

A Modern Reconceptualization of Copyrights as Public Rights

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ABSTRACT

Copyright law is at a crossroads. In the wake of Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC, the patent, copyright, and intellectual property regimes as a whole, are primed for a modern reconceptualization. At the heart of this reconceptualization is the distinction between public rights, those vindicated by public offices for the public good, and private rights, those vindicated by private citizens for their exclusive government-granted monopolies. Thanks to Oil States, patent rights now exist in two separate bundles—a public bundle including the patent grant itself and a private bundle consisting of a patent owner’s exclusivity rights.

Similar to patents, copyrights exist between a nuanced and delicate tug of war between creator incentive and public benefit. Necessarily, Congress continually legislates around potential market failures that threaten to thwart that delicate balance to keep both creators incentivized to create and the public able to access those creations. Reshaping the current copyright regime into two separate bundles would help Congress continue their market-correcting efforts. Just as with patents, a private bundle would include a copyright owner’s exclusivity rights. However, in addition to copyright grants, copyright’s public bundle of rights would also include conceptualizing copyrights as public rights under the Takings Clause of the Fifth Amendment. While seemingly chipping away at a copyright holder’s exclusive rights over their creative monopoly, conceptualizing copyrights as public rights under the Takings Clause ensures that copyright holders see guaranteed

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economic incentives to create while allowing the public to access those creations at the copyright holder's discretion.

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I. INTRODUCTION

*“To improve is to change; to be perfect is to change often.”*¹

Perhaps the only constant in modern society is change. From new technologies to developments in science and medicine, the world changes every day. The law is no different. While the laws adopted and immortalized by the framers in the Constitution remain the foundation of American legal jurisprudence, centuries of case law, statutory reform, and evolving legal interpretations continue to facilitate the law’s constant modernization. However, while other facets of society offer prospective change, the law’s evolution is often retrospective.² Changes in the law are often in response to unforeseen developments and, as a result, are often imperfectly applied in a contemporary society.

A common catalyst for retrospective legal reform is the emergence of new forms of property interests.³ One prominent example of such a catalyst is intellectual property. Over the last 250 years, the parameters defining intellectual property have continued to grow, along with the law guiding that growth.⁴ However, as the law tries to quickly accommodate new and emerging intellectual property trends, cracks in the legal framework begin to open. These legal gaps have caused what is known as a “market failure.” A market failure occurs when a legal regime fails to efficiently facilitate specific marketplaces and consequently runs afoul of established legal principles.⁵ As a result, Congress must legislate to correct the market failure in order to modernize the legal doctrine and prevent any head-on jurisprudential collisions.

The Supreme Court has already diverted one such collision. In *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, the Court took the opportunity to reconceptualize patent grants as public rights, freeing them from any constitutional requirement to be adjudicated in an Article III forum.⁶ The reconceptualization, while somewhat eroding a patent holder’s exclusive rights, saved the inter partes review process, which was promulgated by Congress to better

1. Maxime Lagacé, *115 Quotes About Change and Growth*, WISDOM QUOTES (quoting Winston Churchill), <https://wisdomquotes.com/change-quotes/> [<https://perma.cc/Z2P3-TAFH>] (last updated Dec. 16, 2021).

2. *See infra* Part IV.

3. *See infra* Section II.E.

4. *See infra* Section II.A.

5. *See infra* Part IV.

6. *See* 138 S. Ct. 1365, 1373–74 (2018).

uphold the high patentability threshold all patent applications are statutorily required to satisfy.⁷ In doing so, the Court signaled its approval in allowing Congress to define the parameters of intellectual property grants without interference, maintaining Congress's traditional role as the governmental body that defines the bounds of intellectual property.⁸

A logical extension of *Oil States*' reconceptualization is applicable to other forms of intellectual property. Given their doctrinal similarities to patents,⁹ copyrights are a good starting point for such an extension. Often, copyright reform faces pushback from both copyright holders and those purporting violations of constitutional provisions, such as the Takings Clause, even as it works to facilitate both creator incentive and public access.¹⁰ Similar to the Court's analysis of patents in *Oil States*,¹¹ a comparable reimagining of copyrights would preserve Congress's carefully balanced compromises from any potential constitutional pitfalls.

Part II discusses the origins of Takings Clause jurisprudence, including its interpretation of traditional property rights and how it currently addresses intangible and intellectual property. Paramount to this discussion is identifying what can be considered a traditional reconceptualization of property rights, introduced in the form of regulatory takings by Justice Oliver W. Holmes in *Pennsylvania Coal Co. v. Mahon*.¹² This traditional reconceptualization signaled a major shift in takings jurisprudence and demonstrated how courts began to change how they viewed property rights. Part III identifies a second, modern reconceptualization of property rights, this time in response to the emergence of intellectual property. Beginning with the Supreme Court's decision in *Oil States*,¹³ this modern reconceptualization focuses on the distinction between public and private rights in patent law. By reimagining patent grants as public rights, the Court ultimately gave Congress more authority to administer the patent grant process through delegation of executive power. Part IV then maps the modern reconceptualization onto copyright law, arguing for a natural and logical extension in the intellectual property realm. A reconceptualization of copyrights into separate public and private bundles would reinforce copyright law's delicate balance between

7. See *id.*; *infra* Section III.B.

8. See *infra* Section III.B.

9. See *infra* Section III.C.

10. See *infra* Section IV.C.

11. See *infra* Section IV.C.

12. See 260 U.S. 393, 415 (1922).

13. See 138 S. Ct. 1365, 1373–74 (2018).

creator incentive and public enjoyment of copyrighted works by allowing Congress more explicit discretion to legislate on behalf of copyrights in ways that it could not otherwise. Congress has historically shouldered the burden to identify and mitigate market failures that plague copyright doctrine, often facing severe pushback and criticism.¹⁴ However, despite those criticisms, recent reforms to copyright law, such as the Digital Millennium Copyright Act and the Music Modernization Act,¹⁵ have facilitated the growth and development of creative mediums, which is likely a positive outcome for both creators and the general public. A modern reconceptualization and “rebundling” of intellectual property rights ensure that those positive benefits for creators and the public continue.

II. TAKINGS JURISPRUDENCE AND A TRADITIONAL RECONCEPTUALIZATION OF PROPERTY RIGHTS

The Takings Clause of the Fifth Amendment states that “private property [shall not] be taken for public use without just compensation.”¹⁶ Takings scholarship and litigation have focused largely on the legal parameters of three terms found in the Takings Clause: “property,” “taken,” and “public use.”¹⁷ While initially grounded in physical takings of physical property, courts’ interpretation of the Takings Clause has grown to encompass both intangible property and intangible takings.¹⁸

A. Definition of “Property”

At the core of the Takings Clause is a concern over *physical* property, dating back to the days of the Magna Carta.¹⁹ By the mid-1700s, several colonial charters recognized the same concern and discussed the importance of preventing “dispossess[ion] of freehold without due process of law.”²⁰ Following the colonies’ victory in the Revolutionary War, the protection against government takings of private property without just compensation was cemented in the Bill of

14. See *infra* Section IV.A.

15. Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.); Music Modernization Act, Pub. L. No. 115-264, 132 Stat. 3676 (2018) (codified in scattered sections of 17, 19, 28 U.S.C.).

16. U.S. CONST., amend. V.

17. See *infra* Sections II.A–II.C.

18. See *infra* Sections II.A–II.C.

19. See William Michael Treanor, *The Original Understanding of the Takings Clause and the Political Process*, 95 COLUM. L. REV. 782, 786–87 (1995).

20. See *id.* at 786–87, 786 n.16 (discussing several such examples of colonial charters).

Rights as the Takings Clause.²¹ Notably, the Takings Clause does not specify what constitutes a taking of private property, and there are scant records of discussion which suggest how the framers intended to define “property.”²² The most prominent interpretation, supported by both James Madison and revolutionary-era judge and scholar St. George Tucker, is that “property” was meant to encompass seizures of physical property.²³

While the colonial view of the Takings Clause focused on only physical property, that view has drastically expanded, and purposefully so by modern courts. Instead of relying on a constitutional definition, courts have largely taken responsibility for expanding the parameters of “property” as it is used in the Constitution.²⁴ Recognizing that “[p]roperty interests are not created by the Constitution,” the Supreme Court has looked to “independent source[s] such as state law” to guide its interpretation of the ambiguous constitutional term.²⁵ As Takings Clause jurisprudence has developed,

[t]he Court has extended Takings Clause protection to a range of property interests, including interests in real property (fee simple estates, leaseholds, easements, and mortgages), personal property (and liens on personal property), [] intangible property (such as the right to retain the interest earned on principal and executory rights under a valid contract)[.] [a]nd . . . trade secrets.²⁶

While still looking to broad independent sources like state law to mark the boundaries of protectable property interests, Supreme Court jurisprudence in the late 1990s developed a more targeted pattern to evaluate whether property interests, particularly with regards to intangible property, were indeed constitutionally protected rights.²⁷ Relying on *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board* and *Eastern Enterprises v. Apfel*,²⁸ Professor Thomas W. Merrill has elucidated the key question for determining whether a property right is protectable under the Takings Clause. Professor Merrill asks: “whether nonconstitutional sources of law confer an irrevocable right on the claimant to exclude

21. See U.S. CONST., amend. V.

22. See Treanor, *supra* note 19, at 791.

23. *Id.* at 791–92.

24. See Note, *Copyright Reform and the Takings Clause*, 128 HARV. L. REV. 973, 975–77 (2015) (noting that the Constitution does not define the term “property”).

25. See *Bd. of Regents v. Roth*, 408 U.S. 564, 577 (1972).

26. Note, *supra* note 24, at 976 & nn.22–30 (citing a range of Supreme Court cases from 1910–1984 granting a breadth of property interests) (citations omitted).

27. See Thomas W. Merrill, *The Landscape of Constitutional Property*, 86 VA. L. REV. 885, 969 (2000); Susan Eisenberg, Note, *Intangible Takings*, 60 VAND. L. REV. 667, 698 (2007).

28. See 527 U.S. 666 (1999); 524 U.S. 498 (1998).

others from specific assets.”²⁹ Accordingly, this question can be broken down into three elements. “[A] holder’s interest will receive protection from the Takings Clause so long as the rights (1) contain the right to exclude, (2) consist of discrete assets, and (3) are otherwise irrevocable.”³⁰ It is important to note that Professor Merrill, and not the Supreme Court, integrated these ideas with the scope of constitutional property:

Both [*College Savings Bank* and *Eastern Enterprises*] identify, as a matter of federal constitutional law, isolated features of property for purposes of substantive constitutional protection. In each case, however, the feature is expressed merely as one necessary condition of concluding that property is at issue. The Court made no effort to integrate either feature into the established understanding that property is created not by constitutional but rather by nonconstitutional law.³¹

While Professor Merrill’s three elements of protected constitutional property under the Takings Clause have not been expressly adopted by the Supreme Court, his precedent-based theory is implicit in modern takings jurisprudence and aligns with modern Takings Clause policy and precedent.

First, and likely the most important element, is the exclusive nature of a possible constitutional property interest. Justice Scalia, author of the *College Savings Bank* decision, considered the right to exclude others as the “hallmark of a protected property interest.”³² Further, the Supreme Court has previously relied on exclusivity to define property in takings cases.³³ For example, the Court has described the right to exclude as “one of the most essential sticks in the bundle of rights that are commonly characterized as property,”³⁴ “one of the most treasured strands in an owner’s bundle of property rights,”³⁵ and “universally held to be a fundamental element of the property right.”³⁶

Second, the alleged property interest should be discrete and specific. Justice Breyer, dissenting in *Eastern Enterprises*, emphasized that the Takings Clause focuses on “a specific interest in physical or intellectual property.”³⁷ A specificity requirement goes hand in hand with exclusivity: “the discrete asset requirement tells us what it is the

29. Merrill, *supra* note 27.

30. Eisenberg, *supra* note 27 (citing Merrill, *supra* note 27, at 969–79).

31. Merrill, *supra* note 27.

32. *Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 673 (1999).

33. See Merrill, *supra* note 27, at 973.

34. *Dolan v. City of Tigard*, 512 U.S. 374, 384 (1994) (quoting *Kaiser Aetna v. United States*, 444 U.S. 164, 176 (1979)).

35. *Loretto v. Teleprompter Manhattan Cable Television Corp.*, 458 U.S. 419, 435 (1982).

36. *Kaiser Aetna*, 444 U.S. at 179–80.

37. *Eastern Enterprises v. Apfel*, 524 U.S. 498, 554 (1998) (Breyer, J., dissenting).

owner has a right to exclude others *from*.”³⁸ A discrete asset was at issue in *Dolan v. City of Tigard*, which involved a government exaction of land along a creek treated as a permanent public easement.³⁹ Easements are a recognized form of property that are “created, exchanged, and enforced as distinct assets,” and thus, the *Dolan* Court treated the government exaction as a discrete asset under the Takings Clause.⁴⁰ A discrete, recognized property right is distinct from a mere incidental right, like the “right to inherit” at issue in *Hodel v. Irving*.⁴¹ The “right to inherit is, on the contrary, an incident that ordinarily attached to ownership in American society” and thus is unlikely to qualify as a constitutionally protected discrete property interest.⁴²

Third, and finally, protected constitutional property under the Takings Clause should be “otherwise irrevocable,” or have some measure of security of expectation. While this expectation does not need to be indefinite, it is not subject to “discretionary revocation for some predetermined period of time.”⁴³ Professor Merrill provides a lease of years as an example because a lease of years, protectable under the Takings Clause, is an irrevocable right for the term of the lease.⁴⁴ Another example is the delegated power of eminent domain itself, the claimed property right at issue in *United States ex rel. Tennessee Valley Authority v. Powelson*.⁴⁵ Because the delegated power could be revoked at any time, and thus offered no security of expectation, the Supreme Court classified the interest as a license rather than a property right.⁴⁶

Since Professor Merrill first posited his theory in 2000, it has largely held true on the periphery of twenty-first-century Supreme Court takings jurisprudence. For example, in *Horne v. Department of Agriculture (Horne II)*,⁴⁷ the Court held that the Takings Clause’s use of the phrase, “private property,” makes no distinction between personal and real property.⁴⁸ At the heart of the dispute in *Horne II* were raisins grown on the National Raisin Reserve, which the Court held were discrete assets from which the farmer plaintiffs could exclude

38. Merrill, *supra* note 27, at 975.

39. *Dolan*, 512 U.S. at 394.

