

Dueling Bitcoin White Paper Copyright Registrations – What Does it Mean?

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The plot has thickened in the <u>longest-running "whodunit"</u> in the blockchain space: Who is Satoshi Nakamoto, the pseudonymous creator of Bitcoin and author of the white paper that started it all, *Bitcoin: A Peer-to-Peer Electronic Cash System*? Published in 2009, Nakamoto's paper proposed a form of electronic cash that would operate purely peer-to-peer, without the need for a trusted intermediary (such as a centralized financial institution) and in a verifiable manner that protects against the "double-spend" problem. That white paper served as the launch pad for the Bitcoin network and inspired blockchain's proliferation. Over a decade later, the true identity of Nakamoto and whether Nakamoto is a single person or a collective remain a mystery, despite speculation and multiple claims to the digital throne.

Recently, claimants turned to intellectual property registrations in their campaigns for recognition. In April 2019, Australian entrepreneur <u>Craig Wright</u> (who has long <u>claimed</u> to be Nakamoto) sparked controversy in the blockchain community by filing two copyright registrations claiming authorship of Nakamoto's white paper (Reg. No. <u>TXu002136996</u>) and the original Bitcoin source code (Reg. No. <u>TX0008708058</u>). In the wake of Wright's claims, on May 24, 2019, Wei Liu, <u>reportedly</u> a cryptocurrency entrepreneur and a Chinese citizen with an address in California, upped the ante by also filing a copyright registration (Reg. No. <u>TX0008726120</u>) asserting that he had in fact authored the white paper.

The gauntlet, it seemed, had been thrown down.

Breaking his silence days later, though, Liu reportedly stated that "I filed [the registration] just to let people know anyone can register a copyright. Everyone can be Satoshi Nakamoto."

It is true that anyone can register a copyright in a given work of authorship, even if their claim of ownership is in fact invalid, so the existence of a copyright registration does not necessarily indicate veracity. Two days prior to Liu's registration, in light of questions surrounding Wright's filings, the U.S. Copyright Office issued a press release clarifying that "the claimant certifies as to the truth of the statements made in submitted materials. The Copyright Office does not investigate the truth of any statement made. A registration represents a claim to an interest in a work protected by copyright law, not a determination of the truth of the claims therein." Further, where a published work is published under a pseudonym, "the Copyright Office does not investigate whether there is a provable connection between the claimant and the pseudonymous author."

Section 506 (Criminal Offenses) of the Copyright Act (17 U.S.C. § 506) is perhaps best known for criminalizing copyright infringement that is done "willfully" in certain circumstances. Clause (e) of Section 506 also states, though, that: "Any person who knowingly makes a false representation of a material fact in the application for copyright registration provided for by section 409, or in any written statement filed in connection with the application, shall be fined not more than \$2,500." In practice, however, clause (e) does not present much of a deterrent, as it is not often enforced by the government and does not create a private right of action, meaning that individuals cannot bring a lawsuit to enforce the law.

Aside from the potential publicity, other key <u>advantages of registering</u> a copyright include:

- enabling the copyright registrant to sue for infringement (registration is a prerequisite of copyright enforcement);
- establishing prima facie evidence (albeit rebuttable) of the validity of the copyright
 and the facts stated in the certificate (although this benefit only applies when
 registration is made before or within five years of publication of the copyrighted
 work, so this would not apply with respect to Liu's and Wright's recent
 registrations); and
- qualifying the copyright owner to receive <u>statutory damages</u> (without having to prove actual damages, which is often a difficult task), attorneys' fees and costs, provided that the registration is made prior to infringement or within three months after the work is published. It will be interesting to see whether applications for federal trademark registration of the name "Satoshi Nakamoto" (one <u>registration</u> and one <u>application</u> already exist) factor into the debate over who Nakamoto is.

The original Bitcoin source code was released under the open source MIT License, which gives everyone the right to "use, copy, modify, merge, publish, distribute, sublicense, and/or sell copies" of the software, making a successful copyright infringement claim relating to the use of the Bitcoin source code unlikely. Due to the passage of time between the publication of the white paper and the release of the original Bitcoin source code, some of the key benefits of registration do not apply. The registration of copyright in the white paper, however, opens the possibility of copyright infringement claims against infringing users of the white paper (e.g., those who create works derivative of the white paper without a license).

Although these copyright and trademark registrations do not conclusively reveal the identity of Satoshi Nakamoto, they demonstrate that intellectual property registrations can be leveraged as a tool in infringement litigation and in influencing narratives. They also serve as a reminder to consider the numerous potential intellectual property issues in a space that often deals in open source code, public networks and the free exchange of ideas but also intersects with proprietary code, products and services.

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