2008 Intellectual Property Scholars Roundtable
Drake University Law School

FINAL PROGRAM

FRIDAY, FEBRUARY 22, 2008

8:30  Breakfast

9:00  Welcoming Remarks

Dean David Walker, Dwight D. Opperman Distinguished Professor of Law, Drake University Law School

Prof. Peter K. Yu, Kern Family Chair in Intellectual Property Law & Director, Intellectual Property Law Center, Drake University Law School

9:15  Panel 1: Cyberspace

Prof. Timothy K. Armstrong, University of Cincinnati College of Law (“Fair Circumvention”)

Prof. Derek E. Bambauer, Wayne State University Law School (“Guiding the Censor’s Scissors: The Law and Ethics of Internet Filtering”)

Prof. Thomas C. Folsom, Regent University School of Law (“Making Sense of Cyberspace”)

Prof. Mark Kende, Drake University Law School (“Regulating Internet Porn Aimed at Children: A Comparative Constitutional Perspective”)

Prof. Yee Fen Lim, National University of Singapore (“Trading on Real World Trade Marks in Virtual Worlds”)

11:00  Coffee Break

11:15  Panel 2: Patents

Prof. Robert C. Bird, University of Connecticut School of Business (“Counterfeit Drugs: The Consumer Perspective”)

Prof. Robert A. Bohrer, California Western School of Law (“Reach-Through Claims for Drug Target Patents: Patent Scope and Pharmaceutical Policy”)
Prof. Daniel R. Cahoy, Smeal College of Business, Penn State University ("Using Examiner Rejections to Create More Relevant Patent Citation Networks")

Prof. Christopher M. Holman, UMKC School of Law ("Human Gene Patent Litigation in the United States: Past, Present and Future")

Prof. Kali N. Murray, Marquette University Law School ("First Things: A Principled Approach to Agency Decision-making in Patent Law")

Prof. Chidi Oguamanam, Dalhousie Law School (Canada) ("Patents and Traditional Medicine: Towards a Paradigm Shift?")

1:15 **Lunch**

2:15 **Panel 3: Veterans**

  Prof. Michael W. Carroll, Villanova University School of Law

  Prof. Steven A. Hetcher, Vanderbilt Law School

  Prof. Mark D. Janis, University of Iowa College of Law

  Prof. Michael J. Madison, University of Pittsburgh School of Law

4:00 **Coffee Break**

4:15 **Panel 4: Copyrights**

Dean Kelly Lynn Anders, Washburn University School of Law ("Unfinished Business: Should the Visual Artists Rights Act Only Apply to Completed Works of Art?")

Shyam Balganesh, Bigelow Fellow & Lecturer in Law, University of Chicago Law School ("Copyright Incentives and Bounded Rationality: Foreseeability as a Limiting Device")

Prof. Deven Desai, Thomas Jefferson School of Law ("Eldred and Copyright’s Hidden Assumption: Heirs Matter (But They Shouldn’t)")

Prof. Alina Ng, Mississippi College School of Law ("The Social Contract and Authorship")

Prof. Ned Snow, University of Arkansas School of Law ("Presuming Fair Use")

Prof. Leah Theriault, Washington University in St. Louis School of Law ("The *Numerus Clausus* and the Permission Society: The Long Road to First Sale")

6:15 **Roundtable Adjourns for the Day**

7:00 **Dinner for Roundtable Participants**

Centro Restaurant
1011 Locust St, Des Moines
8:30  Breakfast

9:00  Panel 5: Patents II

Prof. Colleen V. Chien, Santa Clara University Law School (“Patents and the ITC”)

Prof. Kevin Emerson Collins, Indiana University School of Law—Bloomington (“Patentable and Unpatentable Information”)


Prof. Kristen Osenga, University of Richmond School of Law (“The Fuzzy Logic of Patent Law”)


Prof. Andrew W. Torrance, University of Kansas School of Law (“Metaphysics and Patenting Life”)

11:00  Coffee Break

11:15  Panel 6: Misuse, Interfaces and Concurrent Protection

Prof. Christina Bohannan, University of Iowa College of Law (“Intellectual Property Misuse and Foreclosure”)

Prof. Jeremy de Beer, Faculty of Common Law, University of Ottawa (Canada) (“A Federalism-focused Theory of Intellectual Property”)

Estelle Derclaye, Lecturer in Law, University of Nottingham School of Law (U.K.) (“Intellectual Property Rights and Human Rights: Not in Conflict Nor Coexisting but Coinciding and Cooperating”)

Prof. David Fagundes, Southwestern Law School (“Crystals in the Public Domain”)

Prof. Cameron Hutchison, University of Alberta Faculty of Law (Canada) (“Concurrent Intellectual Property Protection”)

Prof. Sharon K. Sandeen, Hamline University School of Law (“Kewanee Revisited”)

1:15  Lunch
2:15  Panel 7: Trademarks and Unfair Competition

Dr. Gail E. Evans, Reader in International Trade and Intellectual Property Law, Queen Mary, University of London (U.K.) (“The Multilateral Register for Geographical Indications and the Doha Mandate”)

Prof. Doris E. Long, John Marshall Law School (“The Tyranny of Land and Culture”)

Irina Manta, Bigelow Fellow and Lecturer in Law, University of Chicago Law School (“Privatizing Trademarks”)

Prof. William McGeveran, University of Minnesota Law School (“Appropriation and Consent in a Facebook World”)

Katja Weckström, Visiting Professor of Law, University of Louisville; Faculty of Law, University of Turku (Finland) (“Testing the Contours of Trademark Law from the Perspective of the Contributory Infringer”)

4:00  Roundtable Adjourns

6:00  Dinner for Roundtable Participants

801 Steak and Chop House
801 Grand Avenue, Des Moines
Commentators

- Prof. Dennis D. Crouch, University of Missouri School of Law
- Prof. Laura A. Heymann, College of William and Mary, Marshall-Wythe School of Law
- Prof. H. Brian Holland, Dickinson School of Law, Penn State University
- Prof. Gordon Hull, Department of Philosophy and Religious Studies, Iowa State University
- Prof. Paul M. Janicke, University of Houston Law Center
- Brandy Karl, Residential Fellow, Center for Internet and Society, Stanford Law School
- Marcia W. Keyser, Coordinator of Copyright Services, Instruction and Reference Librarian, Cowles Library, Drake University
- Prof. David S. Levine, Charlotte School of Law
- Prof. Pramod Mahajan, College of Pharmacy and Health Sciences, Drake University
- Prof. Ira Nathenson, St. Thomas University School of Law
- Edmund J. Sease, Esq., Partner, McKee, Voorhees & Sease, PLC
- Prof. Clark Wolf, Bioethics Program, Iowa State University
- Prof. Mary Wong, Franklin Pierce Law Center
- Prof. Peter K. Yu, Drake University Law School
- Meishen Zhang, Hebei Academy of Agricultural and Forestry Science (China)
ABSTRACTS

Dean Kelly Lynn Anders, Washburn University School of Law
“Unfinished Business: Should the Visual Artists Rights Act Only Apply to Completed Works of Art?”

