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(71) Applicant and

(72) Inventor: **ZAPLIN, Mark** [US/US]; 651 Canyon Road,
Santa Fe, NM 87501 (US).

(74) Agents: **PENNINGTON, Edward, A.** et al.; Swidler
Berlin Shereff Friedman, LLP, 3000 K Street, N.W., Suite
300, Washington, DC 20007 (US).

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(54) Title: METHOD AND APPARATUS FOR ENHANCING THE TRANSFERRABILITY AND VALUATION OF WORKS OF ART

(57) Abstract: A system and method are provided for collecting, storing and retrieving ownership information for personal assets including works of art, and rightful ownership insurance policies for personal assets. Ownership certificates may be issued based on the information collected in the database. Separate rightful ownership insurance policies may be written based on the collected ownership information for each asset. The ownership certificates include information for identifying the artwork and may further include authentication information for facilitating authenticating the certificate, the work of art or both. The ownership certificates may also be issued in a street name to preserve the anonymity of the current owner. In addition, purchase processes may use a network based platform to facilitate collecting information, negotiation between buyers, consignors and sellers. In addition, the platform may be used to enhance the reputation of works of art being sold on on-line auctions, even where the reputation of the on-line auction itself is lousy.

METHOD AND APPARATUS FOR ENHANCING THE TRANSFERRABILITY AND VALUATION OF WORKS OF ART

FIELD OF THE INVENTION:

5 The present invention relates generally to data processing and, more particularly, to methods and systems for collecting ownership and other information about works of art and using this information as the basis for providing certificates of rightful ownership, rightful ownership insurance and transactional methods which generally enhance the transferability and valuation of works of art.

BACKGROUND OF THE INVENTION:

10 There are many risks to buyers and sellers involved in artwork transactions. Artwork sold in such transactions, and the term artwork itself as used throughout the application and claims, includes all types of art including paintings, photographs, sculpture, art objects, antiques and jewelry. In artwork transactions, as is the case with real property transactions, a significant risk is the possibility that the seller may not be the true owner of the work of art. To mitigate risks associated with the seller's ownership of real property, title insurance has historically been used.

15 Title insurance is an instrument used to insure a purchaser of real property, such as land or land and improvements, against costs associated with another person seeking to perfect better rights than the purchaser in the real property. Insurance providers have been issuing title insurance for hundreds of years. For this reason, systems and processes are in place to facilitate collecting information affecting ownership of real property into a common accessible resource. The common resource for real property is the recording system, maintained by a County, which indexes and maintains ownership information for all real property in the County. Ownership information maintained in the recording system has conventionally included: documents affecting ownership, such as deeds, wills, liens and notices of pending litigation; the identity of purchasers, sellers and lien holders; the dates of

conveyances between purchasers and sellers and other transactions affecting ownership of the property; and the dates of recording each document.

The body of law relating to conveyances of and ownership of real property in the United States has developed in view of the recording system and includes rules which
5 encourage timely filing of documents in the recording system. The law also includes rules that prejudice rights of purchasers and others who untimely file such documents in the recording system. This body of law improves the reliability of the recording system as a vehicle for collecting ownership information about real property.

Title insurance providers have conventionally relied on the recording system in
10 issuing title insurance policies for real property. Specifically, they research chains of ownership and outstanding liens and notices for a piece of real property to determine risk information associated with anyone successfully asserting superior rights than the present owner of the property. To determine a level of risk, insurance providers typically consult actuarial tables (or databases). In this regard, the risk information is generally classified to
15 the actuarial table and a level of risk is returned either directly or inferentially through a dollar value for an insurance fee. Based on the level of risk, insurance providers either issue a policy or refuse to issue a policy. In the event that a policy is issued, a fee for the insurance is charged that is based on the level of determined risk.

In contrast to the title insurance system for real property, insurance providers have
20 not conventionally issued title insurance for personal property assets such as works of art and have not developed actuarial tables and other information necessary to make consistent insurance decisions with respect to issuing and pricing title insurance for personal property. The reasons are numerous. One of the most fundamental reasons is that there is not a comprehensive, accurate and reliable recording system in place for personal property.
25 Unlike real property which has a unique, substantially unchangeable location, personal property assets may or may not be unique in the sense that there may be many or millions of copies of the asset and the asset may be easily transported. These factors make identifying and tracking individual personal property assets difficult. Moreover, when personal property assets are valuable because of their uniqueness or rarity, such as art, they are still

difficult to identify and track because forgeries may be introduced, the asset may be stolen, hidden and/or moved from jurisdiction to jurisdiction and legitimate transactions may not be recorded in an accessible resource. Moreover, certain assets such as art may have been stolen years ago, for example during WWII by invading forces, and may have been transferred numerous times legitimately but in contravention of the rights of the true owner or heirs of the true owner.

Where tracking and licensing systems have been put into place for certain types of personal property assets, insurance providers still have not developed systems for widely issuing title insurance for such assets. Consider the automobile. States through their departments of motor vehicles collect information pertaining to ownership of automobiles, track such information and update the information to reflect the sale of automobiles when they are notified. Insurance companies have not used these systems, however, to conduct title searches and issue title insurance policies based on title searches. For this reason, title insurance is not generally available for owners of automobiles. By contrast, insurance against collision and associated human injury is available for automobiles. Similarly, jewelry, paintings and other works of art are routinely insured against theft, damage or other loss. However, the same jewelry, paintings and other works of art are not routinely covered by rightful ownership insurance.

In addition to rightful ownership risks, many other risks are associated with artwork transactions and arise from present methods of selling and consignment. Today, for example, millions of works of art are sold in “faceless” transactions in which buyers do not see the art that they purchase, or the seller in person, prior to completing the transaction. Examples of faceless transactions include art sold via internet auction websites and art sold through catalogues. In general, faceless transactions require a high degree of faith that participants in art transactions must have in each other. These transactions, however, are inherently more susceptible to fraud. The sources of fraud may include an innocent or deliberate misrepresentation of the author or quality of a work of art, delivering a different work than the one presented as for sale and withholding delivery of the work. In other contexts, such as consignment, another type of fraudulent behavior may be exhibited. For

example, sellers selling on consignment may misrepresent the sale price to the consignor in cases where the consignor receives a percentage of the sale price. Sellers selling on consignment may also misrepresent the date on which a consigned work was sold in order to postpone having to disburse money to the consignor.

5 In view of the attendant risks and potential for innocent and deliberate fraud in artwork transactions, there is a need for new systems and methods which encourage collection of information pertaining to ownership of works of art that may be used to provide ownership information and rightful ownership insurance for art. There is a further need for facilitating widespread issuance of rightful ownership insurance for works of art
10 when attendant risks are manageable, even when the authenticity of the work is not known or is in question. There is a further need for systems and methods to track transactions and current owners of works of art in such a way as to allow the current owners to remain anonymous if they desire. There is still a further need for new methods of conducting various art transactions, particularly faceless transactions, to reduce reliance on the honesty
15 of participants to the transaction.

SUMMARY OF THE INVENTION:

According to the present invention, a system and method are provided for collecting, storing and retrieving ownership information for works of art, and issuing rightful ownership
20 insurance policies for works of art. Ownership certificates may be issued based on the information collected in the database. Separate rightful ownership insurance policies may be written based on the collected ownership information for each asset. The ownership certificates include information for identifying the artwork and may further include authentication information for facilitating authenticating the certificate, the work of art or
25 both. The ownership certificates may also be issued in a "street name" to preserve the anonymity of the current owner. In addition, purchase processes may incorporate a network-based platform to facilitate collecting information, negotiation between buyers, consignors and sellers. In addition, the platform may be used to enhance the reputation of

works of art being sold on on-line auctions through endorsement and procedures, even where the reputation of the on-line auction itself is perceived as bad.

