2012 Intellectual Property Scholars Roundtable
Drake University Law School

FINAL PROGRAM

FRIDAY, MARCH 30, 2012

8:30     Breakfast

9:00     Welcoming Remarks
Prof. Peter K. Yu, Kern Family Chair in Intellectual Property Law & Director, Intellectual Property Law Center, Drake University Law School

9:15     Panel 1: Copyright and CyberLaw
Presenters: Prof. M. Scott Boone, Appalachian School of Law
Virtual Property and Copyright: Taking the First Sale Doctrine into Virtual Space

Prof. Thomas C. Folsom, Regent University School of Law
“The Magician’s Horse: Designing Code and Other Laws Beyond Cyberspace”

Prof. Jon M. Garon, Chase College of Law, Northern Kentucky University
“Legal Education in Disruption: Headwinds and Tailwinds of Technology”

Prof. David S. Levine, Elon University School of Law
“Bring in the Nerds: Secrecy, National Security and the Creation of Intellectual Property Law”

Prof. Deborah Tussey, Oklahoma City University School of Law

11:15    Coffee Break

11:30    Panel 2: Patent Law I
Presenters: Prof. Benjamin Liu, John Marshall Law School
“Commercial Refurbishment in China and a Greener Patent Exhaustion Doctrine”

Prof. Joshua Sarnoff, DePaul University College of Law
“Governmental Innovation Mechanism Choices (with reference to Climate Change)”
Prof. Shine Tu, West Virginia University College of Law
“Unluck/Luck of the Draw: An Empirical Analysis of Examiner Allowance Rates”

Prof. V.K. Unni, Indian Institute of Management Calcutta (India)
“Evolution of a TRIPS Compliant Patent Regime: Learning from the Indian Experience”

1:15 Lunch


Presenters: Prof. Sarah Burstein, University of Oklahoma School of Law (beginning fall 2012)
“In Defense of Design Patents”

Raizel Liebler, John Marshall Law School
“Be the Brand: Required Involvement in Social Media”

Prof. Emily Michiko Morris, Indiana University School of Law—Indianapolis
“Artifice and Action in Patentable Subject Matter: A ‘Common Sense’ Approach?”

Prof. Rebecca Tushnet, Georgetown University Law Center
“The Eye Alone Is the Judge: Images and Design Patents”

4:00 Coffee Break

4:15 Panel 4: Intellectual Property Law II

Presenters: Prof. Yaniv Heled, Georgia State University College of Law
“How Abortion Politics and Technophobia Created the Distinction Between Patentably Non-Human and Patently Human or Why Congress Desperately Needs Scientific Advice”

Prof. Kali N. Murray, Marquette University Law School
“The First Amendment in Patent Law” (with Prof. Erika George, University of Utah School of Law)

Prof. Mark Schultz, Southern Illinois University School of Law
“Intellectual Property and Liberty”

Prof. Lars S. Smith, Louis D. Brandeis School of Law, University of Louisville
“Patent Liability in the Cloud”

6:00 Roundtable Adjourns for the Day

6:30 Dinner for Roundtable Participants
Salisbury House
4025 Tonawanda Drive
SATURDAY, MARCH 31, 2012

9:00 Breakfast

9:30 Panel 5: Copyright Law

Presenters: Susan Corbett, Senior Lecturer, School of Accounting and Commercial Law, Victoria University of Wellington (N.Z.)
“The Photographer and Her Subject: The Case for Joint Ownership of Copyright in Photographs of the Human Image”

Prof. Llewellyn Joseph Gibbons, University of Toledo College of Law
“Love’s Labor’s Lost: Marry for Love, Copyright Work Made-for-Hire, and Alienate at your Leisure”

Prof. Marc H. Greenberg, Golden Gate University School of Law
“Creativity Constrained: Comics and the Law”

Prof. Doris Estelle Long, John Marshall Law School
“Have Copyrights Become the New Anti-Competitive ‘Monopoly’ in the Digital Universe?”

Prof. Liam O’Melinn, Ohio Northern University Pettit College of Law
“The Mythology of Common Law Copyright”

11:30 Coffee Break

11:45 Panel 6: Trademarks and Unfair Competition

Presenters: Prof. Jake Linford, Florida State University College of Law
“Trademark Owner as Adverse Possessor”

Prof. Sean A. Pager, Michigan State University College of Law
“Unpacking Traditional Knowledge Rights and Wrongs”

Prof. Joseph A. Tomain, Florida Coastal School of Law
“First Amendment, Fourth Estate and Hot News: Misappropriation Is Not a Solution to the Journalism Crisis”

Dr. Katja Weckström, Lecturer in Intellectual Property Law, Faculty of Law, University of Turku (Finland)
“Injunctions Against Intermediaries”

1:30 Lunch
2:30  **Panel 7: Patents and Commercial Law**

**Presenters:**

- Prof. Sapna Kumar, University of Houston Law Center  
  “The Accidental Agency?”
- Prof. Daryl Lim, John Marshall Law School  
  “Deconstructing Patent Misuse”
- Dr. Nahoko Ono, Visiting Scholar, Columbia University School of Law (Japan)  
  “Bridging the Divide Between IP Law and Commercial Law in Light of Secured Transaction”
- Prof. Jason Rantanen, University of Iowa College of Law  
  “In Memoriam Best Mode”
- Prof. Karen E. Sandrik, Florida State University College of Law  
  “Reframing Patent Remedies”
- Prof. Christopher B. Seaman, Chicago-Kent College of Law  
  “The Presumption of Validity in Patent Litigation: An Experimental Study” (with Prof. David Schwartz, Chicago-Kent College of Law)

5:00  **Roundtable Adjourns for the Day**

7:00  **Dinner for Roundtable Participants**

The Des Moines Club  
666 Grand Avenue
COMMENTATORS

- Prof. Robert A. Bohrer, California Western School of Law
- Steven Callistein, Senior Intellectual Property Counsel, Pioneer Hi-Bred International, Inc.
- Christi Guerrini, University of Houston Law Center
- Debra Hirsch, Thomas M. Cooley Law School
- Prof. Shontavia Johnson, Drake University Law School
- Prof. A. Christal Sheppard, University of Nebraska College of Law
- Prof. Greg R. Vetter, University of Houston Law Center
ABSTRACTS

Prof. M. Scott Boone, Appalachian School of Law
Virtual Property and Copyright: Taking the First Sale Doctrine into Virtual Space

Traditionally, a balance existed between the personal property rights in copies of a work of authorship and the copyright rights in that work of authorship. This balance provided rights to both the users and producers of physical copies of works of authorship. The first sale doctrine embodies this balancing. However, with the transition from physical copies of works to computer-mediated copies of works, the personal property portion of this balance seems to have dropped out of the equation and out of the discussion. Often, discussions about copyright issues in these computer-mediated areas seem to assume that all that remains is the work of authorship and the copyright rights. No “thing” remains in which personal property rights could subsist. The explanation for this assumption appears to lie in the seeming nonrivalrousness of computer-mediated copies, an impression created by the current ease of copying and distributing copies in computer-mediated formats. This same set of characteristics has and continues to motivate the development of digital rights management technology. While good arguments can be made in favor of DRM that restricts unauthorized copying and distribution of computer-mediated copies, an examination of many of the criticisms of DRM stem from technological restrictions on uses previously guaranteed by personal property rights.