40. Merrill, *supra* note 27, at 975; *see Dolan*, 512 U.S. at 395.

41. 481 U.S. 704, 711 (1987).

42. *See* Merrill, *supra* note 27, at 975.

43. *Id.* at 979.

44. *Id.* at 979 (citing *United States v. General Motors Corp.*, 323 U.S. 373, 378 (1945)).

45. *See* 319 U.S. 266, 274 (1943).

46. *See id.* at 280–81.

47. 135 S. Ct. 2419 (2015).

48. *See id.* at 2425–26.

others, and thus warranted constitutional protection.⁴⁹ After a federal regulation affected the farmers' rights to use and dispose of their property, the Court found a violation of the Takings Clause.⁵⁰ Similarly, in *Stop the Beach Renourishment, Inc. v. Florida Department of Environmental Protection*,⁵¹ the Court affirmed the Florida Supreme Court's interpretation that the beachfront property owners' right to contact the water was merely "ancillary to the littoral right of access to water."⁵² This ancillary right, in the same vein as incidental rights discussed above, failed to find footing as a constitutionally protected property interest.⁵³

Professor Merrill's theory is also gaining traction outside the courtroom, as scholars are applying the pattern to rights in emerging technologies and digital forms of property. One example is "virtual property," or the "grouping together [of] intangible interests in virtual worlds [such as] chat rooms, web sites, phone numbers, screen names, email addresses, etc."⁵⁴ Many scholars rely on some form of Professor Merrill's theory, whether explicitly citing his work or implicitly relying on similar principles to define the bounds of virtual property and whether such property warrants constitutional protection.⁵⁵

The vast expansion of property protections has not been unbounded, however, and various levels of protection have developed under the Takings Clause. For example, the Court has recognized that "the right to pass property by will and intestacy is also especially important."⁵⁶ Notably, some legal rights and privileges have decidedly *not* been afforded protection as property interests. For example, merely enjoying some legal benefit does not entitle one to continue its enjoyment.⁵⁷ Similarly, the Takings Clause does not implicate taxes

49. See *id.* at 2428.

50. *Id.*

51. 560 U.S. 702 (2010).

52. *Walton Cnty. v. Stop the Beach Renourishment, Inc.*, 998 So. 2d 1102, 1119 (Fla. 2008), *aff'd*, *Stop the Beach Renourishment, Inc. v. Fla. Dep't of Env't. Prot.*, 560 U.S. 702 (2010).

53. See *id.*

54. Eisenberg, *supra* note 27, at 696.

55. See, e.g., Joshua A.T. Fairfield, *Virtual Property*, 85 B.U. L. REV. 1047, 1053–54 (2005); David Nelmark, *Virtual Property: The Challenges of Regulating Intangible, Exclusionary Property Interests Such as Domain Names*, 3 NW. J. TECH. & INTELL. PROP. 1, 2–3 (2004); Eisenberg, *supra* note 27, at 698.

56. Note, *supra* note 24, at 976 (citing *Babbitt v. Youpee*, 519 U.S. 234, 244 (1997); *Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1014 (1992); JAN G. LAITOS, *LAW OF PROPERTY RIGHTS PROTECTION* § 9.02, at 9-5 (Wolters Kluwer 2018) (1998)).

57. See *Bowen v. Gilliard*, 483 U.S. 587, 604–05 (1987) (holding that an amendment to the Aid to Families with Dependent Children program affecting child support payments did not violate the Takings Clause because a mere expectation to receive such a legal benefit does amount to a vested, protectable interest).

because taxes are subject to separate constitutional principles outside the Fifth Amendment.⁵⁸ This principle is so widely accepted that the Internal Revenue Service has included it on its official list of legally frivolous tax return positions.⁵⁹ Those who claim that taxation violates their rights under the Takings Clause are subject to a \$5,000 penalty.⁶⁰

B. What Constitutes “Taken”

As discussed in Section II.A., property in takings jurisprudence traditionally revolved around physicality.⁶¹ Similarly, “taken” was also initially interpreted quite literally—the first 130 years of Takings Clause jurisprudence focused on *physical* takings of property.⁶² Physical takings occur “when the government physically invades property, causing ‘a direct and immediate interference with the enjoyment and use of the land.’”⁶³ The Supreme Court has been careful to establish that not *every* physical invasion amounts to a taking.⁶⁴

In 1922, with the Supreme Court’s decision in *Pennsylvania Coal Co. v. Mahon*, a second form of takings was born: regulatory takings.⁶⁵ In defining this new doctrine, Justice Oliver W. Holmes plainly explained that “if [a] regulation goes too far it will be recognized as a taking.”⁶⁶ Justice Holmes’s opinion parted ways with years of precedent that considered governmental regulation of property as a valid exercise of the sovereign’s police power, and it is now widely considered one of the seminal cases in takings law jurisprudence.⁶⁷

58. See *Brushaber v. Union Pac. R.R. Co.*, 240 U.S. 1, 24 (1916). Interestingly, the Supreme Court of Illinois, reiterating the Supreme Court’s rule in *Brushaber*, further theorized that taxes are not a discrete and specific property interest and thus fail to qualify as a property interest. *Empress Casino Joliet Corp. v. Giannoulas*, 896 N.E.2d 277, 293 (Ill. 2008), *cert. denied*, 556 U.S. 1281 (2009).

59. I.R.C. § 6702(b); see INTERNAL REVENUE SERV., THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS 27 (2018), https://www.irs.gov/pub/taxpros/frivolous_truth_march_2018.pdf [<https://perma.cc/SY76-HSAH>].

60. I.R.C. § 6702(b); see INTERNAL REVENUE SERV., *supra* note 59.

61. See *supra* Section II.A.

62. See Kenneth J. Sanney, *Balancing the Friction: How a Constitutional Challenge to Copyright Law Could Realign the Takings Clause of the Fifth Amendment*, 15 COLUM. SCI. & TECH. L. REV. 323, 335 (2014).

63. Note, *supra* note 24, at 977 (quoting *United States v. Causby*, 328 U.S. 256, 266 (1946)).

64. See *Loretto v. Teleprompter Manhattan Cable Television Corp.*, 458 U.S. 419, 428 (1982).

65. See 260 U.S. 393, 415 (1922).

66. *Id.*

67. Sanney, *supra* note 62, at 335–36; Treanor, *supra* note 19, at 798 (citing BRUCE A. ACKERMAN, PRIVATE PROPERTY AND THE CONSTITUTION 156 (1977)).

This expansion reconceptualized how property rights were treated under the law. Before 1922, courts and scholars primarily relied on a physicalist view of property rights.⁶⁸ A physicalist view dictated that only the physical taking of private property could trigger any redress and was often grounded in the same principles the framers had relied on.⁶⁹ The Supreme Court went so far as to specifically exclude police power regulations from the Takings Clause's reach.⁷⁰ However, the *Pennsylvania Coal* decision indicated the Court's willingness to abandon a strictly physicalist interpretation and make room for the concept of intangible property in Takings Clause jurisprudence.⁷¹ Now, instead of relying merely on eminent domain, the government could use an intangible regulation to affect the disposition of private property.⁷²

Justice Holmes's departure from traditional Takings Clause jurisprudence received a variety of reactions from scholars. Some saw the *Pennsylvania Coal* decision as "mysterious,"⁷³ while others felt the decision was merely the "culmination of Justice Holmes's career-long critique of a physicalist view of property and the attendant view of the Takings Clause."⁷⁴ Ultimately, with the benefit of hindsight, many legal scholars agree that the scope of the Takings Clause should be expanded beyond physical takings.⁷⁵

C. What Constitutes "Public Use"

The notion of taking private property for "public use" is closely tethered to the developing interpretations of both "property" and "taken." As discussed above, all three cumulatively trigger "just compensation" under the Takings Clause.⁷⁶ State legislatures define public use broadly, and courts typically exercise a "longstanding policy of deference to legislative judgments" when deciding whether a taking serves a "public purpose."⁷⁷ Traditionally, public uses were physical and tangible; in *Transportation Co. v. Chicago*, when access to private

68. See Sanney, *supra* note 62, at 335; Treanor, *supra* note 19, at 798; *supra* Section II.A.

69. See Treanor, *supra* note 19, at 791–92.

70. See *Mugler v. Kansas*, 123 U.S. 623, 678 (1887); Treanor, *supra* note 19, at 797.

71. See Treanor, *supra* note 19, at 798.

72. See *id.*

73. *Id.* (citing ACKERMAN, *supra* note 67, at 156). Justice Holmes's opinion mystified jurists as it, at the time, contradicted a "clear history" of takings jurisprudence. *Id.*

74. *Id.*

75. *Id.* at 799 & n.89 (citing to a number of legal scholars discussing the shift in conceptualization of property).

76. Just compensation is typically determined by the fair market value of the property taken. See *United States v. 50 Acres of Land*, 469 U.S. 24, 25 (1984).

77. *Kelo v. City of New London*, 545 U.S. 469, 480 (2005).

property was blocked during construction of a tunnel and improvement of an adjoining street, the Supreme Court found public use satisfied.⁷⁸ The scope of public use has developed along similar doctrinal lines as the Takings Clause's other components, and courts have facilitated the gradual expansion from strict physicality to more intangible public uses.⁷⁹ For example, in *Ruckelshaus v. Monsanto Co.*, the Supreme Court found that increased competition in the pesticide market, despite being intangible, was a valid public use that aligned with Congress's intent.⁸⁰ Most recently, the boundaries of public use were expanded even further in *Kelo v. City of New London*.⁸¹ In *Kelo*, the Court qualified economic development, another intangible benefit, as a viable public benefit.⁸² Ultimately, public use is largely beyond the scope of this Article.

D. Relevant Analytical Frameworks

Takings Clause jurisprudence, originally grounded in a physicalist interpretation,⁸³ has undergone its fair share of growing pains to accommodate the concept of intangibility. In modern takings cases, courts must now pay close attention to both physical and intangible conceptualizations of property rights.⁸⁴ With two conceptualizations of property rights comes two separate modes of analysis, depending on the type of taking.

The first, a per se taking, is simply categorical in nature and is triggered by "any permanent physical occupation of land, no matter how small."⁸⁵ The second mode of analysis is less accessible and clean-cut. Unfortunately, the creation of regulatory takings doctrine

78. *Transp. Co. v. Chicago*, 99 U.S. 635 (1879).

79. See Emily L. Madueno, *The Fifth Amendment's Takings Clause: Public Use and Private Use; Unfortunately, There is No Difference*, 40 LOY. L.A. L. REV. 809, 813–23 (discussing the evolving rationale behind expanding the meaning of "public use").

80. *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1015–16 (1984); see also Madueno, *supra* note 79, at 822 (explaining the effect of the court's decision in *Ruckelshaus*). It is worth noting that in the *Ruckelshaus* case, both the property being taken (trade secrets in the form of commercial data) and the taking itself (Federal Insecticide, Fungicide, and Rodenticide Act (FIRPA) allowing the Environmental Protection Agency (EPA) to use data submitted by an applicant for a registered product in evaluating the application of a subsequent applicant, disclosing some of the data publicly in the process) are intangible. *Ruckelshaus*, 467 U.S. at 991–92, 1001–04.

81. 545 U.S. 469 (2005).

82. *Kelo*, 545 U.S. at 480.

83. See Treanor, *supra* note 19, at 792; *supra* Section II.A.

84. Eisenberg, *supra* note 27, at 674–75.

85. Note, *supra* note 24, at 978 (citing *Loretto v. Teleprompter Manhattan Cable Television Corp.*, 458 U.S. 419, 426 (1982)).

and subsequent reconceptualization of property rights for Takings Clause jurisprudence has not gone as smoothly as Justice Holmes might have hoped. The Supreme Court has taken a largely “ad hoc” approach when applying the Takings Clause to regulatory takings, relying on “situation-specific factual inquiries.”⁸⁶ Such latitude allows wide discretion and has an obvious effect—the Court has applied the doctrinal analysis “at best, unevenly and, at worst, in a ‘deeply flawed’ manner.”⁸⁷ Occasionally, the Court has even conflated per se takings and regulatory takings. For example, in 1992, the Supreme Court extended the scope of per se takings to include any regulation that “deprive[s] a landowner of all economically beneficial uses,”⁸⁸ further muddying the waters of takings doctrine.

One of the main reasons for the unpredictable nature of regulatory takings doctrine is the wide range of analyses at the Court’s disposal, including the total takings test,⁸⁹ the roughly proportional test,⁹⁰ and the traditional diminution in value test.⁹¹ The most prominent test used by the Supreme Court to evaluate regulatory takings is the three-factor *Penn Central* balancing test.⁹² This test evaluates: (1) “the economic impact of the regulation,” (2) “the extent to which the regulation has interfered with distinct investment-backed expectations,” and (3) “the character of the governmental action.”⁹³ While seemingly straightforward, the Court’s analysis is often unpredictable, and scholars have not been shy to point out the frustrating lack of focus in this area of law.⁹⁴

86. Ark. Game & Fish Comm’n v. United States, 568 U.S. 23, 31 (2012); Sanney, *supra* note 62, at 336.

87. Sanney, *supra* note 62, at 336 (citing Carol M. Rose, *Mahon Reconstructed: Why the Takings Issue Is Still a Muddle*, 57 S. CAL. L. REV. 561, 566 (1984)).

88. Lucas v. S.C. Coastal Council, 505 U.S. 1003, 1018 (1992). By using the term “landowner,” the Supreme Court limited the extension to real property, “explicitly excluding personalty.” Note, *supra* note 24, at 978 n.48 (citing *Lucas*, 505 U.S. at 1027–28).