Raw

The Visual Artists Rights Act (VARA) became part of the Copyright Code in 1990, but its applications remain contested and uncertain. Based, in part, on European “moral rights” attached to artists and the art they produce, VARA is too often unclear in how it defines these rights or the works of art that it was designed to protect. One of the greatest uncertainties is whether the statute offers protection for works-in-progress. Last year, a case was decided in Massachusetts that said that it did not, which remains controversial. In this case, a federal judge ruled that the Massachusetts Museum of Contemporary Art has the right to display an immense unfinished installation by Christoph Büchel, a Swiss artist whose relationship with the museum fell apart earlier that year, leading to a bitter public battle over control of the work and over artists’ rights in general. The judge, Michael A. Ponsor, in Federal District Court in Springfield, Mass., said that the museum’s display of the work would not, as Mr. Büchel argued, violate VARA, which provides that an artist has the right to “prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work.” In this case, one watched closely by the art world for the effect it might have on the relationship between museums and artists who create huge, complex works, Judge Ponsor said that VARA did not apply, in essence because it has no provision to prohibit showing an unfinished work of art simply because it is unfinished. This article will provide an overview of how VARA has been applied to unfinished works and provide commentary of the potential effects of this decision on the relationships between museums and artists.

Prof. Timothy K. Armstrong, University of Cincinnati College of Law
“Fair Circumvention”

2/3 Baked

Judicial decisions construing the anticircumvention provisions of the Digital Millennium Copyright Act are clustered around two incompatible poles. One set of decisions construes the DMCA’s liability provisions broadly, emphasizing the need to prevent possible copyright infringement. Other cases construe the same language narrowly, stressing the avoidance of anticompetitive market distortions. Both sets of decisions insist that their interpretation is commanded by the literal text of the DMCA. A closer look, however, reveals that both sides have overstated the amount of support they may plausibly draw from the literal text of the anticircumvention provisions. The overreading of the statutory text ultimately limits the persuasive reach of both sets of decisions.

I argue that the courts’ disagreements over the meaning of the DMCA’s language obscure what is really happening: namely, the development of a set of judge-made exceptions to anticircumvention liability. The emerging “fair circumvention” doctrine can explain, in a way that merely parsing the statutory text cannot, the courts’ divergent decisions. I conclude that the courts should continue to develop “fair circumvention” exceptions to the DMCA, but should do so (1) explicitly, and (2) based on criteria drawn from existing copyright principles of fair use.
Shyam Balganesh, Bigelow Fellow & Lecturer in Law, University of Chicago Law School
“Copyright Incentives and Bounded Rationality: Foreseeability as a Limiting Device”

Half-baked

Copyright law’s principal justification, the theory of creator incentives, has for long been premised on the standard assumptions of rational choice theory. Creators are thought to be perfectly rational utility-maximizers incentivized to produce creative expression, in response to the promise of exclusive control over the market for their expressive work. This is somewhat puzzling given that the field of behavioral economics has for long shown that individual behavior and decision-making tend to be less than perfectly rational in innumerable contexts. Yet, copyright law and policy continue to rely entirely on traditional rational choice theory and with it the idea of perfect rationality. This Article uses the idea of ‘bounded rationality’—the central insight of behavioral economics—to reformulate copyright’s theory of incentives. Individuals are boundedly rational actors and exhibit major limitations in their information-processing abilities. They tend to systematically exclude innumerable low-probability consequences (of their actions) from their ex ante decision-making. In other contexts, the law actively recognizes this limitation and mitigates it by employing a test of ‘foreseeability’ to temper any behavioral modification that it expects to induce. This Article argues that copyright’s theory of incentives is best positioned to internalize this idea, and proposes a test of ‘foreseeable copying’ to limit copyright’s grant of exclusivity to situations where a copier’s use was reasonably foreseeable to the creator at the time that the creative work was created—when the incentive was meant to operate. A test of foreseeability is likely to better align copyright doctrine with its theory of incentives by (i) relying on what the law in other contexts, recognizes individual decision-making to entail, and (ii) forcing courts to look to copyright’s underlying purpose in delineating a creator’s entitlement.

Prof. Derek E. Bambauer, Wayne State University Law School
“Guiding the Censor’s Scissors: The Law and Ethics of Internet Filtering”

3/4 Baked

There is no longer one Internet. How the Net appears depends upon from where, on the network, you access it. In Beijing, one cannot reach sites criticizing the Chinese Communist Party or the country’s human rights record. In Mumbai, Hindu extremist Web sites are inaccessible. A Web user searching Google for “stormfront” from a computer in Paris or Bonn will learn about the game designers, but not the white power group. From Boston, someone looking for copyrighted music files may find them removed from search engines or host sites.

This fragmentation results from nation-states deploying technologies that block or prohibit access to content deemed unacceptable. The material banned, methods of censorship, and rationales vary, but the result is the same: countries can shape their citizens’ information environments to alter their behavior.

This Article proposes a framework for evaluating normatively a state’s Internet filtering. The approach engages three contentious legal and ethical debates. First, should countries based in states with strong commitments to freedom of information be regulated, via corporate governance or public law, to prevent them from selling goods or services that enable other states to filter? Second, how can American citizens and lawmakers evaluate other countries’ information restrictions, such as when allocating foreign aid or listing states as human rights violators? Third, how can American citizens assess proposals that would limit their access to information—for example, suggestions that Internet Service Providers (ISPs) should filter copyrighted material, or that pornography should be segregated onto a separate “channel.”
The proposed normative framework asks four questions. First, is a country open about its Internet censorship, and why it restricts this information? Second, is the state clear about what material it filters and what it leaves untouched? Third, how well does the content that is actually blocked, and not blocked, correspond to those criteria? Finally, to what degree are citizens and Internet users able to engage in decisionmaking about these restrictions?

Prof. Robert C. Bird, University of Connecticut School of Business
“Counterfeit Drugs: The Consumer Perspective”

Ready to Serve

The proliferation of counterfeit medicines is one of the most pressing issues facing the pharmaceutical industry. The sale of fake drugs accounts for an estimated $512 billion in global sales each year, constituting five to seven percent of total international trade. There are also numerous reports of injuries and deaths arising from the ingestion of counterfeit drugs.

Much has been written about why inadequate laws, lack of enforcement, and the absence of criminal penalties make counterfeit drugs so widespread. Less has been written in the legal literature, however, about the demand side of pharmaceuticals. Consumers remain both the root problem and the ultimate destination of counterfeit products. A substantial portion of counterfeit losses can be traced to willing purchases by consumers. Understanding under what temporal, economic, social, and psychological conditions individuals purchase counterfeit medicines is essential to understanding the underlying determinants of demand. This understanding can assist pharmaceutical firms and policy makers to better address consumer needs and ultimately reduce the preference for these potentially dangerous remedies.