This raises the question of whether some form of the first sale doctrine should be applied to computer-mediated copies of copyrighted works. One approach to this question would be to apply the theory of virtual property derived from experience with objects in virtual worlds as a way of adding the personal property rights side of the equation back into discussion. An examination of property rights and copyright rights in virtual world objects provides several insights about a possible first sale doctrine for computer-mediated copies. First, no inherent conflict exists between virtual property rights and copyright rights, at least no greater conflict than exists between the personal property rights in physical copies and the copyright rights in the underlying work of authorship. Second, an examination of virtual world objects demonstrates that computer-mediated formats are not inherently nonrivalrous. Finally, this examination that the establishment of a functioning first sale doctrine in computer-mediated copies would likely require the creation of a legal right rather than simply the limitation of rights arising out of copyright.

Prof. Sarah Burstein, University of Oklahoma School of Law (beginning fall 2012)
“In Defense of Design Patents”

Most commentators believe that the United States design patent system is fundamentally and irreparably flawed. Specifically, they argue that design patents are too expensive, take too long to get, and are governed by unworkable or otherwise inappropriate patent requirements. These arguments are difficult to separate from—and, indeed, are often raised with—the argument that designs should be protected by copyright (or a copyright-like sui generis) law. The main criticisms of patent protection for designs can be grouped into three broad categories: (1) design is Art and is, therefore, entitled to copyright protection; (2) what designers really need is protection against copying, not a patent-like monopoly; and (3) patent requirements are not “appropriate” for designs.

This Article challenges each of these criticisms, arguing that they are unconvincing and tend to obfuscate, rather than answer, the difficult policy questions raised by any design protection scheme. It is beyond dispute that design patent doctrine is, at present, deeply flawed and in need of more thoughtful development. However, these problems are neither irreparable nor—as some have suggested—an inevitable result of using a patent paradigm to protect designs. Therefore, this Article concludes that the case that is commonly made against design patents is weak. It also suggests that, if properly
conceptualized and developed, the design patent system could be more effective than copyright (or a copyright-like sui generis regime) in promoting creativity in design without unduly hindering competition.

Susan Corbett, Senior Lecturer, School of Accounting and Commercial Law, Victoria University of Wellington (N.Z.)
“The Photographer and Her Subject: The Case for Joint Ownership of Copyright in Photographs of the Human Image”

Photographs of identifiable persons are frequently published without their permission. Copyright law supports this practice because the photographer usually owns the copyright in the photograph and copyright includes a right of publication. Although many subjects of photographs argue that unauthorized publication of their image is an invasion of their privacy, privacy law rarely provides a remedy. The online environment has broadened the scale of this activity and has exacerbated the law’s deficiencies.

This article proposes that copyright law should be changed in order to provide a quasi-privacy protection for identifiable persons in photographs. Although the concept of joint ownership is alien to privacy, joint ownership of copyright is permitted. If the photographer and any identifiable human subject of a photograph were to have joint ownership of copyright, any publication of that photograph would require the consent of the subject. Public interest exceptions in copyright law would continue to permit the unauthorized publication of photographs of genuine public interest.

A prerequisite for this proposal to be effective is that all photographs of human subjects must qualify for copyright protection. Although there have been calls to deny copyright to ‘mere snaps’, particularly those taken with digital cameras, in this article I suggest that copyright protection can be justified for photographs of human subjects.

Prof. Thomas C. Folsom, Regent University School of Law
“The Magician’s Horse: Designing Code and Other Laws Beyond Cyberspace”

The “code world” may be conceived as an embodied, switched network for moving information traffic, or for changing the state of a machine, another coded construct, or a living organism. There are several functionally distinct places within the code world. One of them is an objective cyberspace. At least some transactions in the code world and in cyberspace are without any analog in the world of ordinary space. The attempt to apply ordinary principles of ordinary law in such cases leads to systemic juridical failure. Coded exceptionalism involves “words” that are immediately operative to change the state of objective reality in a coded world upon utterance. This routine power of words over reality is precisely what we would attribute to magic words and magical horses if any such things existed in ordinary space. It is for these that there is a need to consider whether, when, and how to design a law more fitting for the new technology: a law reasonably specified to constrain functionally defined predatory or piratical actors without unduly hobbling the power of code by over- or under-regulating it, and without retarding innovation by the threat of unbounded secondary liability. By requiring nothing more than reasonable technological accommodations, it becomes possible to use remediating code to cure offensive code in any number of Pareto-optimal solutions (just as Professor Lessig resolved his hypothetical problem of the poisonous flowers in cyberspace) and thus to fashion modest, semi-libertarian regulation that cooperates with norms, prices, and architecture in a coded world.

This current work-in-progress is one that I am continuing to refine and it is one of a series of presentations and articles in which I have defined, analyzed, and made specific normative recommendations for transforming existing principles of ordinary law to handle the unique problems of the code world in particular situations. Here I propose more generally (1) to define the code world and some of its major domains, (2) to specify certain design features of each, and (3) to lay out the
foundations of an adaptable technique involving “the nature and place of use,” as a rule-generating standard for designing a law suitable for the new technological uses and new machines in a coded world in those cases where coded exceptionalism demands it. I claim that this heuristic is a key to resolve problems not only in cyberspace proper (solving specific problems involving trademarks and the library in space), but in psiberspace (the machine-human interface in a coded world), cipherspace (places of strong encryption in the code world), the metaverse (communities of interest), and virtual worlds (constructed polities or semi-polities), among others. I claim my proposals are principled, practical, and predictable; and that they are efficient and authorized under existing law, reasonably transformed for the coded world.

Prof. Jon M. Garon, Chase College of Law, Northern Kentucky University
“Legal Education in Disruption: Headwinds and Tailwinds of Technology”

By harnessing improvements on communications and computational systems, law firms are producing a revolution in the practice of law. Self-help legal manuals have transformed into sophisticated interactive software, predictive coding can empower clients to receive sophisticated legal advice from a machine, socially mediated portals select among potential lawyers and assess the quality of the advice given, and virtual law firms threatens to disintermediate the grand edifices of twentieth century Big Law. These changes may profoundly restructure the legal practice, undermining the business model for many solo and small firm practices.