89. See, e.g., *Lucas*, 505 U.S. at 1019; Sanney, *supra* note 62, at 336 n.36 (citing *Lucas*, 505 U.S. at 1019) (“[A] regulatory act that deprives a property owner of all economically beneficial use of that property can constitute a taking . . .”).

90. See, e.g., *Dolan v. City of Tigard*, 512 U.S. 374, 391 (1994); Sanney, *supra* note 62, at 336 n.37 (citing *Dolan*, 512 U.S. at 391) (“An exaction acts as a taking . . . if the public benefit from the exaction is not roughly proportional to the burden imposed on the public by allowing the proposed land use.”).

91. See, e.g., *Pa. Coal Co. v. Mahon*, 260 U.S. 393, 413 (1922); Sanney, *supra* note 62, at 336 n.34 (citing *Pa. Coal Co.*, 260 U.S. at 413) (“[W]hether a regulatory act constitutes a taking . . . depends on the extent of diminution in the value of the property.”).

92. See *Penn Cent. Transp. Co. v. City of New York*, 438 U.S. 104 (1978); Steven Eagle, *The Four-Factor Penn Central Regulatory Takings Test*, 118 PA. STATE L. REV. 601, 602 (2014).

93. *Penn Cent.*, 438 U.S. at 124.

94. Sanney, *supra* note 62, at 337; Treanor, *supra* note 19, at 880–82.

E. Intellectual Property in Takings Jurisprudence

The traditional reconceptualization rooted in Justice Holmes's regulatory takings doctrine has seen vast development since 1922. As discussed above, Takings Clause jurisprudence has outgrown its application to only physical takings of physical property.⁹⁵ Helpfully, the Supreme Court held that "the extension of Takings rights from tangible to intangible property was a rational move since the 'notion of property' . . . extends beyond land and tangible goods and includes the products of an individual's 'labour and invention.'"⁹⁶ While possible to read Lockean "sweat of the brow" principles into the Court's words,⁹⁷ those who do would miss the bigger picture. The Court recognizes the dominant role intangible properties play in modern society and the likelihood that the future legal battles over contemporary forms of tangible and intangible property will be of equal importance as the classic battles over traditional forms of property.⁹⁸

In recent decades, both state and federal courts have recognized certain forms of intangible property interests as viable property rights,⁹⁹ including liquor licenses,¹⁰⁰ rights affixed by judgment,¹⁰¹ and even a radio host's broadcasting personality.¹⁰² Additionally, the Supreme Court has extended Takings Clause protection to certain intangible property rights such as retention rights on earned interest and executory rights under a valid contract.¹⁰³

95. See Note, *supra* note 24, at 976.

96. Eisenberg, *supra* note 27, at 675 (citing *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1003 (1984)). Ownership in the product of one's own labor is the foundation of the "sweat of the brow" doctrine developed by John Locke. JOHN LOCKE, *THE SECOND TREATISE OF CIVIL GOVERNMENT AND A LETTER CONCERNING TOLERATION* 15 (C.H. Wilson & R. B. McCollum eds., Oxford: Basil Blackwell 1948) (1689).

97. See *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1002–03 (1984) ("This general perception of trade secrets as property is consonant with a notion of 'property' that extends beyond land and tangible goods and includes the products of an individual's 'labour and invention.'").

98. See, e.g., *Kimball Laundry Co. v. United States*, 338 U.S. 1, 11 (1949).

99. Eisenberg, *supra* note 27, at 675; Note, *supra* note 24, at 975–76.

100. See *Dodds v. Shamer*, 663 A.2d 1318, 1324 (Md. 1995).

101. See *Smith v. Price Dev. Co.*, 125 P.3d 945, 949 (Utah 2005).

102. See *Menefee v. Columbia Broad. Sys., Inc.*, 329 A.2d 216, 220 (Pa. 1974).

103. See, e.g., *Phillips v. Wash. Legal Found.*, 524 U.S. 156, 172 (1998); *Webb's Fabulous Pharmacies, Inc. v. Beckwith*, 449 U.S. 155, 164–65 (1980); *Lynch v. United States*, 292 U.S. 571, 579 (1934).

One subset of property leading intangible property's growing momentum is intellectual property, and it too has received greater constitutional protection.¹⁰⁴ Judicial interpretation of new and contemporary property rights is often messy and inconsistent, but one common theme that has emerged, as suggested by Professor Merrill's identified pattern discussed in Section II.A.,¹⁰⁵ is the exclusionary nature of protected property. While takings jurisprudence has "failed to [expressly] acknowledge a definitive test or rule to determine when emerging, intangible rights amount to constitutional property under the Takings Clause,"¹⁰⁶ the "right to exclude" is often the benchmark.¹⁰⁷

In 1984, the Supreme Court extended Takings Clause protection to trade secrets, specifically "commercial data," finding that the "trade secret constituted property subject to a governmental taking because it was exclusive."¹⁰⁸ This exclusionary right rationale, rooted in public incentive and social utility, has been extended to other forms of intellectual property.¹⁰⁹ For example, patents are gaining ground with regards to obtaining constitutional protection under the Takings Clause, anchored by the statutory language granting "the right to exclude others from making, using, offering for sale, or selling the invention."¹¹⁰ Additionally, while stimulating very little discussion from

104. See William W. Fisher III, *A History of the Ownership of Ideas in the United States*, in EIGENTUM IM INTERNATIONALEN VERGLEICH 265, 266 (Vandenhoeck & Ruprecht eds. 1999), <https://cyber.harvard.edu/people/ffisher/iphistory.pdf> [<https://perma.cc/S8KR-JBA8>].

105. See Merrill, *supra* note 27, at 969–79.

106. Eisenberg, *supra* note 27, at 676.

107. See, e.g., *Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 673 (1999) ("The hallmark of a protected property interest is the right to exclude others."); *Kaiser Aetna v. United States*, 444 U.S. 164, 176 (1979). Professor Merrill has declared the right to exclude as the "sine qua non" of property. Thomas W. Merrill, *Property and the Right to Exclude*, 77 NEB. L. REV. 730, 730 (1998).

108. Eisenberg, *supra* note 27, at 675 (quoting *Ruckelshaus v. Monsanto*, 467 U.S. 986, 1003 (1984)).

109. Adam Mossoff, *Patents as Constitutional Private Property: The Historical Protection of Patents Under the Takings Clause*, 87 B.U. L. REV., 689, 716 (2007) [hereinafter *Patents as Constitutional Private Property*].

110. 35 U.S.C. § 154(a)(1); see *Patents as Constitutional Private Property*, *supra* note 109, at 716 & n.145. For a detailed discussion of the complicated conceptual and historical development of patents as private constitutional property, see *Patents as Constitutional Private Property*, *supra* note 109, at 711–24 (providing a scathing critique of the *Zoltek Corp. v. United States*, 464 F.3d 1335 (Fed. Cir. 2006) case, which refused to extend Takings Clause protections to patents); see also *Horne v. Dep't of Agric. (Horne II)*, 576 U.S. 350, 359–61 (2015) (contextualizing patent rights in the Supreme Court's Takings Clause jurisprudence). Ultimately, the intersection of patents and the Takings Clause is beyond the scope of this paper.

courts and academics, some scholars argue that the Takings Clause also protects trademarks as exclusionary property rights.¹¹¹

Similarly, the intersection between copyrights and the Takings Clause has garnered little attention. In what little scholarship exists, scholars have proffered several arguments as to why the Takings Clause may or may not encompass copyrights. For example, some argue that because copyrights are created by federal statute and not “independent sources such as state law,” they are not property rights for Takings Clause purposes.¹¹² However, copyrights, like patents, enjoy a long history of being recognized as a personal property right, and the Copyright Act of 1976 grants rights of exclusion to the copyright owner.¹¹³ Additionally, a form of common law copyright has long been acknowledged and was explicitly recognized in the landmark case *Capitol Records, Inc. v. Naxos of America, Inc.*¹¹⁴ With no case law to guide the analysis, scholars have largely been left to speculate about how a Takings Clause challenge in the copyright domain would play out.¹¹⁵

Including intellectual property rights under the Takings Clause is a likely consequence of Justice Holmes’s now-famous *Pennsylvania Coal* decision and subsequent reconceptualization of property rights.¹¹⁶ Rooted in Holmes’s decision is his belief that “property is properly viewed as value, not physical possession, and that the Takings Clause should therefore protect more than physical possession.”¹¹⁷ Put more simply, “The Takings Clause protects property. Property is value. Therefore, the Takings Clause protects value.”¹¹⁸ This property-as-value syllogism is still relevant today. For example, the Supreme Court used a value-based rationale to expand the scope of per se takings.¹¹⁹ Further, the rationale has been used to support the Takings Clause’s

111. See, e.g., Dustin Marlan, *Trademark Takings: Trademarks as Constitutional Property Under the Fifth Amendment Takings Clause*, 15 U. PA. J. CONST. L. 1581, 1610 (citing *In re Deister Concentrator Co.*, 289 F.2d 469, 501–02 n.5 (C.C.P.A. 1961); *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879)). Ultimately, the intersection of trademarks and the Takings Clause is beyond the scope of this Article.

112. See *id.* at 1585 n.20.

113. 17 U.S.C. § 106.

114. 4 N.Y.3d 540, 558–61 (2005).

115. For detailed predictive analysis of how a Takings Clause challenge to the Digital Millennium Copyright Act would play out, see Sanney, *supra* note 62.

116. *Pa. Coal Co. v. Mahon*, 260 U.S. 393, 415 (1922).

117. Treanor, *supra* note 19, at 802.

118. *Id.*

119. See *supra* note 88 and accompanying text.

application to copyrights to protect both the internal and external value of copyright owners' rights.¹²⁰

Some scholars argue that the scope of property rights under the Takings Clause should continue to be expanded. For example, property law scholar Jeremy A. Blumenthal argues that causes of action, another intangible, should be protected as constitutional property.¹²¹ Among his reasons for this proposition are the developments in protections for intangible property and the classification of the right to sue as property by most states, which reflects the oft-cited principle that property is typically defined by state law.¹²² It is important to note that while property rights under the Takings Clause have been expanded in modern times, their boundaries of protection are still narrower than other forms of constitutional property.¹²³ The most common comparison of constitutional property rights is made between those protected by the Takings Clause and the Due Process Clause. While both clauses merely use the word "property," due process protection for property rights is typically considered broader than in takings jurisprudence, with most courts taking great care to distinguish between the two.¹²⁴

III. OIL STATES AND A MODERN RECONCEPTUALIZATION OF INTELLECTUAL PROPERTY RIGHTS

The emergence of intellectual property has been conspicuous.¹²⁵ Each of the four prominent forms of intellectual property has "grown steadily and dramatically from the eighteenth century to the present."¹²⁶ Economists and professors correlate this growth with the growth and transformation of the US economy.¹²⁷ A key part of this transformation was the United States' shift from a "net consumer" of intellectual property to a "net producer."¹²⁸ While Congress and the courts have been eager to update the legal regime underlying intellectual property law in accordance with societal and economic

120. See generally Sanney, *supra* note 62, at 362 (discussing how the Digital Millennium Copyright Act's anticircumvention provisions "substantially decrease the value" of copyright owners' bundle of ownership rights).

121. See Jeremy A. Blumenthal, *Legal Claims as Private Property: Implications for Eminent Domain*, 36 HASTINGS CONST. L.Q. 373, 373 (2009).

122. *Id.* at 378–81 (citing *Bd. of Regents v. Roth*, 408 U.S. 564, 577 (1972)).

123. See Merrill, *supra* note 27, at 955–60.

124. Blumenthal, *supra* note 121, at 377–78; Merrill, *supra* note 27, at 955–58.

125. See Fisher III, *supra* note 104.

126. *Id.* The four prominent forms of intellectual property are trade secrets, copyrights, patents, and trademarks. *Id.*

127. See *id.* at 275–76.

128. See *id.* at 276.

needs, the development of modern intellectual property has inevitably created legal gaps which create friction with other legal principles and leave entire forms of intellectual property inadequately addressed by the law.¹²⁹

In recent years, both Congress and the Supreme Court have demonstrated efforts to synthesize legal doctrines with contemporary intellectual property developments. For example, in 2012, Congress passed the America Invents Act (AIA), implementing a major and much-needed overhaul of patent law.¹³⁰ Additionally, in 2018, Congress passed the Music Modernization Act (MMA), a comprehensive statute attempting to facilitate more accurate royalty payments to music professionals in an increasingly digital music industry.¹³¹ The legislation came as a much-needed update to copyright law which had been thrown off balance by the emergence of digital streaming services like Spotify.¹³² The Supreme Court has similarly been willing to reconsider certain legal principles to account for new intellectual property developments. As recently as 2017, the Supreme Court struck down the Disparagement Clause of the Lanham Act as a facially unconstitutional viewpoint-discriminatory restraint on trademarks.¹³³ The Court held that because trademarks are private—rather than government—speech, First Amendment protections apply to their use.¹³⁴

Both Congress and the Supreme Court's recent actions point to the ongoing need to rethink the purpose of intellectual property regimes and ensure their alignment with society and the economy's use for intellectual property. Perhaps, just as Justice Holmes posited in 1922,¹³⁵ the time has come for another reconceptualization of property rights—this time sparked by intellectual property. The momentum for such a reconceptualization of intellectual property rights has already begun in patent doctrine with *Oil States*.¹³⁶

129. See generally Matthew L. Pangle, *The Last Laugh: A Case Study in Copyright of Comedy and the Virtual Identity Standard*, 29 TEX. INTELL. PROP. L.J. 183 (2020) (discussing the complicated role copyright doctrine plays in policing standup comedy).

130. See Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (codified as amended in scattered sections of 35 U.S.C.).

131. See COPYRIGHT ALL., SUMMARY OF H.R. 1551, THE MUSIC MODERNIZATION ACT (MMA) (2018), https://copyrightalliance.org/wp-content/uploads/2018/10/CA-MMA-2018-senate-summary_CLEAN.pdf [<https://perma.cc/UY5U-UB8W>].