Prof. Christina Bohannan, University of Iowa College of Law
“Intellectual Property Misuse and Foreclosure”

Half-baked

The controversial doctrine of misuse provides a remedy for abuse of intellectual property rights. In *Motion Picture Patents*, the Supreme Court refused to enforce a patent holder’s requirement that licensees use a product not covered by the patent, because the attempt to create a second “monopoly” in an unpatented product violated patent policy. Subsequent Supreme Court decisions identified misuse as the unauthorized extension of a patent monopoly. The doctrine has spilled over into copyright law as well.

This equation of misuse and market power led to the now dominant view that misuse should be judged by antitrust standards. Indeed, the 1988 Patent Misuse Reform Act provides that patent tying arrangements constitute misuse only if there is market power in the patented tying product. This merger of innovation and competition policy undermines the independent role of the misuse doctrine. Moreover, this preoccupation with market power has distracted courts and Congress from the real threat to intellectual property policy: foreclosure of access to and innovation in new and existing products. While market power is often relevant to foreclosure, it does not tell the entire story. An approach focusing on foreclosure would resolve many cases involving tying arrangements, package licenses, and attempts to control information that belongs in the public domain.
Prof. Robert A. Bohrer, California Western School of Law
“Reach-Through Claims for Drug Target Patents: Patent Scope and Pharmaceutical Policy”

Pretty Much Fully Conceptualized and Largely Uncooked

Patent law has a significant influence on drug development and on access to affordable pharmaceuticals. Pharmaceutical companies have long operated under a system in which several companies pursue the development of drugs for any given known biological targets and each receives a patent that more or less narrowly covers the structure of its preferred compound for that target. Until recent developments in biotechnology greatly accelerated the discovery of possible biological targets for pharmaceutical therapy, there were relatively few well-characterized targets, and those targets were open to any drug company that wished to pursue them for drug development under this model. This system gave produced the numerous drugs aimed at, for example, the angiotensin converting enzyme inhibitors for hypertension; the selective serotonin reuptake inhibitors for depression; and the proton pump inhibitors for gastric reflux disease. Such drugs are often referred to as me-too drugs and have been the focus of critics of the pharmaceutical industry.

Their criticism is based, in part, on the fact that while we are spending billions of dollars developing and marketing similar drugs, with relatively little additional benefit to health in exchange for those billions of dollars, we have serious unmet medical needs for which the potential benefit from a significant advance in pharmaceutical therapy would be of enormous benefit. We do not yet have a drug that significantly improves the long-term prognosis for patients with Alzheimer’s disease, or Parkinson’s disease, or glioblastoma. Yet the research for those desperately needed therapeutics competes for the same limited resources as the development of me-too drugs. However, suggestions for addressing the me-too drug problem have focused on changing limiting or regulating drug marketing (which faces First Amendment hurdles), changing the standard for FDA approval of such drugs, or persuading Congress to fund comparative efficacy research on prescription drugs (either of which would face substantial political hurdles). In this article I will argue that a substantial solution to the me-too drug problem would be achieved by allowing broad “reach-through” claims to the scientists who discover and validate new molecular targets for pharmaceutical therapy (a solution that is within the power of the Court of Appeals for the Federal Circuit, with the possible involvement of the Supreme Court).

In Univ. of Rochester v. G.D. Searle & Co., Inc., the CAFC denied the U. of Rochester broad claims to any pharmaceutical composition that acted on the target (COX-2) discovered by Univ. of Rochester scientists, though leaving the door open just a crack to similar patents in the future, if the advances in the state of the art warranted a different view of enablement and written description. The position of most patent scholars (and the Trilateral Commission on Patent Harmonization: Trilateral Project B3b) is that such broad patents should not be allowed unless the applicant provides sufficient working examples of actual molecules (to provide a structure/activity relationship) and would be bad policy. I believe that this initial opposition to making it easier to obtain reach-through claims ignores the way that the current policy on the scope of pharmaceutical patents contributes to the me-too drug problem. In the paper I will briefly look at the me-too drug problem, the basic patent issues concerning written description and enablement, and examine some of the arguments against reach-through claims. The core of my patent argument is that for many, if not all new pharmaceutical targets, the art has advanced to the point that a description of the target does in fact enable persons of ordinary skill in the art to make compounds that act on the target using only routine techniques, and that a “functional” description of such compounds, in terms of binding characteristics and concentrations, should be considered an adequate written description.
Half-baked

U.S. patent citations have been widely described in the literature as a means for linking one patent to another. Both “backward” and “forward” citations are easily captured from existing patent databases. Researchers in law, economics, finance and management use these citations as a measure of value, knowledge transfer, or as a proxy for patent overlap. The utility of this analysis is premised on the idea that a citation link indicates a meaningful connection between two patents. However, this is frequently not the case. Many, if not most, patent citations have only a tangential relation to the citing patent, serving as mere background or alternate solutions to the same problem. A more relevant citation link would constitute a significant advance. This research explores one very promising possibility: the use of only those citations that served as the basis of a formal patentability rejection during the examination. Such citation links are likely to be much more relevant as they are directed to the core of the patented subject matter. Until recently, identifying this subgroup of highly relevant links was difficult and/or extremely expensive. But new electronic means of accessing patent examination histories has opened the door on this analysis, and it is finally possible to assess its viability as an analytical tool.

Ready to Serve

The International Trade Commission (ITC) offers several advantages over district court for adjudicating patent disputes involving foreign-made goods. These features have been justified as needed to prosecute foreign infringers that would otherwise evade U.S. district court. However, they also foster a two-tier patent enforcement system that treats domestic and foreign goods differently and has led to charges of U.S. protectionism.

Through an analysis of every patent investigation initiated at the ITC from 1995 to mid-2007, this article asks whether this two-tier system is justified. While there were dramatic differences between the ITC and district court, in terms of how often plaintiffs won, parties settled, and injunctions were awarded, there was no evidence of bias, against defendants or foreigners.

The data demonstrates a different problem, however—that lack of harmonization between the venues is causing suits to be filed in both. Rather than being a venue of only resort as was originally envisioned, two out of three times, ITC investigations involved patents that were also the subject of district court litigation between the same parties. As the number of ITC-eligible cases grows, so does the exposure of defendants to double jeopardy, inconsistency in outcomes, and hold-up by patentees. This paper discusses several reforms for reducing these risks.

Half-baked

A longstanding truism of patent law is that the information generated by an inventor is not itself patentable. Objects and actions that are informed by the inventive information in a way that puts the information to work are patentable. The inventor of a widget can obtain exclusive rights with respect to things that actually do whatever widgets do. Yet, the inventive information that explains why the widget
is inventive and how to make and use the widget has always been viewed as something that is not patentable and that must be made freely available to the public through the patent disclosure.