This paper focuses on the implications of these profound disruptive changes. It looks at the expectations the market may place on future lawyers and by extension the training necessary for lawyers entering the practice of law. The final section reflects a suggested curriculum and programmatic redesign, highlighting one possible future legal educational model, complete with acquiescence to existing constraints found in American Bar Association and other accreditation regimes.

Prof. Llewellyn Joseph Gibbons, University of Toledo College of Law
“Love’s Labor’s Lost: Marry for Love, Copyright Work Made-for-Hire, and Alienate at your Leisure”

Although only two courts have decided cases involving whether under state law an author-spouse’s copyright is community property, some commentators are treating this question as settled law. There are no cases deciding these issues in non-community property states or under state laws protecting the property interests of cohabiting couples. This article will examine whether state domestic relations laws governing the allocation of copyright interests, including economic rights, are preempted by federal law. Because the articles concludes that under principles of federal preemption, the interests in the author-spouses copyrights are not subject to transfer by operation of state law; this article will then propose conceptualizing the marriage “partnership” as a legal business entity partnership and then explore whether this new business partnership understanding of marriage is consistent with the principles of both business entity law and copyright law. Finally, this article will evaluate whether treating marriage as a legal business partnership may not achieve the goals of community property allocation upon marital dissolution in a manner consistent with the statutory and constitutional purposes of copyright.

Prof. Marc H. Greenberg, Golden Gate University School of Law
“Creativity Constrained: Comics and the Law”

This is a book about the intersection of creativity, art and the laws of the United States. While Article I, Section 8 of the U.S. Constitution offers protection and financial incentives to creators of art, other U.S. laws threaten and limit the creative process. These constraints hinder the entrepreneurial efforts of art-related businesses. The valuable role some art forms play in shaping social change is too important to allow this erosion of the Constitutional protections granted to creators of art.
While much has been written about creativity, art and the law, most scholars have approached this subject from a macro perspective, offering broadly focused discussions of art and law in general. This approach allows scholars to explore abstract theory, however it has limited value in assessing the effect of actual constraints on working creators.

This book focuses on one art form—comics, cartoons and graphic novels—as a example of how the constraints of law limit the creative process and entrepreneurial goals of artists, publishers and retailers in this genre. Through this specific focus the reader is offered real world stories of the impact the law has on creativity, and how those constraints can be ameliorated or even eliminated.

The comic art form is one of the most popular and influential forms of contemporary art—with tendrils that extend into a diverse range of cultural activities, including political cartoons in newspapers and books, graphic novels that are often the source material for motion pictures and television programs, and comic books and related merchandise. Throughout their history, and perhaps because of their popularity, comics have been the subject of repeated efforts to limit and censor their subject matter, distribution and sale.

The law has played a key role, in a variety of ways, in the imposition of these constraints. This book examines the history and legal issues involved in the cases, statutes and legislative actions which have imposed legal constraints on the creators, publishers, distributors and even readers of comics. The negative impact of these cases, statutes and laws on the creators of comics is analyzed, and proposals for how to limit this impact in the future are offered.

Since these constraints have been applied in a disparate variety of ways, the full extent of this misuse of the law has not been the subject of any popular or scholarly work, and the attention of the art and legal communities to this problem has been unfocused. It is to shed light on the true nature and extent of this issue, and to offer proposals for stemming this tide, that I decided to write this book.

**Prof. Yaniv Heled, Georgia State University College of Law**

“How Abortion Politics and Technophobia Created the Distinction Between Patently Non-Human and Patently Human or Why Congress Desperately Needs Scientific Advice”

On September 8, 2011 Congress passed the Leahy-Smith America Invents Act (AIA). AIA was “in the making” for about seven years and its enactment is considered as the most significant patent legislation since the Patent Act of 1952. Yet, in a “last minute” addition, Congress included in the AIA bill language similar to that of the Weldon Amendment, which was regularly tacked on to each year’s consolidated appropriations bill since 2004. The Weldon Amendment dictated that “[n]one of the funds appropriated or otherwise made available under this Act may be used to issue patents on claims directed to or encompassing a human organism.” Outspokenly seeking to achieve the same objectives as the Weldon Amendment, AIA Section 33 decrees that “[n]otwithstanding any other provision of law, no patent may issue on a claim directed to or encompassing a human organism.” But what is a “human organism?” The AIA does not say, nor does it indicate where one may look for such a definition. And so the question becomes: what is a “human organism” and what would “encompass a human organism” for patent law purposes? What was Congress seeking to prohibit by excluding “human organisms” from patentable subject matter? Was such a prohibition really necessary under current patent law? And what are going to be the likely outcomes (if any) of the prohibition on patenting “human organisms”? Will this prohibition on the patenting of “human organisms” or anything encompassing same become the moral floodgate that its drafters envisioned it to be or was this particular letter of the law born dead?
Prof. Sapna Kumar, University of Houston Law Center
“The Accidental Agency?”

This Article presents a new model for examining the role of the Federal Circuit with regard to patent law. It posits that the Federal Circuit behaves like an executive branch agency and serves as the de facto administrator of the Patent Act. The Federal Circuit has traditionally engaged in a form of substantive rulemaking by issuing mandatory bright-line rules that bind the public. In reviewing patent agency appeals, the Federal Circuit acts more like an agency than a court, by manipulating standards of review and administrative law doctrines to minimize agency deference. This position of administrator raises several concerns. Recent Supreme Court intervention has jeopardized the Federal Circuit’s ability to continue engaging in substantive rulemaking, calling into question the sustainability of the lower court’s role as administrator. Furthermore, the Federal Circuit is caught between the Supreme Court’s goal to unify administrative law and Congress’s goal to unify patent law. These problems suggest that a confrontation between the Supreme Court and Congress is inevitable.

Prof. David S. Levine, Elon University School of Law
“Bring in the Nerds: Secrecy, National Security and the Creation of Intellectual Property Law”

The negotiations of the international Anti-Counterfeiting Trade Agreement and Trans Pacific Partnership Agreement has elevated intellectual property piracy to the level of national security concerns and have therefore been conducted largely in secret. However, the level of actual secrecy has been tiered, with corporate interests enjoying far more access to negotiation information than the general public. At the same time, similar intellectual property issues have been negotiated in the relative transparency of Congress’ debate over the pending Stop Online Piracy Act/PROTECT IP Act and OPEN Act, allowing for much greater public involvement and input. With national security concerns as the backdrop, the focus of this article is the use of national security arguments to prevent the public from accessing information about the creation of international intellectual property law and proposed ways to think about its implications both theoretically and practically.

