> *Id.*

<sup>63</sup> Kyle, *supra* note 28, at 1–2.

<sup>64</sup> Karshtedt, *supra* note 29, at 1154; Kyle, *supra* note 28, at 2.

<sup>65</sup> Kyle, *supra* note 28, at 7; Sittler et al., *supra* note 6.

substance and subsequent legal protection, resulting in the majority of litigation disputes involving pharmaceutical patents.<sup>66</sup> Further, it is likely easier for competitors to invent around these secondary patents, and it may be easier to invalidate them through the existence of prior art.<sup>67</sup> These secondary patents often serve as “an imperfect barrier to generic entry,” but still remain valuable to brand companies and are critical in crafting a solution for pharmaceutical innovation.<sup>68</sup>

#### ***D. Limitations and Criticisms of the Patent Incentive***

There has been recognition of the patent incentive limitations for pharmaceutical companies. First, a patent only grants protection over the invention for a limited amount of time, thus keeping generic competitors off the market only for the life of the patent term.<sup>69</sup> In addition, the financial burden of filing for and maintaining patents could sometimes deter pharmaceutical companies.<sup>70</sup> Further, because companies may be focused on only exploring opportunities that can be afforded patent protection, the existence of the patent incentive may shift the focus of research and development, driving it only into areas of patentability, rather than into areas of high social importance or need.<sup>71</sup> These factors all motivate and mold the

---

<sup>66</sup> Kyle, *supra* note 28, at 7.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> Paul Grootendorst et al., *New Approaches to Rewarding Pharmaceutical Innovation*, 183(6) CMAJ 681, 681 (2011).

<sup>70</sup> *Id.* See also *USPTO Fee Schedule*, USPTO (Mar. 1, 2020) <https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule> [<https://perma.cc/MD5F-V3XN>] for a list of the filing and maintenance fees required for a patent depending on the owning entity of the patent.

<sup>71</sup> Grootendorst et al., *supra* note 69, at 682.

pharmaceutical industry in a variety of ways, shaping the way brand companies, in particular, innovate and focus on certain types of drugs.

The role that secondary patents play in the critique of this incentive is important. Many critiques of the patent law incentive focus on the role of secondary patents, claiming that brand companies use secondary patents as a means of extending patent protection past the initial period of patent exclusivity as determined by the expiration of the primary patent.<sup>72</sup> Further, the fact that most pharmaceutical patent litigation is a result of secondary patents is concerning to some critics.<sup>73</sup> In addition, secondary patents, resulting from follow-on innovation, are ultimately viewed as having marginal value, with critics suggesting that the lesser value makes them less deserving of protection than primary patents.<sup>74</sup> Some even argue that the patentability requirements are lowered for secondary patents, meaning that the amount of novelty required for the invention is lowered.<sup>75</sup> This, however, is not the case, as will be explored later.

---

<sup>72</sup> Christopher M. Holman, *Inside Views: Why Follow-on Pharmaceutical Innovations Should be Eligible for Patent Protection*, INTELL. PROP. WATCH, <https://www.ip-watch.org/2018/09/21/follow-pharmaceutical-innovations-eligible-patent-protection/> [<https://perma.cc/5ABK-Y34F>].

<sup>73</sup> Karshstedt, *supra* note 29, at 1154.

<sup>74</sup> Holman, *supra* note 72.

<sup>75</sup> See Christopher M. Holman et al., *Patentability Standards for Follow-On Pharmaceutical Innovation*, 37(3) BIOTECHNOLOGY L. REP. 131, 136 (2018) (suggesting that some critics argue that secondary patents lack novelty because the follow-on inventions do not necessarily directly improve the therapeutic properties of a drug, thus indicating that there is an existing argument that such follow-on innovation does not meet the novelty or utility patentability requirements).