According to one embodiment of the invention, a method of insuring rightful ownership of a personal asset, such as artwork, includes identifying the asset, adding
5 ownership history information to a data record for the identified asset, issuing an insurance policy insuring rightful ownership of the asset and updating the data record with information about the insurance policy. A certificate of rightful ownership may be printed for the asset based on the data record. In addition, the asset may be identified based on the printed
10 certificate. Identifying the asset may be performed by querying provenance databases, by the creator of the asset, by analyzing authentication information in one or both of the asset, the certificate and the database. The personal asset may be any personal property illustratively including, for example, a work of art, an antique, a jewel, an automobile

According to another embodiment of the invention, a method of processing a sale of a personal asset includes receiving an asset for sale and a certificate of rightful ownership
15 for the asset. The certificate includes information identifying the asset. The method further includes retrieving a data record for the asset based on information in the certificate and updating the data record upon a sale of the asset to a new owner based on information provided by the new owner. The method still further includes issuing an insurance policy to the new owner insuring rightful ownership of the asset based on information about the asset
20 retrieved from at least one database, including the database having the data record.

The above described features and advantages of the present invention will be more fully appreciated with reference to the detailed description and attached figures.

BRIEF DESCRIPTION OF THE FIGURES:

25 Fig. 1 depicts a platform for facilitating the transfer and insurance of personal assets such as artwork according to an embodiment of the present invention.

Fig. 2 depicts an internal view of the platform server and its interaction with the database according to an embodiment of the present invention.

Fig. 3 depicts a view of the platform operating as an intermediary between a dealer, a consignor, a buyer and an insurer according to an embodiment of the present invention.

Fig. 4 depicts an embodiment of a method for facilitating consignment a work of art according to an embodiment of the present invention.

5 Fig. 5 depicts an embodiment of a method for facilitating dealer sales to customer according to an embodiment of the present invention.

Fig. 6 depicts an embodiment of a method for conducting certification of a work of art according to an embodiment of the present invention.

10 Fig. 7 depicts an embodiment of a method for facilitating insuring a work of art according to an embodiment of the present invention.

Fig. 8 depicts a functional block diagram of a platform interacting with a remote auction server and bidders according to an embodiment of the present invention.

Fig. 9 depicts an embodiment of a method for facilitating selling a work of art by on-line auction processes according to an embodiment of the present invention.

15

DETAILED DESCRIPTION:

Using artwork transactions as an example, the methods of facilitating transfer of an asset according to the present invention will now be described in detail. As discussed above, the method includes collecting ownership and other information pertaining to works of art in a database and using this information as the basis for issuing certificates of ownership, insurance policies and in other ways to facilitate the transfer of works of art. In order to provide a foundation for understanding embodiments of the present invention, reference is initially made to Figs. 1 and 2 which present an overview of hardware and software which may be used to implement the embodiments.

25 Referring to Fig. 1, the system includes a platform 105 coupled over a network 110 to a museum terminal 115, a plurality of dealer terminals 220, at least one insurance company terminal 130, buyer, seller and consignor terminals 135 and auction systems 140. The platform 105 includes a platform server 145 and a database 150. The platform server may provide a plurality of software components for implementing processes according to

embodiments of the present invention as shown in Fig. 2. The database 150 is disposed in communication with the platform server 145 either directly or through the network 110. The database includes records relating to works of art, dealers, consignors, insurance companies and their agents, auction systems, buyers, sellers, consignors and other entities registered
5 with the system. Data in the database 150 may be made available to all systems and terminals coupled to the network 110. The database 150 is particularly useful for collecting and storing information pertaining to individual works of art.

The database 150 may include art provenance databases 155, artworks database 160, artist databases 165, art insurance databases 170, art actuarial databases 175, dealer
10 databases 180, message queues and bulletin boards 185 and user administration records 190. The art provenance databases 155 are shown for conveniences as being part of the database 150. Typically, however, the art provenance databases 155 will include databases external to the platform. The art provenance databases, in general, include databases which provide historical information on individual works of art. Provenance databases may include
15 databases which list stolen works of art, those that list historical ownership information and other information about individual works of art. Examples of art provenance databases include the International Foundation of Art Research ("IFAR") database and the Getty Provenance Index databases maintained by the Getty Research Institute.

The artworks database 160 may include information that is collected from the
20 provenance databases 155 and other sources including sellers, consignors, experts, museums, literature and other sources pertaining to each work of art identified to the platform. The information may include, for example, for each work of art: the name of its artist and the birth and death dates of the artist; the address or nationality of the artist; its title, description, medium and measurements; its number within a series; indicators of flaws
25 or marks; one or more number codes which may be used for identification; frame information (original, non-original, and/or a description); its date of the completion; signature information including whether or not it is signed and the location of the signature when signed; expert opinion data; dates of transactions in which the work was transferred; previous ownership information including names, addresses, phone numbers, e-mail

addresses and fax numbers for its buyers and sellers; its price or value in particular currencies; and optionally a "street name" for the buyer which may be used to preserve the anonymity of the current and any previous owners. The street name may be the name of a dealer from whom the buyer purchases, or a name created to preserve the anonymity of the
5 buyer.

The artist databases 165 may be used to store information about individual artists. This information may include the birth and death dates of the artist, schools the artist was associated with, famous works of the artist, styles and mediums preferred by the artist and other information. The art insurance databases may be used to store: current and previous
10 insurance information; current and past rightful ownership insurance information; and, for each insurance policy, pertinent information including the date of the insurance, the cost of the insurance, the face value of the policy, a policy number, methodology used to determine the insurance premium, identification of the insured work and information on the insured party.

The art actuarial database 175 may include data useful in assessing the risk of insuring individual works of art. The actuarial databases may include a plurality of historical factors which may be associated with individual works of art generally. The databases may further include weighting information corresponding to each historical factor. The historical factors, when present in the history of individual works of art (as determined
20 by information collected in the artworks database 160 or otherwise known) and the corresponding weighting factors may be used to assign a level of risk for insuring rightful ownership of individual artworks. The level of risk in turn may be used to determine insurance premiums, to make decisions on whether or not to insure a work and to make decisions as to what value the work should be insured up to for rightful ownership-type
25 losses. It will be appreciated that collections of works, rather than only individual works, may also be evaluated and insured in one policy in the same manner described above.

The dealer databases 180 may include information about individual dealers, chains or groups of affiliated dealers including for each: the name(s), owner(s), address(es), phone number(s), e-mail address(es), fax number(s); exhibiting information; a description of the

types of artwork sold, the names of artists predominantly sold in addition to any other information about the dealer.

The message queues / bulletin boards 185 may be used to store data into mailbox queues for dealers, buyers, sellers, consignors, insurers and others registered with the platform. The bulletin board portion may be used to store data used in presenting bulletin board displays on behalf of registered or unregistered users of the platform. The user administration records 190 may be used to store registration information for dealers, consignors, buyers, sellers, insurance companies and other users of the platform 105. The user administration records may include, for each user, user IDs and passwords, billing and other information such as the names, addresses, telephone and fax numbers and e-mail address.

The network 110 may be a local area network, a wide area network, the public switched telephone network, the interconnected backbones, routers, bridges, switches and servers known as the Internet, other communications links and combinations thereof. The network may include direct electrical connections, wireless, optical or any other communications links, including analog, digital, circuit switched and packet switched, for transmitting information.

