GERMESHAUSEN CENTER
NEWSLETTER

FRANKLIN PIERCE LAW CENTER'S INTELLECTUAL PROPERTY NEWSLETTER

SUMMER/EARLY FALL 2001

IN THIS ISSUE:

Profile: José Graça Aranha ... 1
Notable Happenings 3
IP Faculty Activities 4
The Microarray Battle 5
First Associate Salaries Supply and Demand More .. 7
A Funny Thing Happened on the way to Accession 8
Student Profile: Peter Gardner 10
The General Inter-American Convention 11
LES Student Chapter 5th Annual Symposium 13
From the Editor 14
Calendar 16

FPLC Welcomes New Vice Dean

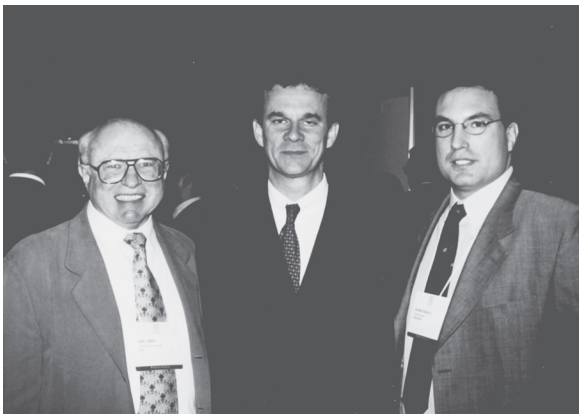


Keith M. Harrison, associate professor of law and former associate dean for academic affairs at the University of Denver, College of Law, Denver, CO, assumed the position of Vice Dean of Franklin Pierce Law Center, effective July 1.

Author, lecturer and criminal law expert, Harrison brings extensive experience in academic administration. During his decade-long career at Denver, he also served as President of the Faculty Senate. He taught courses in criminal law, criminal procedure, street law, legal ethics, immigration law, race and the law, military criminal law, and interviewing counseling and negotiation.

Harrison was a visiting faculty member at both Hamline University School of Law and Syracuse University School of Law, and was a clinical teaching fellow at Antioch School of Law in 1985. He served as Lieutenant and Judge Advocate in the U.S. Coast Guard from 1981-1985, after earning his JD in 1981 from the University of Chicago and BA from St. John's College, Santa Fe, NM in 1977.

"I'm delighted to have Keith at Franklin Pierce Law Center," says Dean John Hutson. "He brings a wealth of experience and expertise in legal education. He is also a tremendous leader. I plan to involve him in all aspects of the management of this institution. He will help to take us to the next level of excellence."



José Graca Aranha, flanked by Professor Karl Jorda and Ricardo Richelet (LLM '00), at the XX Annual IP Seminar of the ABPI in Sao Paulo, August 20-22, 2000.

PROFILE

José Graça Aranha

by Jason Lindstrom (JD '02)

José Graça Aranha, one of the most illustrious alumni of Franklin Pierce Law Center (FPLC), has covered a lot of ground since his graduation in 1990. Before arriving at FPLC, he had already established himself as a leader in the Brazilian legal community. In the years following his graduation, he has become an international leader in the field of intellectual property.

José's legal education began when he was only 19 years old, at the University Candido Mendes in Rio de Janeiro. Following graduation from Candido Mendes, he went on to attend The Hague Academy of International Law in the Netherlands. At The Hague Academy, Jose studied public and private international law.

See ARANHA page 2

ARANHA from page 1

When his studies were completed, José accepted a position with the Ministry of Science and Technology in Brazil. There he worked as the Coordinator of Strategic Affairs. During my interview with José, he told me that while all was well at the Ministry, he was not completely satisfied with his work there. He wanted to do something more — and then he happened upon a brochure advertising FPLC's specialization in intellectual property law and its master degree program in this field. José recognized the lack of IP awareness and protection in Brazil, and believed further study in that area of the law would be a great opportunity. "I applied to FPLC, and they offered me a scholarship….Sometimes we need to make drastic decisions. I went for it." José arrived in New Hampshire in 1989.

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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 relating 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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José speaks of his move to Concord as a big change. "It wasn't easy being a student again. Readapting to student life is a major adjustment." José appreciated the beautiful New Hampshire countryside. Regarding the weather he said, "the cold was not too bad, and the snow was beautiful….It's the summer heat that really bothered me."

When José attended the master's program at FPLC, it was brand new. He said he might have even been the first Brazilian to complete the program. He candidly recounted his fond memories of the professors and his fellow students, "Everyone was so friendly, I have no regrets."

José has been a very busy man since leaving FPLC in 1990. After graduation he worked with a Brazilian law firm in Rio de Janeiro. In 1993, he moved to Geneva to serve in the World Intellectual Property Organization (WIPO). While serving in the WIPO, he promoted regulation agreements to the countries of Latin America and the Caribbean. He also acted as a policy advisor to many world leaders in these regions. Some of the agreements he championed include the Madrid Agreement and Protocol, the Lisbon Agreement, and The Hague Agreement. In 1999, he was elected by the WIPO General Assembly as Vice President of the International Patent Classification Union and President of the WIPO Conference.

Also, in 1999, José accepted the position as President of the National Institute of Industrial Property (INPI). The INPI is the government agency in Brazil responsible for issuing patents and registering trademarks, similar to the U.S. Patent and Trademark Office (PTO). His role as President of the INPI is the functional equivalent of the PTO's Commissioner. His new position as President of the INPI required him to return to Rio de Janeiro. He described this move as a complete change of lifestyle. WIPO, in Geneva, was very ordered and well organized. In contrast, the INPI was experiencing massive problems and presented José with many new challenges.