132. See Kaitlin Chandler, *The Times They Are a Changin': The Music Modernization Act and the Future of Music Copyright Law*, 21 TUL. J. TECH. & INTELL. PROP. 53, 61–63 (2019).

133. 15 U.S.C. § 1052(a); *Matal v. Tam*, 137 S. Ct. 1744, 1751 (2017).

134. *Matal*, 137 S. Ct. at 1758–60.

135. *Pa. Coal Co. v. Mahon*, 260 U.S. 393, 415 (1922).

136. See *infra* Section III.B.

A. Patents as Property Rights

Before addressing the *Oil States* case,¹³⁷ an understanding of patents as property rights is crucial. As a threshold matter, it is “beyond doubt that patents are property rights.”¹³⁸ However, a more complicated question is their status as constitutionally protected property rights, particularly under the Takings Clause. While scholars and jurists are somewhat skeptical,¹³⁹ Supreme Court jurisprudence answers that question in the affirmative, grounding its analysis on patents’ exclusionary nature.¹⁴⁰ A seminal case from the United States Court of Federal Claims is *McKeever’s Case*,¹⁴¹ where the court explicitly held that a vested patent right could not be appropriated by the government without just compensation, securing patents’ protection under the Takings Clause.¹⁴² The Supreme Court followed suit four years later in *James v. Campbell*,¹⁴³ holding that a patent “confers upon the patentee an exclusive property in the patented invention which cannot be appropriated or used by the government itself without just compensation.”¹⁴⁴ The Supreme Court consistently abided by that interpretation throughout the early twenty-first century.¹⁴⁵

In contrast to the expansion of property rights to accommodate an ever-broadening scope of private property, patents have largely remained buoyed in their position as constitutionally protected property.¹⁴⁶ However, when faced with a constitutional challenge to the patent validity process in *Oil States*,¹⁴⁷ the Supreme Court was presented with the opportunity to reconceptualize patent rights altogether.

137. *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365 (2018).

138. Adam Mossoff, *Exclusion and Exclusive Use in Patent Law*, 22 HARV. J.L. & TECH. 321, 326 (2009).

139. See generally *Patents as Constitutional Private Property*, *supra* note 109 (explaining the development of the erroneous view of many scholars that patents have never been viewed as constitutionally protected property rights).

140. See *id.* at 700–11.

141. See *McKeever v. United States*, 14 Ct. Cl. 396 (1878).

142. *Id.* at 420–21.

143. See *James v. Campbell*, 104 U.S. 356, 357–58 (1882).

144. *Id.*

145. See *Horne v. Dep’t of Agric. (Horne II)*, 576 U.S. 350, 359–60 (2015) (quoting *James*, 104 U.S. at 358).

146. Compare *id.* (contextualizing patent rights in Takings Clause jurisprudence), with Note, *supra* note 24, at 975–77 (discussing the breadth and expansion of property interests).

147. *Oil States*, 138 S. Ct. at 1372.

B. Oil States Energy Services, LLC v. Greene's Energy Group, LLC

In 2012, the AIA took effect, comprehensively reforming US patent law.¹⁴⁸ Among the many revisions and modernizations of patent law was a change to the patent examination process.¹⁴⁹ Prior to 2012, “inter partes reexamination” was available to any third party alleging “a substantial new question of patentability” of a patent holder’s invention.¹⁵⁰ Inter partes reexamination largely followed the same procedure as the initial patent examination process, but with the added participation of the third party.¹⁵¹ The AIA, however, replaced inter partes *reexamination* with inter partes *review*.¹⁵² Inter partes review put patent reexaminations in the hands of panels comprised of three administrative patent judges (APJs) under the authority of the Patent Trial and Appeal Board (Board).¹⁵³ In inter partes review proceedings, the patent owner is entitled to limited discovery, the opportunity to file affidavits, and an oral hearing.¹⁵⁴ The panel’s decision is appealable to the United States Court of Appeals for the Federal Circuit.¹⁵⁵

In *Oil States*, the inter partes review process was thrust under constitutional scrutiny in a patent dispute between two oilfield services companies, Oil States Energy Services, LLC (Oil States) and Greene’s Energy Group, LLC (Greene’s Energy).¹⁵⁶ After Oil States obtained a patent relating to its wellhead equipment, they sued Greene’s Energy for infringement.¹⁵⁷ Greene’s Energy responded by challenging the patent’s validity and instituting the newly-available inter partes review process.¹⁵⁸ The Board’s panel of judges found that Oil States’ patent was anticipated by prior art and thus invalid.¹⁵⁹ Oil States appealed to the Federal Circuit, challenging both the Board’s decision regarding their patent and the constitutionality of the inter partes review process

148. See Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (codified as amended in scattered sections of 35 U.S.C.).

149. See *id.* §§ 3, 6, 7 (codified as amended at 35 U.S.C. §§ 6, 311, 316, 319).

150. *Oil States*, 138 S. Ct. at 1371 (citing American Inventors Protection Act, §§ 4601–4608, 113 Stat. 1501A–567 to 1501A–572 (1999) (codified as amended at 35 U.S.C. §§ 311–18)).

151. *Id.*

152. Leahy-Smith America Invents Act §§ 3, 6 (codified as amended at 35 U.S.C. § 311).

153. *Id.* §§ 6, 7 (codified as amended at 35 U.S.C. §§ 6, 316).

154. *Id.* § 6 (codified as amended at 35 U.S.C. § 316).

155. *Id.*

156. See *Oil States*, 138 S. Ct. at 1371–72.

157. *Id.* at 1372.

158. *Id.*

159. *Id.*

itself.¹⁶⁰ Oil States’ constitutional challenge hinged on the principle that “actions to revoke a patent must be tried in an Article III court before a jury.”¹⁶¹ After the Federal Circuit affirmed the Board’s decision, the Supreme Court granted certiorari to determine the constitutionality of inter partes review of patentability.¹⁶²

Oil States challenged inter partes review on two constitutional grounds, claiming it violated both Article III and the Seventh Amendment.¹⁶³ The Court corralled its analysis into the Article III challenge and summarily resolved the Seventh Amendment challenge by reiterating that “when Congress properly assigns a matter to adjudication in a non-Article III tribunal, ‘the Seventh Amendment poses no independent bar to the adjudication of that action by a nonjury factfinder.’”¹⁶⁴ In other words, “[b]ecause inter partes review is a matter that Congress can properly assign to the [USPTO], a jury is not necessary in these proceedings.”¹⁶⁵

Article III of the Constitution vests judicial power “in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish.”¹⁶⁶ By implication, the Supreme Court has interpreted Article III to mean that Congress cannot “confer the Government’s ‘judicial Power’ on entities outside Article III.”¹⁶⁷ Exercise of judicial power, thus triggering Article III, is determined by distinguishing “public rights” and “private rights” at issue.¹⁶⁸ The public rights doctrine concerns “matters ‘which arise between the Government and persons subject to its authority in connection with the performance of the constitutional functions of the executive or legislative departments,’” and does not require judicial determination.¹⁶⁹ Instead, those matters may be resolved by the executive or legislative branches without running afoul of the judicial power grant contained in Article III.¹⁷⁰ The resolution of disputes over private rights, on the other hand, does require Article III adjudication.¹⁷¹ The question before the

160. *Id.*

161. *Id.*

162. *Id.*

163. *Id.*

164. *Id.* at 1379 (quoting *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 53–54 (1989)).

165. *Id.*

166. U.S. CONST. art. III, § 1.

167. *Stern v. Marshall*, 564 U.S. 462, 484 (2011) (quoting U.S. CONST. art. III, § 1).

168. *Oil States*, 138 S. Ct. at 1373 (citing *Exec. Benefits Ins. Agency v. Arkison*, 573 U.S. 25, 32–33 (2014)).

169. *Id.* (quoting *Crowell v. Benson*, 285 U.S. 22, 50 (1932)).

170. *Id.* at 1374.

171. *Cf. id.* (explaining that resolving disputes involving public rights do not require Article III adjudication).

Supreme Court in *Oil States* was whether the inter partes review process involved a public right—if so, the Board could validly revoke a patent under its delegated executive authority without an Article III proceeding.¹⁷² To reach a decision, the Court had to determine what kind of rights the patent regime grants.¹⁷³ Interestingly, with Justice Thomas authoring the majority opinion, seven of the nine justices agreed that both the granting of a patent and the inter partes review process fall squarely within the public rights doctrine.¹⁷⁴ Importantly for this analysis, the Court separated the *granting* of patent rights from the actual patent *rights* themselves.¹⁷⁵

The Court relied heavily on its century-old precedent to establish that “the grant of a patent is ‘a matte[r] involving public rights,’”¹⁷⁶ finding that the patent regime has “key features to fall within this Court’s longstanding formulation of the public-rights doctrine.”¹⁷⁷ For example, “the grant of a patent is a matter between ‘the public [and] . . . the patentee’ because “the [USPTO] ‘take[s] from the public rights of immense value, and bestow[s] them upon the patentee.’”¹⁷⁸ Most importantly, the Court found that the power to grant patents lies with the executive and legislative branches rather than the judiciary.¹⁷⁹ The Intellectual Property Clause grants Congress power “[t]o promote the Progress of Science and useful Arts,”¹⁸⁰ and Congress has continuously exercised that power by granting patents by statute.¹⁸¹ Congress’s patent statutes also authorize the executive branch to grant patents that “meet statutory requirements for patentability” via delegation of executive power to the USPTO.¹⁸² Due to the public nature of granting patents, the Court found that an Article III court need not adjudicate the process.¹⁸³ The Court took a similar route when evaluating whether the inter partes review process was a public right, finding it virtually identical to the actual patent-granting process.¹⁸⁴ “The primary distinction between inter partes review and

172. See *id.* at 1371, 1379.

173. See *id.* at 1372–73.

174. *Id.* at 1369, 1373.

175. See *id.* at 1373–76.

176. *Id.* at 1373 (quoting *United States v. Duell*, 172 U.S. 576, 582–83 (1899)).

177. *Id.*

178. *Id.* (quoting *Butterworth v. United States ex rel. Hoe*, 112 U.S. 50, 59 (1884)); *id.* (quoting *United States v. Am. Bell Tel. Co.*, 128 U.S. 315, 370 (1888)).

179. *Id.* at 1374.

180. U.S. CONST. art. 1, § 8, cl. 8.

181. *Oil States*, 138 S. Ct. at 1374.

182. *Id.* (citing 35 U.S.C. § 2(a)(1)).

183. *Id.*

184. *Id.*

the initial grant of a patent is that inter partes review occurs *after* the patent has been issued. But that distinction does not make a difference here.”¹⁸⁵ By finding the patent-granting process and inter partes review essentially the same, the Court reconceptualized them both as public rights and thus *not* subject to Article III adjudication.¹⁸⁶

The Court’s analysis of the patent rights themselves was remarkably different. The Court began by acknowledging that its own precedent considers patents as the “private property of the patentee.”¹⁸⁷ However, the Court pointedly distinguished those exclusionary property rights from the procedural patent examination process, maintaining that while patent rights themselves are private in nature, the *granting* of patents, and thus an adjudication of a patent’s validity, whether by patent examination or inter partes review, is public in nature.¹⁸⁸ Bolstering the Court’s reasoning is the AIA, which provides that “[s]ubject to the provisions of this title, patents shall have the attributes of personal property.”¹⁸⁹ Therefore, “any property rights that a patent owner has in an issued patent [is] subject[] [] to the express provisions of the Patent Act,” including inter partes review.¹⁹⁰

C. Implications of Oil States for Patents as Property Rights

The Court’s resulting verdict posited a reconceptualization of patent rights and, more broadly, the reconceptualization of the patent regime as a whole.¹⁹¹ Rather than viewing patent rights as one comprehensive “bundle of sticks,”¹⁹² the Court essentially divided patent rights into two distinct bundles: a public bundle involving the patent examination process and a private bundle comprising the patent owner’s exclusionary property rights.¹⁹³ This divide largely tracks the general frameworks of public and private rights. After all, a “private

185. *Id.*

186. *See id.* at 1374–75

187. *Id.* at 1375 (citing *McCormick Harvesting Mach. Co. v. Aultman*, 169 U.S. 606, 609 (1898) (“[A granted patent] has become the property of the patentee.”); *United States v. Am. Bell Tel. Co.*, 128 U.S. 315, 370 (1888); *Brown v. Duchesne*, 60 U.S. 183, 197 (1856) (“[T]he rights of a party under a patent are his private property.”)).

188. *See id.* at 1374–75.

189. 35 U.S.C. § 261.

190. *Oil States*, 138 S. Ct. at 1375 (citing *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 392 (2006)).

191. *See id.* at 1370, 1379.

192. The “bundle of sticks” metaphor is a common analogy for describing property rights, typically defined “as the right to possess, use and dispose of [his property].” Blumenthal, *supra* note 121, at 384 (quoting *PruneYard Shopping Ctr. v. Robins*, 447 U.S. 74, 83 n.6 (1980)).

193. *See Oil States*, 138 S. Ct. at 1373–75.

right” is defined as “a personal right,” whereas a “public right” is defined as “a right belonging to all citizens and . . . vested in and exercised by a public office.”¹⁹⁴ According to the Supreme Court in *Oil States*, the right to determine a patent’s validity vests within a public office, namely the USPTO, and does not require adjudication under Article III.¹⁹⁵ The Court was careful to limit its holding: “We address the constitutionality of inter partes review only. We do not address whether other patent matters, such as infringement actions, can be heard in a non-Article III forum.”¹⁹⁶ To hammer home the divide between public and private rights at issue, the Court concluded its Article III analysis by emphasizing that their “decision should not be misconstrued as suggesting that patents are not property for purposes of the Due Process Clause or the Takings Clause.”¹⁹⁷ So while patents still convey limited exclusionary rights as private property, Congress reserves the power to define how those rights are granted.¹⁹⁸

The Court’s reconceptualization is best highlighted by Justice Gorsuch, author of the dissenting opinion in *Oil States*.¹⁹⁹ “Until recently, most everyone considered an issued patent a personal right—no less than a home or farm—that the federal government could revoke only with the concurrence of independent judges.”²⁰⁰ Justice Gorsuch makes a compelling point, as scholars correlate the rise of intellectual property law with the corresponding needs of a growing American society.²⁰¹ Those needs often reflect basic expectations of property rights, and the Court in *Oil States* is seemingly moving away from the general expectation of a patent as a private property interest of the patentee and the legal safeguards associated with that property interest.²⁰² However, as the Court tries to make clear, they are not changing the legal safeguards associated with patents as private property—rather, they are beginning to reconceptualize how different rights associated with patents as private property should be exercised.²⁰³

194. *Private Right, Public Right*, BLACK’S LAW DICTIONARY (11th ed. 2019).

