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CENTER NEWSLETTER

FRANKLIN PIERCE LAW CENTER'S INTELLECTUAL PROPERTY NEWSLETTER

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The Honorable Gerald Mossinghoff to receive Jefferson medal

by Terri Zaino '01



Mr. Gerald Mossinghoff, Member of the Board of Trustees and of the Advisory Council on Intellectual Property as well as Adjunct Professor was chosen to receive the 2000 Jefferson Medal of the New Jersey Intellectual Property Law Association (NJIPLA) at the 50th Jefferson Medal Dinner, which will take place in Short Hills, New Jersey on June 9. This being the 50th year of Jefferson Medal awards, the NJIPLA sought a very special honoree and will hold a very special celebration.

The Jefferson Medal – "the United States' highest honor in intellectual property"– is awarded annually for "exceptional contributions to the American intellectual property law system." Previous medalists include a Supreme Court Justice, Senators, Congressmen, Chief and Associate Judges of the Court of Appeals for the Federal Circuit, high American and foreign government officials, several famous inventors and industrialists and three law professors, one of whom is Professor Karl Jorda, the 1996 Jefferson medalist. ◆

IN MEMORIAM

A Tribute to Dean Eric Neisser

by Interim Dean Dick Hesse

A tall, energetic man with a broad smile walked into FPLC and our lives in July of 1999. Many of us met Eric months before during the interviews for the leadership position at the Law Center. We studied the impressive resume and learned something about our new leader. We knew from his work in New Jersey and throughout the world that he was a big man in much more than the physical sense.

Despite our knowledge of Eric's background we were not prepared for the whirlwind which struck us. His enormous spirit and powerful sense of purpose immediately informed us that we were about to experience a rare opportunity. Over the next few months we learned that human rights start at the very basic level of human relations, that justice is much more than an intellectual abstraction, that a powerful leader can be a very good friend without losing objectivity, that personal life and family should be an important part of our lives and most important, that the difficult and important tasks imposed by those lessons could be fun.

We cannot find the words to relate our sense of loss. We can only stand in wonder at the life Eric led and be thankful that we could work with him and learn from him. We are dedicated to realizing the goals Eric helped us set and to advancing the cause of justice and human dignity to which Eric dedicated his life. ◆

PROFILE

The Honorable Gerald J. Mossinghoff

by Terri Zaino '01

I had the distinct honor and privilege to speak with Mr. Gerald Mossinghoff about his career and accomplishments. This rare opportunity allowed me to gain his perspective about the transitions through which IP has passed and where it is headed. FPLC is fortunate to have Mr. Mossinghoff as an Adjunct Professor, teaching Intellectual Property Legislation during our Intellectual Property Summer Institute (IPSI) and as a member of our Board of Trustees. He is most reknowned as the former Assistant Secretary of Commerce and Commissioner of Patents and Trademarks.

It is impossible to properly do justice to the resume of Mr. Mossinghoff in a brief article, but allow me to provide a concise overview of this talented and accomplished individual. After graduating from St. Louis University with a degree in Electrical Engineering, Mr. Mossinghoff completed his JD at the George Washington University Law while serving as a patent examiner at the Patent and Trademark Office (PTO). Upon completion of law school, Mr. Mossinghoff returned to St. Louis and worked in a law firm for 3 years. Having married a fourth generation Washingtonian, Mr. Mossinghoff and his wife returned to Washington D.C. where he was employed as a patent attorney for NASA.

Mr. Mossinghoff's career rapidly accelerated leading to his introduction to the legislative arena when, at the tender age of 32, he became PTO's Director of Legislative Planning. He then held positions at NASA of Director of Congressional Liaison and Deputy General Counsel. His patent and legal background combined with his extensive experience in legislative affairs made him a prime candidate for President Ronald Reagan to appoint him as Commissioner of the PTO in 1981.

Mr. Mossinghoff greatly increased the PTO's fiscal resources by significantly raising filing fees, and initiated a far-reaching automation program to computerize the PTO's enormous databases. He was also responsible for instituting a "trilateral" arrangement among the U.S., Japan, and Europe involving close cooperation in maintaining patent application and examination consistency, which over the years has developed into a much broader and more substantive initiative. He also served as the U.S. Ambassador to the Diplomatic Conference on the Revision of the Paris Convention, and was elected by the member nations of the United Nations World Intellectual Property Organization (WIPO) as Chairman of its General Assembly.

Mr. Mossinghoff found his position at the PTO "the most satisfying and interesting" of all. Under his term, Mr. Mossinghoff was instrumental in the creation of the Court of Appeals for the Federal Circuit (CAFC). Strongly resisted by the American Bar Association (ABA), the CAFC was first proposed under the Carter Administration but was executed with the insightful assistance of Mr. Mossinghoff under the Reagan Administration.

Upon leaving the PTO after his four-year term, he served as President of the Pharmaceutical Manufacturer's Association, where he met Professor Karl Jorda who was Patent Counsel for CIBA-GEIGY at the time. Mr. Mossinghoff later retired from that job and became Senior Counsel at the Arlington, Virginia law firm of Oblon, Spivak, McClelland, Maier and Neustadt, P.C., where he is currently employed. He has been involved as an expert witness in more than 20 cases. He is also a Cifelli Professional Lecturer at the George Washington University School of Law, co-teaching IP Legislation and Multinational Protection of IP with Ralph

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Terri Zaino ('01) from Londonderry, NH, has a BS (Marine Engineering Systems) from the U.S. Merchant Marine Academy and an ME (Nuclear Engineering) from the University of VA. She plans to pursue IP law in Boston.

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Created in 1985 through the generosity of Kenneth J. and Pauline Germeshausen, the Germeshausen Center is the umbrella organization for Franklin Pierce Law Center's specialization and policy studies in the legal protection, management, and transfer of intellectual property, especially as they relate to the commercialization of technology.

The Germeshausen Center Newsletter is published three times a year for alumni/ae, students and friends of Franklin Pierce Law Center. Our readers are encouraged to send news, photos, comments or letters to:

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NOTABLE HAPPENINGS

DISTINGUISHED VISITOR

This past fall, FPLC had the distinct privilege of hosting **Mr. Bambang Kesowo** from Jakarta, Indonesia. Mr. Kesowo holds the position of Cabinet Secretary in the Office of the President, and is the person to whom the Director General of Patents, Trademarks and Copyrights reports. In this position, Mr. Kesowo was also the driving force behind Indonesia's first Patent Law of 1989. Professor Karl Jorda often refers to and quotes Mr. Kesowo for his statesman-like observations in all of his talks to developing-country audiences. Mr. Kesowo was at FPLC for one week doing research for his doctoral dissertation at the Yogjakarta University on a topic relating to compulsory licenses.

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FPLC AND USPTO BEGIN JOINT $1M RESEARCH PROJECT ON IP SECURITY INTERESTS

The U. S. Patent and Trademark Office (PTO) and FPLC has undertaken a joint $1 million research program. The project, which began in the Fall of '99 and runs through March 1, 2001, is funded equally by the PTO and by FPLC and its subcontractors. With the assistance of other experts in the region, FPLC faculty will study the legal, economic and technological problems with current laws governing the filing and security interests in patents and trademarks, and develop a plan for a centralized national registry of such interests, and other alternatives. The project is directed by **Professor William Murphy** through FPLC's newly created Center for Law, Technology and Commerce.

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USIA GRANT AWARD

The U.S. Information Agency (USIA) awarded a grant of $120,000 to FPLC and Tsinghua University Law School in Beijing, China for a three-year affiliation to strengthen IP education. The grant will allow three members of the Tsinghua faculty to be in residence at the Law Center for extended periods, and three members of the FPLC faculty to teach in China. Tsinghua is the premier science university in China. **Professor William Hennessy**, a Fulbright Scholar at Tsinghua in 1998, is the project director.