José's primary goals were to modernize the office and to increase the efficiency of processing patent applications. When he first arrived, there were 1800 employees, and the average patent took 10 years to process. In two short years, he has reduced the staff by 800 and shortened the processing time of patents from 10 to 6 years. He plans to further cut the processing time to 4 years, and to reduce the trademark registration time from 24 to 12 months. Currently, the office processes about 20,000 patents and 100,000 trademarks (a new record) each year.

At the XX Annual IP Seminar of the ABPI (the Brazilian IP Association), held in Sao Paulo on August 20-22, 2000, José was the keynote speaker, as the "Excelentissimo Presidente do Instituto Nacional da Propriedade Industrial." In his address, as reported back by Professor Karl Jorda, who attended that Seminar and was very impressed with his speech, José explicitly recounted the problems he had inherited, the challenges he now faced and the action programs he was going to implement. He speaks not only at various national but also at international engagements.

In addition to attending and presiding over annual WIPO conferences and acting as President of the INPI, José teaches classes at two different Universities. Yet, José is an outstanding example of a man who can balance ambitious career goals, personal development and a rich family life. He is conscientious about his health, and runs six miles every morning. In the midst of all his accomplishments and activities, he still manages to spend quality time with his wife of 10 years, Christina, and his two children, Julia (8) and José (6).

I made a sincere effort to get advice from José for law students and new graduates. Perhaps not surprisingly, he did not offer any magic formula — in a modest fashion he stated simply, "Just do what you love, and don't be afraid to make drastic changes." His impressive resume surely attests to this.

José is a very humble and friendly man who has become an international leader and role model. We are proud to count him as part of our FPLC family, and place him among our most prestigious alumni.

Jason Lindstrom (JD '02) from Bisbee, AZ has a political science degree from the University of Arizona and plans to practice Business Law upon graduation.

NOTABLE HAPPENINGS

STUDENT RECEIVES PRESTIGIOUS IP AWARD



Recent Law Center graduate Teresa A. Zaino (JD '01) (former Student Editor of the *Germeshausen Center Newsletter*) was selected as the national winner of the prestigious 2001 Jan Jancin Memorial Award for her outstanding contributions as a law student to the IP profession. Presented by the National Council of Intellectual Property Law Associations (NICPLA), the American Bar Association's Section on Intellectual Property Law (ABA/IPL), and the American Intellectual Property Law Association (AIPLA, the award is named after the late Jan Jancin, in honor of his lifetime of achievements in the field of IP law. **CONGRATULATIONS TERRI!!**

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ABA LAW STUDENT DIVISION LIAISONS

Two FPLC students have been selected from more than 180 applications from around the country to be ABA Law Student Division Liaisons. Eric Henshaw (JD '02) will serve in a similar capacity with the Section on IP Law. Susan Ketteridge (JD '02) will be the liaison between the Law Student Division and the Standing Committee on Substance Abuse.

INTELLECTUAL PROPERTY SUMMER INSTITUTE (IPSI) GOES TO CHINA IN 2002

The Law Center's internationally renowned IPSI will be taught next year at Tsinghua University School of Law in Beijing, China, June 10-July 12, 2002. The program will feature three courses, including International and Comparative IP Law and Institutions, Introduction to Chinese IP Law and Institutions, and The Chinese Legal System. Professor William Hennessey will also teach World Trade and World IP Law based on his new casebook published by Matthew Bender this year.

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LAW CENTER INTRODUCES NEW INTELLECTUAL ASSET MANAGEMENT (IAM) COURSE

The Law Center will introduce an innovative IP course to its curriculum this fall. Entitled Intellectual Asset Management, it is the first course of its kind to be taught at a U.S. law school. Participants will learn how to manage knowledge, to optimize employee brainpower and the innovation process, in addition to how to manage IP rights.

LEGAL CAREERS CONSORTIUM

On June 11 the Law Center hosted The Northeast Legal Careers Consortium. Career Services staff advised attendees on how to provide career counseling for the IP student. Consortium members included FPLC, Roger Williams School of Law, Suffolk University Law School, Vermont Law School, University of Maine School of Law, Quinnipiac Law School and Western New England School of Law.

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KUDOS TO ANITA SONI (JD '02)

Anita has been selected by the Licensing Executives Society (LES) as one of three students to attend the Palm Dessert LES Annual Meeting in October. She was selected based on her strong interest and involvement in IP and IP licensing. For instance, she organized and conducted, as co-chair of our LES Student Chapter, the very successful 5th Annual Licensing Symposium, held at FPLC last March. This summer, the LES Foundation started a program to subsidize (registration and hotel costs) a few deserving and needy students, whose attendance at an LES annual meeting would benefit them in terms of education and networking and who could otherwise not afford to attend. Anita is among the first beneficiaries of this new LES program. CONGRATULATIONS ANITA!

IP FACULTY ACTIVITIES

Dean **John Hutson** has agreed for FPLC to underwrite publication of an updated version of James Lardner's 1987 classic, "Fast Forward." Dawson Lightfoot, under Jon Cavicchi's supervision, who converted the printed original into digital form for supplementation and revision. Lardner will add a new preface, and Tom Field will add a foreword explaining why law professors should recommend it as a background reader for students beginning IP studies. In brief, he believes that students reading Lardner's deep and even-handed treatment of the technical, legal, political, international and business history of the Betamax dispute will gain an appreciation of critical facets of the IP world not easily perceived by reading cases and statutes.

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Professor **Thomas Field, Jr.** attended the Specialty & Technical Papers 2001 Conference in Montreal, Canada, from June 6-8, organized by Intertech Corporation for managers of U.S. and Canadian paper manufacturers. He presented a pre-conference seminar entitled "Cost-Effective Intellectual Protection for R&D Investments." He also presented a short paper entitled: "Avoid Intellectual Property Infringement." It focused on the most severe and least appreciated consequences of not avoiding infringement.