Raizel Liebler, John Marshall Law School
“Be the Brand: Required Involvement in Social Media”

The ability and expectation to be connected to one’s workplace and employer after work hours has become more intensified through the increased use online and mobile technologies. Recently, the Supreme Court has ruled in favor of public employers having the ability to read personal life texts being sent from a work-issued mobile device (City of Ontario v. Quon, 130 S. Ct. 2619 (2010)).

Also, there has been much written about the professional risk of social media use for individuals and for employers; in media reports as well as the relatively recent National Labor Relations Board decision regarding employees use of Facebook to complain about a supervisor.

But what happens when employees are encouraged (or required by the terms of employment) to publicly represent a company or brand through personal use of social media? Several years ago, many companies were skittish about employee use of blogs and other social networking tools. More recently, however, some brands are increasingly creating “official” company social media profiles as well as establishing social media policies to encourage employees to unofficially represent a company via social media during the work day and off-hours, with the understanding that transparency and personal contact are widely seen as important to success in social media communication and marketing. The issue of who owns a social media account is frequently complicated due to the terms of service for the social media technology requiring tying an account to a real person, not a corporate entity.
Within this project, we plan to discuss issues involving intellectual property, privacy, and the bounds of employment within personal and professional social media use.

**Prof. Daryl Lim, John Marshall Law School**

“Deconstructing Patent Misuse”

As America considers its economic strategies in an age where little can be taken for granted, one thing is clear—rules which promote innovation and competition will remain critical. Patent misuse rests at the heart of innovation and competition. It provides infringers with an equitable defense against patent owners who violate the scope of their patents. Its doctrinal scope in any period is a barometer of the views in that period of the how patent rights are viewed. Based upon a forthcoming book which uses a mix of historical narrative, doctrinal analysis and empirical methodology, this talk aims to get past the rhetoric to look at the key aspects of patent misuse in the context of the important decision of *Princo Corp v. International Trade Commission*, and offers some thoughts about the past, present and future of this controversial and complex doctrine.

**Prof. Jake Linford, Florida State University College of Law**

“Trademark Owner as Adverse Possessor”

There is an ongoing debate over whether or not a trademark is “property,” and what type of rights a trademark properly secures. Some scholars assert that rules and justifications developed to handle rights in real property are generally a poor fit for intellectual property regimes, and for trademark protection in particular. Others respond that a unified theory of property should be able to account for both real and intellectual property. This article takes the middle course and approaches the issue by mining the analogy between the acquisition of trademark protection and the doctrine of adverse possession.

Courts and scholars have compared the trademark owner’s defensive posture against infringers to the way the owner of real property must ward off adverse possessors. The manner in which a federal trademark registration becomes “incontestable” after five consecutive years of continuous use has also been compared to adverse possession. A closer look reveals that the trademark owner resembles the adverse possessor not merely as she waits for her registration to become incontestable, but at essentially every step in the process of acquiring trademark protection.

Comparing adverse possession to trademark acquisition provides several important insights. First, both doctrinal regimes manifest a purpose to provide notice through productive use to the public and competing claimants. Second, the analogy provides additional evidence that we should recognize property rights in the lexical commons that the public can exercise with regard to words from which trademarks have been acquired. In particular, rights in the trademark commons are more actively retained or reacquired and more property-like than rights held in common over expired patents and copyrights. Third, the intersection of these regimes raises questions about whether either regime would benefit from increased clarity, or whether we should prefer their current ambiguity. More precisely, the inherent uncertainty in acquiring trademark distinctiveness and commercial strength may be both an intentional feature of trademark law, and one that is problematic not only for the trademark owner but also for competitors and the public. The analogy also provides guidance regarding how to resolve the longstanding good-faith / bad-faith intent conundrum in adverse possession doctrine by rejecting the conundrum: neither good faith nor bad faith possessors are inherently deficient in the notice they provide to owners and the public, and neither should be favored or barred in an adverse possession regime.
Prof. Benjamin Liu, John Marshall Law School
“Commercial Refurbishment in China and a Greener Patent Exhaustion Doctrine”

This paper examines the policy tension between patent protection and broader concerns for the environment and development, through infringement claims brought against commercial refurbishers who make a business out of restoring and selling the patented products of another. Patent owners denounce such refurbishment as the unauthorized making of a patented product, while refurbishers equate it with ordinary repair. The test for distinguishing impermissible construction and permissible repair divides courts in the United States, Europe and Japan, reflecting a profound uncertainty over the balance between patent rights and resource conservation. China is recently drawn into this doctrinal quagmire, as the “factory of the world” replaces local repair shops.

A survey of the Chinese refurbishment cases reveals that Chinese judges often impose infringement liability against refurbishers under the same legal test that is used to exempt refurbishers in the West. This is all the more surprising since it appears to contradict what one might expect from national self-interest. An account of these cases provides some clue to the state of patent adjudication in China. More importantly, this paper argues that the solution to the doctrinal uncertainty lies not in redrawing the line between repair and reconstruction but in a new remedy regime that better balances the interest of product innovators and refurbishers, based on a study of the Chinese experience with the repair and reconstruction doctrine.

Prof. Doris Estelle Long, John Marshall Law School
“Have Copyrights Become the New Anti-Competitive ‘Monopoly’ in the Digital Universe?”

Patents have historically been perceived as potentially harmful legal monopolies whose abuses must be controlled under unfair competition and anti-monopoly principles. By contrast, at least since the late 18th Century when copyrights were theoretically transformed into authorial (as opposed to printers) grants, copyrights have generally avoided such stigma. Traditionally, the “essential” nature of copyright has been based instead on a recognized need for access to copyrighted works for purposes of facilitating communicative and other perceived socially beneficial uses. Doctrines of fair use and fair dealing, among others, have codified this essential communicative nature of copyrighted works. Yet the “essential” nature of public access to copyrighted works amid increasing demands for uncompensated public access in the digital environment has changed dramatically in the first decade of the 21st Century. With the extension of the essentiality doctrine into the very heart of technological development—computer software and associated technologies — in the latter decades of the 20th Century, a new “essentiality” has emerged based on competition principles. This new competitive essentiality has morphed from economic efficiency theories of access to essential-facility-style theories of competitive abuse whose norms appear shaped by the ever-changing demands of the global digital environment. From software, to internet licensing modalities and differential pricing norms, competition laws are being used to create an unprecedented competitive essentiality for copyrighted works. Using new antimonopoly laws and practices of the European Union and China as investigative model for this new essentiality, I contend that the creation of competitive essentiality for copyrighted works is under theorized and may threaten future investment in innovation. To reduce this threat, I suggest future normative policies to create a rational balance between protection and competitive essentiality in the new digital environment.

Prof. Emily Michiko Morris, Indiana University School of Law—Indianapolis
“Artifice and Action in Patentable Subject Matter: A ‘Common Sense’ Approach?”