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USIA GRANT FOR DEVELOPING RULE OF LAW PROJECT IN RUSSIA

FPLC received a three-year, $300,000 U.S. Information Agency (USIA) grant to fund a joint FPLC/University of New Hampshire program to help Vologda University in Russia develop a modern law curriculum. The grant will help the new Vologda law school develop its curriculum to prepare lawyers to play an affirmative role in assuring that the government and private parties alike conform their conduct to the rule of law. Project Director Interim Dean **Richard Hesse** has already visited Vologda twice and the first Russian professors, Professor **Vladimir Kosko** and Professor **Igor Kozin**, arrived at FPLC last November and will stay through May 24, 2000.

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ECOLLEGE.COM GRANT

Franklin Pierce Law Center received a $72,000 grant from, and a signed contract with, eCollege.com, to put ten courses on line using eCollege.com's online expertise and FPLC substantive courses. The courses will be primarily part of the education law degree program. The first two courses, Basic Education Law and Supreme Court Seminar, will be up this spring and others will follow this summer (including Copyright for Educators and Special Education). See: www.edlaw.fplc.edu.

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MERCK PATENT FELLOWSHIP AWARD

Dr. Matthew Leff, ('02) is the recipient of the Merck Patent Fellowship. The Patent Division of Merck & Co., Inc., has been dedicated to encouraging students with scientific backgrounds in pursuing patent law. The Merck Fellowship comprises an award of $5,000 to a first-year student, a paid summer internship, and the intention to continue the award through the students' final two years in law school.

Jeff has a BS (Biology), a BA (Anthropology), and a MS (Pharmacology/Toxicology) fron the University of North Dakota, Grand Forks, and a PhD in Pharmacology/Toxicology from the University of Louisville. Congratulations Jeff!

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1999 JANCIN AWARD

Congratulations to **Gwendolyn Joyner** ('00), who was recently selected as the national winner of the 1999 Jan Jancin Memorial Award for outstanding contributions of a law student to the intellectual property law profession. The national award is sponsored jointly by the American Intellectual Property Law Association (AIPLA), the ABA's Intellectual Property Law Section, and the National Council of Intellectual Property Law Associations (NCIPLA).

"The Law Center is very proud of Gwen Joyner's national recognition," said the late Dean Eric Neisser. "She is an outstanding example of the many fine students preparing for careers in intellectual property at Franklin Pierce."

Gwen earned her undergraduate degree in Sociology/Organizational Behavior from Yale University in 1991. Before attending FPLC, she worked at Byron Preiss Multimedia as a licensing assistant in the development of CD-ROM productions, and in licensing mediation at Harry Fox Agency in New York, where she mediated and issued synchronization licenses for copyrighted compositions.

❖

Troubled Waters? Assessing the Validity of a Trademark in Renoir's Signature

by Jeanne Andrea DiGrazio LLM '00

Great works of art stand apart from other great works of art. It is the distinctiveness of a master artist's work that makes the artist so magnificent. You know when you are looking at a Renoir, a Picasso, a Degas, a Cezanne, or a Rembrandt. The distinctiveness of the work is something you come to identify with the artist.

Trademarks, in a sense, serve a similar end. They serve to identify goods in commerce. An effective mark ensures that the consumer will not be confused by competing brands. In addition, the consumer can be assured that the quality (whether exceptional or mediocre) associated with the mark will be consistent in subsequent purchases.

Imagine that you are shopping in a supermarket. Turning down the aisle for bottled water, out of the corner of your eye, you think you see the name "Renoir" and a reproduction of various famous Renoir paintings on the labels of bottled water. But it is not imagination playing tricks on you. It really is a reproduction of Renoir's signature and those really are reproductions of his paintings on the labels. You might find yourself confronted with seemingly innocent queries: What's the source of this product? Did Renoir in fact at one point drink this water? Maybe you wonder whether Renoir was strictly an artist or a purveyor of waters. You might even wonder if "Renoir" is as ubiquitous a surname as "Smith" or "Jones."

A series of bitter legal battles between the heirs of the Renoir estate and the 42 year old great grandson of the legendary artist have been raging forward. Jean-Emmanuel Renoir is using a registered trademark bearing a state-of-the-art reproduction of his great grandfather's signature on labels affixed to bottled water. The water bearing the "Renoir" signature will be appearing on U. S. supermarket shelves in the very near future.

The heirs argue that excessive commercialization of the Renoir name will "dilute" the name. Jean-Emmanuel Renoir argues, on the other hand, that it is commercially advantageous to have the name "Renoir" and that use of the Renoir name on various goods will actually encourage people to go to museums to see the real artwork. It makes one wonder about the strength of Jean-Emmanuel Renoir's mark and whether, if challenged, a court might invalidate the mark.

In the U.S., trademarks exist pursuant to federal and state law. Under section 45 of the Lanham Act, trademarks are available for any "word, name, symbol, or device." However, courts have had difficulty dealing with the trademarkability of names that appear to be merely surnames without more. *See, e.g., In re Hutchinson Tech, Inc.*, 852 F.2d 552 (Fed. Cir. 1988) (reversing the PTO board's denial of a trademark in the name "Hutchinson Technology" and setting forth the test for trademarkability of a surname); *Taylor Wine Co. v. Bully Hill Vineyards, Inc.*, 569 F.2d 731 (2d Cir. 1978) (establishing that when the trademark seeker has a genuine interest in building a business, courts typically will not disallow use of a name); *see* Lanham Act Section 2(e)(4)) (denying trademarks in surnames). In France, a trademark can be challenged in an opposition proceeding; however, the only basis for opposing the challenged mark is that the mark must be causing damage to a preexisting trademark 4 *J. Proprietary Rts.* 37 (No. 7 1992).

Under *Hutchinson*, the test for determining whether a mark is "primarily merely a surname" is that of "the primary significance of the mark as a whole to the purchasing public." *Hutchinson* at 554. The *Hutchinson* court noted that if the public views the mark as merely a surname, then there can be no trademark. On the other hand, where the intention to build a business is genuine, courts will typically uphold the mark as a trademark as in *Taylor Wine.*

The crux of the problem appears to be the courts' balancing of an individual's right to use his name in commerce against the need to prevent confusion in the mind of the purchasing public. The Second Circuit, with Judge Learned Hand presiding, has stated the trouble with denying a trademark in one's surname as that of "tak[ing] away [a person's] identity . . . without it he cannot make known who he is to those who may wish to deal with him . . . that is so grievous an injury." *Societe Vinicole de Champagne de Mumm*, 143 F.2d 240, 241 (2d Cir. 1944).

Thus, the problem is a profound one going to the very essence of self-identity. While the Renoir Estate might not be enchanted with the fact that its name is being used as a trademark, Jean-Emmanuel is himself a Renoir with the inherent right to identify himself — and his products — in commerce. The Estate's argument that excessive commercialization will "dilute" the family name reflects a type of moral rights argument. Moral rights is essentially a copyright issue addressing an artist's right to safeguard the integrity of his work. Unfortunately for the Estate, however, U.S. laws

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Ms. Di Grazio (LLM '00) received a JD from Widener University School of Law, a BS (Physics and French) from Dickinson College and an MA (Physics) from Bryn Mawr College. She plans to pursue a patents, licensing, and antitrust law career.