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Professor **Bill Hennessey** moderated a panel discussion at a meeting entitled "U.S. and Cuban Trademarks" on June 7, at the Carnegie Endowment for International Peace in Washington, DC. See details at http://www.ciponline.org/finalcipinvitation5701.pdf.

Professor Hennessey traveled to Beijing in early July to set up the CHIPSI program and to meet with officials at the Chinese Patent Office about our visiting Scholars Program. He also delivered a paper at the APEC IP Experts Group Symposium on "IP Rights in the New Economy" held in Taichung, Taiwan in July.

Hennessey's new casebook **International Intellectual Property Law and Policy** (with Graeme Dinwoodie and Shira Perlmutter) was published by LEXIS in July.

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Professor **Craig Jepson** represented the ABA at an important session of the World Intellectual Property Organization (WIPO), Standing Committee on World Patent Harmonization, in Geneva, Switzerland, May 14-19 The purpose of the session was to work through the first draft of Articles and Rules to harmonize the substantive patent laws of all members of the World Trade Organization. Most of the countries of the world were represented. All the major trading nations were represented. In addition, the leading non-governmental organizations such as AIPLA, IPO and corresponding organizations from Europe and Japan sent observers.

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Professor **Karl Jorda** made a presentation on "Technology Licensing Dos and Don'ts" at an IP conference of the Navy's Office of General Counsel (OGC) at Solomons, MD on April 30-May 1. He also delivered a paper in Spanish on "Derechos de Propriedad Intelectual (IPRs): Reflexiones Sobre su Naturaleza e Importancia" at a Seminar on Patents in the Andean Community, organized by CORPIC (Corporación de Estudios sobre los Derechos de Propriedad Intelectual) in Quito, Ecuador on May 9-10.

At the invitation of WIPO's Worldwide Academy, Professor Jorda attended an International Conference on Intellectual Property Education and Training, in New Delhi, India, July 11-13, 2001. It was organized jointly by WIPO, the Department of Secondary & Higher Education, Ministry of Human Resource Development and the Indian Institute of Technology, Delhi. At this Conference, which was attended by invitees from 20 developing and transitional countries and over 150 Indians, he made presentations on "The Role of Intellectual Property in Economic, Social and Cultural Development" and "New Challenges to Intellectual Property Teaching and Training to Meet the Needs of the New Global Economy."

On return he filed this interesting report:

> The most important impression I came away with was that there has been a sea change in India in how they view IP. Back in 1992, when I attended a similar WIPO program at the University of Delhi, there were very few in attendance and I was crucified for the pro-patent views I expressed. Now that "IP is available in abundance in India," they are singing an entirely different tune. It's almost a complete about-face as they turned decisively pro-patent. The only negative or skeptical undertones that remain are their reservations or suspicions about the pressure coming from the developed world and their deep-seated belief that knowledge should be free and not "monopolized."
>
> IP is now being taught in "all academic schools" in India under government sponsorship, the Chamber of Commerce is promulgating the slogan "Patent or Perish," "IP literacy" and "IP awareness" have become buzzwords and they are trying to "bring IP from a legalistic ivory tower down to the common man." IP institutes are springing up, as for example, the Institute of Intellectual Property Studies (IIPS) in Mumbai, whose director, Margi D. Patel, "accesses our webpage very often," "models her Institute after Franklin Pierce" and "sincerely hopes (I) can make a trip to India...for a series of lectures or workshops at her Institute."

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On June 7, Professor **Susan Richey** moderated a panel on Internet Privacy Issues for the Information Age: Privacy, Property, and Policy Conference, sponsored by the Technology Law Center at the University of Maine School of Law.

The Microarray Battle

by Chang Hong (JD/MIP '02)

On January 22, 2001, the U.S. District Court for the Northern District of California in San Jose construed claim terms in four United States patents issued to Affymetrix Inc., a DNA chip maker.

Affymetrix asserted that Synteni/Incyte infringes U.S. Patents Nos. 5,445,934 ('934); 5,744,305 ('305); and 5,800,992 ('992) and Hyseq infringes '305; '992; and 5,795,716 ('716) patents. Patents '934 and '305 have claims directed to microarray (DNA chip) apparatus. The '992 patent claims a method for detecting gene sequences of interest and the '716 patent claims computer program products and a system for identifying an unknown base in a sequence. Microarray technology allows for the analysis of tens of thousands of genes on a single chip and has a huge market potential.

The outcome of this litigation between Affymetrix and the defendants, Synteni, a subsidiary of Incyte Genomics and Hyseq Inc., concerning microarray technology, will depend on the construction of the term "substantially complementary" in nucleic acid hybridization. Affymetrix has been the pioneer in producing "synthesized arrays," which are made by photolithography and "Very Large Scale Immobilized Polymer Synthesis" (VLSIPS). Incyte and Affymetrix both use another method that spot cDNA directly onto the surface of the chip without using photolithography. Newcomers such as Agilent, Motorola and Corning use more novel methods involving piezo-inkjet devices that spot cDNA onto the surface without contact. The Court's claim construction will determine the extent of Affymetrix's microarray patent estate.

The suit against Synteni and Incyte, filed in Delaware on January 6, 1998, alleging willful infringement, was transferred and consolidated for claim construction, *inter alia*, with the suit against Hyseq, filed in California on August 18, 1998. In November 2000, the Court conducted the traditional claim construction analysis to construe disputed patent claim terms under *Markman v. Westview Instruments, Inc.,* 517 U.S. 370, 387 (1996). In a claim construction analysis, the Court looks to the claim language first, then to the specifications and then to the prosecution history of the application. The Court construed the disputed terms after each side presented its arguments as highlighted below.