The terminals 115-140 may interact with the platform 105 and other systems to present screens to users of the terminals. The terminals may, for example, present a login screen. Dealers, sellers, consignors and buyers may log in through the login screen and then view or interact with various screens that may be useful. For example, users may be presented upon logging in with messages that are in their queue or mailbox from other users, the platform or other sources. The users may interact with the screens to provide data to the server 145 for sending messages to other users or to provide commands or data to the platform 105.

The museum terminal 115 may be used to exchange messages with art experts at museums. The dealer terminals may be used by dealers to post works of art for sale on bulletin boards, buy works of art, acquire works of art on consignment and to exchange messages. In one embodiment, the dealers which are given access to the platform 105 may

be limited to a network of high quality dealers as determined by qualified experts. In other embodiments, there may be other or no restrictions on which dealers may be given access to the platform 105. The insurance company terminals may be used to retrieve data files on individual works of art and interact with the database 150 to determine whether or not to insure a work of art and at what premium. The buyer, seller and consignor terminals 135 may be used for the same purposes as the dealer terminals 120. The auction systems 140 may conduct auctions of goods and services including works of art over a wide area network, such as the Internet.

Fig. 2 depicts an internal view of the platform server 145. The platform server may have several software components including an art transfer engine 200, a title insurance engine 210, a message engine 220, a bulletin board engine 230 and a user administration engine 240. The art transfer engine 200 includes software which allows the platform 105 to carry out the methods depicted in Figs 4-6. The title insurance engine includes software to perform the method of Fig. 7. The message engine 220 includes software used to facilitate transferring messages among message queues of individual users or off-platform to e-mail addresses of users of the platform 105. The bulletin board engine 230 is used to display works of art and information to users. The user administration engine 240 may be used to present login and registration screens to new users of the platform and to register new users, grant user IDs and password and collect other useful information including billing information using well known techniques.

Fig. 3 depicts an example of exchanging messages among a dealer 320, a consignor 330, a buyer 340 and an insurer 350 via the platform as an intermediary. Fig. 4 depicts a method of facilitating consignment of works of art between a dealer (or buyer generally) and a consignor. Referring to Fig. 4, in step 400, the consignor and dealer identify a work of art that the former would like to provide to the dealer for sale on a consignment basis. Then in step 410, the consignor or dealer identifies the work of art to the platform. This may be performed by interacting with the transfer engine 200 of the platform 105 over the network 110 from a consignor terminal. The identification process may include providing information about the work, including the title, artist, condition, medium, dimensions and

the known history of the work as well as any other pertinent information. The information may also include information as to whether or not a certificate issued by the platform 105 exists for the work as well as information about any other documents which purport to identify or accompany the work of art. The information may also include photographs,
5 sound files, audio-visual files and any other media. The information may also identify the consignor as the present owner. Alternatively, the information may specify the present owner under a "street name." The street name may be used to preserve the anonymity of the consignor while still allowing the identity of the consignor to be discovered if necessary.

In step 420, the platform 105 creates or updates a data file for the work in the
10 artwork database 160 which includes an identification number for the work as well as the information collected from the consignor. If the artwork was accompanied by a certificate or other information indicating that the work is known to the platform 105, the identification number is the identification number already stored for the work of art in the database 150. In step 430, negotiation begins between the buyer and seller in which the buyer and seller
15 propose terms for an agreement to sell artwork on consignment. This step may be performed in any convenient manner including over the telephone, by exchanging electronic messages, in person or in any other manner.

In one embodiment of the invention, the negotiation takes place via the platform 105. In particular, the dealer may access the artworks database 160 and retrieve the data file for
20 the artwork which is the subject of the negotiation. The dealer may review the data file and send an offer to the consignor via the messaging engine 220. The consignor may make a counter offer or a new offer which the consignor transmits to the dealer via the messaging engine 220. All of the terms of the offers and counter offers may be stored in the data file associated with the work so that there is a complete record of the negotiation. It should be
25 noted that the consignor may carry out simultaneous negotiations with an unlimited number of dealers for the same work.

In step 440 if the terms are not agreed upon, then the negotiation step 430 continues. If there are not agreed upon terms and there are not likely to be agreed upon terms, the parties may stop the negotiation. If there are agreed upon terms, then in step 450 a contract

is formed between the consignor and one of the dealers. The transfer engine 200 may include logic prohibiting the consignor from agreeing to terms with more than one dealer for the same work. For example, when negotiation is finalized, data may be stored for the work indicating that the negotiation is finalized. This data, when present, may be used to prevent
5 other negotiations from continuing or from being finalized.

The contract in step 450 may be formed by each party electronically indicating assent to the same terms. Alternatively, the contract may be formed in step 450 by one or both parties signing a written agreement memorializing the terms agreed to. In step 460, the consignor sends the work of art to the dealer. Then in step 470, the dealer inspects the work.
10 The dealer may also access provenance databases 155 via the platform to determine whether or not the work has been stolen and to glean additional information about the work of art. In step 480, the dealer may optionally seek a quote for rightful ownership insurance for the work of art via the insurance engine 210. The insurance process is shown and described with reference to Fig. 7. Information from steps 470 and 480 may be added to the data file
15 associated with the work. In step 490, the dealer decides whether to accept or reject the work. If the dealer rejects the work, she returns it to the seller. If she accepts the work, the processes of Fig. 5 begin.

Fig. 5 depicts a process of selling a work of art from the dealer to a buyer. The process may be conducted face to face or in whole or in part via the platform 105. Referring
20 to Fig. 5, in step 500, the dealer markets a work of art. The marketing may be performed by using traditional advertising channels or using the platform 105. In the latter scenario, the dealer may distribute electronic messages via the messaging engine to buyers registered on the platform 105. The messages may include all or part of the information associated with a work or works of art for sale. Alternatively, the dealer may send electronic messages with
25 links to pages on the Internet that describe work(s) of art for sale. In still another embodiment, the dealer may post work(s) of art for sale on a bulletin board associated with the platform 105. In connection with the marketing, the dealer (or the platform) may provide information about certifying works of art and insuring the rightful ownership of art. Each certificate may include any and all of the information collected for the work of art and

stored in the database 150. In step 510, the buyer decides either to purchase the artwork or indicates interest in learning more about it.

After step 510, the certification process shown in Fig. 6 begins. In step 600 a certification fee is optionally collected from the buyer, i.e. the certification fee may be collected at any time in the selling (buying or consigning) processes. In step 610, information from the data file associated with the work of art is presented to the buyer. The information may be in the form of a printout. Alternatively, the buyer may view the data file from a buyer terminal in the case of sales made online. In step 620, the buyer decides whether or not to purchase the work of art. If the buyer chooses not to purchase, then the purchase and certification processes stop. If the buyer chooses to purchase the work, then in step 630, the buyer and dealer consummate the purchase. In the case of on-line sales, the purchase may be consummated using a credit or debit card, line of credit, bank account, commercial paper or any other payment technique. In step 640, a certificate is printed and provided to the customer. In the case of on-line sales, the certificate may be printed at the platform 105 and sent by mail to the customer. Upon issuance of the certificate, the consignor is automatically notified of the details of the transaction and may therefore seek payment from the dealer. The data file is also updated with the buyer information. The buyer may choose to have the buyer's name listed in the data file as the current owner. Alternatively, the buyer may choose to have the buyer's name and address changed to a street name and address to preserve anonymity. Alternatively, the buyer may choose to have the data file deleted from the database and retain the certificate as the only record of the information compiled for the work of art. In step 650, the customer determines whether or not the customer desires insurance. If not, then the purchase process terminates. If so, the insurance request is sent to the electronic mailbox of an insurance agent. The insurance agent may be affiliated with the platform provider or an unaffiliated entity.