Distinguished Lawyer-in-Residence: Stephen Grace

by Matt McCloskey '01

Each semester FPLC partners with a Distinguished Lawyer-in-Residence: a practicing attorney who gives lectures on aspects of practice and career advice. During the Fall Semester of 1999, FPLC was fortunate to have Stephen Grace, a long-time Law Center friend, as a Distinguished Lawyer-in-Residence. Mr. Grace has held the position of General Patent Counsel at The Dow Chemical Company since 1994. I was fortunate to have had a conversation with Mr. Grace discussing his objectives as the Lawyer-in-Residence.

During our conversation, I asked Mr. Grace what motivated him to come back to FPLC and spend time with our students. Mr. Grace told me that he had been involved with FPLC since the early days when Bob Rines and others were sponsoring IP seminars, and he was here in the '80's doing recruiting. At that time, Mr. Grace was impressed by how relevant and progressive FPLC's emphasis on the convergence of law and technology seemed. Because of his background [patent law and metallurgical engineering] he was drawn to being involved with the school, and because he enjoyed his experience at FPLC, he keeps returning.

Next, I asked Mr. Grace what advice would he want to give to IP students graduating at the beginning of the new millenium. His answer was that IP law is important both nationally and globally. The world of commerce is becoming more aware of the importance of intangible assets, i.e. IP assests. Big (and small) business is recognizing the competitive advantage given to a company by careful protection and cultivation of these IP assets. Virtually every company needs good attorneys who are aware of IP issues, if only in a general sense. Lower tariifs (e.g. GATT and NAFTA) are increasing competition among international corporations. So, companies value the commercial protection obtained through IP rights even more.



Also, Mr. Grace would want students to not develop "big firm" blinders when they graduate. He told me that he had found that being a corporate attorney is immensly satisfying, as one can see how one's work affects the company in a very direct manner. Mr. Grace also related that you get to see a product's whole life cycle; from beginning R&D process, through the patent, trademark, and copyright stage, all the way to market.

The students and faculty of FPLC would like to thank Mr. Steven Grace for his time and effort this past Fall. ◆

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Oman, former Register of Copyrights. Mr. Mossinghoff also conducts a seminar at the George Mason University Law School on International Protection of IP.

When asked about his perspectives on what he enjoyed about his career in IP matters he responded, "It has been a very satisfying career. Intellectual property is not partisan, it's very intellectual, and it inherently avoids some of the problems that plague other fields of law. Intellectual property is now recognized worldwide as the engine of human progress."

Mr. Mossinghoff also offered a comment on the prominent IP case, *Patlex Corp. v. Mossinghoff,* 771 F. 2d 480 (Fed. Cir. 1985). *Patlex* held, among other things, that patent holders have standing to challenge the constitutionality of certain patent regulations. He notes "*Patlex* offers a good case discussion regarding *ex post facto* laws and the constitutional underpinnings of IP rights in the U. S. Judge Pauline Newman did a wonderful job with this case."

The students of FPLC appreciate all Mr. Mossinghoff has done for IP law and for FPLC, and looks forward to his return this summer.

(The Profile on Mr. Mossinghoff in this issue, incidentally, was prepared long before it was learned that he would be the next Jefferson Medalist.)

The Great Laptop Debate

by Bo Spessard '01

As FPLC considers the expansion of the law school's premises within the next few years, a new question rears its head: What type of technology should FPLC integrate into the new expansion? In an attempt to answer this question the Technology Committee, a representative group consisting of Buzz Scherr, Associate Dean, as the Chairperson; Jon Cavicchi, IP Librarian; Mark Gosselin, Computer Services Director; Jeannie Mackay, Vice President for Business and Treasurer of FPLC and two students, Raja Manno and Bo Spessard, was formed. The question presented FPLC with an opportunity to discuss the integration of laptop computers into the curriculum.

Less than ten law schools across the country have mandatorily integrated laptops into their curriculum as a requirement for incoming students (T.C. Williams, NOVA Southeastern and Suffolk, to name a few). Should FPLC follow the lead of these schools that are stepping out onto another plane of legal education?

As one of the student representatives for the Technology Committee, I canvassed the students for input regarding the question of mandatory laptops. I received many responses regarding the issue, such as: Why laptops versus a general computer requirement (laptop or desktop); excess cost to students; increased noise in the classroom; creating a physical wall between teacher and student; students accessing the Internet while in class; vision impaired students being forced to use laptops; who will take care of the laptops if and when they crash; where will we plug in all these computers. These are all concerns that the school will have to consider before making its final decision. I will address a few of the more difficult questions.

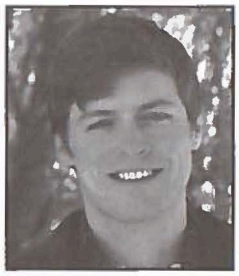
The question most frequently asked was the laptop versus desktop question. It would seem that whatever a laptop can do, a desktop can do better, faster and cheaper. What does FPLC want to accomplish by requiring students to purchase laptops? Professor Buzz Scherr stated, "FPLC wants to make a statement to the legal profession that our students are graduating with the practical know how that will enable them to compete in the legal market of the 21st Century. The legal professional of the next century will need to be mobile and technologically savvy."

The mobility issue was addressed by Interim Dean Dick Hesse at a recent faculty meeting. Dean Hesse spoke of his involvement with the Claremont Case (litigation concerning the constitutionality of New Hampshire's tax based school funding); there were 26 boxes of files at the trial and the lead attorney handled all the information in those files from his laptop, (obviously the attorney could not have brought in his desktop). Hesse stated that he had been practicing law for many years and litigated many cases, but had never seen so much information handled so well in a case. The legal profession is already seeing a drastic change in the way lawyers are practicing law, and laptops promise to be a fundamental part of that change.

What about the "non-techie," non-IP students who are scared of computers? Laptop technology is not just for those "techie" students interested in FPLC's Intellectual Property program (even though a requirement that 1L's purchase laptops may bolster FPLC's #1 IP ranking). A student interested in FPLC's Community Lawyering Program may benefit the most from such a requirement. Typically, smaller community law firms are not as technologically advanced as larger corporate firms. FPLC graduates with laptop experience can bring their knowledge of laptops to a small, community firm and increase the firms efficiency with their technological skill. This requirement promises to be a benefit for future FPLC students only if the faculty and students truly embrace the technology and implements the use of the laptops into the curriculum.

If the laptop requirement is to be successfully implemented at FPLC, the school must create software and develop curriculum that will integrate the laptops effectively. With plans for a multi-media software and video production room in the new expansion, our faculty will have the capability to experiment with new teaching techniques in the classroom. At a recent staff meeting, faculty expressed interest in using laptops in class for applications such as, on-line research, accessing curriculum on-line, and other educational enhancements. Teachers and students who are willing to work together to create and utilize new methods of teaching are going to be the force that allows FPLC to continue its non-traditional, hands-on approach upon which FPLC was founded.

A laptop requirement may not be a policy that all the law schools in the country will adopt, but FPLC is a school that was founded by forward looking individuals, not individuals who were content with the status quo. As there are costs and benefits to any decision, it is this writer's belief that the benefits laptops will provide to FPLC and its students are greater than the present and future costs of not requiring laptops. The laptop requirement is a change, and change is often difficult. But, when viewed from the short history of FPLC's non-traditional style, change is necessary. ◆



Bo Spessard ('01) from Roanoke, VA, has a BA (History) from Hampden-Sydney College and plans to pursue a Corporate/IP law career in Nashville, TN.