#### **IV. THE HIDDEN SOLUTION TO RESTORE BALANCE IN THE INDUSTRY**

As discussed in this Note, the current incentives for innovation have their criticisms, weaknesses, and overall flaws. Yet, upon a closer look at the currently available avenues, the best chance of maximizing social welfare with respect to pharmaceuticals may be to further incentivize innovation for brand companies by finding an optimal combination of the current incentives. By providing incentives that cover multiple facets of the innovation process, brand companies will have a variety of avenues that will better incentivize the major financial, time, and resource investments on new product development. Secondary patents play a critical role in crafting this overall incentive plan for brand pharmaceutical companies. They provide protection to inventions later in the process, whereas protection is provided by primary patents upfront and by FDA exclusivities upon a product's initial market entry. Therefore, the best means to incentivize innovation in the pharmaceutical industry is to not only maintain existing incentives like primary patents and exclusivities, but to also allow for and, in fact, encourage brand companies to obtain secondary patents on follow-on innovation, follow-on products, and overall product improvements.

##### ***A. Recognizing the Importance of Secondary Patents***

Patents remain a primary focus for the pharmaceutical industry as a means to protect new drug inventions and to provide an opportunity to recover some of the expended upfront costs of the extensive preclinical and clinical testing phases.<sup>76</sup> Primary patents are often robust

---

<sup>76</sup> Karshstedt, *supra* note 29, at 1152–53.

and serve to initially protect the invention.<sup>77</sup> However, this initial patent term is not enough to allow a patent owner to effectively recover from the upfront time lost from the initial filing date and the high likelihood of failure in bringing a new drug product from early stage development to market.<sup>78</sup> The FDA’s Hatch-Waxman Act solution of allowing for a patent restoration term, adding up to an additional five years of patent life onto the natural end of the patent, seeks to remedy this initial time lost as a result of the regulatory approval process.<sup>79</sup> However, this extension still may not provide for enough time or incentive for brand companies to expend such extensive resources on new product research and development when the chance of failure for bringing a new product through the FDA approval process is so high. This is where the use of secondary patents comes in.

The name “secondary patent” leaves the notion in a reader’s mind that these types of patents are not as important as “primary patents.”<sup>80</sup> This is not an accurate depiction of the relative connection between primary and secondary patents. Rather, the first patent filed for a product which often covers the new molecule or new active pharmaceutical ingredient is simply referred to as the “primary patent,” while additional patents covering other aspects of the same product or follow-on innovation are referred to as the secondary patents.<sup>81</sup> The categorization of primary versus secondary patents arises solely out of the timeline of when the patents for a given drug product are filed and ultimately obtained. However, regardless of the informal category given to the various types of pharmaceutical patents, a patent will not issue unless it satisfies the requirements of patentability as determined by the United States Patent and

---

<sup>77</sup> *Id.* at 1153.

<sup>78</sup> *Id.*

<sup>79</sup> Grabowski et al., *supra* note 11, at 2.

<sup>80</sup> See Karshedt, *supra* note 29, at 1152–55.

<sup>81</sup> *Id.* at 1153–55.



Trademark Office (USPTO).<sup>82</sup> In that sense, an application is required to meet all patentability requirements before the patent will be issued. Therefore, a secondary patent should not be deemed lesser than a primary patent in that respect.

It is true that the subject matter of secondary patents may be deemed “weaker.”<sup>83</sup> This categorization, however, is based on the idea that it is easier to invalidate and “invent around” these patents in comparison to the patent covering the very specific new molecule or active ingredient itself.<sup>84</sup> The categorization should not take away the importance of secondary patents for brand companies or the subject matter covered in the patents.

Opponents of secondary patents in the industry suggest that pharmaceutical companies use these patents as a means of extending protection on the initial product itself.<sup>85</sup> This argument stems from the idea that secondary patents can essentially be used to double-patent, or patent the exact same invention twice.<sup>86</sup> However, as the USPTO will not issue a patent unless the requirements of patentability are met, specifically that the invention must be novel, the existence of secondary patents is not equivalent to double patenting.<sup>87</sup> There are also steps that competitors can take to invalidate a patent that it believes to be an attempt at

---

<sup>82</sup> *Id.* at 1155.

<sup>83</sup> Kyle, *supra* note 28, at 7.

<sup>84</sup> *Id.* (stating that secondary patents may be weaker “either in a legal or a technical sense,” and providing the example of a competitor finding a means to “invent around” a patent obtained for a specific manufacturing process for a product).