The crux of Incyte's argument is that the specifications in patents '934, '305, and '992 do not enable a person of ordinary skill in the art to make or use the invention as required by 35 U.S.C. §112, ¶1 and the Court, thus, should reject Affymetrix's proffered claim constructions. Incyte argues to limit Affymetrix's arrays produced by photolithography, specifically the use of light sensitive compounds in the stepwise formation, monomer-by-monomer of polypeptides, not polynucleotides, on solid support. Incyte's General Counsel, Lee Bendekgey, contends that spotted array chips, where cDNA probes are mechanically printed on the chip without the use of an energy source to activate specific regions on the array fall outside the scope of Affymetrix's patents.

The Court found that the '934 patent is not limited to arrays containing oligonucleotides synthesized *in situ* (on the glass) but also covers arrays containing nucleic acids that are preformed and then deposited. The Court looked to the specifications and found adequate support for the term "formation of polymer" to mean both synthesis and immobilization of preformed polymers. Affymetrix believes that the *Markman* ruling favors the broad scope of its microarray patent portfolio and, therefore, the ruling does not limit array synthesis just to photolithography. It believes that the claims cover other methods of array fabrication, including "spotting techniques."

More importantly, the Court limited the scope of the '992 patent, agreeing with Incyte, that the mixture of labeled nucleic acids has to be "from the two cell types." The Court construed this term to mean that cDNA is not covered by the claim since cDNA is made outside of the cell. The Court stated further that Affymetrix did not present any evidence to supports its proposition that cDNA derived from a cell's mRNA are encompassed by this term. Incyte's array fabrication method includes the application of a mixture containing cDNA directly onto its arrays. It is, therefore, unlikely to find a ruling of infringement.

In claim 1 of the '992 patent, the Court decided not to construe the term "substantially complementary" pertaining to nucleic acids. Hyseq and Incyte contend that this term is fatally vague and indefinite. The terms "about," "relatively," "partially" and "substantially" do not make claims *per se* indefinite. However, if the scope of the term is not supported by the specification, it will be deemed indefinite. Affymetrix asserts that this sequence includes a region that has perfect or substantially perfect homology to a nucleic acid, whereas Hyseq and Incyte contend that the term "complementary" means sequences that can form a Watson-Crick match of each base pair. The Court noted that Affymetrix incorporated the term "substantially" without defining the term. The Court stated, therefore, that it is inclined to find the term "substantially complementary" indefinite under 35 U.S.C §112, ¶2. The Court ordered the parties to submit supplemental briefs for the proper construction of the term.

Affymetrix, faced with the onerous task of pointing out that the term is not indefinite, argued in its supplemental brief on February 12, 2001, that two nucleic acid sequences are substantially complementary if they contain enough perfectly matching bases that they can form a stable duplex. Affymetrix asserts that the term is explained in the specifications and over 140 issued patents use this term in the claims. For example, the patent claiming the polymerase chain reaction (PCR) used the term in its claim language. Moreover, a person of ordinary skill in the art would understand the term when read in the light of the specifications.

Affymetrix also argued that the term

See MICROARRAY page 6

MICROARRAY from page 5

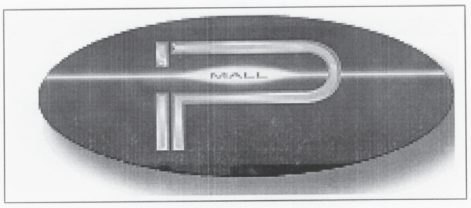
is as precise as the subject matter allows. It described the stringency conditions in the specifications, which allow for mismatching and therefore, not all bases have to be perfectly complementary. The claim is not rendered indefinite for the lack of defining a precise value for the number of complementary bases. citing *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565; 1 U.S.P.Q.2D (BNA) 1081 (Fed. Cir. 1986), arguing that the term "so dimensioned" was not found to be indefinite in describing a chair "so dimensioned as to be insertable through the space between the doorframe of an automobile and one of the seats thereof." Affymetrix reasoned that because the term "substantially complementary" was often used, defining the term was unnecessary. It also noted a binding precedent in a Northern California District Court case, which previously construed the disputed term without finding the claim invalid or indefinite and found infringement against the other party. *Regents of the Univ. of Cal. v. Oncor, Inc.*, 44 U.S.P.Q.2d (BNA) 1321 (N.D. Cal. 1997) (Walker, J.). Finally, Affymetrix pointed out that Incyte used this term in the claims of their patents also.

Incyte replied on February 26, 2001 that the term must be sufficiently definite so that a person of ordinary skill in the art can determine the scope of the patent. It stated that the term "substantially" must provide some standard for measuring that degree. There is no definition in the specification and the term has no well-defined meaning in the art. Furthermore, Affymetrix's assertion that "two nucleic acids are 'substantially complementary' if they contain enough perfectly matching bases that they can form a stable duplex," is not found anywhere in the patent. It asserted that patent law requires a patentee to particularly point out and distinctly claim his invention. In addition, because the term "complementary" is used, it has to have a different meaning from "substantially complementary." Incyte argues that the term "complementary" has a precise technical term whereas the term "substantially complementary" does not. It notes that not one journal article in 45 scientific databases dating back to 1965 use this term regarding nucleic acids. Incyte also mentions that Affymetrix used the term "substantially complementary" in another U.S. patent application, asserting its definiteness but the Examiner rejected the claim as being indefinite and as a result, Affymetrix had to remove the term.

Affymetrix contends that the *Markman* ruling confirms the broad scope of its array patents, while Incyte contends that the ruling significantly scales back the scope of Affymetrix's microarray claims. This case will undoubtedly affect prosecutors to define the hybridization conditions more thoroughly and question whether any terms are truly well known and used in the art. The Court's construction of the term "substantially complementary" is forthcoming. Case management conference is set for July 16, 2001.



Chang B. Hong (JD/MIP '02) from Norristown, Pennsylvania, has a BS in Biochemistry/ Molecular Biology and Music from Dickinson College and plans to practice Intellectual Property law in Pennsylvania upon graduation.