If you asked those with even a glancing knowledge of patent law whether you can patent something like, say, a science-fiction novel about a time machine, most would correctly, No! Yes, science-fiction novels are “inventive,” and yes, this novel has to do with technology, but novels are clearly not the kind of thing
we think about when we think about patent law. Change the question, however, and ask whether a manual describing how to use an actual time machine might be patentable, and you might get a different answer. Methods of using technology are patentable, but a manual describing that method is not. Why the difference? The novel, the manual, and the method all involve technology, and yet our instinctive reactions to them are immensely different. Is there some principled basis for differentiating among them to determine what can and cannot be patentable? The United States Patent Office as well as the courts face these kinds of questions on a regular basis. Regardless of how novel, ingenious, or useful an innovation might be, some are just not the kind of subject matter that properly should be protected under the patent system.

Distinguishing between patentable and unpatentable subject matter is not always so easy a task, however, as the example above would suggest. The continued ingenuity of inventions as well as how inventors describe their inventions poses a number of difficulties for the courts and the PTO. The courts have therefore devised a variety of tests for patentable subject matter over the decades in an effort to bring some predictability to the law. Almost all of these tests have eventually been discarded, however, largely because they proved to be both under- and over-inclusive. This has obviously led to much confusion and frustration. Some even go so far as to call for an end to the inquiry altogether, preferring instead to rely on the other patentability requirements effectively to distinguish the patentable from the unpatentable.

Nevertheless, there is some rhyme and even some reason that appears throughout patentable subject matter’s checkered past. Indeed, most of patent law’s history reveals a type of “common sense” about what should and should not be patentable subject matter. Using the term “common sense” is not meant to suggest that this “sense” yields the “right” answer to patentable subject matter or even a necessarily “sensible” one. Rather, it merely observes that patentable subject matter doctrine as a whole does display some common themes that may be of use in attempting to clarify the doctrine.

Specially, at least two recurring themes appear consistently in patentable subject matter doctrine. The various aspects of the doctrine almost invariably require what can roughly be described as “artifice” combined with “action.” “Artifice” refers to some level of human intervention or adaptation beyond natural or spontaneous phenomena. “Action” refers to operation toward some appointed purpose. Indeed, many of the patentable subject matter tests that the courts have devised over the years can be seen as mere proxies for the combination of artifice and action.

Absent some more compelling alternatives, then, perhaps we ought simply to recognize the commonality of these intuitions and apply them in a more transparent fashion. Of course, “action” and “artifice” are themselves somewhat malleable concepts that tend to lie along a spectrum. As such, they can often become difficult to apply in any given context. Nevertheless, in focusing more directly on these two concepts, rather than on other linguistic approximations of them, we perhaps clarify—as much as possible—what qualifies as patentable subject matter in a way that will allow us better to adapt to new technologies.

Prof. Kali N. Murray, Marquette University Law School
“The First Amendment in Patent Law” (with Prof. Erika George, University of Utah School of Law)

The recent Myriad case has been notable for unsettling any number of basic assumptions of patent law in the United States, and one of its key achievements has been to take seriously the question of speech interests associated with a patent. While the speech interests associated with trademarks and copyrights have been explored within the relevant academic literature; speech claims associated with patents have relatively underexplored within the relevant literature. In this Paper, we will explore three subjects. First, we will examine the basic theories within the law of the First Amendment that could support a claim of a speech interest within patent law. Second, we will examine the basic theories within patent law that can
provide the basis for an integrated assessment of patent law and speech. Finally, we will how patent law can properly draw the balance between speech and patent law, by focusing on how other constitutional regimes undertake this basic assessment.

Prof. Liam O’Melinn, Ohio Northern University Pettit College of Law
“The Mythology of Common Law Copyright”

This paper focuses on the mythology of common law copyright and its American natural law cognate. Copyright scholars are in general accord that copyright has a utilitarian rather than common law or natural law basis. Nonetheless, as other scholars have noted, if common law copyright is a myth, it is a potent and persistent one that has proven highly resistant to debunking. Although the natural rights view of the basis of copyright has been formally discredited, it continues to influence the law in a quiet but determined fashion. And while courts and scholars alike have concluded that copyright is not based on a Lockeian labor theory, the ghost of Locke is an especially tenacious apparition which continues to exert a peculiar influence on the law.

This paper is the beginning of a project that will attempt to answer several questions about common law copyright: What is the philosophy of common law copyright, and what are the premises on which it is based? Why has American law, while repeatedly rejecting plain and audacious assertions of common law copyright, nonetheless shown a predilection for more elegant and polite statements of the same theory? Finally, what are its modern implications? The paper attempts to provide both historical and philosophical answers to these questions. It ranges widely in time, tracing the modern theory to the early days of copyright as propounded by the Company of Stationers in the 1700s. The Stationers were the earliest advocates of common law copyright, and if it seems to moderns that their legal case was so improbable that they could not have believed it, it is fair to ask what they did believe, and important to understand why these beliefs should have proven so resilient. Next comes a consideration of the operation of common law copyright in a more modern setting, focused on the manner in which sound recordings came to be accorded copyright protection. Advocates of common law copyright believe in what Zechariah Chafee called “the natural justice of copyright,” and this section attempts to explain how this view, which corresponds very closely with the philosophy of London’s eighteenth century booksellers, was used in the battle to make records copyrightable.

Finally, the paper will attempt to establish the chief elements of the theory as well as to investigate its current implications, beginning with the manner in which the theory has overcome objections that have been posed to it. These elements include first an explanation of the origins of copyright law by the substitution of a philosophical past for an historical past; next, an insistence on the role of the printing press and more recently sound recording apparatus as a necessary means of connecting the author and performer with a broader public; and last, a general sense that the positive law of copyright is simply an imperfect version of a more ideal copyright based on “natural justice.” The paper assesses the ways in which these views have made their way into mainstream copyright law and theory. For while the clumsy and direct formulation of common law copyright has been rejected by the law, it has a more polite cousin which the law is embracing to an increasing extent. One consequence of this embrace has been to venerate outmoded means of transmitting cultural information, such as sound recording apparatus, at the expense of developing technology. Perhaps more importantly, the law’s attachment to outmoded technology has committed us to some very improbable propositions about the basis of copyright law, resulting in what I have termed the inversion of culture and copyright. The project will conclude by examining some of the consequences of this inversion, including the relentless expansion of subject matter that is eligible for protection, and the vast uncertainty surrounding the status and extent of the public domain.
Dr. Nahoko Ono, Visiting Scholar, Columbia University School of Law (Japan)
“Bridging the Divide Between IP Law and Commercial Law in Light of Secured Transaction”

In the real world, the economic value of intellectual property (IP) grows, so does a demand to use IP as a source of credit. Not surprisingly, the demand comes from both borrower’s side like start-ups, ventures and lender’s side like bankers, venture capitals. For such IP secured transactions, the Uniform Commercial Code (UCC) Article 9 primarily governs, with possible preemption by IP law if it satisfies the requirements.

