
explained in recital 23 of the InfoSoc Directive).

Furthermore, “any transmission or retransmission of a work using a specific technical medium must, in principle, be individually authorized by the author of the work” [paragraph 43].

Finally, in the case at hand, the communication of RTI’s television channels operated by Vcast is aimed at a “new” public compared to the one initially taken into account by the rights holder: all the actual or potential customers of Vcast, which moreover access the channels through the Internet, namely through technical means different from those of the initial

transmission. Therefore, the case presents all the circumstances that, according to established case law, give the rightsholder the discretion to prohibit the use of his works to third parties.

The Court therefore concludes by stating that it “precludes national legislation which allows a commercial undertaking to provide individuals with a remote video recording service in cloud of private copies relating to works protected by copyright, via an IT system, through an active intervention in the registration of such copies by that company, in the absence of the consent of the right holder” [paragraph 54].

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Art Litigation

Elena Otero and Gavin Williams

Protection of Graffiti/Street Artist’s Work

From Miami’s Wynwood to San Francisco’s Mission District to Chicago’s West Loop, graffiti/street art has become a popular way for communities to revitalize neighborhoods and property owners to reap the benefits of the corresponding rise in property values. In a recent case, a New York court awarded \$6.7 million to a group of graffiti artists whose works had been whitewashed by the owner of 5Pointz, a former factory complex in Queens. While the 5Pointz litigation demonstrates the willingness of a court to protect artists’ works, it also serves as a guide to avoiding potential tension between artists and property owners that can lead to years of divisive litigations.

Background of the Case

In *Jonathan Cohen et. al v. G&M Realty L.P. et al.* [Case No. 1:13-cv-05612], the US District Court for the Eastern District of New York awarded \$6.7 million to a group of graffiti artists whose works had been systematically whitewashed under cover of darkness by the owner of 5Pointz, a former factory complex in the Queens borough of New York. While the Feb. 12, 2018 decision sets forth a rationale for protecting graffiti art, it also acts as a warning to property owners who permit street artists to cover their exterior walls. From Miami’s Wynwood to San Francisco’s Mission District to Chicago’s West Loop, graffiti/street art has become a popular way for communities to revitalize neighborhoods and property owners to reap the benefits of the corresponding rise in property values. The lessons from 5Pointz

should reverberate in any community where street art has become prevalent.

The Creation of 5Pointz

In the 1970s, what one commentator has called the war between spray paint and real estate was sparked when Gerald “Jerry” Wolkoff, a New York City real estate developer, paid \$1 million for 5Pointz, a 200,000-square-foot former factory building in the Long Island City neighborhood of Queens. During the 1990s, Wolkoff permitted a group of graffiti artists to use 5Pointz as a canvas for their murals and graffiti, turning 5Pointz into the largest repository of graffiti art in the United States. Wolkoff, who always intended to use the property to develop luxury apartment buildings, orally agreed to let the artists use 5Pointz until he was ready to redevelop it and even designated a curator to manage the art created on the walls of 5Pointz.

5Pointz eventually grew into what the Court called the “world’s largest collection of quality outdoor aerosol art” and a “culturally

significant site” where tourists visited, movies and music intersected with the murals, and graffiti art was fostered. Rumors that Wolkoff was ready to redevelop 5Pointz began circulating in 2011 and were solidified when Wolkoff sought approval for the development of luxury condominiums in May 2013. The property’s curator, Jonathan Cohen, sought to save 5Pointz from demolition by seeking preservation as a culturally significant site, attempting to buy the property from Wolkoff and finally—together with a group of the artists whose works adorned 5Pointz—filing for a preliminary injunction under the Visual Artists Rights Act of 1990 (VARA). In November 2013, after the injunction was denied (but importantly for the court, prior to the court issuing its formal written ruling), Wolkoff directed the whitewashing of 5Pointz in the middle of the night, destroying or covering up almost all of the artists’ works.

The 5Pointz Litigation

On Feb. 12, 2018, US District Court Judge Frederic Block ruled that Wolkoff had violated VARA and awarded \$6.7 million to the 21 graffiti artists suing Wolkoff, determining that 45 of the ruined murals had enough “artistic stature” to merit being protected under the auspices of VARA. This case highlights the importance of a number of lessons that both property owners and artists can employ to successfully collaborate on projects such as 5Pointz.

First and foremost, the 5Pointz case stands for the proposition that street art can be more than vandalism or a random act with a spray can. Street art can be culturally important art worthy of recognized stature under VARA. Under VARA, this kind of art should be protected from wanton

destruction, mutilation, or distortion by property owners looking to redevelop property made valuable, in some instances, by the very art they are looking to remove or demolish. While VARA provides a powerful form of protection to these artists, it is not without its boundaries.