OUR NEW LOOK

The IP Mall will soon have a new look and feel as well as a more streamlined navigation system including quick and easy mouse over menus. The new logo is intended to convey the powerful energy of creativity of the mind which is the heart of intellectual property. The new site will debut the Fall.

New Content

Trademark Examination Guides, Notes and Announcements : this new section supplements what is offered on the USPTO Web site.

The Digital Millenium Copyright Act of 1998 : Select Legislative History Documents as PDF Files arranged in chronological order. This is an example of an easy way to collect and package content which is in digital format.

Legislative History of the Patent Act, 1952 : these are selected documents digitized in house as well as documents purchased from a commercial legislative history service. This is a **WEB EXLCUSIVE**.

U.S. Supreme Court Patent Law Decisions Mutimedia Project : this is based on the Supreme Court and Patent Law: Does Shallow Reasoning Lead To Thin Law? Nies Memorial Lecture by Donald S. Chisum. This new section contain the briefs and audio oral arguments of the top patent cases argued to the Supreme Court in the last twenty five year. The briefs were obtained from Lexis and the audio files were purchased in digital form from a commercial recording company in Washington.

LL.M. and MIP Photo Gallery of Memories : this new sections fills the need to capture photos of IP student events and IP students at general events.

First Year Associate Salaries: Supply and Demanding More

by Alejandro J. Fernandez (JD/MIP '02)

Sparked by the West Coast technology sector's fight for top-shelf talent, the legal community has experienced a salary revolution. The revolution began when California's dotcom start-ups offered tech lawyers the holy grail of wealth—stock options. After throwing cut-off khakis and Birkenstock sandals on the table, the result was unavoidable, either law firms anted up or they would lose their highly valued, young associates to the dotcoms. It was then that a California law firm threw $125,000 plus bonuses on the table for first-year associates. Thereafter, San Francisco-based Brobeck, Phleger & Harrison quickly raised the stakes with up to $160,000 to first-year associates in its offices across the U.S. Brobeck thus forced firms interested in competing for top-shelf talent to offer six-figure salaries to first-year associates nationwide. Partners and associates alike are now asking whether this year will generate another salary frenzy or a modest, across the board raise.

Most firms announce first-year associate salaries later in the spring. For now, only a handful have divulged new salaries. Not surprisingly, Brobeck again leads the field, adding $10,000 to last year's base salaries and offering up to $170,000 per year to its first-year associates, including bonuses. Considering that last year Brobeck took home almost half a billion dollars in revenue, $10,000 seems like a reasonable raise. The New York firm of Weil, Gotshal & Manges, however, seems to have bested Brobeck's top bonus requirement of 2,400 hours. Weil rewarded each of its first years with a full $165,000, regardless of hours billed.

Overall, it's highly unlikely that this year holds another 20-30% salary increase. Two important factors weigh heavily on the side of modest raises. First, a softening economy and thousands of no longer existent (or at least deflated) dotcoms are effecting the legal workload. Overall, firms' workloads are lessening. The net result of the lessened workload is that, although hiring more attorneys would ease workloads even further, law firms are no longer seeking new talent as desperately as last year. With the recruiting demand slightly down, it's unlikely that firms will again resort to large salary increases to lure talent.

Second, firms are realizing that although a large salary is initially attractive, it won't by itself considerably reduce attrition. According to recent reports, a firm loses approximately $200,000 in the process of replacing a second-year associate. Joan Williams & Cynthia Thomas Calvert, "Don't Go! We Can Change," *Legal Times,* 6 February 2001, p20. As a result, attrition reduction is an important consideration in reducing overall costs. In fact, firms are taking note of the body of research suggesting that increases in salary have little effect on attrition rates. As Williams and Calvert also point out, surveys reveal "that employers reported more success in retaining employees by 'giving them a life' than by offering more cash." *Id.* With this in mind, it's likely that firms retaining the best talent will give attorneys the choice of having a personal life, or building a life around the firm. For example, some firms are giving attorneys the choice of choosing an outside-the-firm life by no longer setting minimum billing requirements. To accommodate attorneys willing to log 60-plus hours per week, those firms also offer bonus structures with top brackets in excess of 2,400 hours.

Considering the softening economy and the shift to reduce attrition, this year's hiring game is very different from that of the year 2000. It's apparent that this year's game is friendlier, with lower stakes. Rather than merely using cash to up the ante, firms will resort to modest salary hikes along with giving attorneys quality of life choices. Clearly, the winners are the same green Generation X-ers, or in the words of a partner, the "kids." Essentially, in the free market game for associate talent, the table minimum is set: six figures, plus a lifestyle choice.

Alejandro Fernandez (JD/MIP '02) from West Palm Beach, Florida has a BS in Biology from Palm Beach Atlantic College and plans to practice Patent law in Chicago upon graduation.

A Funny Thing Happened on the Way to Accession

by Deb Bernhardt (JD '01)

Trademarks are signs that identify goods or services offered in a marketplace. *Lanham Act of 1946*, 15 U.S.C. § 1127 (1994). Because of the very nature of trademarks their value has increased exponentially, as the world marketplace grows daily by leaps and bounds. Thus, it is evident that trademark law and practice on a global scale has increased exponentially. As stated recently in the *New York Times*, "intellectual property has been transformed from a sleepy area of law and business to one of the driving engines of a high-technology economy." Sabra Chartand, "Patents: A Federal Agency, in Transition, reaches out to Independent Inventors with a New Department", *New York Times* , 5 April, 1999.

Due to the nature of the Internet and the sharp increases experienced in the global marketplace for products sold internationally over the web, trademark attorneys will increasingly be faced with international intellectual property issues and problems. This article will address a recent controversial action taken by the U.S. Senate regarding the United States accession to the Madrid Protocol Treaty. The Madrid Protocol is an international treaty that would internationalize the United States Trademark registration process, save U.S. companies possibly thousands of dollars, and expand trademark protection for smaller companies that before couldn't afford the global registrations.