However, the truism that information is not patentable no longer captures the reality of contemporary patent protection. The Patent and Trademark Office (“PTO”) issues and the courts sanction patent claims encompassing many things that strongly resemble information itself, including DNA and computer software. This article argues that patent doctrine incorporates an insufficiently nuanced conception of information and the ways in which information exists in the world of material extension. It looks to the philosophy of information to develop a better understanding of ways in which the states of being that are the referents of patent claims can be said to embody information. In particular, it focuses on the philosophical distinction between environmental and semantic information or between things that carry and represent information. It argues that this distinction offers an administrable and policy-driven proxy that the PTO and the courts should use to identify patentable and unpatentable information, respectively.

Prof. Jeremy de Beer, Faculty of Common Law, University of Ottawa (Canada)
“A Federalism-focused Theory of Intellectual Property”

Percolating for a Couple of Years, but Not Yet Crystallized

This research investigates the connection, if any, between the values furthered by intellectual property protection and the political processes by which protection is established. More particularly, it examines how intellectual property could and would achieve different objectives if the design and implementation of policies were decentralized rather than centralized. Scholarly literature related to constitutional theory and federalism in multiple jurisdictions reveals several objectives that ought to be balanced in dividing legislative authority over intellectual property. Values related to federalism, such as pluralism, regional diversity, liberty, conceptions of community and democratic participation, are being used to create a new framework for analysis of intellectual property law and policy and establishing a new subset of considerations to complement existing theoretical norms.

For example, IP policy makers must reconcile the diverse and often opposing interests of many stakeholders. Public interests, however, are difficult to articulate when that perspective is unrepresented. Individual citizens have had difficulty participating effectively in processes dominated by powerful industry associations and lobbyists. But the smaller the republic, the more strongly the public good is felt. One benefit of having a federal system is that it maximizes opportunities for effective citizen participation. Citizens’ concerns about IP often relate to matters of property and civil rights, which provinces could appropriately address. Thus, decentralization of IP debates might lead to laws that better reflect democratic processes and policies that are more responsive to the needs of individual citizens.

Another illustration of the utility of viewing intellectual property through a federalism lens can be found in copyright and cultural policy. Through copyright, governments can promote literature, music, film, the arts and other forms of cultural expression. Nationals of many countries, including Canada, pride themselves on cultural pluralism, not only across religious, ethnic or linguistic communities, but also across territorial or geographic regions. However, provinces’ and states’ ability to develop distinct cultural policies suitable to local conditions could be hampered by too broad an interpretation of the federal power to make laws in respect of copyrights. Conversely, too narrow an interpretation could undermine the federal government’s ability to preserve a distinctly national culture. In Canada, this problem is especially acute in Québec and among First Nations communities, though it is felt elsewhere too.

Still another federalism issue connected to intellectual property is economic development. Though “law and economics” perspectives feature heavily in the traditional utilitarian theory of IP, economic
considerations would take on new meaning within a federalism-focused analytical framework. That is because in the context of federalism much depends on distinctions between national and regional concerns. Federal patent laws, for example, exist to create a climate conducive to research and innovation throughout a country. However, policymakers in certain regions may conclude that stronger or weaker patent protection is more suitable to local conditions, depending on the needs of particular industries.

The initial focus of this research is on the national context. Comparisons will be drawn among several constitutional federations, including Canada, the United States and Australia. The research results, however, are expected to yield insights into issues of intellectual property law and policy making on the international stage. That is, the same considerations that inform the division of powers between provincial/state and federal governments at the national level are relevant to deciding whether to set international policies globally or locally.

Estelle Derclaye, Lecturer in Law, University of Nottingham School of Law (U.K.)
“Intellectual Property Rights and Human Rights: Not in Conflict Nor Coexisting but Coinciding and Cooperating”

Ready to Serve

The discourse on the interface between intellectual property rights (IPR) and human rights has centered on whether IPR and human rights coexist or are in conflict. The majority of commentators have accepted or assumed that the two were in conflict and focused on the resolution of these conflicts.

However, in order to determine the precise nature of the relationship between human rights and IPR, one has to revert to the justifications and aims of IPR and examine how the legislature has transcribed them. This analysis shows that first, there is no intrinsic conflict between IPR and human rights. This is because IPR are themselves human rights and therefore share the same goals as other human rights. The article lists the areas where such absence of conflict exists and gives examples. However, in some (rare) cases, “real conflicts” occur because an excess of IPR protection results either from the legislation or from its interpretation by courts. In these situations IPR which do not respect other human rights need to be curtailed to achieve the right balance. Second, most human rights and IPR do not “simply” coexist but coincide from the outset, that is, they have the same goal (e.g. the protection of privacy, of property or freedom of speech) and as a result, in most cases, they even “cooperate” (section 4).

Prof. Deven Desai, Thomas Jefferson School of Law
“Eldred and Copyright’s Hidden Assumption: Heirs Matter (But They Shouldn’t)”

Raw / Half-baked

Although the harms of the Copyright Term Extension Act and Congress’ authority to pass the act have been well-discussed, an underlying assumption merits consideration: heirs should inherit intellectual property. When one examines the dominant theories offered to justify intellectual property from utilitarian to Lockean labor to Hegelian personhood to social planning theory (many have detailed these theories; but this list is taken from William Fisher’s *Theories of Intellectual Property*), it appears that no justification for the descendability of rights over nonrivalrous goods is found. Even if one cedes the idea that custom or tradition supports the ability to inherit in the case of real property or money, the nature of nonrivalrous goods changes the analysis. Exploitation of intellectual property in life allows one to accumulate wealth and pass it on to descendants. In contrast, allowing the underlying work that was exploited in life to pass to the next generation denies others the ability to use the intellectual resources that have already been exploited. As such this Paper argues that life is a terminus for intellectual property interests.
In accordance with Article 23 of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), Members of the World Trade Organization (WTO) are mandated to create a multilateral system for notifying and registering geographical indications for wines and spirits. In excess of the original mandate, the European Community (EC) has proposed a multilateral system of registration that would extend the higher level of protection available exclusively for geographical indications (GIs) relating to wines and spirits, to all agricultural products. Those who oppose the EC Proposal, led by the United States, disagree with the creation of a multilateral system of notification and registration of GIs for wines and spirits, or any other products, which would require the mandatory compliance of all WTO Members.

For their part, developing countries are similarly divided not only over the benefits of extending multilateral registration to all products, but also over the character and legal effect of a multilateral register for geographical indications. On the one hand the EC model of a multilateral register has the approval of India, Kenya, Morocco, Thailand, Turkey and Venezuela. On the other hand, Argentina, Chile, Colombia, Ecuador and the Philippines, join the United States, in advocating a system of voluntary notification and registration without any extension of registrable products or increase in the existing standard of protection. Consequently, six years into the Doha Round there is still no agreement as to the nature or extent of notification, or whether, contrary to the time-honoured principle of the territoriality of IPRs, GIs that are so notified, should be given presumptive eligibility for protection throughout the territories of WTO Members.

