August 28, 2023

Skadden

If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Skadden contact.

Stuart D. Levi
Partner / New York
212.735.2750
stuart.levi@skadden.com

Shannon N. Morgan
Associate / New York
212.735.3711
shannon.morgan@skadden.com

MacKinzie M. Neal
Associate / New York
212.735.2856
mackinzie.neal@skadden.com

One Manhattan West
New York, NY 10001
212.735.3000

District Court Affirms Human Authorship Requirement for the Copyrightability of Autonomously Generated AI Works

On August 18, 2023, the U.S. District Court for the District of Columbia granted summary judgment in favor of the Copyright Office in *Thaler v. Perlmutter*,[1] holding that the office did not act arbitrarily or capriciously or otherwise violate the Administrative Procedure Act (APA) when it rejected a copyright application for a work generated autonomously by a computer algorithm without human input. The decision is consistent with March 2023 guidance from the Copyright Office[2] that artificial intelligence (AI)-generated works cannot be copyrighted where AI technology, and not a human, determines the expressive elements of the output.

Notably, the case presented a unique fact pattern, and therefore the court did not address the more interesting question of how much human authorship is required for a work that was created in part with AI to be copyrightable.

Background

Stephen Thaler is a computer scientist who has long argued that AI systems can unilaterally create, and therefore should be recognized as the "owner" of intellectual property. The instant case concerned an image generated by an AI system that Thaler developed.

Thaler first applied to register the work, titled "A Recent Entrance to Paradise," with the Copyright Office in November 2018. Thaler listed himself as the copyright claimant and the AI system used to create the work, Creativity Machine, as the author, noting in his application that the work "was autonomously created by a computer algorithm running on a machine," and that he was "seeking to register [the] computer-generated work as a work-for-hire."[3] Thaler's position is unique, and stands in contrast to most other AI cases the Copyright Office has considered, where a human has asserted they should be deemed the author of an AI-generated work.

[1] 2023 WL 5333236 (D.D.C. Aug. 18, 2023)

[2] See our March 15, 2023, client alert, "Copyright Office Issues Guidance on AI-Generated Works, Stressing Human Authorship Requirement," and our August 2, 2023, client alert, "Copyright Office Provides Guidance on the Registration of Works That Include AI-Generated Material."

[3] Second Request for Reconsideration for Refusal to Register A Recent Entrance to Paradise (Copyright Review Board, Feb. 14, 2022)

District Court Affirms Human Authorship Requirement for the Copyrightability of Autonomously Generated AI Works

The Copyright Office refused to register Thaler's work, finding it lacked sufficient human authorship to support a copyright registration. Thaler filed two requests for reconsideration, each of which was denied, the second time by the Copyright Office's Review Board. The core of Thaler's argument was that public policy supported the ability to register a copyright in machine-generated works, as doing so "further[s] the underlying goals of copyright law, including the constitutional rationale for copyright protection."[4] Thaler argued that the purpose of copyright protection under the Constitution — to promote the creation and dissemination of works for the public's benefit — is consistent with affording copyright protection to AI-generated works. The Copyright Office rejected this position, noting that its policy and practice make human authorship a prerequisite for copyright protection.

Having been rejected by the Copyright Office, Thaler filed a lawsuit in the U.S. District Court for the District of Columbia, claiming the office's denial of his copyright registration was, among other things, "arbitrary, capricious, an abuse of discretion and not in accordance with the law," in violation of the APA. Thaler's complaint named the United States Copyright Office and Shira Perlmutter, the Register of Copyrights and Director of the Copyright Office, in her official capacity, as defendants.

Thaler moved for summary judgement, requesting an order setting aside the Copyright Office's denial of his copyright registration, while the defendants cross-moved for summary judgment. The issue before the court was whether the Copyright Office Register acted arbitrarily or capriciously or otherwise in violation of the APA in denying Thaler's copyright registration.