The basic principle underlying the Madrid Protocol (*Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks*) is the ability of a trademark owner seeking international protection, being able to file one international application through the home office of their country. It can be very time consuming and costly to file separate applications for each foreign country's trademark office. *Id.* at Art 2(1)(ii). The Protocol would undoubtedly bring U.S. registrants greater global intellectual property protection 139. *Cong. Rec*. E1259 (daily ed. May 17, 1993). The entire process for accession in the Senate, after passing unanimously in the House, was brought to a screeching halt. What stopped this treaty in its tracks? A very potent bottle of Cuban rum called "Havana Club" the "Le Ron de Cuba" (The Rum of Cuba).

The Madrid Protocol failed accession in the 106th Congressional Senate Session. The treaty itself met no opposition in the House and was passed without incident. §671 Madrid Protocol Implementation Act. Unfortunately, it was not as lucky in the Senate Foreign Affairs Committee. It was held up and subsequently shelved by the Committee on Friday, October 13, 2000. Because of a court battle started in 1996, the Madrid Protocol has become a point of contention and leverage between international liquor companies and anti-Castro supporters. *Havana Club Holding, S.A. v. S.A. Bacardi-Martini U.S.A, Inc.,* 62 F.Supp 2d 1085 (S.D.N.Y. 1999). A party to the case, Pernod Ricard, utilized the treaty as a tool to bring its dispute to the attention of the trademark community and businesses seeking the benefits of global protections for their marks.

History of Havana Club

Jose Arechabala y Aldama, the founding father of Havana Club rum came to Cuba in 1862 from Vizcaya, Spain. He located in Cardena, Cuba, because of its then prosperous shipping port and railroad industry. Arechabala Industries, *Arechabala Industries Home,* http://www.delafe.com/cardenas/arechabe.htm. Numerous sons and nephews throughout the years succeeded Jose Arechabala, and the company rapidly expanded into one of the largest exporters of Cuban rum. In 1959, Fidel Castro seized power in Cuba and the Arechabala family subsequently fled to Miami sometime in early 1960.

The Cuban government in 1960 seized or "liberated" the Arechabala companies without compensation to the Arechabala family. Torri Still, Red Rum: "Pernod readies for Round 2 with Barcardi over its Havana Club Mark*", IP Worldwide* October 1999. The Cuban government proceeded to continue the production of sugar and candies. The Cuban-run state agency, known as Cubaexport, assumed production of the rum facilities and even registered the Havana Club brand name with the U.S. Patent and Trademark Office in 1976. *5 No. 19 Andrews Intell. Prop. Litig. Rep. 7*. One of the key factors brought out during subsequent litigation concerned the fact that after the family had fled Cuba they failed in 1973 to keep their registered mark Havana Club in force by letting it lapse. Laurence H. Pretty, "Overview of Basic Principles of Trademark Law and Unfair Competition", Practising Law Institute*, Patents, Copyrights, Trademarks, and Literary Property Course Handbook Series*, PLI Order No. G4-3901, June, 1993. Through the years, Cubaexport marketed and sold vast quantities of the rum to Soviet Bloc countries. During this time the Arechabala family made no attempt to inform the U.S. government of their claim to the mark or their opposition to its registration. *Id.* at 2.

In 1993, Cubaexport reorganized and sold

See ACCESSION page 9



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ACCESSION from page 8

approximately 50% of the business, equal to $50 million dollars, to the well-known French liquor distributor Pernod Ricard. The other half of the business was converted into an entity known as Havana Rum & Liquors. Together the companies for this "Havana Club" rum venture are known as Havana Club International or Havana Club Holding. According to court documents, sometime in 1993 Pernod Ricard approached the Arechabala family in the hopes of purchasing a waiver on any claims to the Havana Club trademark the family had, but no agreement was reached. *Havana Club Holding, S.A. v. Galleon, Barcardi-Martini U.S.A. Inc.,* 62 F. Supp. 2d 1085, 1090.

The Havana Club Holding Co. proceeded to market and distributed internationally its Havana Club Rum. It was unable to market or sell its product in the U.S. because of the Cuban-U.S. Embargo Act. (*Cuban Assets Control Regulations,* 31 Code Fed Reg. §§515.101-515.901). In 1995, the Arechabala family reached an agreement with Barcardi-Martini selling whatever rights, if any, the family possessed in the Havana Club trademark, which included the goodwill of the business. *Havana Club* at 1090.

Barcardi started producing their Havana Club rum in the Bahamas where the company is located and marketed their product in the U.S. They distributed approximately 922 cases to various distributors in the U.S. To stop Barcardi from distributing their rum, Havana Club Holding Co. filed suit charging trademark infringement and false designation of origin and production was subsequently halted pending the outcome of the litigation. *Havana Club Holding, S.A. v. Galleon, S.A.,* 961 F.Supp 498 (S.D.N.Y. 1997. Early in the case, several rulings were handed down that were favorable to Havana Club Holding. However, during the case itself several political ramifications occurred which entirely changed the focus of the litigation. Florida Senators Bob Graham and Connie Mack were able to attach a provision into the 1998 Omnibus Appropriations Act that significantly altered the litigation between Barcardi and Havana Club. *Pub. Law* 105-227 (1998.)

This particular provision became crucial to the case as the trial judge relied heavily on the new legislation in the court's final order. Under §211, "no transaction or payment shall be authorized or approved pursuant to section 515.527 of Title 31, Code of Federal Regulation; with respect to a mark, trade name, or commercial name that is the same or substantially similar to a mark, trade name, or commercial name that was used in connection with a business or assets that were confiscated unless the original owner of the mark, trade name or commercial name or the bona fide successor-in-interest has expressly consented". The Cuba Asset Control Regulations, 31 C.F.R. § 515.