Taking account of the Doha mandate, this article compares the alternative models with the aim of evaluating their respective legal effects and potential costs. In light of the Doha mandate for all to benefit from the welfare gains of the multilateral trading system, the paper argues in favour of an incremental approach to the creation of a multilateral register, that consistent with the TRIPS Agreement, would allow developing countries the flexibility to adjust the protection of GIs according to their level of economic development. It finds that, while the extension of the register to all agricultural products would be beneficial for some developing countries, for the substantial majority, the cost of a mandatory supranational model would be unduly burdensome. In conclusion therefore, the paper advances a proposal for a two-tiered multilateral register designed to take account of the fact that developing countries differ in their capacity to take advantage of a multilateral register for geographical indications.

IP minimalists tend to regard copyrights and patents as property in name alone. This resistance derives from concern that application of physical property paradigms to intellectual property threatens to degrade the public domain by enhancing the ease with which private owners can appropriate information resources. This essay suggests one way in which intellectual property rules based on a physical property paradigm can be helpful rather than inimical to the public domain. Rules governing physical property typically entail clearly delineated borders, or “crystals,” which generate efficiency by allowing owners to understand where their entitlements begin and end. This paper carries this point forward in two ways. First, the benefits of clearly demarcated property borders are not only private. Rather, the public also benefits from such borders because they facilitate more effective usage of commons. Second, and more
controversially, I suggest that this point translates to the copyright and patent setting. Many writers prefer “muddy” rules that create fluidity regarding the boundaries of the public domain. I suggest instead that this fluidity is at fault for excessive accretion of private rights in information. Uncertainty about the extent of public entitlements in information allows well-capitalized private actors lay claim to resources whose public/private status is at all ambiguous, and then deter the public’s claims through threats of litigation. By contrast, a public domain characterized by crystalline rule structures would benefit users, not only owners, by allowing them to better comprehend the extent of their entitlements and thus exploit common resources without fear of suit.

Prof. Thomas C. Folsom, Regent University School of Law
“Making Sense of Cyberspace”

Ready to Serve

The presentation will be limited to IP in cyberspace. It will be further abbreviated by limiting the topic to only so much of “cyberspace” as meets an objective definition (viz.: an objective cyberspace is [1] an embodied switched network for moving information traffic, [2] further characterized by degrees of access, navigation, information-activity, augmentation and trust). The abstract and 10 minute version will deal only with [1] placing addresses, magnets, markers, roadblocks and detours containing another person’s trademarked expressions somewhere within an objective cyberspace, and [2] copying copyrighted materials in order to create an index to a library in cyberspace. It will identify space pirates, hitchhikers and guides, mappers and indexers against an objective measure in cyberspace. It will conclude by proposing a solution to the problems of marks in space, and to the problem of the Google library in space. The generalizable heuristic is “the nature and place of use” and turns in part on Prof. Lessig’s observations about “code” and also in part on the new institutional economics’ observations about agency costs. Before writing any code, first define and design an architecture (or at least a specification). At the same time, make the specification something that juridical agents can understand within the scope of their existing skill sets (if the design is right, judges ought NOT need to become electrical engineers or network topologists in order to sort out cyberspace disputes—there is no technology has no “nature” that can solve these problems, but a designed specification can provide the currently missing link between law and a desired solution).

Prof. Richard Gruner, John Marshall Law School
“Revisiting Spillovers: Scaling Patent Rewards for Foreseeable Uses of Patented Innovations”

Half-baked

Recently, several scholars have challenged the notion that patent rewards should capture most of the full value to users achieved by a patented innovation. These challenges argue that a number of types of “spillovers”—that is, uncompensated benefits from patented innovations—are desirable and that patent rights and rewards should be adjusted to ensure that patent holders cannot capture some of the value to users of patented innovations.

This paper seeks to develop a more refined view of properly uncompensated spillovers in connection with patented innovations. It argues that foreseeability to a potential innovator of a particular use of a patented invention is the key criterion for determining what should or should not be a compensated use with associated rewards to a patent holder. The paper contends further that foreseeable types of uses of patented innovations dominate most downstream uses of patented innovations during the life of patents and that, therefore, a patent scheme that captures for patent holders most or all of the benefits to users of patented innovations may be roughly optimal in directing the efforts of potential innovators.
Half-baked (Really About 90% Baked, but Not Quite Ready to Serve)

At the 2007 Intellectual Property Scholars Conference at DePaul I presented the results of a survey that sought to identify and characterize all human gene patent litigations that have occurred in the U.S. At the Drake Roundtable, I will discuss some conclusions to be drawn from the data. For example, the rate at which human gene patents are litigated has slowed dramatically over the last year—there appears to be only one currently active litigation, involving patents with priority dates in the early 1980s. Most of the litigations have involved the production of recombinant therapeutic proteins (biologics), lawsuits have been filed less frequently in the context of research and genetic testing, and these litigations have tended to settle early. Non-commercial research has never been the subject of litigation, but many of the asserted patents come out of university research; in fact, all of the genetic testing litigations involve patents initially assigned to universities. The feared patent thicket has not manifested itself in lawsuits, and there is little evidence of patent troll activity, with perhaps one notable exception. I will also share some thoughts on policy implications, and the future of human gene patenting and patent litigation.

Half-baked

The recent Supreme Court of Canada case of Euro Excellence v. Kraft exposed a developing problem in the area of intellectual property law. In that case, both trademark and copyright protection were asserted in respect of chocolate bar wrapper logos. While logos go to the heart of the rationale of trade-mark protection (as indicating source), the argument for granting copyright protection in respect of the expressive content of a logo is less compelling particularly when such rights are asserted, as in Euro Excellence, to prevent parallel importation of cheaper goods (chocolate bars). The issue of concurrent copyright and trademark protection in respect of the same object is worthy of investigation on its own. My project is broader than that. I propose to investigate concurrent IP protection across a range of objects. So, for example, what is the relationship between copyright and patent protection in connection with computer software?

My working thesis postulates that concurrent intellectual property protection is not problematic in two scenarios (1) where IP rights in the object are distinct and not overlapping, e.g. the extent to which copyright covers only “literal aspects” of computer programming and patent protects its “functional” dimensions; and (2) where they do overlap, IP rights in the object find resonance in the underlying rationales that support each IP right asserted, e.g. if rationales for copyright protection (incentive to create, just rewards for the author) are not supported in the granting of copyright for a chocolate bar logo, then we might say copyright should not subsist. This project will build on my current research which examines the statutory interpretation and legal theory implications of the Euro Excellence v. Kraft case.