<sup>85</sup> See Karshedt, *supra* note 29, at 1129–30 (stating that “secondary patents covering the new version of the drug enable [pharmaceutical companies] to maintain some effective market power over the active ingredient for which original, primary patent protection has expired”).

<sup>86</sup> See MPEP ch. 800 § 804 (8<sup>th</sup> ed. Rev. 7, Sept. 2008) (outlining that double patenting is not permitted).

<sup>87</sup> See Karshedt, *supra* note 29, at 1155.

patenting the same idea twice.<sup>88</sup> In fact, competitors do take advantage of the opportunities afforded to them to invalidate patents. For example, they often choose to litigate. Because a majority of these litigation challenges target brand companies' secondary patents, this suggests that competitors are effectively policing the improper use of secondary patents.<sup>89</sup> Therefore, there is little evidence that double patenting is as significant an issue as some allege that it may be.

Opponents of secondary patents also suggest that the heightened amount of litigation disputes regarding these patents indicates that their existence in the industry adds little to no value.<sup>90</sup> While there is likely a portion of secondary patents that do not add significant value and do just give rise to additional litigation, this is certainly not the case for all inventions contained within secondary patents. In fact, there have been breakthrough product discoveries, improvements, and treatment options that have resulted through follow-on research and the subsequent secondary patents obtained as a result.<sup>91</sup> This path is not uncommon,

---

<sup>88</sup> Kyle, *supra* note 28, at 7 (“Establishing the existence of prior art may invalidate a secondary patent, particularly if it represents an attempt to patent the same idea twice.”).

<sup>89</sup> *Id.* See also C. Scott Hemphill & Bhaven Sampat, *Drug Patents at the Supreme Court*, 339 *SCIENCE* 1386, 1386 (Mar. 22, 2013) (finding that when the lawsuit was pursued to completion, not including settlement, brand companies are more likely to have their secondary patents invalidated in comparison to the primary patent (active-ingredient patent), where secondary patents are invalidated 68% of the time in comparison to the primary patents which are invalidated only 8% of the time).

<sup>90</sup> See Holman, *supra* note 72 (contending that there is a “flawed premise that follow-on innovation is of marginal value at best, and thus less deserving of protection than the primary inventive act of identifying and validating a new drug active ingredient”).

<sup>91</sup> See *id.* for examples of breakthrough inventions that have occurred as a result of follow-on innovation, including AZT (zidovudine) which began as a failed attempt at a cancer drug, but was later discovered as

as many products are initially discovered in an attempt to create a treatment for one disease or condition, and are later used in research and identified as potential drug candidates for a different disease or condition.<sup>92</sup> This occurs as a result of “[p]harmaceutical development [being] prolonged and unpredictable, and frequently a safe and effective drug occurs only as a result of follow-on innovation occurring long after the initial synthesis and characterization of a pharmaceutically interesting chemical compound.”<sup>93</sup> It is this precise innovation that is incentivized by the ability of a company to obtain a secondary patent for its research efforts.<sup>94</sup>

It is nearly impossible to reconcile the pro and con arguments for secondary patents in the pharmaceutical industry with respect to the value that these secondary patents add. Proponents of secondary patents focus on the ability to incentivize follow-on innovation through the encouragement of awarding secondary patents.<sup>95</sup> This argument highlights the valuable results of such follow-on innovation with respect to “new uses of existing active ingredients in new therapeutic areas, new formulation, new modes of delivery, new combinations of known active ingredients,” and others.<sup>96</sup>

Meanwhile, one argument against the allowance of secondary patents is that their existence adds minimal value from the brand companies’ perspective because these patents do not protect more than ancillary aspects of a drug

---

treatment to fight AIDS. AZT has since been referred to as “the first breakthrough in AIDS therapy.”

<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> *See id.* (suggesting that drug products that failed in an initial attempt to treat a condition may not have been revisited for other uses if the companies lacked the incentive of patenting follow-on innovation).