The IP Library — Year 5

by Michelle Lopez '01

It's no wonder that the nation's number one IP law school has one of the nation's best and most progressive IP libraries. Not only has FPLC grown to be the top IP law school in the nation, but the resources collected include numerous materials pertaining to all aspects of IP law, including: traditional patents; trademarks; copyrights; and materials on licensing, technology transfer, multimedia, cyberspace, information technology, computer law, and electronic commerce. While most IP libraries may lay their claim to fame in maintaining a strong collection in one particular branch of IP, FPLC encourages a broad policy to develop all aspects of IP, partly in support of the 53 IP courses FPLC offers. This makes FPLC's IP Library one of the top research facilities in the country for academia, professionals, and students from around the world.

In the five years since the library opened, some of the more prestigious donations have come from the professors at FPLC. Professor Karl Jorda donates parts of his vast personal library every year, including collections such as the Pacific Intellectual Property Association (PIPA) Papers. Professor Jorda has also facilitated FPLC's connection with the World Intellectual Property Organization (WIPO) so that FPLC has become a depository of all WIPO's publications current and future.

A fund established in the name of Professor Robert Shaw has financed the purchase of thousands of dollars worth of IP books and has funded the Shaw Reading Area (located in the IP Library). Our late President Robert Viles is to be credited with the vision to create such a fund and to execute the means by which alumni now donate to the fund.

FPLC's resources have been enhanced by professionals and major corporations in the IP community. EI du Pont has donated dozens of cases of older IP treatises and periodicals. Polaroid has donated scores of items. Professor Emeritus and the first Director of the FPLC Germeshausen Center, Homer Blair, has donated his books and papers upon leaving FPLC. Additionally, Mr. Blair was kind enough to donate his collection of patent prototypes to the IP Library. The prototypes of this collection are, for the most part, of inventions created in the mid to late 1800's, the oldest being for a stove protoype for U.S. Patent No. 2,556, issued 1842. The collection also includes the actual, original patent certificates for some of the inventions.

FPLC students have over 10,000 volumes of intellectual property material at their disposal; over 100 periodical titles, most not available on Westlaw, Lexis, or any other electronic service; 65 IP CD-ROM collections and the exclusive, award-winning IP Mall Web site. And if that's not impressive enough, don't forget WIPO's depository of foreign, comparative and international IP law materials. We may be out in the "middle of the woods" but we're geared up for the technological legal issues coming in the 21st Century.

Adding to the richness of the IP library are the many foreign visitors it enjoys. MIP students come from around the world, to do research and learn in the library. Distinguished professionals from around the world visit our Law Center and use the IP Library resources.

WIPO recognized the quality of the IP library when it designated FPLC a depository for all material, for very few libraries other than those in developing countries are so designated. Many firms, corporations, academic institutions, and libraries have routinely turned to our IP Library to borrow hard-to-find titles via interlibrary loan and document delivery. Likewise, "The Franklin Pierce Law Center Intellectual Property Information Mall, at www.fplc.edu, may be one of the best sites currently on the Web for intellectual property information and research links...this is a must-have site for this area." – according to Brobeck, Phleger & Harrison.

Now in its fifth year, the IP Library at FPLC celebrates its success in maintaining itself as one of the top IP libraries in the country. With Jon Cavicchi at the helm, the only IP librarian, who also teaches IP research and patent and trademark searching, the library will continue to stay ahead by constantly adding to collections and forming strategic alliances with academic institutions and professional organizations to offer more titles and resources. Professor Cavicchi, now Chief Administrator of IP Information Resources at the IP Library, was hired in 1992 as the first IP Librarian to develop and deliver information services and was appointed to the IP Faculty to teach the power of these information sources. Over the past several years the Law Center's IP resources in print, online, compact disc and on the Internet have been progressively developed. In recognition of his expertise in the IP research field, Professor Cavicchi has been chosen to sit on the Advisory Board of Questel/Orbit, a key information producer for patent professionals.

In what may be the future of FPLC's library, we hope to make the resources available to more foreign countries through the digital content offerings in the IP Mall. The IP Library at FPLC has just begun to spread its wings. ◆



Michelle Lopez ('01) from San Carlos, CA, has a BA (Political Science) from University of California, Berkeley and plans to pursue a copyright, e-commerce and Internet law career in CA.

Patent Term Extensions, Again: Senate Bill 1172

by Pete Reid '02

On May 27, 1999, Senator Robert Torricelli (D-NJ) introduced Senate Bill 1172, the Drug Patent Term Restoration Review Procedure Act of 1999. This Bill is the latest step the brand name pharmaceutical industry has taken to extend patent and market exclusivity.

Senate Bill 1172 seeks to amend 35 U.S.C. §155, Patent Term Extension, by establishing a review procedure to restore patent terms of specific pharmaceuticals. Only drugs claiming "an active ingredient, including any salt or ester of the active ingredient, of the approved product alone or in combination with another active ingredient", commonly referred to as "pipeline" drugs, will be considered for patent term extension under the proposed bill. S.1172 would establish a procedure allowing the brand name manufacturers of pipeline drugs to receive up to three additional years of patent exclusivity and competition-free sales. This three year extension would be in addition to any patent term extension pipeline drugs were granted under the Drug Price Competition and Patent Term Restoration Act of 1984 (Hatch-Waxman Act), the General Agreement on Trading and Tariffs (GATT), or the Food and Drug Administration (FDA) Modernization Act of 1997.

A main proponent of S.1172, is pharmaceutical giant Schering-Plough (Schering). Schering manufactures the antihistamine Claritin and anti-androgen Eulexin, pipeline drugs that would benefit from patent extension under S.1172. Claritin alone represents 66% of the market value of products affected by S.1172, and is Schering's cash crop with 1998 worldwide revenues of $2.3 billion. In 1998 Claritin sales provided 34% of Schering's total worldwide revenue of $7.3 billion. Claritin previously received a two-year patent term extension under the Hatch-Waxman Act, a 22.5 month patent extension under the GATT, and is reportedly about to secure an additional six-month extension for conducting pediatric studies under the FDA Modernization Act of 1997.

Schering testified before the Senate Judiciary Committee for patent term extension because Claritin faced approval delays before the FDA, and because excessive Claritin profits are needed to pay for current research and development of new drugs. Schering failed to discuss that the FDA delays were due carcinogenicity concerns and a design change in the drug from a capsule to a tablet, and that Congress had already provided two patent term extensions for Claritin totaling nearly four years. Claritin's patent will expire in the year 2002 forcing Schering to face generic competition. In his testimony before the Senate Judiciary Committee, Schering's Chairman and Chief Executive Richard Kogan said there is a "strong connection between IP rights and the research that produces breakthrough drugs. It is impossible to have one without the other."

Opponents of S. 1172 would disagree. The National Association of Pharmaceutical Manufacturers (NAPM) heads the charge against S.1172, with support from various consumer groups. NAPM is a trade organization that represents generic pharmaceutical manufacturers, distributors and their suppliers.

NAPM testified before the Senate Judiciary Committee that special interest patent extensions under S.1172 denies the American consumer the choice of selecting a generic version of name brand products. NAPM heavily cites a recent study by the Prime Institute of the College of Pharmacy at the University of Minnesota, written by Dr. Stephen Schondelmeyer entitled *Patent Extension of Pipeline Drugs: Impact on United States Health Care Expenditures*, which uses Claritin as a case study.

Schondelmeyer's report finds a three-year delay in generic competition for Claritin will cost American consumers $5.31 billion from 2002 through 2007, another $2.05 billion from 2008 through 2012, and Schering will earn $9.64 billion from Claritin sales. Schondelmeyer reported that based on Schering's current research and development (R&D) expenditures, only approximately 3.6% of the $9.64 billion earned, or $350 million, will be allocated to new drug research. In his report Dr. Schondelmeyer states that "If the intent of [patent extension] legislation is to stimulate research and development, this is very inefficient legislation because it requires a cost to the public of $9.64 billion to achieve $35 million in research and development discovery." Schondelmeyer also cites a Congressional Budget Office study that found "reducing FDA approval times, if it's done without sacrificing safety concerns, would be much more effective in helping both the drug industry and consumers than would lengthening the patent protection period."