The act goes even further by stating, "No U.S. court shall recognize, enforce or otherwise validate any assertion of rights by a designated national based upon common law rights or registration obtained under such section 515.527 of such a confiscated mark, trade name or commercial name." This legislation literally pulled the rug from under Havana Club Holding by effectively eradicating any claim regarding trademark infringement.

Because its trade name was not recognized as valid in the United States, and because it was not foreseeable that it could legally do business in the United States, Havana Club's claim was invalid. As stated by the district judge, "because plaintiffs can sell no product in this country and may not be able to for a significant length of time, they suffer no impairment of their ability to compete as a result of defendant's actions. Any competitive injury plaintiffs will suffer based upon their intent to enter the U.S. market once the embargo is lifted is simply too remote and uncertain to provide them with standing. *Havana Club* at 1099.

Havana Club also lost as to its false designation of origin claim. Havana Club had argued that they had standing to bring a claim of false designation of origin simply by virtue of their position as a Cuban-based exporter of Cuban originated rum. They argued that sales of "false" Cuban rum would deprive them of their main selling point and cause them to lose consumers looking for that special type of product. The court considered the argument to have one "fatal" flaw. The class of U.S. citizens permitted to travel to Cuba is very limited, usually only those with relatives in Cuba, or journalists and students. The court went on to explain that travelers authorized to visit Cuba, must comply with OFAC travel restrictions, and are, therefore, "certainly aware of the embargo and the fact that Cuban products are not available in the United States." *Havana Club* at 1100.

Professor Pamela Falk of the City University of New York's Queens College School of Law has stated "it is very clear that it [§211] was specifically aimed at pro-

See ACCESSION page 13

ADDENDUM

On August 6, 2001 the World Trade Organization handed down its ruling concerning the dispute between the European Union and the United States over trademark rights of Havana Club Rum. The WTO Panel specifically reviewed the European Union's claim that the United States Section 211 Omnibus Appropriations Act of 1998 violated several provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS" Agreement).

Both the European Union and the United States have claimed victory with regard to the WTO Panel's decision. As there were at least 4 issues upon which the Panel made no ruling the score card for either side is difficult to measure. However, the Panel was decisive and clear concerning the obligations of WTO members to provide "meaningful access to civil courts to defend their rights". This particular ruling hits the United States at the core of their Section 211 legislation, which stated that U.S. Courts did not have jurisdiction to hear cases involving confiscated Cuban trademarks.

The ultimate outcome of this argument is still unclear, as both sides have indicated their desire to appeal several of the Panel's rulings. The fate of the Havana Club trademark case will undoubtedly have far reaching ramifications for all parties involved.

STUDENT PROFILE

Peter Gardner

By Christine Macdonald (JD '01)

Peter Gardner has seen the future — which is exactly what the partners at the law firm where he works expected him to do. When Peter was hired right out of law school by the eleven lawyer firm of Stebbins, Bradley, Wood & Harvey, in Hanover, New Hampshire, he was asked to take a look at "what was coming down the pipeline" and figure out how the firm could position themselves to better accommodate the changing needs of their clients. Peter wasn't asked to take on this assignment because he was a fresh-faced first year associate with an unpolluted attitude, on the contrary, at 43, what Peter Gardner brought with him to this small town law firm was nearly 20 years of big business experience. But don't call Hanover a small town, at least not in front of Peter.

With a pride that warrants a run for Mayor someday, this New York native discusses how he found his utopia. "We wanted a place, a beautiful place, where we could raise our kids. We wanted a life more satisfying than living right smack in the middle of New York City." Peter speaks of his wife, Victoire, and their four children who he says are "deliriously happy" living in Hanover. Peter and his wife made the decision to move over a period of several years and on one condition: that wherever it was, Peter was going to attend law school. "It wasn't just changing a lifestyle, it was changing a career path."

Attending law school wasn't Peter's life long dream, it just seemed like the next best step in his developing career. After graduating from Middlebury College in 1980, Peter worked for National CSS (a Dun & Bradstreet Subsidiary) where he developed search and report writing protocols for maximizing database use for large financial institutions. He then set out on an entrepreneurial path and started a firm to provide business services to European ventures. On behalf of his clients he managed the expansion of a French confectionary line, established an import and distribution network for European food products and worked with Italian industrial entities to reinstate import clearance for



Italian meat products. He expanded distribution of an exclusive French fragrance line to America's most prestigious retailers and, in the course of that project (but before he became an attorney), he coordinated the business aspects of a successful federal trademark infringement countersuit against international conglomerate Unilever.

During the Unilever litigation, Peter developed extensive press relations with some influential U.S. publications, and his firm began to offer corporate communications assistance to clients. The firm analyzed and identified specific corporate communications strategies to augment credibility, promote new marketing initiatives, and explain structural changes. And while still managing his firm's business, Peter completed the Bloomingdale's Management Training Program, where he had the opportunity to develop critical retailing and merchandising skills. Now you know why he was picked to do the job.

Part of Peter's plan to position his firm to handle 21st century clients and their needs includes getting his MIP at Franklin Pierce Law Center. When I asked him why an MIP and not an LLM he responded "Well, technically, you have to have a J.D. before you can get an LLM." Not a problem since Peter graduated magna cum laude from Vermont Law School in 1999. So why the preference for an MIP? Peter points out that LLM programs are usually weighed down by lots of law-based courses and subject to strict ABA standards. Master's programs, on the other hand, are usually under the jurisdiction of the particular school.

Peter is one of the first FPLC students to take advantage of a newly formed partnership with Dartmouth College where he will earn credits towards his MIP by taking courses at Tuck Business School. "I just find the MIP program much more interesting" Peter says. "You can tailor the program more to what you are interested in."