195. *Oil States*, 138 S. Ct. at 1374.

196. *Id.* at 1379.

197. *Id.*

198. N. Scott Pierce, *Constitutional Separation of Powers & Patents of Invention: Oil States Energy Services, LLC v. Greene’s Energy Group, LLC, IP WATCHDOG* (Nov. 27, 2018), <https://www.ipwatchdog.com/2018/11/27/constitutional-separation-powers-patents-invention/> [<https://perma.cc/59W9-US8P>].

199. *See Oil States*, 138 S. Ct. at 1380 (Gorsuch, J., dissenting).

200. *Id.*

201. *See supra* notes 101–05 and accompanying text.

202. *See Oil States*, 138 S. Ct. at 1384–86 (Gorsuch, J., dissenting).

203. *See id.* at 1375–79.

For patent law, this reconceptualization carries both narrow and broad implications. Specifically, the inter partes review process remains intact.²⁰⁴ Many parties, including large technology companies like Apple, Google, and Facebook, see this as a positive development for patent law, claiming that it halts “patent trolls” in their tracks.²⁰⁵ The USPTO can prevent such abuse of the patent system by quashing patents obtained only to extract royalties rather than fulfill the patent regime’s purpose of promoting “useful Arts.”²⁰⁶ More broadly, the USPTO can now freely correct its own errors regarding patent validity without waiting for an Article III adjudication, creating a more streamlined patent system.²⁰⁷ Of course, as the Court admits, the logical consequence of such efficiency is that aggrieved patent owners may be deprived of an Article III proceeding when they are deprived of their *private* patent property rights through the patent examination process.²⁰⁸ In other words, aggrieved patent owners may never get their day in court.

The Court’s holding in *Oil States* also carries implications for how to interpret patents as property rights.²⁰⁹ Before *Oil States*, patents were squarely within the boundaries of constitutionally protected property.²¹⁰ Now that patent rights have been bundled separately, split among public and private rights,²¹¹ the distinction begs the question of whether each bundle of rights is still constitutionally protected by the Takings Clause. Patent rights now classified as public rights certainly lose their constitutional protection: the Takings Clause only protects *private* rights.²¹² Private patent rights, however, retain their constitutional protection, as evidenced by the Court’s express dictum that its verdict “should not be misconstrued as suggesting that patents are not property for purposes of the Due Process Clause or the Takings

204. *Id.* at 1370.

205. Megan Douglah, *Oil States Energy Services v. Greene’s Energy Group: The Future of Inter Partes Review and Its Impact on the Energy Sector*, 3 OIL & GAS, NAT. RES., & ENERGY J. 1343, 1363–64 (2018); Richard Wolf, *Supreme Court Upholds Patent Review Process in Victory for Tech Companies*, USA TODAY (Apr. 24, 2018, 10:07 AM), <https://www.usatoday.com/story/news/politics/2018/04/24/supreme-court-upholds-patent-review-process-victory-tech-companies/439387002/> [https://perma.cc/N8PT-7X63].

206. U.S. CONST. art. 1, § 8, cl. 8; Douglah, *supra* note 205, at 1364; Wolf, *supra* note 205.

207. *See* Wolf, *supra* note 205. Concurring Justice Ginsburg brought this point to light during oral argument. *Id.*

208. *See Oil States*, 138 S. Ct. at 1373–75.

209. *Id.* at 1375.

210. *Id.* at 1373.

211. *Id.* at 1379.

212. U.S. CONST. amend. V.

Clause.”²¹³ Such a statement likely intends to hold patents up to the same constitutional scrutiny as before *Oil States*,²¹⁴ with the public rights now carved out as exceptions.

Professor Merrill’s three-element theory, previously discussed in Section II.A, is also informative.²¹⁵ At the foundation of Merrill’s jurisprudential pattern is the right to exclude.²¹⁶ By creating a separate bundle of public rights, including procedural rights attached to a patent’s validity, the residual private bundle of rights still encompasses the private and exclusionary nature that patents have always had. In other words, once a patent holder survives the patent validity process and any needed inter partes review, he is still free to entirely exclude others from his granted monopoly of the patent regime. Further, an exclusive patent right is a discrete asset, satisfying the second element of Professor Merrill’s theory.²¹⁷ The reconceptualized private bundle of patent rights still protects specific inventions that must be specifically detailed and explained throughout the patent granting process.²¹⁸ Finally, an exclusive patent right provides a security of expectation—it is not subject to discretionary revocation. While the procedural elements of a patent’s validity are now classified as public rights and beyond the Takings Clause’s protection, a patent holder’s right to access that procedure, to protect his exclusive right, remains his own private right. Patent holders can rely on that security of expectation for twenty years, the typical term of a patent grant.²¹⁹

On an even broader scale, the Court’s decision in *Oil States* signals a larger reconceptualization of intellectual property.²²⁰ Patents are but one subset of intellectual property;²²¹ similarities exist with other forms of intellectual property that make a similar reconceptualization into public and private rights seem natural,

213. *Oil States*, 138 S. Ct. at 1379.

214. *Id.*

215. *See supra* Section II.A; Merrill, *supra* note 27, at 969.

216. Merrill, *supra* note 27, at 969.

217. DANIEL GLAZER, FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP, INTELLECTUAL PROPERTY: ASSET PURCHASES 1 (2011), [https://www.friedfrank.com/site-Files/Publications/PLC_IPAssetPurchases\(4-509-4845\).pdf](https://www.friedfrank.com/site-Files/Publications/PLC_IPAssetPurchases(4-509-4845).pdf) [<https://perma.cc/QUZ9-8A62>].

218. *See infra* Section IV.B. (discussing the very high threshold for patent protection).

219. 35 U.S.C. § 154(a)(2).

220. *See Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018).

221. Will Kenton, *Intellectual Property*, INVESTOPEDIA, <https://www.investopedia.com/terms/i/intellectualproperty.asp#:~:text=The%20four%20main%20types%20of,%2C%20copyrights%2C%20and%20trade%20secrets> [<https://perma.cc/7B55-8DM4>] (Dec. 19, 2021).

perhaps even foreseeable. After all, both patents and copyrights share their constitutional foundations in Article I of the Constitution.²²² Almost one hundred years after Justice Holmes sparked the first reconceptualization of property rights with his opinion in *Pennsylvania Coal*,²²³ the emergence of intellectual property law signals the cusp of another.

IV. AN *OIL STATES* RECONCEPTUALIZATION OF COPYRIGHT LAW

As society develops and its needs change over time, legal structures can quickly become outdated, ineffective, and even obsolete. While Congress continues to modernize legal doctrines, they can inadvertently promulgate policies with competing rationales. For example, the inter partes review process, designed to make the patent validation process more efficient and less expensive,²²⁴ was directly at odds with a patent owner's property right to Article III adjudication.²²⁵ The Court resolved the conflict with a reconceptualization of patents into public and private bundles.²²⁶ As similar conflicts arise elsewhere in intellectual property, a similar reconceptualization could provide a similar resolution.

Another form of intellectual property that could soon undergo reconceptualization, one similar in foundation and rationale to patent law,²²⁷ is copyright law. Since the framers of the Constitution granted power to create and reform copyright doctrine,²²⁸ Congress has only sparingly promulgated major copyright statutes.²²⁹ The Copyright Act of 1976 is the foundation of modern copyright law as it is known today.²³⁰ As new mediums and types of works are created, Congress legislates accordingly and updates the Copyright Act of 1976 in a piecemeal fashion.²³¹

While copyright doctrine has seen steady reform, it has not been without growing pains. An *Oil States*-like reconceptualization would

222. U.S. Const. art. I, § 8, cl. 8.

223. 260 U.S. 393, 415 (1922).

224. *See Oil States*, 138 S. Ct. at 1379.

225. *See id.* at 1377.

226. *Id.* at 1372.

227. Kenton, *supra* note 221.

228. U.S. CONST. art. I, § 8, cl. 8.

229. *See, e.g.*, Copyright Act of 1790, 1 Stat. 124 (1790) (repealed 1831); Copyright Act of 1831, 4 Stat. 436 (1831) (repealed 1870); Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075 (1909) (repealed 1976).

230. Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1978).

231. *See Copyright Law of the United States (Title 17)*, COPYRIGHT.GOV (last visited Jan. 23, 2022), <https://www.copyright.gov/title17/> [<https://perma.cc/L8Q7-DUH5>].

ease those pains by giving Congress more latitude to legislate in accordance with the expanding scope of copyrights as property rights. While stretched further than in patent law, an *Oil States*-like reconceptualization, or “rebundling” of rights, would give Congress the appropriate discretion to legislate an ever-shifting copyright doctrine. Recent legislation, such as the Digital Millennium Copyright Act (DMCA) and the Music Modernization Act (MMA), has been a lightning rod of controversy in the intellectual property community,²³² yet Congress’s discretion to legislate is well warranted. Such discretion provides a guaranteed economic incentive for creators and helps identify and remedy market failures that would otherwise deprive the general public of the benefits of disseminating copyrighted works.

A. Copyrights as Property Rights

Since the Intellectual Property Clause was written in 1789,²³³ growth in copyright doctrine has focused not on the scope of protection afforded to copyrights, but on the scope of copyrighted material itself. Initial copyright legislation only explicitly protected “copies of maps, [c]harts, [a]nd books.”²³⁴ Over time, relying on broadening interpretations of the meaning of “writings” in the Intellectual Property Clause to account for society’s technological developments, courts began expanding the scope of property protected by copyright.²³⁵ For example, by the turn of the twentieth century, copyright protection extended to photography,²³⁶ entire books of which only the first few chapters have been written,²³⁷ and advertisement illustrations.²³⁸ With the enactment of the Copyright Act of 1976, Congress codified a non-exhaustive list of works eligible for copyright protection reflecting modern mediums of expression, including musical works, choreographic works, motion pictures, sound recordings, and architectural works.²³⁹ In recent times, federal case law has extended copyright protection to random-access memory (RAM) copies of computer programs,²⁴⁰ certain components of

232. See, e.g., Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.); Music Modernization Act, Pub. L. No. 115-264, 132 Stat. 3676 (2018) (codified in scattered sections of 17, 19, 28 U.S.C.).

233. See U.S. CONST. art. 1, § 8, cl. 8.

234. Copyright Act of 1790, 1 Stat. 124 (1790) (repealed 1831).

235. U.S. CONST., art. 1, § 8, cl. 8.

236. *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 55 (1884).

237. *Holmes v. Hurst*, 174 U.S. 82, 88–89 (1899).

238. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 249–250 (1903).

239. 17 U.S.C. § 102(a).

240. *MAI Sys. Corp. v. Peak Comput., Inc.*, 991 F.2d 511, 518 (9th Cir. 1993).

computer program graphic user interfaces,²⁴¹ and even *de minimis* music samples.²⁴² Predictably, developing technologies triggered broader methods of infringement.²⁴³ Accordingly, the exclusive rights granted to copyright holders have expanded beyond reproduction rights to rights of: preparation of derivative works, distribution, public display, and public performance.²⁴⁴

Just like patents, there is little doubt that copyright owners enjoy property rights in their creations. In the first copyright case to reach the Supreme Court in 1834, the Court held that “an author . . . has a property in his manuscript, and may obtain redress against anyone who deprives him of it, or by improperly obtaining a copy endeavours to realise a profit by its publication.”²⁴⁵ Copyright ownership grants the holder exclusionary rights, the hallmark of property ownership.²⁴⁶ While not stated explicitly, those exclusionary rights are likely also constitutionally protected. The oft-cited case, *Ruckelshaus v. Monsanto Co.*, supports that proposition.²⁴⁷ In extending Takings Clause protection to trade secrets, a form of intellectual property, the Court noted that trade secrets have “many of the characteristics of more tangible forms of property.”²⁴⁸ For example, trade secrets are freely alienable and may form the res of a trust.²⁴⁹ Those same characteristics also apply to copyrights,²⁵⁰ which are likewise freely assignable and may also form the res of a trust.²⁵¹ Additionally, copyrights fit nicely into Professor Merrill’s theory of identifying constitutionally protected property.²⁵² Copyright ownership vests exclusive rights,²⁵³ copyrights are discrete assets (limited to and

241. *Apple Comput., Inc., v. Microsoft Corp.*, 35 F.3d 1435, 1438–39 (9th Cir. 1994).

242. *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792, 801–02 (6th Cir. 2005). The 6th Circuit’s rejection of a *de minimis* exception for music sampling is the minority view among Courts of Appeals. *Cf. VMG Salsoul, LLC v. Ciccone*, 824 F.3d 871, 881 (9th Cir. 2016) (holding that *de minimis* sampling of sound recordings is permissible).

243. George Thuronyi, *Copyright Law and New Technologies: A Long and Complex Relationship*, LIBR. OF CONG. (May 22, 2017), <https://blogs.loc.gov/copyright/2017/05/copyright-law-and-new-technologies-a-long-and-complex-relationship/> [<https://perma.cc/JRX5-V2LN>].

244. 17 U.S.C. § 106.

245. *Wheaton v. Peters*, 33 U.S. 591, 657 (1834).

246. *See supra* Section II.A.