The Prime Institute reports American consumers can expect to save $7.33 billion by 2007 if generic competition for Claritin begins in 2002 when its current patent expires. Delaying generic competition

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W. Pete Reid ('02) from Easley, SC, has a BS (Biology) from the University of SC and plans to pursue a patent law career on the East Coast.

AMICO Addresses Museum Collections For Educational Use

by James Crowely '01

Museum collections of paintings, sculpture, photography, drawings and architecture provide a source of content for education and research. While museums recognize the opportunity multi-media documentation offers as a research tool, these institutions face many economic and legal difficulties as well. Many individual institutions lack adequate funding systems to deal with the tasks of organization, conveyance and publishing that multi-media documen–tation requires.

In addition, obtaining rights to use works is slow and complex. There is no uniform system in the museum community to address identifying ownership, conditions of use or fee scales. In most cases, each request is dealt with case by case. These burdens add to the reluctance museums have to grant a request by the academic community. Although educational institutions may rely on the concept of Fair Use, many desired uses of the copyrighted materials go beyond the Copyright Act.

In the fall of 1997, members of the Association of Art Museum Directors sent representatives to deal with these issues in a series of conferences. Many options were taken under advisement, including assigning rights to third parties such as brokerages, right re-sellers or locator services. However, these alternatives tended to limit the control of the rights holder, just as maintaining control institutionally tended to disfavor the user. In the end it was decided that an independent structure was better able to balance the rights of the holder with the needs of the user regarding educational use of museum multimedia. This led to the formation of the Art Museum Image Consortium (AMICO).

AMICO is a non-profit association whose membership includes 28 museums and art galleries located throughout the U.S. and Canada. Advocating the use of technology in order to further knowledge, these institutions have pooled their collections together by construct–ing a digital library. Academic centers, such as universities or museums, may subscribe to access the AMICO library as a tool for students, patrons or staff. End users may also gain access to the library through already available non-profit distributors and information networks.

AMICO is governed by a Board of Directors made up of directors from member institutions. Membership in AMICO is available to any institution with a collection of works of art. Membership is divided into Full or Associate Members. Full Members are expected to contribute at least 500 works from their collections to the library every year. In addition, Full Members may vote for the Board of Directors and participate in meetings, committees and programs. Associate Members have no obligation to contribute to the library and share no voting privileges.

In addition to the member institutions of AMICO, the library is also access–ible to non-members. Subscribers to the AMICO include colleges, universities, museums, public libraries and other educational institutions. These institutions provide the AMICO library as a resource for its students or patrons. AMICO provides separate license agreements for use by museums and universities. While subscribers have unlimited access to the library, each license outlines designated users and specific permitted uses of the library. Each agreement lasts only one year. Subscribers also pay a fee, which is based on the number of potential users expected from an institution.

In the case of a museum subscriber, the agreement grants a non-exclusive, non-transferable limited license to use. Designated users include museum staff, research employees, scholars, volunteers and visitors. Non designated users include museum members, museum tenants or anyone who pays a fee to use the facilities or services. Permitted uses include education, research and scholarship, which include classroom instruction, display in a public gallery as exhibit labels, and incorporation into museum records. However, AMICO does not allow publishing, redistribution, storing or any commercial uses of the works. In an attempt to protect the moral rights of the creator, any adaptations or modifications of the work must be for academic reasons only and require the express consent of the right-holder. AMICO also indemnifies the subscriber against any claim brought on by a third party and the Subscriber indemnifies AMICO against any actions having to do with unauthorized use of the library.

Subscribers and institutions receive access to the AMICO library through an authorized distribution system. Given the costs and difficulty of developing a uniform system for its members, AMICO uses already existing non-profit distributors to provide its services. These distributors provide access to AMICO under the terms of a Distribution License. AMICO provides the data for the distributor. The distributor assumes responsibility for incorporating the data into the system and delivers it to the user. In addition to data, AMICO provides updates and format specifications regarding size, resolution, and image views. The distributor must make any changes AMICO specifies within ten days. Distributors are free to charge a fee to the subscriber for their services. They also have an option to make the library available to the public. However, if distributors provide public access, they are required to provide a link from each work to a statement that warns against commercial use. The rights label should also provide a link to the rights holder with an explanation of rights available from rights holder.

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FROM THE EDITOR

Patent Term Restoration Legislation

Recent months saw the passage by Congress of a spate of intellectual property (IP) bills. Among them are bills to amend the copyright and trademark laws as well as the comprehensive "American Inventors Protection Act of 1999," which, among several very important changes in the U.S. patent code, compensates past applicants for patent term reductions due to certain Patent Office delays and guarantees diligent applicants at least a 17-year term.

What was not enacted, however, were H.R. 1598 (introduced by Rep. Ed Bryant (R-Tenn.) and Rep. Jim McDermott (D-Wash.)) and S.1172 (introduced by Sen. Robert Torricelli (D-NJ)). These bills intended to provide a patent term restoration review procedure for certain pharmaceutical products, namely, CARDIOGEN-82, CLARITIN, DEMATOP, EULEXIN, NIMOTOP, PEMETREX and RELAFAN. And these bills are surrounded by much controversy, which is the customary fodder for the Editor's Column of this Newsletter, especially in this issue, which carries a partisan article by Pete Reid, entitled "Patent Term Extensions, Again: Senate Bill 1172."

This controversy is needless and unjustifiable; hence, these bills, one of which is properly styled "Patent Fairness Act of 1999", should also be enacted in order to fix an inadvertent legislative inequity, which occurred when the Drug Price Competition and Patent Term Restoration Act of 1984 or Hatch-Waxman Act was passed. Under this Act pioneer drugs received up to five years of patent term restoration, and generic versions of pioneer drugs where accorded an abbreviated approval process to reach the market faster. However, the drugs listed above, which were already in the approval pipeline of the Food & Drug Administration (FDA), were given only two years, which could result in a three-year disparity in patent term between drugs under development going into the FDA pipeline after versus before the enactment date.

Two erroneous assumptions were the reason. First, it was felt that the pipeline drugs would be approved in short order, since the average approval time back then was a little over two years. This proved to be correct for some but not for the seven drugs covered by S.1172 and H.R.1598, which languished in the pipeline for over five years, and for over ten and over 17 years in the cases of CLARITIN and EULEXIN, respectively.

Second, it was believed that investment decisions had already been made for drugs in the pipeline and no further economic incentives were needed beyond the two years within which approval could be anticipated. Wrong premise again! As was pointed out by Alan D. Lourie, now Associate Judge, Court of Appeals for the Federal Circuit, in an article published in the Journal of the Patent Office Society in 1984, "decisions on investment are constantly being made, even after an application has been submitted to a regulatory agency...".

Consequently, nothing could be fairer than rectification of the inequity visited upon the patent holders of those drugs back in 1984, especially since all that the patent holders of the seven drugs are asking for is not outright three-year restoration but establishment of an independent review process within the Patent & Trademark Office for determination whether these seven drugs deserve or are entitled to up to three years of additional restoration. There is no guarantee that they would get any added patent term.