Somewhat Baked

This presentation will critically analyze some of the U.S. Supreme Court’s First Amendment rulings that ostensibly divide expression into the categories of “protected” and “unprotected,” and which treat prohibitions on protected speech as receiving strict scrutiny. It will show how these principles help
explain the Court’s rejection of most Congressional efforts to restrict pornography on the Internet. It will then demonstrate, however, that the Court has rendered decisions in related areas where it has not hewed to these principles. The Court has instead, under the table, sometimes treated protected sexually explicit speech as having relatively low value and thus not deserving strict scrutiny’s protection.

The presentation will then argue that the Court should be more explicit about what it is doing, and engage in open balancing of the value of speech versus the state’s interest in regulating. It will examine cases from the South African Constitutional Court to show how this proportionality analysis can be done. That Court is selected because it is considered to be one of the most sophisticated in the world, particularly since the South African Constitution embodied an effort to improve upon the already successful constitutions of countries like Canada and Germany that also use proportionality. The presentation will then analyze how an Internet pornography case would likely be decided if the U.S. Supreme Court used the proportionality analysis.

Prof. Yee Fen Lim, National University of Singapore
“Trading on Real World Trade Marks in Virtual Worlds”

Very Raw

This paper will consider some of the trademarks issues that are peculiar to virtual worlds. It will examine the feasibility of applying current trademarks law to virtual world situations where real world trade marks are used.

Real world companies such as Nissan and Sun Microsystem have rushed into virtual worlds such as Second Life to set up shop. At one level, the sudden rush is reminiscent of the evolution of the World Wide Web itself with companies rushing to establish a Web presence out of fear of being left behind. The primary focus then was the advertising reach and the primary focus now with the onslaught into virtual worlds could also well be the same marketing concern. And while the Web was moved beyond an educational and research network in the 1990s to become a commercial proposition, similarly, virtual worlds such as Second Life has rapidly moved towards commercial setups.

As with the development of commerce on the Web, trademarks law plays a prominent role in the development of virtual worlds, and not just as vehicles of commerce. The trademark issues in virtual worlds move well beyond mere use in advertising and it is these uses on which the paper will focus.

Prof. Doris E. Long, John Marshall Law School
“The Tyranny of Land and Culture”

Gathering the Ingredients

Land or more precisely territorial boundaries, have gained increasing significance in the digital era. Protection of IP rights remains largely bounded by early 20th Century conceptions of territory as the key feature in determining domestic IP rights. Universalist trademarks gave way to territorial based designators, and copyright protection terms were measured by the territorial location of publication. This connection between land and intellectual property (including cultural rights) is most apparent in the protection debates over traditional knowledge (including traditional cultural expressions) and its IP counterpart, geographic indications. “Land,” terroir, even the bounds of spiritual homelands focus rights upon culture based fault lines determined largely by physical territorial and connections. The interconnectedness between culture rights, including GIs, and land, however, raises cultural limitations on the ability of such “rights” to flourish in the Digital Era. The unintended consequences of “terroir” may be to force practitioners and holders of TCE and TK to lose their culture as the land becomes the focus of
economic, as opposed to spiritual, benefits. Commercial development, based on acceptable cultural appropriation, may be stunted as outsourcing and digital variations are denied. Even human rights may be adversely impacted as “land-based” supersedes personal-based rights to culture. While “land” can play a useful role in conserving cultural rights, the requirement of such land based rights must be balanced against the supervening, superior role of personal based culture rights.

Irina Manta, Bigelow Fellow and Lecturer in Law, University of Chicago Law School
“Privatizing Trademarks”

The current trademark (TM) registration system suffers from a number of problems. The average length of time that it takes for the PTO to process a TM application is fifteen months, and even applications that do not encounter legal issues often take about a year. As a result, TM applicants risk investing a lot of money into a TM to find out quite a while later that the PTO will not register it. This article considers a possible solution—a system of privatized TM registration. The system would contain several efficiency-enhancing features: 1) Multiple “entities” serving as registrars. Various private entities would compete with each other and register TMs while sharing one database for pending and registered TMs. Market mechanisms would thus incentivize speedier and more efficient registrations. 2) Optional expedited process. Different entities could charge different sums of money calibrated to the speed with which a TM applicant wants to use his mark. 3) Private quality control mechanisms. To ensure the quality of the registration process, one measure would be the introduction of a rating system through which clients could provide feedback after registration and years down the line. An entity providing ineffective services or issuing TMs that later faced serious litigation would earn poor ratings while a reliable entity would fare well.

To explore the viability of TM privatization, the Article relies on both the theoretical privatization literature and practical examples in which government exclusivity has been removed from intellectual property (and other) decision-making. By challenging assumptions about the status quo surrounding the PTO’s monopoly, the author seeks to open a more general discussion about improvements to the current TM registration system.

Prof. William McGeveran, University of Minnesota Law School
“Appropriation and Consent in a Facebook World”

Half-baked

As a business proposition, online social networks once provided only an attractive form of “content” to support underlying revenue streams. Now, sponsors increasingly seek to promote the use of these networks—and especially particular kinds of uses—as themselves means of advertising or promotion. This change shifts incentives for developers away from merely providing a platform for networks to grow organically and toward active roles in shaping them, often in a manner more likely to raise certain objections related to privacy, market information, and consumer protection.

The best example of this evolution is Facebook, which launched its Beacon and Social Ads programs last year. Both programs offer advertisers a benefit I would call “reputational piggybacking.” Advertisers piggyback on the reputation of a customer by using Facebook’s new functionality to inform others in that customer’s social network about his or her supposed endorsement of the advertiser’s wares. Marketing experts have long understood that an enormous number of purchasing decisions are driven by recommendations from people the buyer knows. Social Ads and Beacon allow sponsors to tap into this valuable source of goodwill. In doing so, however, these marketers will transform—and perhaps distort—
what Eric Goldman has called “online word of mouth.” Most obviously, they disclose personal information about customers. They also raise serious issues about the quality and quantity of the advertising messages that result.

I have three sets of questions. First, how does this situation compare to the rise of data mining and behavioral advertising? Second, what role, if any, should the law have in regulating this new form of advertising? Third, what are the potentially analogous legal models and what do they teach us?

My preliminary hypothesis is that the potential harms here are significantly greater than those related to behavioral advertising. If so, legal intervention might be justified, not only to protect individual privacy but also to avoid misleading advertising messages and an unreasonable proliferation of messages trending toward spam. Finally, I believe programs like those offered by Facebook at least implicate the appropriation tort, which regulates the use of one’s image for advertising and promotion without consent. The new programs also invite comparisons to the right of publicity and trademark infringement law as alternative models to examine for insights into the appropriateness of regulation.

This project is a work very much in progress. I have thought about it and blogged about it (see http://blogs.law.harvard.edu/infolaw/category/social-networking/); I plan to make it the focus of my scholarship this summer. Now would be a good stage for me to hear feedback from others about the issues I am raising.