<sup>95</sup> *See id.*

<sup>96</sup> Sittler et al., *supra* note 6.

product.<sup>97</sup> Yet another argument against allowing secondary patents is that their existence provides an excessively valuable means for brand companies to extend the patent protection on a given drug product by granting patents for inventions with minimal novelty in an improvement or aspect of the original drug product.<sup>98</sup>

Inherent in these oppositions is the conflict between whether or not value is added to the industry through the incorporation of these secondary patents. The existence of such conflict, coupled with the fact that competitors are spending the time and money to seek to invalidate these secondary patents, suggests that there is, in fact, some merit to the concept of secondary patents having value.<sup>99</sup> Why would a company expend significant resources to challenge a worthless aspect of a competitor's product? Why would a company defend its secondary patent, rather than settle the case, if the patent added no value or it was not a smart

---

<sup>97</sup> Holman, *supra* note 72.

<sup>98</sup> *Id.*; see *Abuse of the Patent System is Keeping Drug Prices High for Patients*, ASS'N FOR ACCESSIBLE MEDICINES, <https://accessiblemeds.org/campaign/abuse-patent-system-keeping-drug-prices-high-patients> [<https://perma.cc/RGV8-EDYR>] (“AbbVie Inc.’s rheumatoid arthritis drug HUMIRA® (adalimumab) is the best-selling prescription drug in the world, with over \$12 billion in U.S. sales per year. Humira was approved in 2002, and it now makes more money annually than all of the NFL teams, combined. The initial patent on the product expired in 2016, but within three years before expiration, the company applied for and obtained over 75 patents that would extend its monopoly to 2034 – and keep this enormously expensive treatment inaccessible to many patients. To break Abbvie’s perpetual monopoly, companies must engage in time-intensive, expensive patent litigation, thus allowing the drug company to continue to profit as a result of its tactics.”).

<sup>99</sup> See Chris Neumeyer, *Managing Costs of Patent Litigation*, IPWATCHDOG (Feb. 5, 2013), <https://www.ipwatchdog.com/2013/02/05/managing-costs-of-patent-litigation/id=34808/> [<https://perma.cc/H4S4-RH27>] (“[T]he cost of an average patent lawsuit, where \$1 million to \$25 million is at risk, is \$1.6 million through the end of discovery and \$2.8 million through final disposition.”).

business decision to do otherwise?<sup>100</sup> The direct conflict of opposing views with respect to the value of secondary patents favors the proponent's argument that secondary patents have inherent value.

Another misconception regarding secondary patents is the idea that the subject matter is but the same original invention covered by the primary patent with a simple and insignificant change.<sup>101</sup> This is incorrect. Why would the USPTO grant a patent on an invention that was neither novel nor new, thus not meeting all criteria of patentability? Clearly, in a perfect world, the USPTO would not grant a patent on something that added no innovation to what previously existed. While, from an outside perspective, "pharmaceutical innovation can appear deceptively simple," in reality, "the path to meaningful follow-on innovation is tremendously challenging, unpredictable, and more often than not results in failure."<sup>102</sup> In addition, breakthroughs have been made by essentially recycling old failed products

---

<sup>100</sup> The underlying reasoning for this may be apparent in the Hatch-Waxman Act's allowance of 30-month stays when a patent owner brings suit after a generic company files a Paragraph IV certification. This stay may encourage an increase in patent litigation and may result in brand companies sometimes filing suit in response to a paragraph IV certification just to maintain its spot on the market without competition. The financial aspect of the industry, taking into consideration the cost of an infringement suit and the profits made while being the sole product of its kind on the market, must be considered when answering these questions.

<sup>101</sup> See *Abuse of the Patent System is Keeping Drug Prices High for Patients*, *supra* note 98 ("The patent system exists to protect the intellectual property of innovators. Too often, however, some brand-name drug companies attempt to patent features of drugs that do not represent true innovation. Some attempt to bury competition from generic and biosimilar drugs indefinitely by finding ways to repackage existing inventions in later patents. These 'patent thickets' chill competition by discouraging competitors from entering a market because of the exorbitant cost of litigating meritless patents.").