Fig. 7 depicts the insurance processes. Referring to Fig. 7, in step 700, an insurance agent extracts pertinent information from the data file for the artwork sought to be insured. Then in step 710, the insurance agent determines a level of risk based on the extracted information. The level of risk may be determined through interacting with the insurance

engine portion of platform 105. In particular, the insurance engine may access the art actuarial databases 170. Based on the actuarial databases and the extracted information provided to the insurance engine, the insurance engine may facilitate determining risk and determining a policy premium. In addition, unlike title insurance for real property, a face value of the policy may be specified which is different from the value of the work of art. The face value represents the maximum liability that the insurance company agrees to incur to defend the rightful ownership of the work or to pay to the policy holder in the event that the rightful ownership of the work does not reside with the policyholder. In step 720, the insurance agent determines whether the risk is too great to insure. If so, then the insurance process stops and the data file for the work is updated to reflect a refused insurance policy.

If not, then in step 730, a face value of the policy is determined for rightful ownership insurance. The face value may be determined by the insurance agent by presenting several different fees for the policy at several different face values. Alternatively, the face value may be unlimited where the risk is small. In step 735, if the customer agrees to the fee or one of the fee options presented, then step 740 begins. Otherwise, the method ends and insurance is not issued.

In step 740, terms of the policy are presented to the buyer. If the terms are acceptable, then in step 750 a rightful ownership insurance policy is issued. The policy may be printed by the platform and mailed to the purchaser in the case of on-line purchases. Alternatively, the policy may be printed by a dealer in the dealer network and provided to the buyer. The data file for the artwork is updated to reflect the purchase.

Fig. 8 depicts a functional block diagram illustrating the interaction between the platform 830 and a remote auction server 800. This functionality is designed to improve transaction processes for works of art sold through on-line auctions. On-line auctions, such as eBay, have a reputation for providing large quantities of merchandise, a great deal of which is inevitably of questionable quality. Thus, the price that a work of art would bring being auctioned over eBay may be substantially less than the price that the same work of art would fetch being auctioned at Sotheby's. This is due in large measure to the perceived good reputation of Sotheby's. According to one embodiment of the invention, a seller may

interact with the auction server through the platform 830. The platform 830 may be used to provide the description of the work of art, to provide access to the data file for the work of art, to guarantee a certificate of ownership or a rightful ownership insurance policy and may indicate to prospective bidders that the work of art is being sold via the platform. When the reputation of the platform 105 is established, this may enhance the auction price of works of art auctioned through on-line or other auction houses with lesser reputations.

Fig. 9 depicts an embodiment of a method for facilitating selling a work of art by on-line auction processes according to an embodiment of the present invention. Referring to Fig. 9, in step 900, the seller of a work of art delivers the work to a dealer registered with the platform 105. In step 910, the seller provides background information on the work of art of which the seller is aware. This may include information on the details of the transaction resulting in the seller's possession of the work, such as the seller from whom the work was purchased or the individual from whom the work was inherited or received as a gift. In step 920, the dealer performs an inspection of the work and provenance on the work. The dealer also identifies the work to the platform 105 if it is not already known to the platform. If the work is known to the platform, the dealer may add new information to the data file for the work in the artwork database 160. The new information may be derived based on the inspection and provenance of step 190 and any other information that the dealer develops about the work. The information developed and added by the dealer to the work may result in an increase or decrease in the value of the work depending on the dealer's findings. More frequently, however, information about a work from a reputable dealer will have the tendency to increase the value of a work.

In step 930, the dealer or seller may optionally request an insurance quote for insuring the work of art for rightful ownership or may request a certificate of rightful ownership. In step 940, the dealer decides to accept or reject the work. If the dealer rejects the work, the process stops. If the dealer accepts the work, then in step 950, the dealer creates an entry for auction of the work on an off-platform auction server. This post may include images of the work of art, the certificate which will accompany the work, information about rightful ownership insurance, information about the dealer, information

from the artwork database 160 describing the work, and trademarks or other indicia identifying the platform 105 (or its sponsoring organization) as giving its approval for the artwork to be auctioned. The post may also include a link to the platform 105, the dealer, the seller or any other convenient place. When the link is to the platform 105, bidders may
5 visit the platform 105 to obtain more information about the work of art and to potentially correspond with registered users of the platform 105 about the work of art.

In step 960, the auction is conducted. Bidders may inspect any certificate of rightful ownership or insurance quote provided, visit the platform 105 for additional information or to correspond with various parties or entities registered with the platform 105 in order to
10 gain additional information about the work. This process has the effect of creating greater confidence in the work of art being auctioned because the work of art will have been inspected by a reputable dealer and because of the information and certificate available. Moreover, delivery of the work to the winning bidder will be made from the dealer, rather than the seller. This significantly reduces the likelihood of fraud because reputable dealers
15 have less incentive to commit fraud. For these reasons, the auction is likely to fetch more money for individual works that are associated with the dealer network.

In step 970, the platform is notified of the winning bidder. The platform may then cause the dealer or other entity in possession of the work to ship it to the winning bidder upon receipt of payment. The platform may also print an ownership certificate and
20 optionally issue a rightful ownership insurance policy to the winning bidder. The winning bidder may be entitled to a certificate and an insurance policy or may choose to pay separately for them through interaction with the platform 105 depending on the terms of sale by auction.

While particular embodiments of the invention have been shown and described, it
25 will be understood by those having ordinary skill in the art that changes may be made to those embodiments without departing from the spirit and scope of the invention.

CLAIMS:

1. A method of insuring rightful ownership of an asset, comprising:
identifying an asset;
adding ownership history information to a data record for the identified asset;
5 issuing an insurance policy insuring rightful ownership for the asset; and
 updating the data record with information about the insurance policy.
2. The method according to claim 1, further comprising:
 printing a certificate of rightful ownership for the asset based on the data record.
10
3. The method according to claim 2, wherein the identifying of the asset is performed based
 on the printed certificate and the asset.
4. The method according to claim 1, wherein the identifying of the asset is performed for a
15 newly created asset based on input from the creator.
5. The method according to claim 1, wherein the identifying of the asset is performed based
 on input from the seller of the asset.
- 20 6. The method according to claim 3, wherein the identifying includes authentication of the
 asset based on information comprised in the printed certificate and the asset.
7. The method according to claim 1, wherein the asset is a work of art.
- 25 8. The method according to claim 7, wherein the data record is updated based on
 provenance information retrieved from a provenance database.
9. A method of processing a sale of an asset, comprising:

- receiving at a dealer an asset for sale and a certificate of rightful ownership for the asset, the certificate including information identifying the asset;
retrieving a data record for the asset based on information in the certificate;
updating the data record upon a sale of the asset to a new owner based on
5 information provided by the new owner; and
issuing an insurance policy insuring rightful ownership of the asset in the new owner based on information about the asset retrieved from at least one database.
10. A method of insuring rightful ownership of works of art, comprising:
10 providing a platform which interacts with a database;
storing a description of a work of art in a file in the database;
adding ownership history information to the file; and
providing a computer disposed in communication with the platform over a network,
the computer interacting with the platform and a user to a) access the file and b) determine
15 terms for a rightful ownership insurance policy .
11. The method according to claim 10, wherein the computer is operated by an agent of an insurance company that is unaffiliated with the platform provider.
- 20 12. The method according to claim 10, wherein the computer is operated by an employee of the platform provider.
13. The method according to claim 10, wherein the computer determines the terms on
historical factors pertaining to the work of art present within the file and based on an
25 actuarial table including corresponding weights for the historical factors.
14. The method according to claim 13, wherein the actuarial table resides in the database.
15. The method according to claim 13, wherein the actuarial table resides on the computer.