And it is unfair for the critics and opponents to argue that the Wax-Hatchman Act was a "carefully balanced compromise" between the research-based and generic drug industries that should not be undone as it would "ruin the Hatch-Waxman Act." It is simply not true that this compromise was "agreed to by all parties." It was pressure, if not coercion, that brought about the "compromise". I can state this unequivocally because Mr. Alfred Engelberg, who represented the generic industry in the legislative battle royal leading to the Hatch-Waxman Act, has now admitted, in an article published in IDEA, a Franklin Pierce Law Center law journal, that it was a "unique legislative process...a congressionally supervised negotiation between the generic and brand-name pharmaceutical industries in which the parties were compelled to reach a compromise by the legislature." (Emphasis added.) In fact, as also recounted by Mr. Engelberg, many of the larger and more influential companies of the PMA (Pharmaceutical Manufacturers Association) formed a coalition in opposition to this legislation, strongly dissenting, in particular, to the restrictive rules on patent term restoration. A stalemate loomed. To break it, "Senator Hatch placed heavy pressure on ...the two sides...act(ing) as a referee and arbitrator on the final points of disagreement." It was at this point that the provision granting only a two-year restoration to pipeline drugs was inserted.

What's more – and I remember this very vividly as if it had been yesterday – Mr. Engelberg boasted, when I found myself sitting next to him on a shuttle from Washington to New York sometime after the passage of the Hatch-Waxman Act, that they bested and vanquished the PMA, or words to that effect. And why, if the PMA companies indeed "agreed to the compromise," did Mr. Lew Engman, PMA's President, who signed off on this piece of legislation for PMA, loose his job shortly thereafter (only to surface later as the President of the GPIA, a generic industry association)?

Clearly, this act was a far cry from a "delicately balanced compromise." The fact is that the generic companies came away with a legislative package, wherein, in the words of Judge Lourie, "the ANDA (Abbreviated New Drug Application) portion of the bill was basically very permissive in requiring the FDA to grant marketing approval to a generic company upon satisfaction of very few basic requirements (e.g. without proof of safety and efficacy)."

In contrast to the very easy ANDA procedure, the research-based drug indus-

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PTO Internet Policy Benefits Applicants

by Eric L. Sophir '02

On June 21, 1999, the U.S. Patent and Trademark Office (PTO) commenced the operation of a new Internet Usage Policy. The new policy will benefit patent and trademark applicants around the world.

No longer will patent applicants need to travel to the PTO in Arlington, Virginia to perform such activities as conducting a patent search or interviewing with a patent examiner. Electronic mail via the Internet will allow for more effective communication. With the written approval of the applicant, redrafted claims can be submitted to a patent examiner for review prior to an interview, perhaps eliminating the need for an interview.

Digital certificates and encryption secure confidentiality of transmissions via the Internet between applicants and the PTO. An applicant risks the confidentiality of the application by choosing to communicate via e-mail. The PTO is currently planning a course of action for documents that require a signature.

The PTO is also increasing its IP information and searching capabilities on the Internet. To ensure security, searches done by PTO users are limited to general state of the art searches that do not disclose proprietary information. Search reporting shall be recorded according to the procedures described in the Manual of Patent Examining Procedures.

The Internet User Policy creates other limitations, such as Office actions that may not be responded by the applicant to the USPTO via e-mail. Also, PTO employees are not allowed to initiate e-mail correspondence with an applicant unless the written authorization is on the applicant's record.

Communication with the PTO regarding trademarks involves a different set of procedures and regulations. Overall, this policy will provide a lower cost for applicants and a more direct communication with the PTO. ◆



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try got the proverbial short end of the stick, ending up, again according to Judge Lourie, with "detailed limitations on patent term restoration." Indeed, the hurdles for patent term restoration are so many and so high that grants of such restorations have been, in comparison to grants of ANDA's, proportionately fewer and much shorter than the permissible five years – in some cases only a few months. Denying restoration to the seven drugs in question would thus not only be extremely unfair but would compound the basic unfairness and bias of the Hatch-Waxman Act.

Lastly, it is also not fair for the critics and opponents of S. 1172 and H.R. 1598 to decry the sought-after term restorations as extensions of "monopoly periods". A letter addressed to Rep. Howard Coble by three generic drug associations in May of 1998, refers to the patents in issue as "monopolies" five times on one page in a disingenuous attempt to prejudice the debate.

In this context, let us recall that the former CAFC Chief Judge Howard Markey missed no opportunity to denounce the use of the term "monopoly" as synonymous with "patent" in decisions and in journal articles.

And, very importantly, our Justice Department and Federal Trade Commission profess up front in their joint 1995 "Antitrust Guidelines for the Licensing of Intellectual Property" that 1) intellectual property (is) comparable to any other form of property", 2) there is no presumption that "intellectual property creates market power" and 3) "intellectual property licensing ... is generally pro-competitive"?

In light of Judge Markey's persuasive argumentation (detailed in the Editor's column of the Winter 1998 issue of this Newsletter) and the Justice Department/Federal Trade Commission's surprising about-face, it is high time that we stopped using the term "monopoly" as synonymous with "patent", especially because of its extremely negative connotation that inventors and innovators are reprehensible monopolists rather than public benefactors of the highest order, especially in pharmaceutical innovation?

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To Fool or Not to Fool: Deception isn't the Question

by Kelly Carey '01

Recently, the Court of Appeals for the Federal Circuit (CAFC) held that while a patented device may be deceptive it does not automatically lack utility *(Juicy Whip, Inc. v. Orange Bang, Inc.,* 185 F. 3d 1364 (1999)). The court referred to earlier cases pointing out that the threshold of utility need not be high but is merely needed to provide some benefit under section 101 of the patent act. In *Juicy Whip, Inc. v. Orange Bang, Inc.,* 185 F. 3d 1364 (1999), the court examined the invalidity of a patent obtained by Juicy Whip for a post-mix beverage dispenser that was purposely made to resemble a pre-mix beverage dispenser.

A post-mix beverage dispenser mixes the ingredients, syrup and water together at the time a customer requests the beverage. The two items are held in separate compartments until the beverage is purchased. A display container is fixed on top of the dispenser with liquid to stimulate impulse buying. However the liquid displayed is not what is actually served. The liquid displayed contains fluid that is similar in appearance to what will be purchased but is actually a solution that is resistant to bacteria growth.

With a pre-mix dispenser, the customer is served the same beverage in the displayed container at the time of purchase. The pre-mix dispenser requires frequent disassembly and cleaning in order to deter contamination due to bacteria. The post-mix dispenser made by Juicy Whip is intentionally designed to look like a pre-mix dispenser. Imitating the appearance of the pre-mix dispenser succeeded in allowing Juicy Whip to maintain the visually attractive appearance that allegedly appealed to the customer. Orange Bang argued that the invention lacked utility, and the district court agreed because it was an imitation of the pre-mix dispenser *(Id.* at 1365).

The CAFC however did not hold that the post-mix dispenser lacked utility because it was an imitation, but instead found that because one product can be altered to look like another, that is enough to satisfy the statutory requirement of utility *(Id.* at 1367). The court referred to several items sold in the marketplace that are imitations of other items including, cubic zirconium, imitation leather, laminated flooring intended to look like wood and even imitation hamburger. Therefore the post-mix dispenser satisfied the utility requirement by including all the visual attributes of the pre-mix dispenser. Deceiving the public does not vitiate the utility of the device.

The Supreme Court has stated that "Congress did not intend the patent laws to displace the police powers of the State, meaning by that term those powers by which the health, good order, peace and general welfare of the community are promoted." *(Webber v. Virginia,* 103 U.S. (13 Otto) 344, 347-348, 26 L. Ed. 656 (1880)). To this end the U.S. Patent and Trademark Office (PTO) is not required to find an item lacking utility simply because it is deceptive. There are other government agencies that are equipped to provide remedies for deceptive practices. The CAFC specifically mentioned the Federal Trade Commission (FTC) and the Food and Drug Administration (FDA) as having the responsibility for consumer protection. However the Lanham Act, section 43(a), may also provide a remedy if there is a trademark involved.