Since provisions under each IP law differs from among each other, the courts treat them differently. The case laws have been established that in order to perfect a security interest in IP, only the Copyright Act preempts the UCC Article 9 and the Patent Act and Lanham Act do not. In other words, Recording with the Copyright Office suffices to perfect a security interest in (registered) copyright, while UCC filing is required to perfect on in patent or trademark. As a consequence, a serious divide occurs. While commercial or finance law practitioners have made several reform efforts to eliminate copyright preemption, copyright law practitioners protested to maintain the present preemption, supported by patent and other IP law practitioners who seek for preemption by Patent and Trademark Acts as well.

Several proposals have been made in this regard. This Article provides an analysis on such proposals, all of which do not offer any optimal solution. Finding that the present domestic regime has limits to solve the issue, I contend that an optimal solution can be drawn from the international move, such as UNCITRAL Legislative Guide on Secured Transaction.

Prof. Sean A. Pager, Michigan State University College of Law
“Unpacking Traditional Knowledge Rights and Wrongs”

After years of effort, WIPO delegates are poised in Geneva to put the finishing touches on a pair of ambitious treaties to bring protection for traditional knowledge (TK) within the global IP regime. WIPO’s treaty-drafting efforts has been bifurcated along subject matter lines between (a) traditional cultural expression—referred to as folklore—and (b) more utilitarian know-how, known as TK stricto sensu. Despite their formal distinction between cultural and technical realms, the two treaties overlap considerably in the legal protections they would afford. This Article argues for a more sharply differentiated approach.

The current all-inclusive approach of the WIPO treaties should be jettisoned in favor of a more discriminating, piecemeal approach that distinguishes between the distinct interests and values that TK protection seeks to advance. What would emerge is a more modest package of rights protection, not all of which requires transnational regulation. A baseline comprised of expanded international norms on unfair competition will doubtless supply a starting point. Beyond that, however, protection afforded to TK should vary according to the subject matter.

A strong case exists for global mechanism of benefit-sharing to regulate the exploitation of technical traditional knowledge. The shared global interest in the exploitation of ethnobiological knowledge combined with the asymmetrical nature of protagonists’ interests makes such a mechanism desirable from a game-theoretical standpoint. Moreover, the distributional inequalities associated with the status quo are particularly skewed. Benefit-sharing can be implemented through a relatively streamlined liability regime minimizing the need for global governance. Such benefit-sharing is already required under the Convention on Biodiversity, and thus TK norm-development here can build upon existing implementation efforts.
By contrast, the case for robust multinational protection of traditional cultural expression/ folklore is far less convincing. The North-South capacity gap is less acute in copyright industries as compared to patent, reducing distributive justice concerns. The “thick governance” required to regulate cultural authenticity militates toward localized solutions. Moreover, there is less need for a global approach because the dilutive harm from cultural appropriation largely springs from local uses. Eschewing global solutions would also allow more contextualized tailoring of the rights, of particular importance here given the constitutional implications of speech regulation.

Prof. Jason Rantanen, University of Iowa College of Law
“In Memoriam Best Mode”

There is little dispute that the America Invents Act has, as a practical matter, effectively eliminated the best mode requirement from patent law. While the demise of patent law’s best mode requirement has not gone entirely unnoticed, the patent community, perhaps due to longstanding criticisms of the requirement, has for the most part been apathetic about the demise of best mode. Although some have taken the position of “good riddance” when it comes to best mode, and some have gently complained of its loss, a more common attitude seems to be a lack of interest and little or no emotion about the doctrine’s demise.

The purpose of this short essay is to draw attention to a benefit the best mode requirement provides, or perhaps “provided” would be a better word, to the patent system that has not been the subject of previous discussion. The benefit we describe directly challenges the attitude that best mode is somehow divorced from “the realities of the patent system and the commercial marketplace,” a common refrain. Our analysis suggests that patent reformers were too quick to dismiss best mode as a largely irrelevant and mostly problematic doctrine. In addition, Congress’s fix, while it may remove a disadvantage once faced by foreign inventors, may have added a corresponding burden to American innovators and thus tilted the playing field from uneven in one direction to uneven in another.

Prof. Karen E. Sandrik, Florida State University College of Law
“Reframing Patent Remedies”

The strength of our patent system is waning. The Supreme Court recently opened the door for dramatic change by rejecting the long-standing presumption that a permanent injunction should issue upon the adjudication of a valid and infringed patent. Courts have since refashioned patent remedies to favor monetary liability for patent infringement, resulting in the restructuring of substantive rights for certain classes of patent holders. This shift to a liability rule means that a patent holder loses its right to require consent prior to the use of its patented technology. This is a troubling development. If a patent holder is unable to enforce its right to exclude, there is little preventing an interested user from acting unilaterally and avoiding the risk of a negative answer. Simply, the interested user will take what it wants without the patent holder’s consent and pay market damages later.

In this Article, I argue that patent law should look to the law of trespass to regain the strength of its property roots and the right to exclude, and also to gain a predictable framework for the occasions that merit a switch from a property rule to a liability rule. Under my proposed infringement-as-trespass framework, the vast majority of patent holders will reestablish their near absolute right to exclude. In the event that a patent holder abuses its monopolistic leverage granted to it by the Patent Act to unreasonably and significantly cause public harm, an incomplete privilege will extend to the infringer. This incomplete privilege will function the same way a defense of necessity does in trespass, allowing the infringer access to the patented technology without the ordinary threat of a penalty. Permitting the infringer a limited amount of time to design around the patented technology will further innovation, as well as refocus courts on how the public is affected by the gain or loss of the patented technology. This recognition of the
public’s interest while still valuing a patent holder’s right to exclude will reinvigorate the current patent system.

Prof. Joshua Sarnoff, DePaul University College of Law
“Governmental Innovation Mechanism Choices (with reference to Climate Change)”

Numerous options exist for governments to develop technologies. These include: (1) procurement, using government purchasing power to demonstrate commercial viability and reduce risks of market entry; (2) direct development, using government funding and personnel to develop technologies; (3) subsidies, including tax refunds and other mechanism that fund research and development (particularly through universities) and for purchases (such as feed-in tariffs) that promote market substitution behaviors; (4) various government encouragements (such as voluntary programs and certifications) and threats (of more aggressive government regulation, such as compulsory licensing or antitrust scrutiny); and (5) ex-post market entry regulatory actions (including acting on threats and directly regulating price or supply). Few studies exist of the comparative performance and relative costs and benefits of choosing any of these mechanisms. Yet trillions of dollars will soon be spent on upgrading our energy, transportation, and other infrastructure and on purchasing mitigation and adaptation technologies to respond to climate change. This article will discuss the current state of analysis and will propose comparative tests that could be used to determine what government choices may work best over time, in what cultures and circumstances.