16. The method according to claim 10, wherein the computer is operated by an auction house.
- 5 17. The method according to claim 10, wherein the computer is operated by an art dealer.
18. The method according to claim 10, wherein the work of art is owned by its creator.
19. The method according to claim 10, wherein the computer is operated by an appraiser.
- 10 20. The method according to claim 10, further comprising storing the terms of the rightful ownership insurance policy for the work in the database.
21. The method according to claim 10, further comprising transmitting the terms of the
- 15 rightful ownership insurance policy for the work to another computer for presentation to the buyer.
22. The method according to claim 10, further comprising: printing at the computer a
- 20 rightful ownership insurance certificate and providing it to the buyer in exchange for payment.
23. The method according to claim 10, wherein the terms of the rightful insurance policy
- 25 include a face value of the policy redeemable by the policyholder in the event that rightful ownership of the work by a buyer is challenged.
24. The method according to claim 23, wherein the face value is less than the value of the work.

25. The method according to claim 23, wherein the face value is substantially equal to the value of the work.

26. The method according to claim 23, wherein the face value is substantially greater than
5 the value of the work.

27. A method of increasing the transferability of a work of art, comprising:

providing a platform including a database having a plurality of files corresponding to individual works of art;

10 providing access to the platform and database to a plurality of dealers and art owners through respective dealer computers;

updating the files based on information from the dealers and art owners; and

permitting the issuance of certificates based on the file for a work of art upon receipt of a certificate fee.