With regard to handling deception, the FTC and the FDA have a liaison agreement, which allows for overlapping jurisdiction. The FTC normally deals with deceptive advertising claims while the FDA is concerned with deceptive labeling. The FTC's Deception Policy Statement outlines deceptive conduct "as a material representation, omission, or practice that is likely to mislead a consumer action reasonably under the circumstances". The Juicy Whip dispenser is likely to mislead consumers under the present circumstances, however the FTC has prosecutorial discretion when responding to complaints. According to its Policy Statement on Advertising Substantiation "a complaint will not be issued based on deception if consumers can easily evaluate the product or service, it is inexpensive, and it is frequently purchased." The post-mix beverage dispenser would more likely than not fit into this category, and the possibility of deception would probably be outweighed by the benefit of a post-mix dispenser that looks like a pre-mix dispenser that eliminates bacteria.

The FDA is not likely to become involved in a case where the health of the public is benefiting from an improvement of a beverage dispenser. Labeling is under the control of the FDA to insure that purchaser are aware of what they are buying. The enactment of the Federal Food, Drugs and Cosmetics Act (FFDCA) section 331 (a) (21 U.S.C. 3319(a)) prohibits interstate transportation of foods misbranded or labeled that would defraud or mislead the public. *Juicy Whip* makes no mention of the labeling of the dispenser. If labeling is not present and the deception is merely visual, a course of action may not be present. However, under the FFDCA misbranding may be an issue, if the container is so made, formed, or filled as to be misleading. The FDA could issue a rule mandating a corrective advertising label explaining that although the beverage dispenser may look like a pre-mix dispenser it is actually a post-mix dispenser; conceivably this would rectify the problem.

Another avenue to be considered for

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remedy may be the Lanham Act. Section 43(a) of the Act, lists the elements of a false advertising claim: 1) a false statement of fact which made by an advertiser about its own product; which 2) actually deceives, or has a tendency to deceive, a substantial segment of the intended audience; 3) is material, in that it is likely to influence purchasing decisions; and 4) the falsity results or is likely to result in injury to the plaintiff. Visual deceptions as well as statements are covered by the Lanham Act. If there is a false statement made it may be cleared up by a disclosure of "non-mixing." The burden of proof rests on the plaintiff to show that the advertiser has made false statements of fact about their own product. The advertisement would need to be the catalyst the consumer relied on to purchase the product. Orange Bang in this instance would have standing because they are a direct competitor and have the potential to suffer adverse consequences.

The final remedy to be explored is the Unfair Deceptive Advertising Practice (UDAP) of the individual states. These are as varied as the states themselves, however the state courts have a tendency to follow the FTC. The general rule is that the FTC does not preempt state cases but serves as a guideline. The FDA regulations also do not preempt the UDAP actions.

The CAFC while naming only two agencies for remedies has not limited actions to just those mentioned. The court ultimately found no basis to hold the patent in question invalid because it had the potential to fool some members of the public. The court made it clear when pointing out that the PTO nor the courts were responsible for becoming involved with the settlement of deceptive practices *(Id* at 1368). ◆

Renoir from page 4

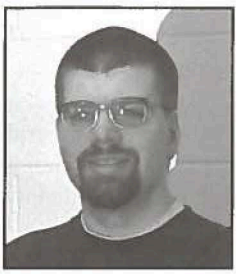
do not specifically grant moral rights protection to artists and authors. The French do have moral rights laws that safeguard the works of an artist from commercialization and there are also organizations in France (such as Le Societe des Auteurs des Arts Visuels) that protect artists' intellectual property rights worldwide *(See, e.g., Museum Boutique Intercontinental v. Picasso,* 880 F. Supp. 153, 156 (S.D.N.Y. 1995)).

Analyzing the Estate's argument, then, one is left with the impression that the Estate is on the losing end. However, it could be argued that if Jean-Emmanuel Renoir lacks the genuine desire to build a business, then the mark should not remain valid. After all, he has launched several unsuccessful business ventures in the past, including a cheese bearing the Renoir label which was a virtual failure in Canada. It could be argued perhaps that Jean-Emmanuel Renoir lacks the genuine desire to build a business and instead is just seeking to cash in on the commercial weight of the well-known and popular Renoir name.

The Estate might also be able to argue that "Renoir" is just a surname, thus the mark should be invalidated. However, this argument would run counter to the Estate's dilution argument. While the issues appear at first glance to be rather straight forward, they have the potential of leaving one in turbulent waters and drifting among numerous intellectual property issues. ◆

AMICO from page 9

The AMICO collective library offers many benefits to its members. AMICO increases a museum's educational access by reaching a broader range of the educational community than it could on its own. Members can also access each other's collections for study and education programs. Membership is cost effective because museums do not have to establish individual support systems. In addition, members can collaborate on daily issues that confront museums and improve documentation practices in the field. AMICO represents one of the first attempts of museum right holders and right users to develop an organization for the mutual benefit of furthering educational uses. Digitalization of collections encourages their use and creatively makes cultural resources more accessible to a wider range of society. [To learn more about AMICO, visit its web site: www.amico.org.] ◆



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through a three year patent extension until 2005 would redirect a potential $5.31 billion in consumer savings to Schering. If drug benefits are added to Medicare programs, the three-year delay will cost Medicaid and other government programs anywhere from $2.5 to $5 billion. Dr. Schondelmeyer estimates that S.1172 will cost consumers and taxpayers a total of $11.15 billion from 2002 through 2012. It should be noted that the NAPM provided a research grant to The Prime Institute for Dr. Schondelmeyer's study.

It is estimated that the R&D of a new drug costs anywhere from $100 to $300 million. Companies that invest heavily in new drug innovation should be rewarded for their investment and innovation through patent protection that allows them to recoup their investment and make a profit. Patent extension provisions currently in place work to ensure that pharmaceutical innovation continues. S.1172 seems to pit brand name pharmaceutical manufacturers against generic pharmaceutical manufac-turers, each of whom stand to make a lot of money depending on the outcome of the Bill. In the middle are the consumers who provide for the R&D of new drugs through their purchase of current drugs. But when does patent exclusivity and the resultant high costs to consumers negatively impact the consumers ability to fund new drug innovation? Determining when consumer's interests in a free market outweighs the patent protection of pharmaceutical innovation is the larger issue yet to be decided by patent term extension legislation. ◆

First the CDA, Now COPA?
Congress Attempts to Regulate the Internet

by Michelle Lopez '01 and Bo Spessard '01

In the Spring of 1997, the Department of Justice (DOJ) appealed an earlier decision of the Eastern District of Pennsylvania *(ACLU et al. v Reno*, 929 F.Supp 824 (1996)), which ruled specific provisions of the Communications Decency Act (CDA) unconstitutional. The court held that provisions of the CDA, which attempted to protect minors from harmful material on the Internet, were unconstitutionally vague and consequently created a chilling effect on free speech. The court granted a preliminary injunction against the enforcement of these vague provisions of the CDA; specifically 47 USCA section 223(a) and (d). The U.S. Supreme Court recently granted certiori.