247. 467 U.S. 986, 1001–04 (1984).

248. *Id.* at 1002–03.

249. *Id.*

250. Thomas F. Cotter, *Do Federal Uses of Intellectual Property Implicate the Fifth Amendment?*, 50 FLA. L. REV. 529, 566 & n.218 (1998).

251. *See* 17 U.S.C. § 201(d); RESTATEMENT (THIRD) OF TRUSTS § 40 cmt. b (AM. L. INST. 2003).

252. *See* Merrill, *supra* note 27.

253. *See* 17 U.S.C. § 106.

defined by copyright doctrine's threshold requirements of originality, authorship, and expression),²⁵⁴ and copyright duration terms offer the holder a measure of security of expectation.²⁵⁵ These analogies strongly support copyright's case for constitutional protection.

Modern debates over copyright's place as a property interest, while much more nuanced, arrive at the same conclusion. Copyrights hang in the balance between creator incentive and the public good, often being pulled one way or the other through legal, economic, and social theories.²⁵⁶ On the one hand, creator incentive in the form of exclusive monopolies on creative works is important to facilitate continued and innovative creativity.²⁵⁷ Those exclusive monopolies are limited, however, to accommodate the public good, which only benefits from innovative creativity if it can experience and expand upon such creativity.²⁵⁸ While the disposition of these exclusive monopolies is usually left up to the copyright holder, certain circumstances create what are known as market failures—situations in which “the market does not allocate goods or services efficiently, typically leading to a net loss of social welfare.”²⁵⁹ In copyright doctrine, these situations include negotiations with high transaction costs, positive societal externalities that fail to appropriately estimate market values of copyrighted works, and anti-dissemination principles.²⁶⁰ Because private negotiations are often stifled by market failures, causing the public to ultimately miss the benefit of the resulting transaction, Congress must step in to legislate around the market failure and create a statutory marketplace to safeguard the public's interest in access to creative works. Congress's

254. See *infra* Section IV.B (discussing copyright formalities).

255. See 17 U.S.C. §§ 302–305.

256. See, e.g., Timothy J. Brennan, *Copyright, Property, and the Right to Deny*, 68 CHI.-KENT L. REV. 675, 696–701 (1993) (discussing legal, economic, and social problems and solutions when considering copyrights as property rights); Adam Mossoff, *Is Copyright Property?*, 42 SAN DIEGO L. REV. 29, 37–39 (2005) (discussing the social implications of copyrights as property rights in light of the digital revolution); Douglas Y'Barbo, *The Heart of the Matter: The Property Right Conferred by Copyright*, 49 MERCER L. REV. 643, 647 (1998) (discussing the economic basis for copyright's conception as a property right).

257. *Purpose of Copyright Law*, S. ILL. UNIV.: MORRIS LIBR., <https://lib.siu.edu/copyright/module-01/purpose-of-copyright-law.php> [<https://perma.cc/TC8A-NHN6>] (last visited Jan. 18, 2022).

258. After all, “[i]f [the public] have seen further, it is by standing on the shoulders of giants.” Sir Isaac Newton, BBC, <https://www.bbc.co.uk/worldservice/learningenglish/movingwords/shortlist/newton.shtml> [<https://perma.cc/GB32-ZN2R>] (last visited Feb. 7, 2022).

259. JEANNE C. FROMER & CHRISTOPHER JON SPRIGMAN, *COPYRIGHT LAW: CASES AND MATERIALS* 442 (2019).

260. *Id.* at 442–43 (citing Wendy J. Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors*, 82 COLUM. L. REV. 1600, 1613–14 (1982)).

role in correcting market failures is crucial to maintaining the public's role as copyright's primary beneficiary, thus preserving copyright's delicate and important balance.

This utilitarian compromise is the dominant theory undergirding copyright law and is both the source of great academic debate and often the driving force behind copyright reform.²⁶¹ But while many scholars continuously probe the outer limits of copyright's scope as a property right under different rationales, one thing all scholars can agree on is the foundational notion that a copyright vests a property right in the holder.²⁶²

As property rights have continued to expand, so too has modern copyright doctrine. An illustrative example is the DMCA, enacted in 1998.²⁶³ The DMCA was a direct response to the growing digitization of intellectual property, most common among them being digital music files.²⁶⁴ To facilitate more autonomy for copyright holders, the DMCA provides for digital rights management, allowing more control over how end users access and copy copyrighted works.²⁶⁵ For example, recognizing the potential for emerging decryption technology to enable infringers to make near-perfect and inexpensive copies of digital copyrighted works, the DMCA prohibits the use of such decryption technologies for reproduction purposes.²⁶⁶ The DMCA also contains a series of anti-circumvention provisions, stating that “[n]o person shall circumvent a technological measure that effectively controls access to a work protected under this title.”²⁶⁷ As a trade-off to balance public benefit with these increased creator control methods, the DMCA contains a range of safe harbors for online service providers, designed to absolve potential hubs of direct copyright infringement from secondary liability.²⁶⁸ So long as qualified online service providers abide by the required strict notice and takedown procedures (among other statutory requirements), they cannot be held responsible for any direct infringement on their servers.²⁶⁹

261. For a discussion of competing rationales of copyright and exploration of copyright utilitarianism, see *id.* at 13–16.

262. See *supra* notes 17–21 and accompanying text.

263. 17 U.S.C. §§ 1201–1205.

264. Glynn S. Lunney, Jr., *The Death of Copyright: Digital Technology, Private Copying, and the Digital Millennium Copyright Act*, 87 VA. L. REV. 813, 918 (2001).

265. Sanney, *supra* note 62, at 355.

266. 17 U.S.C. § 1201(a)(1)(A), (a)(3)(A).

267. 17 U.S.C. § 1201(a)(1)(A).

268. *Id.* § 512.

269. See *id.* § 512(g).

As with the revisions to patent doctrine, modern copyright reforms set the stage for competing legal policies to conflict. For example, the DMCA was seen as overbroad; by limiting access to digital copyrighted material, the very purpose of copyright—with the public at large as the primary beneficiary of a protected work—was directly contradicted.²⁷⁰ Additionally, the DMCA’s overzealousness in protecting digital copyrighted materials put its provisions directly at odds with the Takings Clause and its rationale.²⁷¹ By implementing what amounts to a digital lock to prevent reproductions of digital copyrighted material, the DMCA arguably acts as a “regulatory destruction of property’s economic value” and “render[s] large swaths of private property unsellable on secondary markets and, therefore, economically worthless”²⁷² with no real recourse or compensation—thus contradicting the Takings Clause rationale balancing private property rights, government use, and just compensation.²⁷³ After all, depleting property of essentially all of its economic value is akin to a taking.²⁷⁴

A second (and more recent) example of copyright doctrine reform is the MMA, enacted in 2018.²⁷⁵ Recognizing another emerging trend, the dominance of digital streaming services, the MMA serves to hold those streaming services accountable for accurate royalty payments while facilitating royalty payments to owners of pre-1972 sound recordings and other music industry professionals, such as sound producers and engineers.²⁷⁶ The MMA received significantly less backlash than the DMCA,²⁷⁷ but has also, allegedly, run afoul of the Takings Clause.²⁷⁸ In an effort to find a middle ground between music

270. Lunney, *supra* note 264, at 820.

271. Sanney, *supra* note 62, at 328–30.

272. *Id.* at 327–28.

273. *Id.* at 328; *see supra* Sections II.A–C.

274. *See Lucas v. S.C. Coastal Council*, 500 U.S. 1003, 1018 (1992). Even though the Court uses the term “landowner,” the Court’s decision in *Horne v. Department of Agriculture (Horne II)* erases any distinction between real and personal property for Takings Clause purposes. *See* 576 U.S. 350, 357–58 (2015).

275. Music Modernization Act, Pub. L. 115-264, 132 Stat. 3676 (2018) (codified in scattered sections of 17, 19, 28 U.S.C.).

276. Chandler, *supra* note 132.

277. Amy X. Wang, *The Music Modernization Act Is One Step Closer to Fixing Music Copyright*, ROLLING STONE (June 28, 2018, 4:30 PM), <https://www.rollingstone.com/pro/news/the-music-modernization-act-is-one-step-closer-to-fixing-music-copyright-666938/> [<https://perma.cc/4V67-R6TJ>].

278. *See* Eriq Gardner, *Eminem Publisher Sues Spotify Claiming Massive Copyright Breach, “Unconstitutional” Law*, HOLLYWOOD REP. (Aug. 21, 2019, 2:35 PM), <https://www.hollywoodreporter.com/business/business-news/eminem-publisher-sues-spotify-claiming-massive-copyright-breach-unconstitutional-law-1233362/> [<https://perma.cc/2GNE-MLE8>].

artists deserving royalty payments and digital streaming services wanting to offer public access to music at low costs, Congress included a safe harbor provision shielding digital streaming services from copyright infringement liability occurring before January 1, 2018.²⁷⁹ When Eight Mile Style—famous rapper Eminem’s music publishing company—filed suit against Spotify for unpaid royalties, they also claimed that the MMA’s safe harbor provision deprived them of their right to sue for copyright infringement, violating the Takings Clause.²⁸⁰

Pushback or not, Congress’s ability to legislate on behalf of copyright doctrine is paramount to copyright’s effectiveness in an increasingly modernized world. But in attempting to modernize copyright law to keep up with rapidly developing mediums of intellectual property, Congress has put copyrights and constitutional legal principles on a collision course. After failed attempts to pass bipartisan legislation to fix these issues,²⁸¹ the repair job may be left to the courts. As the Supreme Court did in *Oil States* with patents,²⁸² a similar reconceptualization of copyrights may be the needed resolution. Moreover, patents and copyrights share many of the same principles, rationales, and foundations.²⁸³

B. Comparison Between Patents and Copyrights

Both the patent and copyright regimes can be traced back to the nation’s early days, as both are accounted for in the Constitution—the appropriately named Intellectual Property Clause grants Congress the power to “promote the Progress of Science and the useful Arts.”²⁸⁴ The practical rationale undergirding patents and copyrights aims to primarily serve the public at large while still offering

279. Music Modernization Act, § 102(d); Jose Landivar, *The Music Modernization Act: A Primer for Copyright Holders*, JD SUPRA (Sept. 10, 2019), <https://www.jdsupra.com/legal-news/the-music-modernization-act-a-primer-61777/> [<https://perma.cc/GYM2-8BES>].

280. Complaint at 30–31, *Eight Mile Style, LLC v. Spotify USA Inc.*, No. 19-cv-00736 (M.D. Tenn. filed July 1, 2020), 2020 WL 9814372. As of this writing, the case is still pending.

281. See Andrew Coutts, *Awesome New Bill Legalizes Cell Phone Unlocking, ‘Fixes the DMCA’*, DIGIT. TRENDS (May 9, 2013), <https://www.digitaltrends.com/mobile/new-bill-legalizes-cell-phone-unlocking-fixes-the-dmca/> [<https://perma.cc/AB3B-H4T2>]; *H.R. 1587 (114th): Unlocking Technology Act of 2015*, GOVTRACK, <https://www.govtrack.us/congress/bills/114/hr1587> [<https://perma.cc/ATM4-FE72>] (last visited Feb. 9, 2022) (discussing proposed legislation that was ultimately not passed).

282. *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365 (2018).

283. *What is the Difference Between Copyright, Patent, and Trademark?*, COPYRIGHT ALL., <https://copyrightalliance.org/faqs/difference-copyright-patent-trademark/> [<https://perma.cc/W98S-PG5M>] (last visited Feb. 7, 2022).

284. U.S. CONST. art. I, § 8, cl. 8.

incentives to creators and inventors.²⁸⁵ Incentive comes in the form of a limited monopoly on the work or invention created, without which the “market failure that is created by the intangible nature of intellectual property” would not be corrected.²⁸⁶ If left uncorrected, market failure deprives the public of any benefit of creation and invention. Necessarily, the framers gave Congress the power to regulate patents and copyrights to ensure that the public at large remained the primary beneficiary of any incentivized “scientific advancement and innovation and artistic expression.”²⁸⁷ Just as with patents, copyrights are granted by the authority of an executive agency, the United States Copyright Office, with legislatively delegated power and without involvement from the judiciary.²⁸⁸

While patents and copyrights share many guiding policies and rationales, their differences are also telling. One major difference is the granting process: patents and copyrights go through their respective administrative agencies.²⁸⁹ The requirements for obtaining a patent are demanding. Patent applications must survive scrutiny regarding whether the invention at issue is a patentable subject matter, nonobvious, and novel.²⁹⁰ Moreover, given the often complex scientific examination a patent must withstand, it takes an average of twenty-two months to receive patent approval from the United States Patent and Trademark Office (USPTO).²⁹¹ Copyright, on the other hand, utilizes a much lower threshold for statutory protection, requiring only an original work of authorship “fixed in any tangible medium of expression.”²⁹² The copyright grant process is much simpler and faster, and a copyright can be issued in as little as three to six months.²⁹³

285. Sanney, *supra* note 62, at 339.

286. *Id.*

287. *Id.*

288. *Intellectual Property*, CORNELL UNIV. L. SCH.: LEGAL INFO. INST., https://www.law.cornell.edu/wex/intellectual_property [<https://perma.cc/FZ5F-P36L>] (last visited Feb. 7, 2022).

289. Alexander Webb, *The Difference Between Copyrights, Trademarks and Patents*, N.Y. TIMES (Apr. 16, 2020), <https://www.nytimes.com/article/copyrights-trademarks-patents.html> [<https://perma.cc/L3BA-YGDG>].

290. 35 U.S.C. §§ 101–103.

291. *How Long Does It Take to Get a Patent: Everything You Need to Know*, UPCOUNSEL, <https://www.upcounsel.com/how-long-does-it-take-to-get-a-patent> [<https://perma.cc/UEM3-CFDT>] (last visited Feb. 7, 2022); John Powers, *The Short and Long Answers on Patent Applications*, BEST LAWS (Aug. 8, 2018, 9:00 AM), <https://www.bestlawyers.com/article/how-long-does-it-take-to-obtain-a-patent/2065> [<https://perma.cc/79EH-DATU>].