15

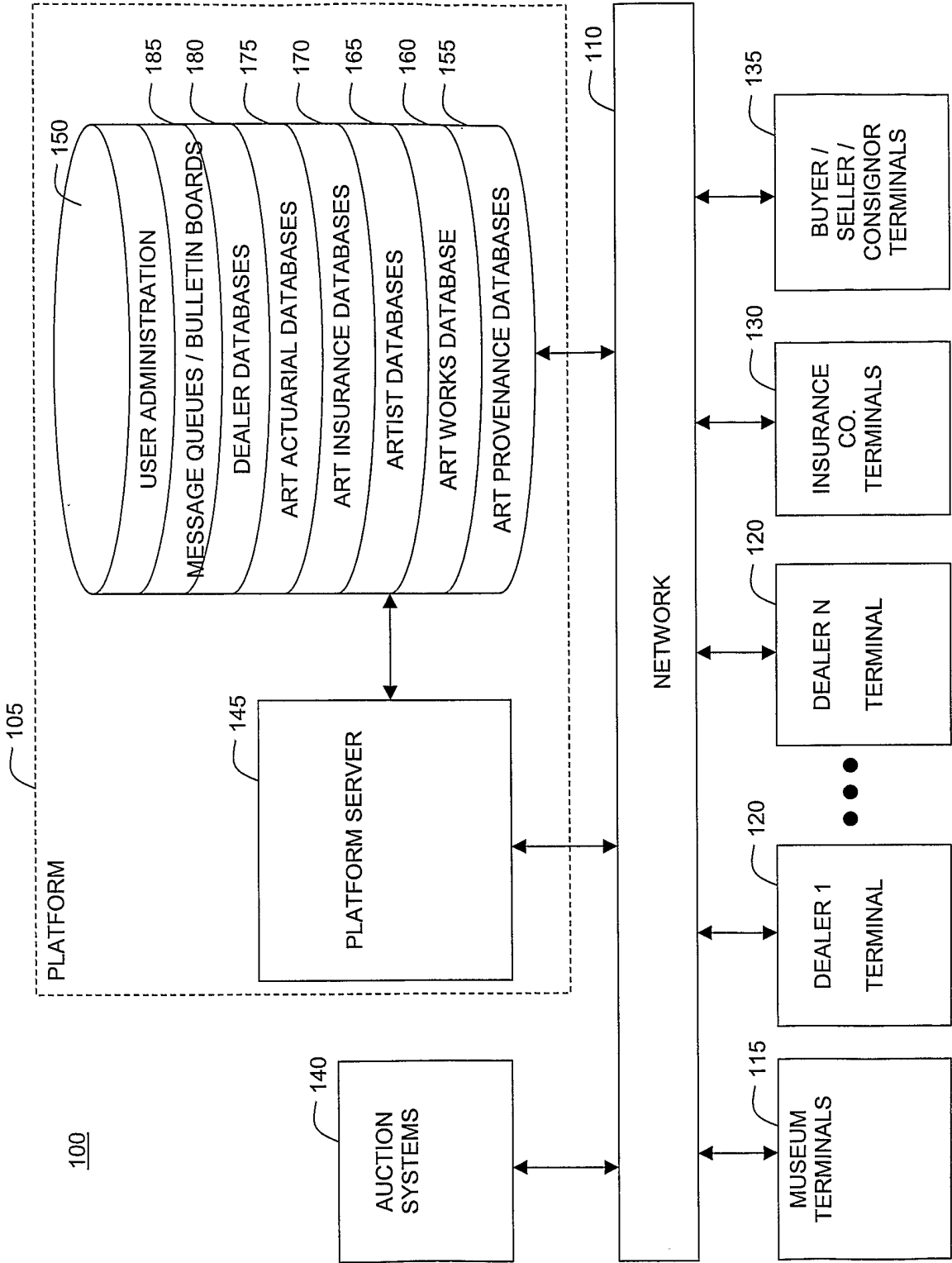


FIG. 1

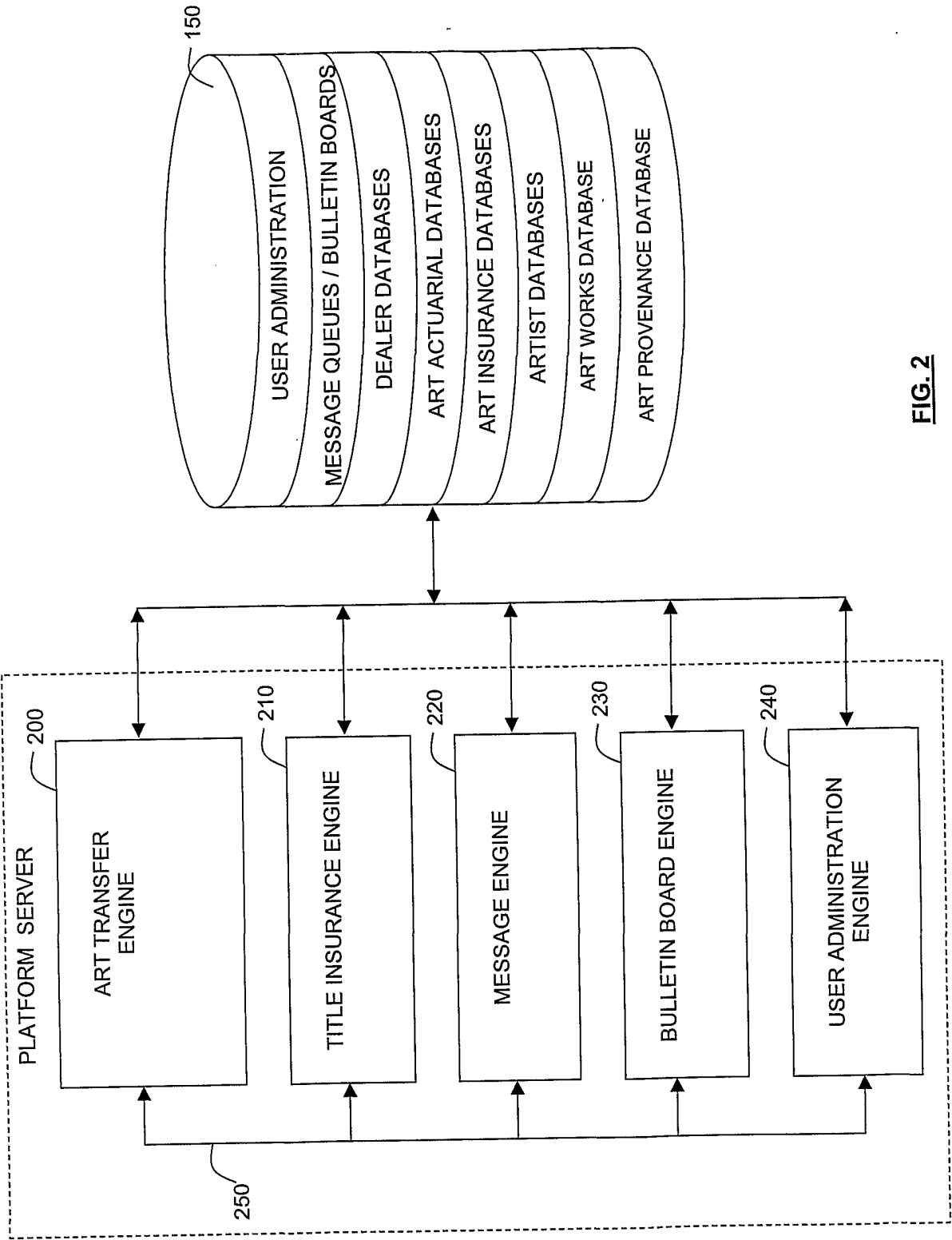


FIG. 2

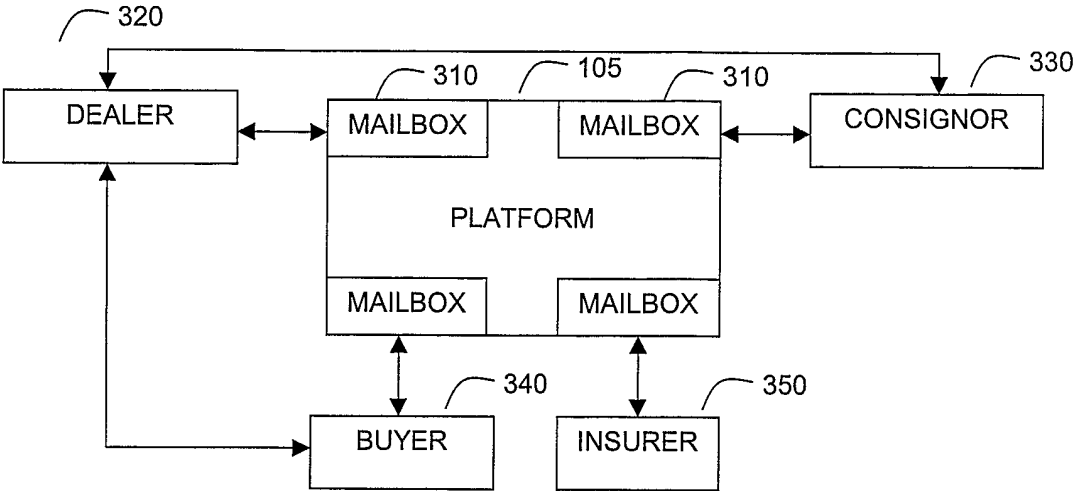