Prof. Kali N. Murray, Marquette University Law School
“First Things: A Principled Approach to Agency Decision-making in Patent Law”

Half-baked

The relevance of administrative law to patent law has been reinforced by the recent controversy in Tafas v. Dudas. Using the controversy over continuation practices at the heart of Tafas v. Dudas as a lens to explore the tensions in patent administrative law, this Essay attempts to outline a series of “first principles” that may be useful in resolving the underlying tensions over agency decision-making in this area. After exploring the categories of administrative decision-making outlined by the Patent Act, this Essay contemplates three useful principles that might clarify how to resolve controversies over agency decision-making in patent law. First, judicial review of agency decision-making must be careful over the type of agency action at stake in any given decision. This is particularly important in light of the increased range of agency decision-making contemplated by recent patent reform efforts. Second, judicial deference to agency-decision making must account for the temporal context at stake in a given patent controversy. Deference to agency-decision-making in pre and post issuance contexts may be calibrated in significantly different ways. Third, patent law must recognize and account for the impact of third party participation that will arise from stronger administrative action. Outlining these “first principles” takes significant importance given the potentially “re-defining” moment associated with the current patent reform.

Prof. Alina Ng, Mississippi College School of Law
“The Social Contract and Authorship”

Half-baked

Authorship in copyright law is a vague concept that is unconditionally accepted as an integral part of the law. We trivialize the importance of the concept when we think of authorship as a mere process of creating a work that an author undertakes to produce a final piece that becomes his or her creative expression. This paper presents that the idea of authorship is an idea that should be the cornerstone to our understanding of copyright law. Authors have a responsibility towards their readers, and through their
authorship of literary and artistic works, they enter into social contract with society. As a result of the social contract, we must question some basic assumptions about copyright—(1) if creative works should be alienable as a market commodity that is separable from the author; (2) if the standard for creativity should be higher than a minimal standard for copyright protection; and (3) if we should stagger copyright protection for works of different standards of creativity. This paper proposes works to be inalienable from authors, a higher standard for creativity for copyright protection and a staggered copyright system for different levels of creativity and authorship.

Prof. Chidi Oguamanam, Dalhousie Law School (Canada)
“Patents and Traditional Medicine: Towards a Paradigm Shift?”

Almost Ready to Serve

Mainstream narratives of the indigenous and local communities’ ambivalent relationship with the intellectual property system reflect a state of frustration. The dominant issues revolve around the legitimacy of the intellectual property scheme in regard to the conceptual thrust of indigenous or local knowledge systems. The legitimacy question drives the quest to re-think intellectual property philosophy to accommodate the exigencies of the so-called non-Western knowledge forms. However, suspicion remains strong among stakeholders over the ramifications of intellectual property on local knowledge.

This paper attempts to depart from the grim but popular accounts of developing countries’ and indigenous and local communities’ struggle with intellectual property and other conventional knowledge protection strategies. Using the lens of cultural cosmopolitanism, the paper spots some important trends in the dialectics of developing countries’ engagement with intellectual property. It draws from ongoing developments at the intersection of local knowledge and intellectual property, especially those concerning patents and traditional medicine, notably in India, Taiwan and elsewhere. These developments open new opportunities for conversation across knowledge systems with potential to empower local knowledge. My primary concern is the symbolic ramification of the identified trends and not their overall impact in regard to the actual leveraging of local knowledge forms.

Prof. Kristen Osenga, University of Richmond School of Law
“The Fuzzy Logic of Patent Law”

Fairly Raw

Law is generally a Boolean logic system. However, law (and specifically patent law) often turns on interpretation of language, a decidedly un-Boolean characteristic. This is not unique to patent law, and a logic system has been developed to help reason within this type of uncertainty, or fuzziness. Fuzzy logic was developed to deal with variables that are not accurately depicted as yes or no. Rather than being either a member of a set or not, fuzzy logic allows us to assign a membership function to the set.

There are two types of uncertainty present in patent law. One is linguistic uncertainty; the second is factual uncertainty. Either may create an area of fuzziness where it is unclear whether we have infringement. This is the fuzzy logic of patent law. In my article, I will explain how fuzzy logic has been used to handle similar questions in other fields—both non-legal and legal. I will use these ideas, plus other notions of fuzzy logic, to first explain why the difficulties in claim construction and infringement analysis are related to linguistic and factual uncertainties, and then I will propose methods, using fuzzy logic reasoning, to improve claim construction and infringement analysis procedures.
Prof. Sharon K. Sandeen, Hamline University School of Law
“Kewanee Revisited”

Ready to Serve

In 1973, members of the American Bar Association, Section on Patent, Trademark and Copyright (the PTC Section) faced a dilemma. For more than six years, it had worked to develop a uniform law to govern trade secrets. In 1972, the efforts of the PTC section bore fruit when a draft uniform trade secret law was presented to the National Conference of Commissioners of Uniform State Laws (NCCUSL). At the time, based upon decisions of the Courts of Appeals for the Second, Fourth, Fifth and Ninth Circuits, it was thought that states could regulate in the area of trade secrets without interfering with federal patent policies. With the decision of the Sixth Circuit Court of Appeals in the case of Kewanee Oil v. Bicron, this conclusion was called into question and further consideration of a uniform trade secrets act was suspended pending clarification from the U.S. Supreme Court or an act of Congress.

In 1974, the U.S. Supreme Court provided the needed clarification when it ruled that trade secret law is not preempted by U.S. patent law, thereby breathing new life into efforts to adopt a uniform trade secrets act. However, while Kewanee is often cited for the proposition that state trade secret law is not preempted, this broad statement belies five aspects of the decision. First, Kewanee is based upon Ohio’s trade secret law. Although the trade secret law of Ohio as understood by the U.S. Supreme Court was found not to be preempted by U.S. patent law, Kewanee is not an endorsement of the trade secret laws of all states. Second, because Kewanee was decided before the enactment of the UTSA, the U.S. Supreme Court has not ruled on the question whether the UTSA is preempted by federal law. Third, Kewanee was decided based upon the Supreme Court’s understanding of U.S. patent law in 1974 and does not reflect significant changes in U.S. patent law that have occurred since that time. Fourth, because the Kewanee decision was rendered before the adoption of the 1976 Copyright Act, the Court did not consider whether trade secret law interferes with federal copyright policies. Lastly, the Court failed to appreciate the possibility that an inventor would assert multiple forms of intellectual property protection for the same invention.

In this article, I revisit the issues raised in Kewanee in light of the current state of patent, copyright and trade secret law. Although, like the U.S. Supreme Court in Kewanee, I conclude that state trade secret law is not preempted “in the abstract,” I argue that judges who handle trade secret claims must be careful not to apply state trade secret law in ways that conflict with federal patent and copyright policies. This caution also applies to any legislative efforts to alter the current scope of trade secret law.