<sup>102</sup> Holman, *supra* note 72.

and attempting to implement them in a new treatment field. Without some sort of incentive to allow for financial gain, why would a company undertake a highly expensive and challenging project that is prone to failure? Secondary patents play a critical role in encouraging companies to face the risk of uncertainty in exploring different applications and means of improving current or failed drug products because they allow brand companies a greater opportunity to recoup their costs, make a profit, and recycle their profits into new groundbreaking research and innovation.

### ***B. Encouraging the Secondary Patent Incentive***

Encouraging the granting of secondary patents to further incentivize brand pharmaceutical companies to continue innovating should not pose significant challenges. Patents, specifically primary patents, already play a well-accepted, critical role within the pharmaceutical world.<sup>103</sup> In addition, secondary patents already exist and are utilized in the United States pharmaceutical industry, even though they are less accepted than primary patents. The industry has relied on pharmaceutical patents to protect its innovations, where the patents vary in scope, importance, and coverage.

Secondary patents can be used in many different ways within the industry. One example of secondary patent utilization is in the protection of follow-on innovation of already existing products or active drug ingredients. This follow-on innovation, which involves furthering research and development of already existing and patented pharmaceutical inventions, can lead to new drugs or products that would otherwise not have come to fruition

---

<sup>103</sup> See Karshedt, *supra* note 29, at 1152 (“The conventional wisdom has it that patents play a critical role in drug development and, more generally, that chemical and pharmaceutical patents are the success story of the patent system.”).

without the promise of patent protection for such innovation. Once a patent is obtained for such follow-on innovation, the company does not then forget about the patented pharmaceutical advancement.<sup>104</sup> Instead, follow-on innovation can lead to the development of follow-on products, products that ultimately make their way to the market. These follow-on products are then also patented.<sup>105</sup> It is noted that “[c]onsistent with the incremental nature of the innovation these [follow-on] products normally embody, brand companies tend to protect them with patents that are narrower than those directed to the pioneering versions.”<sup>106</sup> Therefore, brand companies are utilizing patents for follow-on products in the same capacity that should be applicable for follow-on innovation, secondary patents that address specific aspects of a new drug product, such as dosage form or method of administration. Rewarding such follow-on innovation can drive the increase of follow-on products and new uses of existing products, ultimately serving the public good.

By encouraging the use of secondary patents for follow-on innovation, over time, the industry will likely adapt to creating secondary patents that are narrower and more targeted in scope than the broad primary patents. After all, why would brand companies willingly invite lawsuits over weak patents? Because these secondary patents only address a narrow aspect of the new drug product broadly covered by the primary patent, the existence of intellectual property protection for that narrower and more specific feature of the product should not pose a major threat of significantly extending market exclusivity and halting market competition, one of the most commonly raised concerns regarding the existence of secondary patents in the

---

<sup>104</sup> *Id.* at 1154.

<sup>105</sup> *Id.*

<sup>106</sup> *Id.*

pharmaceutical industry.<sup>107</sup> Rather, it will be beneficial to the industry to make it known to brand pharmaceutical companies that this avenue of incentive for intellectual property protection is available for their follow on innovation, proportional in scope to the “incremental nature” of the innovation itself.<sup>108</sup> This opportunity for patent protection serves to encourage the companies’ upfront investment in researching new drug products and new applications of existing products.

How can the industry as a whole become more accepting of such secondary patents? The question poses itself in the face of certain pushback from generic companies and those who think that brand companies already restrict competition.<sup>109</sup> This sentiment has been reflected in guidance published by the United Nations, leaving a negative impression of secondary patent usage and its perception in the context of the pharmaceutical industry.<sup>110</sup> This cultural shift can start by influential organizations, such as the United Nations, publishing guidance reflecting an attitude of encouragement and acceptance of the important

---

<sup>107</sup> See generally Douglas L. Rogers, *Double Patenting: Follow-on Pharmaceutical Patents that Suppress Competition*, 14 NW. J. TECH. & INTELL. PROP. 317 (2017).

<sup>108</sup> Karshedt, *supra* note 29, at 1154.

<sup>109</sup> See Rogers, *supra* note 107, at 320.