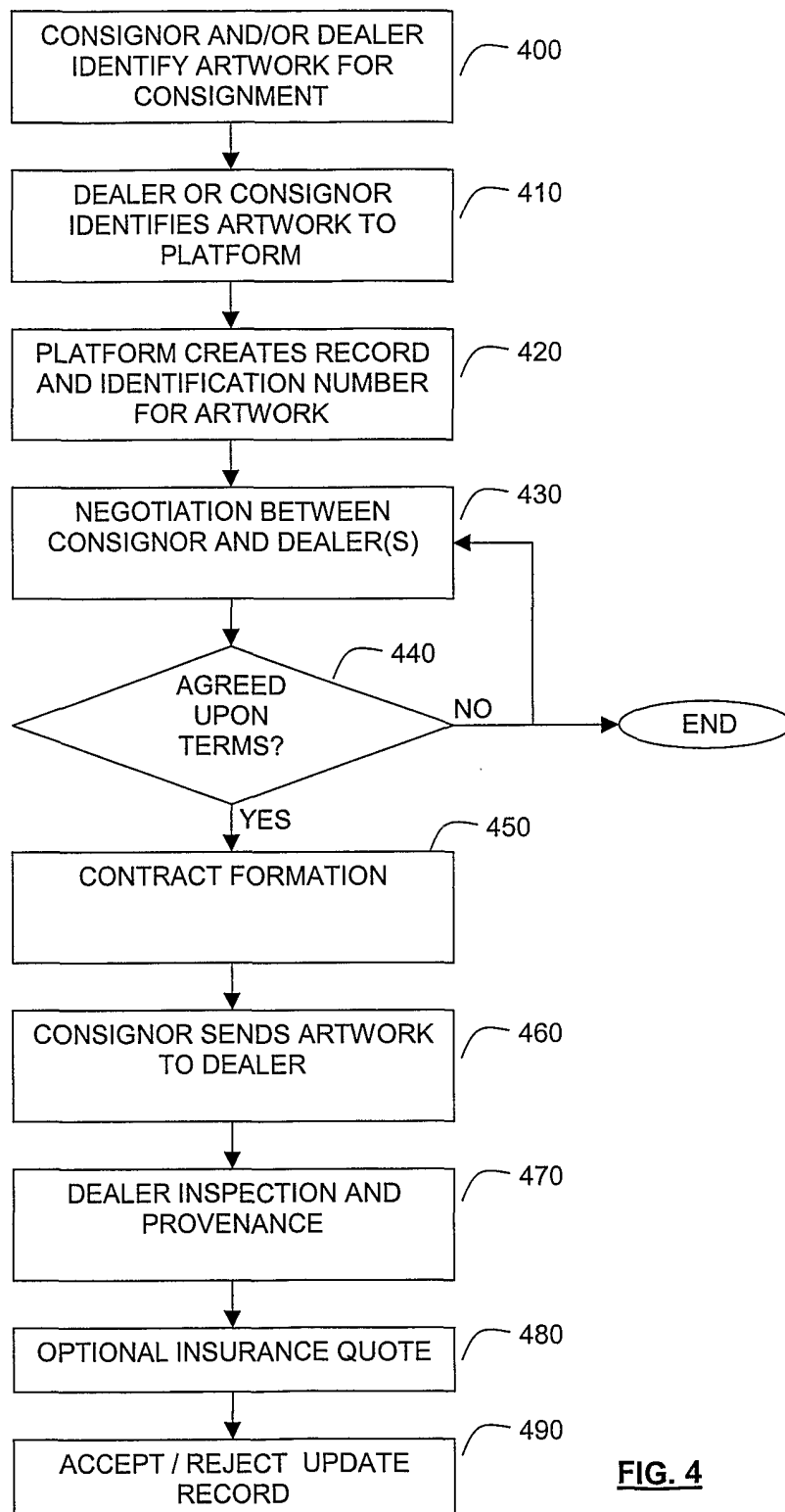
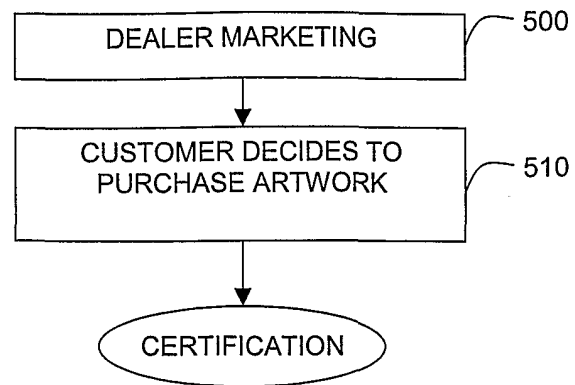
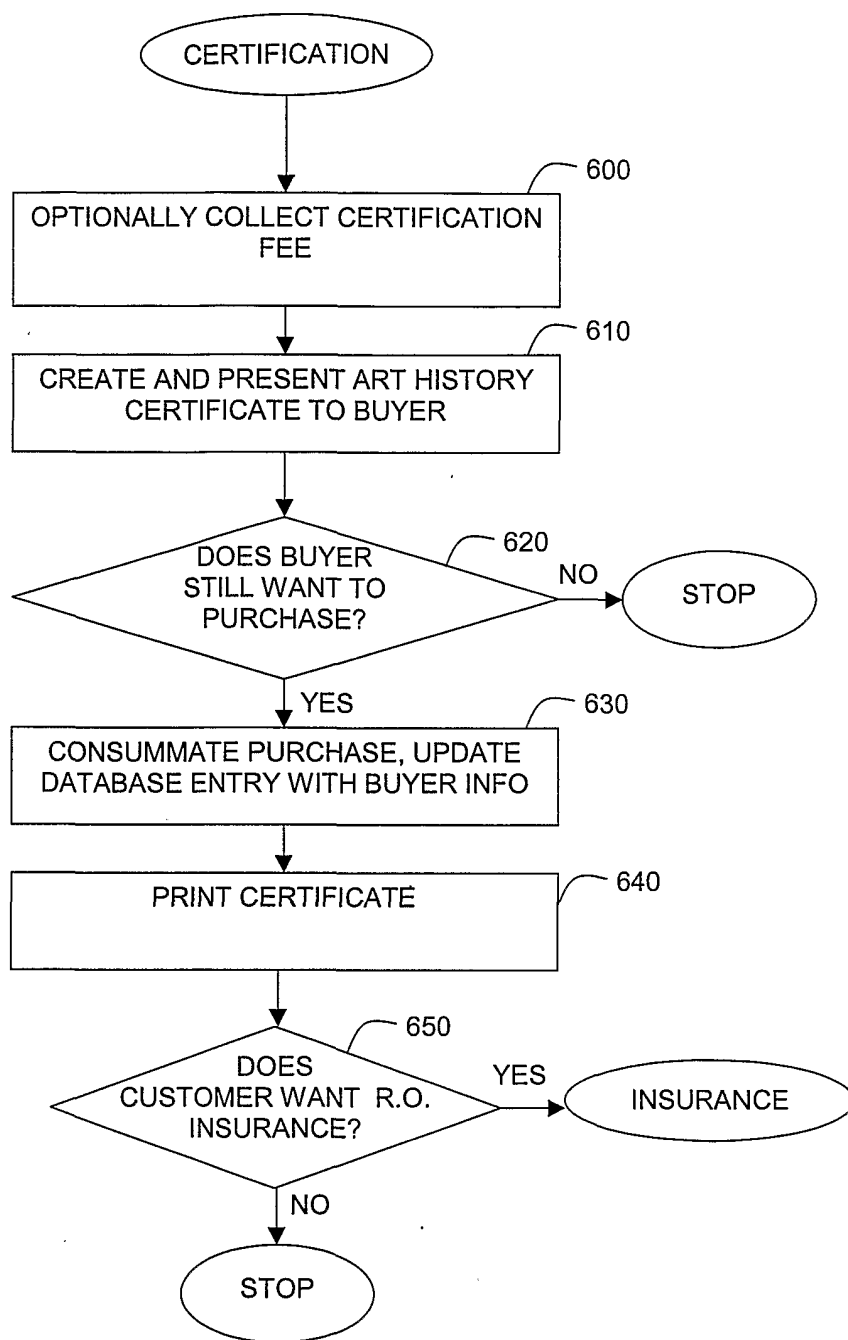