VARA is the embodiment of artists’ moral rights, but like most rights, those moral rights can be waived by the artists in question. VARA deals both with works of art that can and cannot be removed. VARA’s protections do not extend to works of visual art incorporated into a building in such a way that removing the work will cause the destruction, distortion, mutilation or modification of the work if the artist consented to such installation prior to VARA’s effective date or where a written instrument is signed by the owner of the building and the artist specifying that the work in question may be subject to destruction, distortion, mutilation, or modification by reason of its removal. The 5Pointz court noted that while Wolkoff and the impacted artists all generally knew that the property would one day be redeveloped, they had not reduced that understanding to a writing that waived VARA’s protections. Owners contemplating permitted street art on a property should heed this finding and, prior to permitting any work to be installed on their building, set forth the understanding between artists and owners as to the longevity of the work in question and whether or not artists are waiving or retaining their VARA rights.

Second, if no waiver is in place, the work of art is removable without destroying, mutilating or otherwise modifying it, and an owner wishes to remove such work, the owner should take steps to carefully follow VARA’s requirements. VARA provides a framework whereby an owner can notify an

artist of its intentions to remove the work in question and the artist is afforded the opportunity to remove the work. VARA also provides a procedure if the owner is unable to notify the artist or if the artist fails to respond to timely notice. Based on the court’s rationale, had Wolkoff followed VARA’s procedures, Wolkoff may have avoided the imposition of liability and it may have been possible for the artists to have removed and preserved the art.

Third, owners trading on the value of the art should be aware that the street art community is no longer a group without a voice. Judge Block’s opinion notes that not only was he impressed with the portfolios of the individual artists presented in evidence as the basis that the works in question were indeed art but that he also found the plaintiffs’ list of witnesses compelling. The artists produced art appraisers, a former head art expert from Chubb Insurance and an art professor from New York University, each of whom testified to the value and quality of the art. They also produced conservators who testified that the works were indeed removable.

Lessons from 5Pointz: Avoiding Potential Tension between Artists and Property Owners

As with most things, a little planning can go a long way. While the 5Pointz litigation heralds the willingness of a court to protect artists’ work from developers looking to take advantage of rising property values, it also provides notice to property owners that working with artists at the beginning of a project can bring the richness of street art to a neighborhood without years of divisive litigation and the threat of damages if an owner no longer wants the art in question on its

walls. Wolkoff serves as a cautionary tale to property owners that noting intentions without reducing those intentions to a writing is not sufficient when it comes to VARA. By drafting the appropriate waivers and following the appropriate procedures ahead of time, artists and developers can continue to work together to revitalize communities, bring foot traffic and new businesses

into neighborhoods, and generally contribute to the ever-growing repository of graffiti art on the streets of America's cities.

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International Litigation

John Richards

UK Supreme Court Decision in *Actavis v. Eli Lilly*—Doctrine of Equivalents Recognized

In its decision of July 12, 2017, in *Actavis v. Eli Lilly*, the Supreme Court of the United Kingdom for the first time formally adopted the concept of a doctrine of equivalents when considering what constituted an infringement under UK patent law.

The patent in question arose from a European Patent application that had been validated in several European countries. The action had commenced when Actavis sought judgment that its proposed sales did not infringe the UK, German, French, Italian or Spanish patents arising from that European application. The Supreme Court found that its judgment applied not only to the UK patent, but also to those in France, Italy, and Spain. The court did not consider the German patent in view of a separate action in Germany.

The court concluded that Actavis' sales of pemetrexed compounds for use in conjunction with vitamin B12 infringed an Eli Lilly patent covering its product Alimta and claiming pemetrexed sodium in the manufacture of a medicament for use in combination with Vitamin B12 for treatment of cancer. Vitamin B12 is used in conjunction with pemetrexed sodium to reduce side effects.

Background

Long ago, English law recognized that a patent could be infringed by acts falling outside the scope of the claim if the infringer took what was referred to as the "pith and marrow" of the invention. As the 19th Century wore on and legal philosophy moved in the direction of thinking that, at least in matters of economic law, it was more important to have precision than absolute fairness, the doctrine of pith and marrow became disfavored.

Instead, UK courts adopted the view that if something did not fall within the four corners of the patent claim, it was not an infringement. Considerations of whether

the alleged infringer used the same inventive concept that underlay the patent could be left to the Germans and their attempts to determine what was or was not use of an *allgemeine Erfindungsgedanke* (general inventive concept).

This is not to say, however, that English courts were always absolutely literal in their interpretation of patent claims. Some flexibility might be allowed occasionally, for example in *Barking Brassware Co. Ltd v. Allied Ironfounders (1962)*, a claim requirement that elements should be "coaxial" was found to be met by an infringement in which one element was encompassed by another even though the axes were not identically located and in *Catnic Components Ltd. v. Hill & Smith Ltd (1982)*, a claim requirement that something was "vertical" was found to be met by a support that was six degrees off the vertical. The House of Lords reached the latter decision by holding that patent claims should be construed in a "purposive" manner so that if it was clear that the draftsman was using a term in a general sense rather than in its strict meaning, the former construction should be applied when considering infringement.

The situation became confused, however, when Justice Hoffman attempted to use this concept of "purposive construction" more broadly in the case of *Improver Corporation v. Remington Consumer*