Section 223(a) of CDA criminalizes the "knowing" transmission of "obscene or indecent" messages to anyone under the age of 18. Section 223(d) prohibits knowingly" sending or displaying to a person under 18 any message "that, in context, depicts or describes, in terms *patently offensive* as measured by contemporary community standards, sexual or excretory activities or organs." [Emphasis added]. The DOJ based its arguments on Supreme Court cases that dealt with the issue of protecting children from obscene materials in media such as magazines, television, radio, and telephones. On no other occasion has the Court dealt with the issue of transmitting obscene material to children when the Internet was the transmitting medium.

The government's arguments, which were all dismissed by the Court, relied too heavily on the precedents set by media that are not truly comparable to the Internet. "[E]ach medium of expression...may present its own problems." *(Southeastern Promotions, Ltd. v. Conrad*, 420 U.S. 546, 557) The government argued that in *Pacifica Found v. FCC*, 566 F.2d 9 (C.A.D.C. 1977), the government's right to restrict the flow of indecent information over the radio is comparable to the same right in the Internet. But the court stated two important distinctions in its opinion that rebutted the government's argument.

First, unlike the Internet, broadcast radio receives the most limited First Amendment protection because warnings cannot protect the listener from unexpected program content. Second, radio stations that operated during the time of the *Pacifica* decision operated pursuant to federal licensing, and Congress enacted legislation prohibiting licensees from broadcasting speech which was considered indecent. The risk was that the radio listeners, who knew that the broadcasts were controlled by federal regulation, might infer some governmental approval of anything said on the radio. The Internet creates no such risk, because it is not supervised by federal agency, so there is no reason to believe that its audience would ever infer governmental approval of such speech. The government, in its argument, also relied on *Ginsburg v. New York*, 390 U.S. 629, where the Court upheld the constitutionality of a New York statute that prohibited selling obscene materials to minors under 17 years of age. In comparing *Ginsburg* to the CDA, the Court pointed out that the New York statute applies only to commercial transactions defenses that may be asserted against the prosecution to prove a defendant has, in good faith, attempted to restrict access to harmful material. These defenses include requiring use of credit cards, debit accounts, adult access codes or other reasonable "measures that are feasible under available technology." Penalties under the Act include possible jail time and monetary fines. Presently, the judge in the 3rd Circuit has granted a preliminary injunction for the plaintiffs and denied a motion by the defense to dismiss the suit. Defense counsel has filed a motion to appeal the grant of a preliminary injunction, and arguments before a three-judge panel will begin this fall. The court's order granting the preliminary injunction stated, among other things, that prohibiting users from communications on the Internet prevents the exchange of ideas.

Not deterred by the rulings of the courts, Congress enacted a substantially similar Act, the Child Online Protection Act (COPA) in October of 1998 P.L. 105-277 under 47 U.S.C. 231. While our freedom of speech has been curtailed in few instances outside of the realm of cyberspace, the potential consequences of COPA will affect more than just the minors it purports to protect. It not only prevents people from acquiring information from the WorldWide Web, but also pressures them into self-censoring for fear of prosecution.

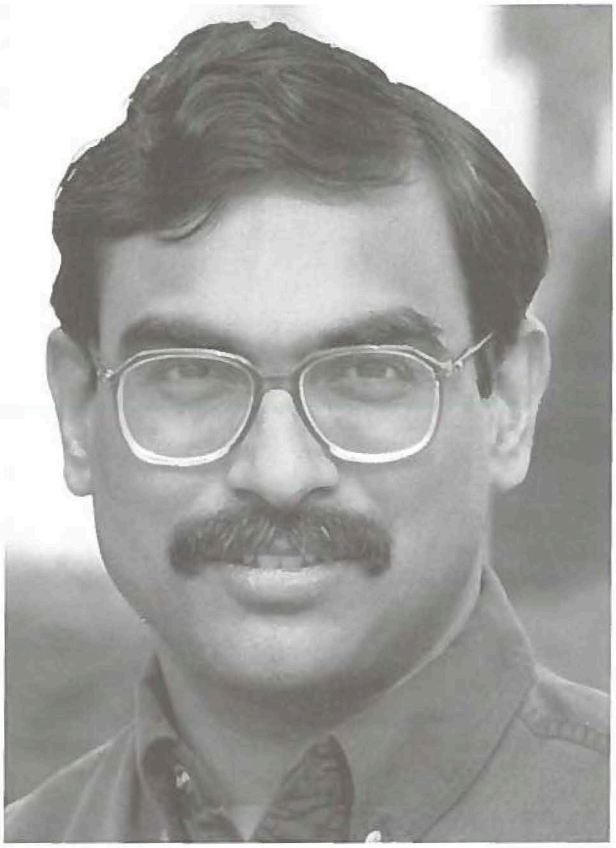
While COPA's economic demands on web-site operators may not pose unreasonable burdens, the unjust economic effect of COPA is that it drives users away from sites demanding information to sites that provide some anonymity. While it is far from settled whether the Court will find this type of legislation an unconstitutional burden on free speech, it is clear that any regulation that may eventually make its way through the legislative and judicial process will affect present freedom of access to information on the Internet.

The Internet has proven to be a largely ungovernable, uninhibited, seemingly dangerous provider of access to requiring greater constitutional freedom. Congress's attempts to regulate the Internet have proven futile since they have been found by courts to violate the same constitutional liberties it purports to be protecting. Although Congress may want controls on the Internet, it seems that for now, just like growing adolescents learn many lessons on their own, the Internet will have to learn self-regulation with only the guidance of its guardian, the Constitution, to help it in its coming of age. ◆

MIP Highlight: Suprio Dasgupta

by Matt McCloskey '01

Suprio Dasgupta is a lawyer and teaches IP law, as well as property Law at the National Law school of India University. He received a B.S (General Science) from Burdwan University located in Calcutta in West Bengal Province. He earned a LLB and a LLM from National Law school of India University. He also has a MA in Theory and Practice of Human Rights from Essex University in England. Suprio chose FPLC because he is a WIPO Fellow – the only person from India to be sponsored by WIPO – with the goal of attending FPLC to further develop India's econmic regime. I recently had the opportunity to ask Suprio to comment on what he considers to be the differences between IP law in the U.S. and in India. Suprio let me know that IP in India is moral- rights based for copyright law, and that India was an early adherant to the Berne Convention.



Suprio Dasgupta

According to Suprio, IP Law in India is not very strong. This is because, historically India does not have a strong economic regime; India's economic regime does not support 60 % of the population. There are no patents for biotech, none for agriculture (no plant patents), and only process patents for pharmaceuticals. Under TRIPS India is implementing Plant Patents – but has not fully complied yet. TRIPS may not be best for India's economic regime, because India does not have an R&D industry in the pharmaceutical sector. People in India are fighting product patents in pharmaceuticals because the median income in India is way below the world poverty line. Product patents would boost the cost of drugs beyond the purchasing ability of 95% of India's population.

Regarding agriculture, Indians do not believe in patents on plants because of the socialism mandate in the Indian Constitution. The Supreme Court of India has held that Food, shelter, and clothing are fundamental rights and laws cannot be made or adopted that infringe on those fundamental rights.

TRIPS has inner inconsistencies that are to the detriment of developing countries in particular India. Under Article 27 cl. 1 of TRIPS a nation may exclude plants patents if the republican morality is opposed to them. Article 27 cl. 3 of TRIPS says that these countries have to make allowance for the Plant Variety Act; thus inconsistent definitions.

As another example of TRIPS having inner conflicts, Article 65, the Transition Clause, says developing nations can take an extra five years to comply. Article 70 cl. 8 gives exclusive marketing rights, which are equivalent to a patent and are incontestible.

[One objective of the WTO members at the Seattle Conference was to review Article 27. India was lobbying for changes to this Article of TRIPS.]. ◆

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