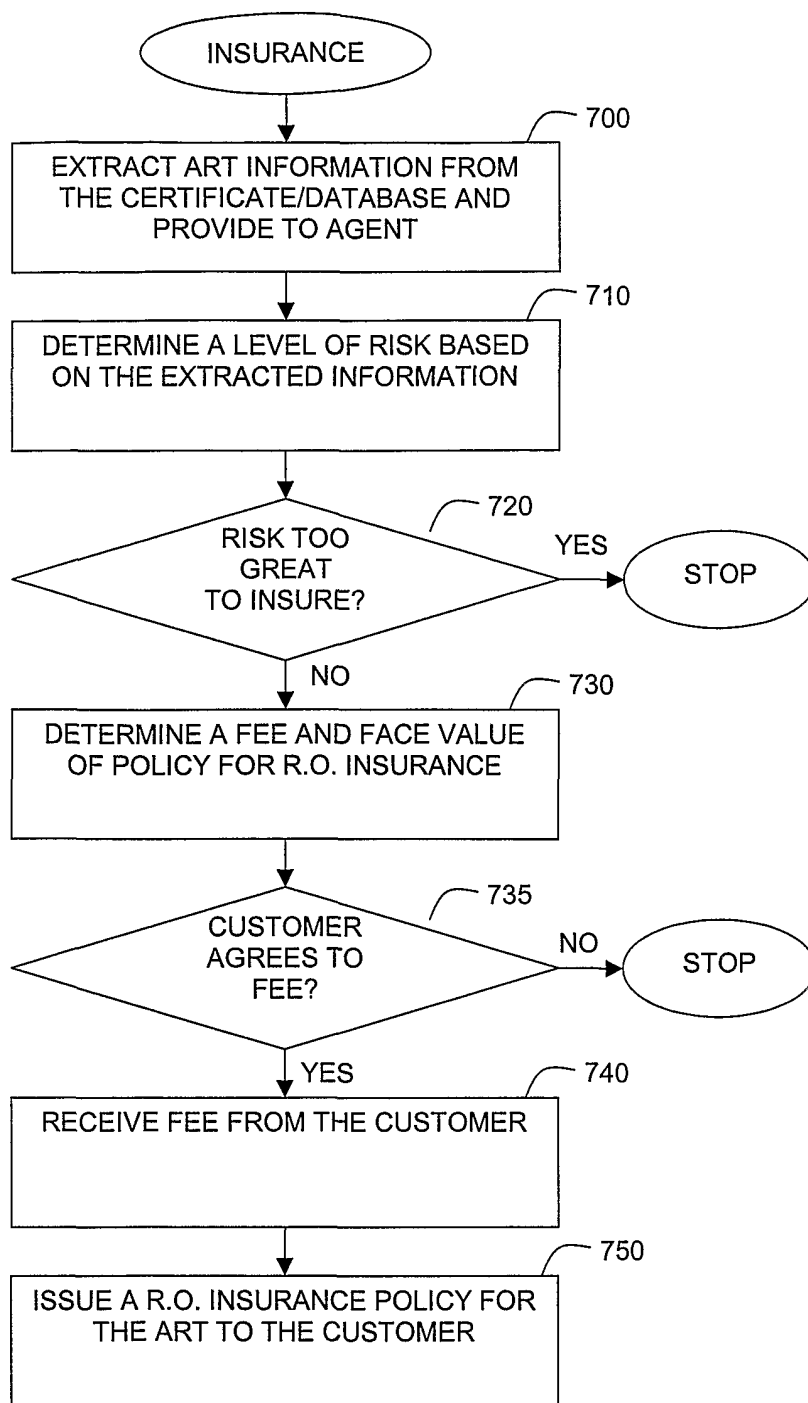
FIG. 3

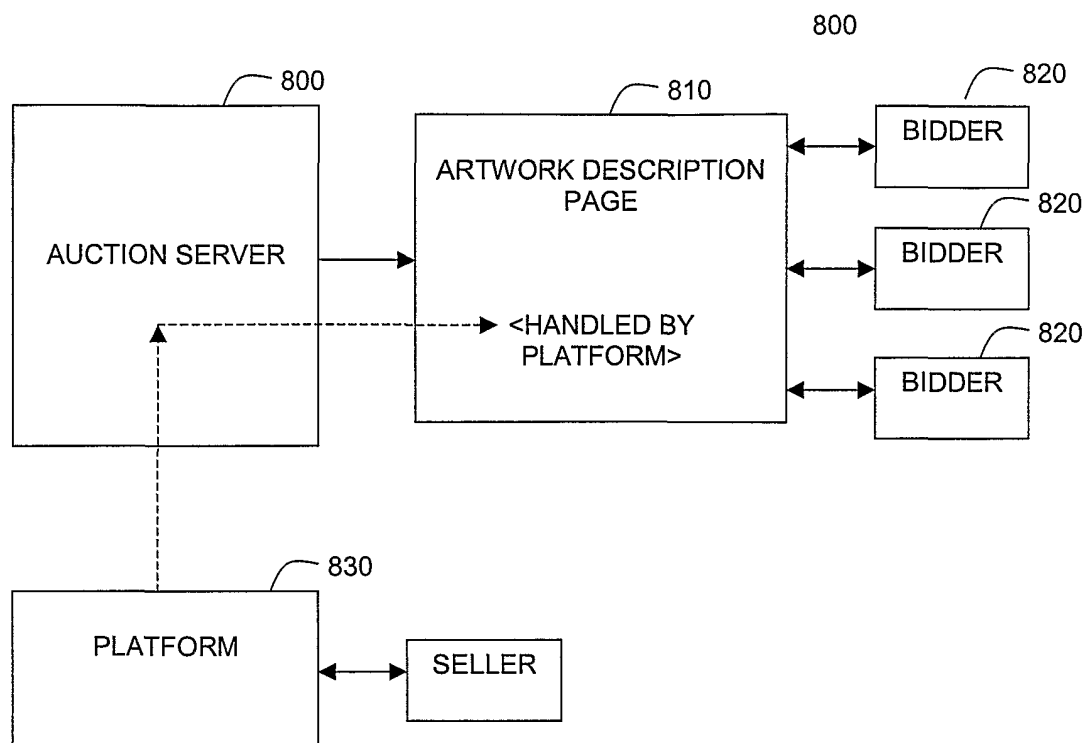
CONSIGNOR / DEALER PROCESSES

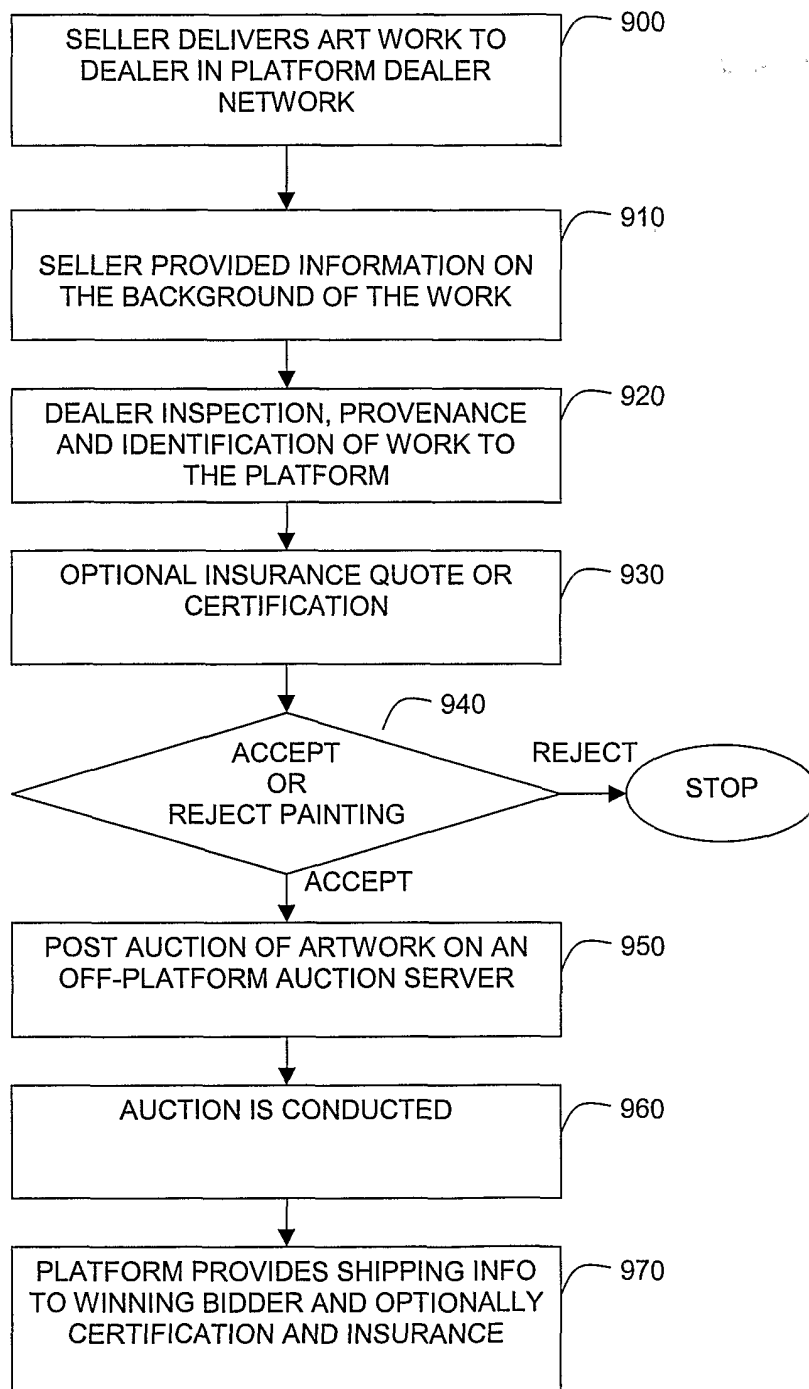
**FIG. 4**

DEALER SALE / CUSTOMER PURCHASE PROCESSES**FIG. 5**

**FIG. 6**

**FIG. 7**

**FIG. 8**

**FIG. 9**