Prof. Mark Schultz, Southern Illinois University School of Law
“Intellectual Property and Liberty”

For the past two decades, and especially since the rise of the Internet, discussions of intellectual property in legal scholarship, public policy debates, and mainstream and Internet media have included a sustained and powerful critique of intellectual property for its effect on individual liberty and political freedom. In particular, critics contend that copyright and patent law, both as designed and applied, have negative consequences for free expression, free inquiry, and democratic discourse. While one cannot discount or dismiss this critique completely, it fails to give a full account of how intellectual property affects liberty. Intellectual property leads to positive as well as negative consequences for individual liberty and political freedom. The consequentialist critique of IP and liberty deserves a consequentialist response, and my aim is to supply one.

Just as important, I believe that a full account of the ways in which intellectual property may benefit as well as harm liberty can better inform our discussion regarding what to do about shortcomings in intellectual property institutions. Human institutions are inevitably flawed. Some flaws require us to reform our institutions to improve them; other flaws compel us to consider rejecting one institution completely in favor of another. Increasingly, some are advocating the latter approach for intellectual property, proposing the abandonment of property rules in favor of liability rules or regulatory regimes. Considering the benefits of intellectual property for liberty is particularly crucial to addressing such institutional design questions.

This paper is thus largely concerned with institutional design; with the fundamental question whether we should encourage creativity and innovation via property rules, liability rules, a regulatory regime, or no protection at all. In making such choices, a more complete discussion would include liberty as one of the design principles for IP institutions. This contention may seem unusual at first; the accepted wisdom is that the animating principle of copyright and patent law is to maximize social welfare—to increase total innovation and creativity by rewarding creators. Nevertheless, other values have long motivated our discussions. In recent years, one of the most important values advocated has been liberty as critics have advocated that we consider how intellectual property rights might impede free speech and other rights. These discussions often take for granted the ways in which IP might benefit liberty. When we weigh the
costs and benefits of making a particular institutional choice, it is important to consider that property rules—intellectual property—might foster and support individual liberty both for the individuals who own the rights and for the rest of society as well.

Prof. Christopher B. Seaman, Chicago-Kent College of Law
“The Presumption of Validity in Patent Litigation: An Experimental Study” (with Prof. David Schwartz, Chicago-Kent College of Law)

In this project, we are experimentally testing the importance of the burden of proof in determining the validity of a patent in litigation. The genesis of this project is the Supreme Court decision in Microsoft Corp. v. i4i Limited Partnership, 131 S. Ct. 2238 (2011). In i4i, the Court rejected Microsoft’s claim that a jury need only be persuaded by a preponderance of the evidence to find a patent invalid, at least when the evidence before the factfinder regarding invalidity was not before the PTO during the examination process. Instead, it reaffirmed that an invalidity defense must be proven by clear and convincing evidence. But the Court also concluded that if the party challenging the patent’s validity relied on evidence not previously considered by the PTO, then the jury should be instructed that this burden “may be easier to sustain.”

Currently, there is a dearth of empirical evidence about whether modifying or eliminating the clear and convincing evidence presumption would result in different outcomes regarding patent validity in litigation. We are conducting several experiments to empirically examine this issue. In our experiments, each subject receives short fact pattern simulating the information considered by a juror in a patent infringement lawsuit. The fact pattern is loosely based upon a real case involving relatively simple technology—golf ball design. After reading the fact pattern and a summary of the parties’ arguments regarding invalidity, subjects receive one of three jury instructions that instructs the subjects on the burden of proof: (1) a control version (clear and convincing evidence), (2) a first treatment version with the language based on the Court’s decision in i4i (clear and convincing evidence, but this burden is easier to satisfy if the invalidity claim relies on evidence not previously considered by the PTO), and (3) a second treatment version (preponderance of the evidence). The initial experiment reached a surprising result, which will be presented at the conference. Some anticipated future iterations of our experiment also will be discussed.

Prof. Lars S. Smith, Louis D. Brandeis School of Law, University of Louisville
“Patent Liability in the Cloud”

The presentation will focus on the legal risks of operators of cloud based computing, particularly focusing on patent issues raised by distributed networks. This is part of a larger paper looking at a variety of IP issues posed by cloud computing generally.

Prof. Joseph A. Tomain, Florida Coastal School of Law
“First Amendment, Fourth Estate and Hot News: Misappropriation Is Not a Solution to the Journalism Crisis”

Journalism is a public good that suffers a collective action problem. Challenging economic conditions and the ability to disseminate information via the internet at a low cost and virtually instantaneous speed have contributed to the journalism crisis. Without sufficient information to maintain an enlightened citizenry, the self-governing democratic structure of our country will not function adequately, let alone flourish. One response to this crisis is a revived interest in the “ghostly presence” of the nearly century-old hot news misappropriation doctrine.
Hot news misappropriation is an unfair competition doctrine that creates quasi-property rights for a limited time in factual information gathered and published at a cost. It allows a plaintiff to seek legal recourse against a competitor that free rides on plaintiff’s efforts by prohibiting the competitor from publishing factual information until plaintiff has had the opportunity to reap the benefits of its investment in gathering and publishing that information.

In theory, hot news misappropriation is a solution to a collective action problem. While the doctrine protects the economic incentive to gather and publish, the ultimate purpose is to serve the public interest. In other words, the underlying rationale is utilitarian: without protecting the economic incentive to gather and publish factual information necessary for a self-governing society, the existence or quality of news will be substantially threatened because no one will have an incentive to gather and publish if competitors can free ride on a plaintiff’s efforts.

While there is a journalism crisis and the economic condition of the institutional press is a serious concern, hot news is not a solution for at least three reasons. First, while the internet has played a role, media ownership concentration and the influence of advertising are prior and more causative factors of the decline of the Fourth Estate. Second, hot news misappropriation likely violates the First Amendment rights of freedom of speech and of the press because it seeks to restrain the dissemination of publicly available factual information. Finally, even if a hot news claim is constitutionally permissible, the ability to satisfy the utilitarian rationale of the claim is increasingly difficult in the digital age because of the opportunity for new market entrants.

Hot news misappropriation is less about ensuring the availability of factual information necessary for a democracy than it is about protecting a twentieth century media business model that has been eroding since long before the rise of the internet. After describing the journalism crisis and analyzing the First Amendment and utilitarian obstacles to the hot news doctrine, this Article concludes by describing some possible alternative solutions, including taxation of online advertising with a portion of the revenue dedicated to help fund non-profit institutional news organizations. This possible solution is both normatively and pragmatically appealing.