Prof. David Schwartz, John Marshall Law School
“Rethinking Reasonable Royalty Patent Damages”

Very Raw

The article argues that the manner of calculating reasonable royalty patent damages should be revised both to fully comply with the policies of the Patent Act and to more closely conform to practical business realities. According to the Patent Act, damages serve two purposes: they compensate the patentee for infringement; and they ensure that infringers must not be unjustly enriched, but instead must pay at least a reasonable royalty for their use of the patented invention. Other than reciting that the minimum permissible damage is a “reasonable royalty,” the Patent Act itself provides no guidance as to how to calculate damages. Through case law, the courts have developed an elaborate legal fiction to aid in the determination of the reasonable royalty. That legal fiction—a hypothetical negotiation between a willing licensor and licensee—is analyzed as of the time “the infringement began.” However, the single moment at which the time the infringement began is inconsistent with the law on infringement. Under the long-established rules of infringement, each and every sale of an infringing product is considered a separate act
of infringement. These sales typically occur over a large period of time. Consequently, to be consistent with the reality that each sale is a separate act of infringement, the hypothetical negotiation should occur as of the time of each act of infringement.

Altering the timeframe of the hypothetical negotiation may profoundly affect damages. Depending upon how the invention performs in the market, a moving timeframe could provide more or less compensation to the patentee and result in a different calculation of unjust enrichment. It would permit the negotiation to more closely mirror actual practice in which licenses may have a short duration. A moving timeframe also could act as a lever to deter undesirable conduct such as an infringer increasing the scale of infringement after litigation begins.

Prof. Ned Snow, University of Arkansas School of Law
“Presuming Fair Use”

Raw; Still Gathering Ingredients

Fair use represents a sort of easement in the property context of copyright. Just as easement holders may make limited uses of another’s land, copiers may make limited uses of another’s expression. The government reserves a fair-use easement (or more correctly a fair-use way) when granting authors property rights in expression. Because the contours of that reservation are not expressly defined at the time of reservation, the test for whether a copier has exceeded the fair-use easement is determined by whether the copier’s use of the easement overburdens the property of the copyright holder. The metaphor suggests that the copyright holder should demonstrate that overburdening. Although courts now place the burden of establishing fair use with the copier, free speech interests suggest that the burden should lie with the copyright holder. Copyright holders should bear the burden of demonstrating that a copier’s use of expression exceeds the scope of the reserved fair-use easement.

Leah Theriault, Washington University in St. Louis
“The Numerus Clausus and the Permission Society: The Long Road to First Sale”

Just About Half-baked

This paper develops a rationale for the *numerus clausus* in American law—the principle that the number of property forms is limited in law, and that new forms of property cannot be created at the mere behest of private parties. This principle is ubiquitous throughout property law, but scholars in the intellectual property field will be most familiar with it in its “license or sale” incarnation—i.e., in the recurring debate about how robust the doctrine of first sale should be in the face of technological or organizational innovations that alter the costs of notice. Current theories of the *numerus clausus*, based on third party information costs, imply that as the cost of providing notice of novel forms decreases, the *numerus clausus* principle (and the first sale doctrine) should weaken. The institution costs rationale presented here offers an alternative view both of what the *numerus clausus* is, and of how robust the principle should be in the face of technological or organizational innovations that alter the costs of notice. Here, the *numerus clausus* is seen as a strong legal preference for maintaining rules of exclusion in the face of private pressures to move to fine grained modes of governance. Exclusionary rules are superior to governance rules because they compensate for the cognitive and motivational limitations of the parties to transactions. In the case of cognitive limitations, the motivations of the rights owners are irrelevant because complexity makes it impossible to envision probable outcomes without actual experimentation. In the case of motivational limitations, full information about the gains from trade is available to all parties, but one or more rights-holders refuses to maximize wealth for non-economic reasons. Unlike traditional transaction costs, which can be decreased by technological and organizational innovations, cognitive and
motivational limitations remain unmitigated, because they arise from the “human element” inherent in the transacting process.

Prof. Andrew W. Torrance, University of Kansas School of Law
“Metaphysics and Patenting Life”

Ready to Serve

The issue of whether or not to allow patents on organisms per se has been controversial everywhere it has been considered, whether in national legislatures, courts, administrative agencies, or international institutions. Despite some strong similarities in the patent laws of the United States and Canada, the supreme courts of these two countries have taken starkly different philosophical and scientific approaches to the patentability of living organisms qua inventions. The Supreme Court of the United States has declared that, for purposes patentability, living organisms, whether “higher” or “lower,” should not be viewed as categorically different than other “compositions of matter,” but, rather, their patentability should be assessed in the same manner as are other types of inventions: by satisfying the requirements of novelty, nonobviousness, utility, and adequate disclosure. By contrast, the Supreme Court of Canada, in Harvard College v. Canada has taken what appears to be a metaphysical stance, deciding that “higher life forms,” such as animals and plants, are unpatentable subject matter because they possess certain qualities that allow them to “transcend” their genes. Though the Canadian Supreme Court insists that its holding is based within biological science, the “scientific” rationales upon which it relies have no basis in science. Science is incapable of testing the veracity of unfalsifiable hypotheses such as whether some organisms “transcend” their genes. Such inquiry is more appropriately situated within the metaphysical arenas of religion or spirituality. The United States Supreme Court’s approach to patentability has taken a more scientifically justifiable approach by not attributing to living organisms characteristics essentially different from other forms of matter. Recently, however, notably in Monsanto Canada v. Schmeiser, the Canadian Supreme Court appears to have moved away from its metaphysical approach, and towards an approach more consistent with science, by effectively allowing the patenting of “higher” organisms in patents claiming the genes or cells that such organisms contain. This article traces the evolution in the Canadian Supreme Court’s approach to patentability of living organisms, examines the rationales offered to justify this approach, and makes comparisons with the approach taken by the United States Supreme Court.

Prof. Katja Weckström, Louis D. Brandeis School of Law, University of Louisville (visiting); Faculty of Law, University of Turku (Finland)
“Testing the Contours of Trademark Law from the Perspective of the Contributory Infringer”

Raw

The German Federal Supreme Court (BGH) recently confirmed that continuous sale of counterfeit goods on an internet platform may trigger a duty to monitor direct trademark infringement on the site. ROLEX had brought suit against eBay for trademark infringement, because counterfeit ROLEX watches were routinely sold on the site. While the court rejected claims of contributory infringement, it did not preclude that eBay may be held liable for omission in regard to future sales that occurred on its site and reasonable damages may be awarded in the amount directly contributable to eBay’s failure to fulfill its duty to take action against illegal activity on its site.

I will compare the reasoning of the BGH to that of Hendrickson v. eBay, a factually similar case heard by the Federal District Court in California. Hendrickson, the owner of the copyright to a motion picture, brought suit against eBay for failure to remove sale listings of illegal DVDs of the protected work. The court held that eBay was exempt from liability under the safe harbor provision in the DMCA.
The cases shed instructive light on the scope of the obligation placed on the intermediary to prevent infringement. In this article I will highlight the systemic consequences of shifting the burden of enforcement to internet intermediaries and argue that the ultimate risk for non-enforcement should remain with the trademark owner.