Decision

While Thaler raised a number of legal theories in his complaint, the court narrowly focused on the question of whether a work generated autonomously by a computer is copyrightable.

Thaler argued that the Copyright Act fails to explicitly define an author as a human being and does not limit authorship to natural persons. In granting summary judgment, the court drew on a historical analysis of the "authorship" requirement for copyrightability, citing the constitutional rationale and statutory interpretation of the use of "person and "author" under the Copyright Act of 1909 and the Copyright Act of 1976, respectively.

The court held that "authorship" has been synonymous with human creation over time, and that copyright has never extended to protect works generated without a human as a guide. As part of its analysis, the court highlighted that copyright and patent were conceived as forms of property, and that recognizing exclusive rights in that property would "further the public good by incentivizing individuals to create and invent. The act of human creation ... was thus central to American copyright from its very inception."

The court did acknowledge that the Copyright Act contemplates flexibility with respect to advancements in technology in 17 U.S.C. § 102(a) (which states copyright attaches to "original works of authorship fixed in any tangible medium of expression, *now known or later developed*" (emphasis added)). However, it reiterated that there has been a "consistent understanding" that human creativity is at the core of copyrightability, even if such creativity is manifested using "new tools or into new media." The court referred to *Sarony*, the Supreme court case that held photographs constituted copyrightable creations, noting the Supreme Court found that even while cameras generate a "mechanical reproduction," they do so only after a photographer develops a "mental conception" of the photograph, and, notably, after the photographer makes decisions, such as posing and arranging the subject of the photo.

The district court contrasted this process with Thaler's autonomously generated AI work, where he insisted he had no role in generating it other than developing the AI system that created it. The court emphasized that "[h]uman authorship is a bedrock requirement of copyright."

Importantly, the court acknowledged that the issue could have been more complex had Thaler exercised control over, or provided a degree of direction in, the creation of the work. In fact, in his summary judgment brief, Thaler attempted to assert new facts to suggest that he played a role in generating the work, stating that he instructed and directed the AI system to create "A Recent Entrance to Paradise" and that the AI system was wholly controlled by him. However, the court did not decide this issue because Thaler had not presented these facts in the Copyright Office proceedings, and thus, they were raised too late.

The court acknowledged "we are approaching new frontiers in copyright" as artists begin using AI to generate "new visual and other artistic works," which will "prompt challenging questions," such as how much human input is necessary for a user of an AI system to qualify as an author of a generated work, how to assess originality of AI-generated works, and the scope of protection over AI-generated images. However, as Thaler's case did not address these particular issues, the court opted to leave such questions unanswered.

Key Points

As noted, Thaler has had a broader interest in advancing the argument that AI systems should be able to own intellectual property. The decision in *Thaler v. Perlmutter* comes months

[4] *See* above.

District Court Affirms Human Authorship Requirement for the Copyrightability of Autonomously Generated AI Works

after the Federal Circuit's decision in *Thaler v. Vidal*,[5] holding that Thaler's AI machine could not be listed as an "inventor" for purposes of obtaining a patent under the Patent Act. The Supreme Court recently denied Thaler's petition for certiorari in that case.

The district court's decision affirms the Copyright Office's guidance, which has stressed that human authorship is required for a work to be copyrightable. However, the decision makes clear that further guidance on the issue is needed as human involvement becomes increasingly intertwined with the use of generative AI. As the court noted, open questions include "how much human input is necessary to qualify the user of an AI system as an 'author' of a generated work, the scope of the protection obtained over the resultant image, how to assess the originality of AI-generated works where the systems may have been trained on unknown pre-existing works, [and] how copyright might best be used to incentivize creative works involving AI."

As companies begin and continue to incorporate generative AI into their operations, they should be mindful of the evolving landscape with respect to protectability of the works created by these tools.

[5] See our April 2023 Insights article, "AI and Patent Law: Balancing Innovation and Inventorship."