<sup>110</sup> Holman et al., *supra* note 75, at 132–34 (The United Nations Development Program (UNDP) issued *Guidelines for Pharmaceutical Patent Examination: Examining Pharmaceutical Patents from a Public Health Perspective* in 2015. The *Guidelines* address “recommendations” on how patent examiners should examine secondary patents, with the goal of protecting public health and promoting access to medicines. In addressing this goal, the *Guidelines* call for heightened patentability requirements, which would serve to deny patent protection to currently protected aspects of pharmaceutical innovation and advancements. The document suggests that secondary inventions, or follow-on innovation, categories that should be *per se* unpatentable include polymorphs and combination products, for example.).



role that secondary patents can play in the pharmaceutical industry.<sup>111</sup>

In addition, Congress should create an avenue that provides a disincentive for challenges of secondary patents in instances where such secondary patents are legitimate. A means of accomplishing the disincentive of challenging legitimate secondary patents could be consistently rewarding attorney's fees to the prevailing party in frivolous lawsuits.<sup>112</sup> This could help ensure that the only challenges to those secondary patents are legitimate ones, overall decreasing the amount of unnecessary litigation and money expended to defend the patents.

Brand companies also play a part in growing the prevalence and respectability of secondary patents. They should be more strategic in bolstering their secondary patents, making an effort to draft narrow patent claims for the claimed follow-on innovation, working with USPTO patent examiners to effectively prosecute the patent applications, and utilizing post-grant procedures with the USPTO.<sup>113</sup> By intending to draft narrower claims for the

---

<sup>111</sup> Guidance issued specifically calling for types of currently protected follow-on innovation to be deemed *per se* unpatentable significantly imposes a negative perception of follow-on innovation for the pharmaceutical industry. In particular, the strong presence of the United Nations makes such guidance even more influential.

<sup>112</sup> See *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 554 (2014) which outlines the current allowance of attorneys' fees for the prevailing party under the Patent Act. The case defines the term "exceptional," where attorneys' fees are only awarded in such exceptional cases. However, this note seeks to suggest that this "exceptional" standard is too stringent in such patent cases and that attorneys' fees should be rewarded to the prevailing party more often in pharmaceutical patent litigation cases.

<sup>113</sup> While some of these suggestions may be utilized by brand companies already, this Note seeks to argue that they could be used more often in a strategic way. In using these procedures, however, the brand companies may lose some breadth in their patent claims and may open themselves up to invalidation by initiating USPTO post-grant proceedings. Yet,

follow-on innovation from the beginning of the patent application stage, brand companies can make an increased effort to target what the precise new innovation itself is that is worthy of a patent; this could, in theory, lead to less challenges of the patent later on. After a patent grants, the patent owner can also take certain steps to ensure that the patent is as strong as it can be. In particular, the brand companies can utilize a USPTO post-grant proceeding called an *ex parte* reexamination to strategically bolster a granted patent.<sup>114</sup>

To create the maximized innovation incentive for brand companies, it requires not only a combination of various incentives, specifically encouraging secondary patents to play a larger role in the industry, but it also requires a shift in mindset from influential players within and outside of the industry, penalties for bringing unnecessary lawsuits, and brand companies taking an offensive role in protecting its patents. The proposed solution can be implemented through a variety of targeted changes but requires cooperation amongst the parties in the pharmaceutical industry, taking particular care to ensure that a competitive balance is maintained between brand and

---

these options do have their benefits and could be more regularly utilized by the brand companies in specific instances where strengthening certain secondary patents is desired.

<sup>114</sup> See Charles E. Van Horn et al., *Effective Uses of Reissues and Reexaminations in the United States*, FINNEGAN (June 2009), <https://www.finnegan.com/en/insights/articles/effective-uses-of-reissues-and-reexaminations-in-the-united.html>

[<https://perma.cc/WT6W-2APW>] (“Before the USPTO grants a reexamination request, it reviews the request and the prior art submitted with the request to determine whether the request raises a substantial new question of patentability. If the USPTO denies the request, it has, in effect, determined that the prior art submitted with the request does not invalidate the patent. ... Alternatively, the USPTO may grant the reexamination request but affirm the validity of the patent during reexamination. In both cases, the reexamination strengthens the patent, making it harder to attack its validity later on.”).

generic companies and working collectively towards maximizing public benefits.