292. 17 U.S.C. § 102 (2018)

293. U.S. COPYRIGHT OFF., REGISTRATION PROCESSING TIMES, <https://www.copyright.gov/registration/docs/processing-times-faqs.pdf> [<https://perma.cc/8PPX-J9BJ>].

The difference in threshold requirements has an obvious effect: the percentage of successful copyright registrations far exceeds the percentage of successful patent registrations. For example, in 2018, the United States Copyright Office reportedly rejected approximately 25,000 claims out of 520,086—registering 95.2 percent of all copyright applications that year.²⁹⁴ The USPTO, however, granted only 52.9 percent of all patent applications that year (339,992 out of 642,303 applications).²⁹⁵ With more copyright registrations comes wider dissemination of the works being registered.²⁹⁶ As the public obtains more access to a wider range of creative expression, that creativity can be further built upon, facilitating the need for Congress to continually legislate in response.

Another major difference, one more relevant to the modern reconceptualization of intellectual property, is that copyrights are granted common law protection even without federal registration, whereas patents require registration to be protected.²⁹⁷ In other words, a copyright holder can exercise exclusive rights to monopolize their creation from the moment it is fixed in a tangible medium (assuming authorship and originality).²⁹⁸ Patents, however, must be federally registered with the USPTO before a patent holder can begin exercising their exclusive rights.²⁹⁹ Copyright law, by necessity, therefore requires more backend legislation to define its parameters for protection. As new mediums of expression are created and protected, even without express registration with the United States Copyright Office, Congress must legislate to maintain a workable contemporary copyright doctrine.³⁰⁰ By contrast, backend legislation is often unnecessary in patent law—

294. U.S. COPYRIGHT OFF., ANNUAL REPORT FOR FISCAL 2018, at 7 (2018), <https://www.copyright.gov/reports/annual/2018/ar2018.pdf> [<https://perma.cc/S5C8-QEBT>].

295. U.S. Patent Statistic Chart: Calendar Years 1963–2020, U.S. PAT. & TRADEMARK OFF., https://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm [<https://perma.cc/BCY5-R94B>] (Feb. 9, 2022).

296. See Sara K. Stadler, *Incentive and Expectation in Copyright*, 58 HASTINGS L.J. 433, 433 n.2 (2007) (positing the notion that copyright protection is designed to encourage public dissemination).

297. See *Copyright in General*, COPYRIGHT.GOV, <https://www.copyright.gov/help/faq/faq-general.html> [<https://perma.cc/CE2B-KGGC>] (last visited Feb. 7, 2022).

298. Fixation occurs when an “embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C. § 101. For the vast majority of works, fixation occurs at the moment of creation. It is also important to note that while copyright protection extends upon creation, federal registration extends a number of benefits to registrants. For example, an infringement action for a work cannot be brought without federal registration. *Id.* § 411.

299. See 35 U.S.C. § 101.

300. See 17 U.S.C. § 101.

reform to patentability standards can be done through executive agency power during the rigorous granting process and double-checked with inter partes review.³⁰¹

Necessarily, patents undergo a more rigorous registration and validity process than copyrights,³⁰² and thus require more executive oversight to monitor that registration process. Because the United States Copyright Office's doors are thrust wide open to copyright applicants, Congress must exercise similar oversight to help copyright doctrine stay on course. After *Oil States*,³⁰³ the road is paved for Congress's necessary and more explicit authority to exercise that oversight.

C. Public Property Implications of Rebundling for Copyright Rationale and Policy

The reconceptualization of patents in *Oil States* relied on the distinction between public and private rights to harmonize property rights with Article III requirements.³⁰⁴ The same distinction could be drawn in copyright law to reconcile the exclusive set of rights associated with copyrights and the Takings Clause. Just as with patents, the “bundle” of exclusive rights accompanying copyright ownership can be split in two: a public bundle and a private bundle.³⁰⁵ The Supreme Court conceptualized a patent grant as “tak[ing] from the public rights of immense value, and bestow[ing] them upon the patentee”—the same could be said of copyrights.³⁰⁶ Copyrights offer a similar monopoly to the creator, thereby taking control and access out of the public's hands.³⁰⁷ Additionally, copyright grants fall easily within the public rights doctrine as “a right belonging to all citizens and . . . vested in and exercised by a public office.”³⁰⁸ Therefore, the rebundling of rights in copyright law would see the public bundle of rights include the *granting* of a copyright by the United States Copyright Office as a public office with delegated executive authority. The private bundle would reinforce copyrights as private property and—as the Supreme Court alluded to

301. Greg Reilly, *The Complicated Relationship of Patent Examination and Invalidation*, 69 AM. U. L. REV. 1095, 1098–99 (2020).

302. Webb, *supra* note 289.

303. *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365 (2018).

304. *Id.* at 1373 (citing *Exec. Benefits Ins. Agency v. Arkison*, 573 U.S. 25, 32–33 (2014)).

305. *See supra* Section III.C.

306. *Oil States*, 138 S. Ct. at 1373 (quoting *United States v. Am. Bell Tel. Co.*, 128 U.S. 315, 370 (1888)).

307. *See* 17 U.S.C. § 106.

308. *Public Right*, BLACK'S LAW DICTIONARY (11th ed. 2019).

in *Oil States* with patents—would continue to allow copyright owners to vindicate their exclusive property rights as they have before.³⁰⁹

However, because the patent granting and validity process has much more depth than the copyright granting process,³¹⁰ an exact mapping of the *Oil States* reconceptualization, on its own, does not have the same doctrine-shifting effect in copyright law. Granting a copyright is much less adversarial. For the overwhelming majority of creators seeking federal copyright protection, their works will meet the low threshold for copyright protection and their validity will likely go unchallenged.³¹¹ Only creators seeking protection for previously unprotected categories of works, such as new developments in software and technology, may worry about how the validity of their works will be adjudicated.³¹² Even so, once a copyright registrant clears the low threshold for federal registration, their works carry a presumption of copyright validity and the granting process concludes.³¹³ Giving the United States Copyright Office adjudicative power to evaluate the now “public” right of copyright grants is unlikely to upset any copyright registrant who has their validity challenged, as it does little to change an already easy obstacle to overcome.

To have the same effect in copyright doctrine, a public bundle of rights would necessarily need to be a bit broader to allow Congress a similar degree of latitude to enact reform and continue its oversight. A possible, and warranted, “stick” to include in the public bundle of rights is to conceptualize copyrights as public rights under the Takings Clause. Notably, this goes beyond an application of the *Oil States* Court’s dictum which characterizes patents themselves as private rights for takings jurisprudence.³¹⁴ However, the broadening of public rights for copyrights is warranted by their much lower threshold for protection.³¹⁵ By delegating executive authority to the USPTO to uphold a heightened patentability threshold that includes inter partes review, Congress ensures that patents continue to properly thread the needle between public use and creator incentive.³¹⁶ The more rigorous process

309. See *Oil States*, 138 S. Ct. at 1379.

310. See *Webb*, *supra* note 289.

311. See Howard B. Abrams, *Originality and Creativity in Copyright Law*, 55 L. & CONTEMP. PROBS. 3, 17 (1992) (discussing how low the thresholds for creativity and originality are for copyright protection); *supra* Section IV.B.

312. See, e.g., *Google LLC v. Oracle Am., Inc.*, 141 S. Ct. 1183 (2021).

313. 17 U.S.C. § 410(c).

314. *Oil States*, 138 S. Ct. at 1379.

315. Christina Bohannon, *Copyright Preemption of Contracts*, 67 MD. L. REV. 616, 625–26 (2008).

316. See *supra* Section III.B.

ensures that patent protection is only given to those inventions that truly make nonobvious and novel contributions to society,³¹⁷ warranting a government-granted monopoly. Copyright lacks that high threshold—instead, any work with a “modicum of creativity” can meet copyrightability standards once fixed.³¹⁸ As a result, Congress continuously needs to legislate copyright reform to maintain the same balance between public use and creator incentive.³¹⁹ By reconceptualizing copyrights as public rights under the Takings Clause, Congress and the Court would succeed in keeping that balance.

While seemingly chipping away at copyright holders’ rights, this rebundling ultimately benefits them in the long run. As discussed in Section IV.A., congressional legislation like the DMCA and MMA serves to uphold the delicate balance copyright law necessitates, always acting in the best interests of the public as copyright doctrine’s beneficiary while ensuring adequate incentive for continuous innovation and creation.³²⁰ Allowing Congress to affect a copyright holder’s rights through a regulatory taking still furthers that utilitarian purpose by allowing legislation to dictate the compromises needed to make room for developing mediums of creation. Additionally, copyright holders would still be insulated from pseudo-takings where the economic value in their copyrights has been diminished. Oftentimes, as discussed in Sections IV.C.1 and IV.C.2, legislative compromise accounts for economic incentives and provides breathing room for the economic marketability of copyrighted works to realize their full market potential.³²¹ Congress often does this by recognizing actual and future market failures for copyrighted works and correcting them through legislative reform.³²² Correcting market failure helps to allow public utility of copyrighted works while still giving creators adequate incentive to create.

It is important to note that reconceptualizing copyrights as public rights under the Takings Clause does not affect a copyright holder’s ability to privately vindicate their exclusively granted rights in the Copyright Act of 1976.³²³ If a party infringes any of those exclusive rights, a copyright holder is still free to exercise their government-

317. See *supra* Section III.B.

318. See *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346 (1991).

319. See, e.g., Amanda Reid, *Copyright Policy as Catalyst and Barrier to Innovation and Free Expression*, 68 CATH. U. L. REV. 33, 37 (2019).

320. See *supra* Section IV.A.

321. See *infra* Sections IV.C.1–2.

322. See, e.g., 17 U.S.C.A. § 107; Gordon, *supra* note 260, at 1602–03; *infra* Sections IV.C.1–2.

323. See 17 U.S.C. § 106.

granted monopoly and exclude others from unauthorized use.³²⁴ Rather, a reconceptualization of copyrights as public rights in the context of the Takings Clause allows Congress to continue facilitating necessary copyright reform without affecting what has always been and still would be a private enforcement right. Copyright holders implicitly already look to Congress to correct current market failures and prevent future ones—this reconceptualization merely makes that reliance explicit.

This reconceptualization of copyrights into two separate but related bundles of rights directly addresses the impending collision with the Takings Clause: it takes copyrights affected by regulations out of the Takings Clause's reach entirely. Whereas the Takings Clause applies to private property, a copyright affected by regulation, when conceptualized as a public right, would fall outside of unpredictable and "muddled" Takings Clause jurisprudence.³²⁵ Practically, this would give Congress more power and wider discretion to reform the copyright regime to keep up with an ever-developing and rapidly modernizing society.³²⁶ Meanwhile, copyright holders would see continued corrections to market failures via congressional compromise while still maintaining their private exclusivity rights. Congress's role as a market-failure corrector and copyright compromiser has been highlighted by recent copyright legislation, both before *Oil States* and concurrently with *Oil States*.³²⁷

1. Pre-*Oil States* Legislative Example: DMCA

While the DMCA and its anti-circumvention provisions were enacted twenty years before the *Oil States* decision,³²⁸ an *Oil States*-like reconceptualization only reinforces Congress's discretion in passing such legislation. At the heart of both copyright doctrine and Takings Clause jurisprudence is the principle of public use, acting as a counterweight for copyright policy and a justification in takings law.³²⁹ So, while the DMCA may act essentially as a taking by locking circumvention of copy protection schemes, it does so to uphold the

324. See 17 U.S.C. § 501(a).

325. See *supra* Section III.C.

326. See *supra* Section IV.A.

327. See Gordon, *supra* note 260, at 1614.

328. See Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.); *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365 (2018).

329. See Madueno, *supra* note 79, at 817; Paula Brown, *The Moebius Strip: Private Right and Public Use in Copyright Law*, 70 ALB. L. REV. 1227, 1233–34 (2007).

compromise of public use. Packaged with the anti-circumvention provisions in the DMCA are the specific safe harbor provisions for online service providers.³³⁰ Congress, through these safe harbors, acknowledges that while online service providers are capable of facilitating copyright infringement, public access to online and digital information confers a much greater benefit to the public relative to the harm suffered by individual copyright holders.³³¹ The compromise struck here is to maintain an incentive to create and facilitate new and innovative works while allowing public access and sharing of those works.

The DMCA's trade-off between anti-circumvention procedures and safe harbors for online service providers solved an (at the time) unforeseen market failure.³³² Without a safe harbor, online service providers, including extremely popular sites like YouTube, Facebook, and Instagram, would be open to secondary liability for any infringing content found on their websites. Perceiving the practical problem with holding online service providers accountable for their billions of users' possible infringements,³³³ Congress granted a range of statutory safe harbors.³³⁴ This liability shield, enacted in 1998, has let an entire industry of online social media and file sharing lead the technological revolution still happening today.³³⁵ Without the safe harbor, these online service providers would be left to privately negotiate with their users and content creators to resolve issues of copyright liability; the sheer volume of resources spent on negotiation would likely have severely stifled the online service providers' growth.

Twenty years ago, the reconceptualization posited here was not available, and the DMCA received intense pushback from copyright holders.³³⁶ For example, the DMCA's notice and takedown procedures,

330. See 17 U.S.C. § 512.

331. See *The Digital Millennium Copyright Act*, U.S. COPYRIGHT OFF., <https://www.copyright.gov/dmca/> [<https://perma.cc/33NX-5RYE>] (last visited Feb. 7, 2022).

332. See David Kravets, *10 Years Later, Misunderstood DMCA Is the Law That Saved the Web*, WIRED (Oct. 27, 2000, 3:01 PM), <https://www.wired.com/2008/10/ten-years-later/> [<https://perma.cc/8CUD-YQXQ>].