Prof. Shine Tu, West Virginia University College of Law
“Unluck/Luck of the Draw: An Empirical Analysis of Examiner Allowance Rates”

The United States Patent and Trademark Office is tasked with reading and reviewing patent applications to determine those applications which qualify for patent protection. Each application is reviewed by a specific patent examiner who should apply the standards of patentability in an even, fair, unbiased and consistent manner. This task requires the examiner not only to be internally consistent with the applications she reviews, but consistent with the behavior of other examiners within the same art unit. I find this may not be the case. I find two distinct populations of examiners that may be harming the patent system. The first population may be acting as a “rubber stamp” by allowing patents with little to no review and/or amendments to the claims. In contrast, the second population may be rejecting too many “good” applications that meet the patentability standards. In this article, I argue that the incentive system may play a role in creating these two distinct populations of examiners. Additionally, I propose a holistic pre-grant prosecution history review of both low and high allowance rate examiners to ensure a more consistent application of patentability rules.

Prof. Rebecca Tushnet, Georgetown University Law Center
“The Eye Alone Is the Judge: Images and Design Patents”

Judges and lawyers in general are highly uncomfortable with images, yet design patents force direct confrontation between images and the law. This short piece offers an outsider’s view of what design
patent law has to say about the use of images as legal tools and what lessons other fields of intellectual property, specifically copyright, might take from design patent.

**Prof. Deborah Tussey, Oklahoma City University School of Law**

In the U.S., the work for hire doctrine governs the relationship between publishers of collectively produced works, such as newspapers, magazines, and other compilations, and the individual authors of the content included therein. The doctrine vests copyright in the publisher, either based on employment relationships or through assignment in contracts easily imposed on contributors who are seldom in a position to bargain otherwise. The doctrine evolved in response to the growth of corporate copyright industries and overwhelmingly favors publishers over employees and freelance contractors, despite occasional attempts by Congress and the courts to level the playing field. The work for hire doctrine was designed for a different publishing world than the one currently emerging. In the networked, digital environment, the corporate model for dissemination of copyrighted works, while it still dominates, faces challenges from more decentralized models in which traditional publishers may play a diminished role, or no role, in the production of collective works. Freelancers, too, face new challenges in securing payment for their work in an environment where everyone may be publishable, in some forum, but unpaid contributions to collective projects are increasingly commonplace. This project will explore the changing environment for individual contributors to collectively produced works and the ways in which copyright law might better accommodate their interests during this transitional period and beyond.

**Prof. V.K. Unni, Indian Institute of Management Calcutta (India)**
“Evolution of a TRIPS Compliant Patent Regime: Learning from the Indian Experience”

India’s position on intellectual property rights and its relevant laws underwent a major change in the past and this is very much visible in the field of patent law. This presentation will give an overview of the evolution of Indian patent law from the time when India was a British colony to the time when India attained its hard earned freedom. It is very significant that free India drafted a patent law that was primarily aimed at promoting the requirements of an IP importer and user, specifically the indigenous pharmaceutical industry. However with the passage of time India joined various multilateral trading organizations like WTO and was compelled to change its law accordingly. As years passed Indian business houses have realized the value of IPR and are now using this as a way to maximize their business returns. This has led to some high profile IPR disputes especially in the field of pharmaceuticals which are being fought at various levels. The presentation will also cover the evolution of the Indian IPR jurisprudence post 1947 with special reference to some landmark cases from the field of pharmaceuticals the latest being the first ever Compulsory License issued by the Indian Patent Office in favour of Natco Pharmaceuticals with respect to Bayer’s patented drug Sorafenib on March 9, 2012.

**Dr. Katja Weckström, Lecturer in Intellectual Property Law, Faculty of Law, University of Turku (Finland)**
“Injunctions Against Intermediaries”

In October 2011, upon the request of Copyright Information and Anti-Piracy Center and IFPI Finland, Helsinki District Court ordered ELISA, the 2nd largest teleoperator in Finland, to stop its customers from accessing the Swedish Pirate Bay-site. Pirate Bay is a known provider of illegal downloading of copyrighted works. The court ordered ELISA to prevent access to unspecified domain names and IP addresses associated with Pirate Bay. The order is on appeal, but ELISA must comply (and does) on pain of damages while the case is pending. The plaintiffs have filed similar complaints against all other teleoperators in Finland.
In July 2011 the EU Court of Justice gave its decision in *L’Oreal and Others v. eBay International* regarding the interpretation of provisions of the Trademark Directive, E-Commerce Directive and the Enforcement Directive. Article 11 of the Enforcement Directive reads:

**Injunctions**

Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Member States shall also ensure that right holders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.

The court held that the third sentence of Article 11 of the Enforcement Directives requires Member States to provide for effective and dissuasive measures against infringement, which includes availability of injunctions that are aimed at preventing infringements of industrial or intellectual property rights. An interpretation of other directives that would result in not allowing right holders access to injunctions against intermediaries was found incompatible with the Enforcement Directive.

While the L’Oreal Court found that eBay could not be held liable for direct or indirect trademark infringement, the infringements by unknown and unspecified actors occurring on its site allows right holders to demand that they take preventive action against their customers in order to prevent future infringement on their site. Copyright law gives the right holder an exclusive right to prevent all unauthorized uses of its work, including making copies of the work or making the work available to the public. Trademark law gives the trademark owner a right to prevent uses of the same or similar signs for the same or similar goods or services, if there is a likelihood of confusion between the mark and the sign or, if the mark has a reputation, to prevent uses that without due cause take unfair advantage of, or is detrimental to, the distinctiveness or repute of the mark.

When considering whether injunctions should be available against intermediaries, I argue, that the court in *L’Oreal v. eBay* is mistaken in extending a remedy premised on copyright infringement to trademark owners. While copyright owners under current law lawfully control all uses of works that the injunction is aimed at preventing, the same tradeoff is not present in the case of trademark infringement. Unlike the Pirate Bay case, all uses of trademarks on eBay are not unlawful, in fact most are lawful. Most importantly, the unlawful uses are mixed with lawful uses, which make the task of separating the two tedious, if not impossible. Thus, a remedy that allows shifting the burden to do so, to intermediaries on pain of damages, is poorly tailored and largely over-inclusive. While the EUCJ emphasized that courts must take care to ensure that measures are appropriate, they face a dilemma, if they are required to allow for preventive injunctions under the Enforcement Directive. I argue that the L’Oreal ruling on Art. 11 of the Enforcement Directive is based on improper analogous assumptions from copyright law, which will have harmful effect. This is evidenced by the L’Oreal ruling itself, which at great length discusses why intermediaries should not be held liable for uses that are not considered to be within the realm of uses that the trademark owner is entitled to prevent, even under the most flexible standard of “free-riding".

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