### *C. Effect on Generic Companies*

In creating a solution to help brand companies, the impact on generic companies cannot be overlooked. While the encouragement of secondary patents for brand company innovations will negatively impact generic companies, it is, from this author's perspective, necessary to reestablish an acceptable balance in the pharmaceutical industry. With the ever-growing presence of generics on the market, the growing ease for generic companies to challenge brand companies' patents, and the large investments required by brand companies to further pharmaceutical developments, there is an imbalance favoring generic companies that may be unduly stifling innovation. It is critical that the balance between brand and generic companies be restored to ensure that evenly matched competition in the industry continues to drive pharmaceutical advancements and innovative efforts. With any luck, if this balance is restored, brand companies will expend even more money on research and innovation with little adverse effect to the generic industry. To maintain a proper, competitive balance in the pharmaceutical market, generic and brand companies both need their individual advantages balanced with respect to each other.

## **V. CONCLUSION**

If done "right," secondary patents can serve as the critical piece of a maximized incentive for brand pharmaceutical companies. While there is no clear "right" solution here, there are considerations that must be addressed in crafting an effective, long-term, maximized incentive solution. First, patents, both primary and secondary, alone will not be enough to incentivize brand companies adequately. This is because of the significant

amount of time lost in a patent's life, upfront, as a result of the amount of time it takes to gain FDA approval for a new product. Therefore, a combination of incentives is the clear way to maximize motivation for brand companies to continue innovating. Second, a maximized incentive can be created by utilizing already existing data exclusivities and the patent law system as long as secondary patents become a more widely accepted and used tool. Third, in crafting a maximized solution, while brand companies are the primary focus in creating the incentive solution, they are not the only party that will be affected. Generic companies' role in the greater structure of the pharmaceutical industry cannot be overlooked. Thus, the incentive solution presented here is only offered as an option designed to restore the balance between brand companies and generic companies so that innovation is not unduly stifled moving forward. Secondary patents can serve as a key piece of such a maximized incentive solution to ensure that pharmaceutical innovation continues to progress by giving brand companies a motivation to more heavily invest in costly time-intensive research to develop new, life-saving drug products.

# IDEA®: THE LAW REVIEW OF THE FRANKLIN PIERCE CENTER FOR INTELLECTUAL PROPERTY

## SUBSCRIPTION INFORMATION

---

Subscribers must renew their subscriptions by December 1 each calendar year. Please inform your subscription agency if applicable. Please fill out this form and mail it or send it as an email attachment. Payment may be made by check or by credit card.

Mailing Address: IDEA®: The Law Review of the Franklin Pierce Center for Intellectual Property  
Attn: Lauri Connolly  
University of New Hampshire Franklin Pierce School of Law  
Two White Street  
Concord, NH 03301

Email: subscriptions@law.unh.edu  
Phone: 603.513.5246

### TYPE OF SUBSCRIPTION REQUESTED:

- DOMESTIC \$68  
 FOREIGN \$79  
 DOMESTIC STUDENT \$25

SCHOOL: \_\_\_\_\_ EXP. GRAD. YEAR: \_\_\_\_\_

**(PROOF REQUIRED)**

### METHOD OF PAYMENT:

- CHECK – ENCLOSED FOR \$ \_\_\_\_\_ (PAYABLE TO IDEA – UNH LAW)  
 CREDIT CARD – PLEASE CHARGE MY CREDIT CARD FOR \$ \_\_\_\_\_  
 VISA  MASTERCARD  AMERICAN EXPRESS  OTHER \_\_\_\_\_

CREDIT CARD #: \_\_\_\_\_

EXPIRATION DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

NAME/TITLE: \_\_\_\_\_

COMPANY/FIRM: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP/COUNTRY: \_\_\_\_\_

EMAIL: \_\_\_\_\_ PHONE: \_\_\_\_\_