333. Corynne McSherry, *In the Internet Age, Copyright Law Does Far More than Antitrust to Shape Competition*, ELEC. FRONTIER FOUND. (Jan. 19, 2022), <https://www.eff.org/deeplinks/2022/01/internet-age-copyright-law-does-far-more-antitrust-shape-competition> [<https://perma.cc/Y2BY-ED9Y>]. As of October 2021, Facebook and YouTube have over two billion active users and Instagram has over one billion active users. *Most Popular Social Networks Worldwide as of October 2021*, STATISTA (Jan. 28, 2022), <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/> [<https://perma.cc/378J-ULA4>].

334. 17 U.S.C. § 512.

335. See Kravets, *supra* note 332.

336. See *id.*

designed to protect copyright owners from infringement on digital platforms, have suffered widespread abuse by forcing online service providers to remove allegedly infringing material without a complete evaluation of whether the material is actually infringing.³³⁷ Even with the inclusion of a good faith element,³³⁸ notice and takedown procedures have overwhelmed online service providers.³³⁹ Additionally, some argue that the DMCA stifles innovation, the very thing it purports to foster.³⁴⁰ By creating and enforcing digital encryption locks, the DMCA arguably creates “de facto monopolies” over all aspects of computer software, even functional elements that fall outside of copyright’s reach in the first place.³⁴¹

But in the wake of *Oil States*,³⁴² the DMCA’s procedural safeguards for copyrighted material make more sense for both copyright doctrine and the public good. The DMCA takes on the same role as the AIA’s inter partes review in patent doctrine: both act as non-Article III adjudication.³⁴³ The DMCA gives content creators a process to protect their creations while still guaranteeing public access to those creations.³⁴⁴ Just as inter partes review does with patents, the DMCA’s notice and takedown procedures make the copyright enforcement system more streamlined and efficient, without the cost and time burdens imposed by an Article III adjudication.³⁴⁵ Moreover, because copyright validity and enforcement see significantly less dispute than the patent prosecution process,³⁴⁶ the anticipated downside of inter partes review is virtually absent here. Rather, the efficiency of the procedures acts in the public interest without the negative counterweight.

With the benefit of hindsight, the DMCA has had an overall positive effect on both copyright doctrine and reform.³⁴⁷ While

337. See *id.*

338. See *Lenz v. Universal Music Corp.*, 801 F.3d 1126, 1134 (2015) (making Fair Use part of the good faith consideration of non-infringement).

339. See Kravets, *supra* note 332.

340. See Jason Sheets, *Copyright Misused: The Impact of the DMCA Anti-Circumvention Measures on Fair & Innovative Markets*, 23 HASTINGS COMM. & ENT. L.J. 1, 19–21 (2000).

341. *Id.* at 21.

342. *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365 (2018).

343. See *supra* Section III.B.

344. See *supra* Section III.B.

345. See 17 U.S.C. § 512.

346. See *supra* Part IV.

347. See Kravets, *supra* note 332; Gary Shapiro, *Why the DMCA Is the Best Thing to Ever Happen to Artists*, DIGIT. MUSIC NEWS (Sept. 7, 2016), <https://www.digitalmusicnews.com/2016/09/07/dmca-best-thing-ever-artists/> [<https://perma.cc/QGU4-PZAC>].

overbroad, Congress recognized a likely market failure and worked to correct it in an efficient way that fostered access to creative innovation while still providing creator incentive. In 1998, copyrights were still thought of as wholly private rights, playing a pivotal role in the tug of war with public benefit.³⁴⁸ Without the possibility of reconceptualization, copyright holders were resistant to any reform of their rights, regardless of what the reform might do for them going forward. Even with its abuses and criticisms, the DMCA's compromise has had a revolutionary effect while maintaining a balance between public benefit and creator incentive, an effect that would not have happened but for Congress's discretion.

2. Post-Oil States Legislative Example: MMA

Like the DMCA, the MMA contains intricate trade-offs and compromises, only more explicit.³⁴⁹ The pending litigation in *Eight Mile Style LLC v. Spotify USA Inc.* is illustrative.³⁵⁰ At the heart of the litigation is the MMA's safe harbor provision absolving digital streaming services of liability for copyright infringement—the provision acts as a compromise for music artists, as it requires more accurate (and thus more costly) royalty payments from digital streaming services.³⁵¹ As *Eight Mile Style* takes aim at the MMA's constitutionality through the scope of the Takings Clause,³⁵² the music industry could see its hard-earned compromise crumble. A rebundling of copyrights to include a public right, thus taking them beyond the reach of the Takings Clause, would save the MMA's compromise. As a result, more artists and music creators would see the value of their intellectual property increase. The public at large retains its position as the primary beneficiary by having unbridled access to a wide variety of music via digital streaming, and the incentive to create is bolstered through guaranteed statutory royalties. While *Eight Mile Style* may miss out on millions of dollars of unpaid royalties,³⁵³ Congress has seemingly already recognized that concern and enacted the safe harbor provision

348. See *supra* Section IV.A.

349. Gardner, *supra* note 278.

350. *Eight Mile Style, LLC v. Spotify USA Inc.*, No. 19-cv-00736, 2020 WL 9814372 (M.D. Tenn. July 1, 2020).

351. See Gardner, *supra* note 278.

352. *Id.*

353. Complaint, *supra* note 280, at 16–17; cf. Gardner, *supra* note 278 (discussing alternative statutory damages).

in the MMA anyway,³⁵⁴ perhaps acknowledging that Eight Mile Style has not been *completely* deprived of all economic value in its property in light of guaranteed prospective royalties. Notably, as with inter partes review and the DMCA, the MMA's safe harbor removes yet another intellectual property dispute from Article III jurisdiction, furthering the theme of regimented efficiency balanced with public interest.³⁵⁵

Enacted in 2018, the same year as the *Oil States* decision, the MMA, and its effect on copyright doctrine, reap greater benefit from the rebundling of rights than the DMCA.³⁵⁶ The MMA's intention to correct the market failure caused by a breakdown in negotiations between digital streaming services and music creators is explicitly displayed through its liability shielding compromise.³⁵⁷ Congress, using the same discretion here as with the DMCA, relied on both compromise and overbreadth to secure some sense of stability for copyright doctrine in response to seemingly exponential technological development. The market failure for digital streaming services has seen many copyright creators miss out on their economic incentive to create in the first place.³⁵⁸ While the MMA takes away the opportunity to seek a retrospective remedy, it assures prospective relief in the form of guaranteed royalties through a centralized royalty collective, amounting to a market correction that copyright holders will benefit from going forward.³⁵⁹ Moreover, a reconceptualization of copyrights as public rights under the Takings Clause ensures that market correction indeed happens and survives any perceived constitutional pitfalls.

In 2018, with the posited reconceptualization of intellectual property rights closer to breaking through the surface, the MMA received far less backlash than the DCMA—in fact, the bill received overwhelming across-the-aisle support, both in Congress and in the

354. Music Modernization Act, Pub. L. 115-264, 132 Stat. 3676 (2018) (codified in scattered sections of 17, 19, 28 U.S.C.).

355. *Id.* Arguably, the MMA goes further than both the AIA and DMCA—where those procedures offer at least some opportunity for aggrieved parties to be heard, the MMA completely absolves streaming services of liability for prior infringement, leaving no room for any adjudication, Article III or otherwise.

356. See Matthew L. Pangle & Christopher Cotropia, *Can IP Rights Be Reconceived Via Music Modernization Act?*, LAW360 (Apr. 21, 2020, 6:30 PM), <https://www.law360.com/articles/1254622> [https://perma.cc/PP8R-6Z2B].

357. *Id.*

358. *Cf.* Chandler, *supra* note 132 (describing the market failure in the digital music streaming market remedied by the Music Modernization Act).

359. Pangle & Cotropia, *supra* note 356.

music industry itself.³⁶⁰ Perhaps now, with the digital revolution well on its way, copyright owners are more prepared to let Congress legislate on their behalf, knowing that it will likely be to their benefit. Even so, some artists and publishing companies may still feel especially aggrieved by the MMA. Eminem and Eight Mile Style stand to lose millions of dollars in unpaid royalties.³⁶¹ However, what they, and every other music creator, gain, is statutorily guaranteed royalties going forward.³⁶² Once again, Congress has found a market failure and acted accordingly, and can now set the stage for an explicit reconceptualization of copyrights that, while excluding them from the Takings Clause's protection, allows music creators to see more reward for their work while better enabling the public to access it.³⁶³

3. Impact of Rebundling Rights on Copyright Policy

While reconceptualizing copyrights would resolve tension with the Takings Clause, is it trading one evil for another by frustrating the utilitarian goals of copyright doctrine? Some scholars and jurists would say yes. By extending Congress's regulatory power over intellectual property, it is possible more broad statutes like the DMCA, or statutes acting as limits on copyright infringement vindication like the MMA, will continue to whittle away at both the exclusive rights and scope of validity of intellectual property holders. As a result, intellectual property consumers could see the value of their intellectual property dwindle, secondary markets become obsolete, and the incentive to create disappear.³⁶⁴

However, rebundling serves the broad utilitarian-policy goals of copyright doctrine and speaks directly to those perceived criticisms. A common thread tying the reconceptualization of copyright, together with recent congressional copyright reform, is the preservation of copyright doctrine's balance between public benefit and creative

360. Steve Brachmann, *Compromise on Music Modernization Act Leads to Unconditional Support from Music Industry Organizations*, IP WATCHDOG (Aug. 18, 2018), <https://www.ipwatchdog.com/2018/08/18/compromise-music-modernization-act-music-industry-support/id=100162/> [<https://perma.cc/Q87Z-ZYGA>]. The law is also a rare example of bipartisan politics in the current political landscape, including a 415–0 vote in the House of Representatives in favor of the legislation. *Id.*

361. Complaint, *supra* note 280, at 29–30.

362. See Music Modernization Act, Pub. L. 115-264, 132 Stat. 3676 (2018) (codified in scattered sections of 17, 19, 28 U.S.C.).

363. See Pangle & Cotropia, *supra* note 356 (discussing how Eight Mile Style litigation could make the reconceptualization of copyrights an explicit doctrinal move).

364. See Sanney, *supra* note 62, at 328 n.5 (citing R. Anthony Reese, *The First Sale Doctrine in the Era of Digital Networks*, 44 B.C. L. REV. 577, 587 (2003)).

incentive.³⁶⁵ When that compromise becomes unbalanced, market failures threaten to deprive consumers of the creative works they crave while hindering incentives for creators to continue making their creations.³⁶⁶ As evidenced by the DMCA and the MMA, Congress is best equipped to foresee and mitigate these market failures through copyright law reform.³⁶⁷ The potential reconceptualization of copyright doctrine only reinforces Congress's discretion to prevent future market failures whenever and wherever they may happen without the need for an Article III adjudication, as in patent law.

With a simple granting process that sees the vast majority of copyright registrations approved, reconceptualizing that process as a public right in the wake of *Oil States* does little to upset the low threshold for copyright protection.³⁶⁸ Congress, and by extension the United States Copyright Office, are free to regulate its parameters. Further, conceptualizing copyrights as public rights under the Takings Clause allows Congress to enact the continuous copyright reform needed to keep pace with new and emerging creative mediums and prevent future market failures on behalf of the public. Congress has recently shown its willingness to exercise its autonomy in administering intellectual property rights, and so far, that autonomy has benefitted the intended primary beneficiary of copyright doctrine: the public.

365. FROMER & SPRIGMAN, *supra* note 259, at 407 (citing Gordon, *supra* note 260). For a discussion of competing rationales of copyright and exploration of copyright utilitarianism, see *id.* at 9–16.

366. *Id.* at 407.

367. Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.); Music Modernization Act, Pub. L. No. 115-264, 132 Stat. 3676 (2018) (codified in scattered sections of 17, 19, 28 U.S.C.).

368. *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 138 S. Ct. 1365 (2018).

V. CONCLUSION

Property law under the Takings Clause has undergone vast expansion and development throughout American legal history. With that transformation comes strains and tensions on the delicate balance between exclusive property ownership and public utility. For over 130 years after the Constitution was ratified, jurists and scholars interpreted property law in takings jurisprudence as rooted in physicality, requiring a physical taking of physical property to trigger any redress.³⁶⁹ However, Justice Holmes began what can be considered the first traditional reconceptualization of property law by introducing his regulatory takings doctrine.³⁷⁰ By allowing for the possibility of a non-physical taking, Justice Holmes's traditional reconceptualization set in motion the development of a then-new, now dominant form of intellectual property rights.³⁷¹ Now, almost one hundred years after Justice Holmes's famous decision in *Pennsylvania Coal*,³⁷² property rights are due for a second, modern reconceptualization.

First posited in *Oil States*, the Supreme Court distinguished the granting of a patent as a public right while strictly maintaining the private property nature of patents themselves.³⁷³ The aftermath of *Oil States* left patent owners with essentially two bundles of rights rather than the traditional one bundle of sticks: a public bundle, including patent grants and inter partes review, and a private bundle, including the exclusive use rights and enforcement rights patent owners rely on as incentives to invent.³⁷⁴

A similar reconceptualization aptly applies to copyright law. Rooted in similar principles, rationales, and constitutional foundations, copyrights can similarly be separated into two bundles of rights: a public bundle which includes the copyright grant, and a private bundle, containing exclusive use and enforcement rights. However, to have a similar conception-shifting effect, copyright's public bundle should also include copyrights as public rights under the Takings Clause. By doing so, Congress would explicitly have the discretion needed to continue alleviating the copyright marketplace from potentially devastating market failures and collisions with well-established constitutional principles.

369. See *supra* Section II.B.

370. See *supra* Section II.B.

371. See *supra* Section II.E.

372. Pa. Coal Co. v. Mahon, 260 U.S. 393, 415 (1922).

373. Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC, 138 S. Ct. 1365, 1380 (2018).

374. See *supra* Sections III.B–C.

Ultimately, the modern reconceptualization of copyrights, and intellectual property rights as a whole, would serve as a much-needed solution to reconcile intellectual property with contemporary legal principles while reinforcing the delicate balance between intellectual property creators and the public benefit they aim to provide.