When *US News & World Report* recently ranked law schools around the country, they noted a sharp increase in law related Master's programs. Master's degrees may be obtained in any number of subjects including environmental law, business law and even animal law. But is the market being flooded with this alphabet soup? And perhaps more important is how valuable is this type of degree?

We've all heard the stories about how some employers don't even know what an MIP is. However, Peter feels that law related Master's degrees are more valuable in the marketplace, rather than to law firms and that in due course, the world will begin to recognize them. "The market will sort through the plethora of meaningless Master's degrees and decide which ones are valuable and which ones are not," This distinction Peter poses will be based on the impression of the issuing institution and its credibility, "Franklin Pierce Law Center has a very legitimate claim to their MIP program. They are very well established."

But is getting an MIP or even an LLM simply an excuse to stay in school longer to become a professional student? "I am certainly not in the habit of collecting degrees," Peter says. "It took me 16 years

See GARDNER page 12

The General Inter-American Convention for Trademark and Commercial Protection of Washington, 1929: A Forgotten Weapon for the International Practitioner

by Francisco Espinosa Reboa (LLM '01)

The General Inter-American Convention for Trademark and Commercial Protection of Washington, 1929: A Forgotten Weapon for the International Practitioner.

Picture yourself in a Latin American country receiving a report from your trademark monitoring service telling you that someone has filed an application for your company's trademark. You start worrying.

Then you find out not only that the applicant is not connected in any way with your company, but also that your company does not currently own an application or registration in that country. You start to panic.

And then you find out that, as in most Latin American countries, you require a prior application or registration in that country to file an opposition. You start looking for another job.

But before you decide to send your resume to Monster.com, you may want to review an obscure and certainly under-used international convention called the General Inter- American Convention for Trademark and Commercial Protection.

Colombia, Cuba, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru and the U.S. signed the Convention in Washington, in 1929, and although the U.S. resigned from the Protocol of the Convention in 1940, the legal effects of the Convention are still in force in the U.S.

The Inter-American Convention is the result of one of the International Conferences of American States with respect to trademarks in which the U.S. participated during the early 20th century and which produced several multi-lateral trademark conventions. The U.S. deposited its ratification of the Convention of 1929 on February 17, 1931.

This legislative instrument of seven chapters deals with trademarks, trade names, repression of unfair competition, repression of false indications of geographical origin or source, and remedies.

The Convention contains several interesting provisions that practitioners involved in international intellectual property work should take some time to analyze. In specific situations, like the one described above, American companies may use Article 7 of the Convention as an almost unexpected weapon.

In sum, the relevant part of Article 7 reads "(A)ny owner of a mark protected in one of the Contracting States in accordance with its domestic law, who may know that some other person is using or applying to register or deposit an interfering mark in any other of the Contracting States, shall have the right to oppose such use, registration or deposit … upon proof that the person who is using such mark or applying to register or deposit it, had knowledge of the existence and continuous use in any of the Contracting States of the mark on which opposition is based upon goods of the same class."

On January 22, 2001, the Peruvian Trademark Office issued Decision No. 000337-2001/OSD-INDECOPI, which illustrates the current criteria that is being used by the intellectual property authorities in Peru with regard to the application of Article 7 of the Convention as a basis for opposition. In this case, a Peruvian citizen, Alejandro Danino Gaertig, filed an application for the registration of the service mark NET2PHONE PRO PERU and globe design, to cover telecommunication services in International Class 38.

Net2phone, Inc, of the U.S. filed an opposition against such application claiming rights of several prior U.S. registrations and applications for NET2PHONE, NET2PHONE PRO, NET2PHONE and globe design, and other similar marks covering services in International Class 38. However, Net2phone, Inc. did not own any prior Peruvian registrations or applications, which is what Article 130 (a) of the Peruvian Industrial Property Law, Legislative Decree 823, requires for filing an opposition. Moreover, Legislative Decree 823 does not admit as a basis for opposition any international registration that is not from an Andean Community country (Bolivia, Colombia, Ecuador, Venezuela, and Peru), or is not a well-known trademark, a very high threshold under the Peruvian Trademark Office standard. However, the opposition by Net2phone was not based on any of the grounds for opposition provided on the Peruvian trademark legislation, but primarily on the application of Article 7 of the General Inter-American Convention.

According to the Peruvian Trademark Office's (Oficina de Signos Distintivos-OSD) decision, the following concurrent circumstances are required for applying Article 7:

- A prior legal protection of the trademark used as basis for opposition in any of the signatory countries;
- The prior and current (actual) use of such trademark, for products or services related to those covered by the application being challenged;
- A likelihood of confusion by the

See CONVENTION page 12

CONVENTION from page 11

consumers between the mark being applied, and the trademark upon which opposition is being based; and

• Prior knowledge on the part of the applicant regarding the existence and use of the trademark upon which opposition is being based.

Regarding the first requirement, the court found the opposer had registered in the U.S. its trademarks NET2PHONE and "globe design" prior to the date when the challenged application was filed.

Regarding the second requirement, the court stated that the Registration Certificates themselves demonstrated that the marks were used in Class 38 services since November 1995. Additionally, advertising documents consisting of brochures, newspaper articles, magazines, internet searches, and website prints all demonstrated that the trademarks had been and continued to be used as a source indicator for telecommunication services.

Regarding the third requirement, the court indicated that a comparison analysis showed that some of the most relevant elements in both signs were identical, such as the term NET2PHONE, the special type of letter, and the globe design.

Regarding the fourth requirement, the court concluded that the evidence had demonstrated the use, public display, and exposure of the marks NET2PHONE and "globe design" in Peru, particularly by its Internet website.

As a result of such exposure, the court found a presumption that the applicant had prior knowledge of the existence and use of the opposer's trademarks, especially considering that the Peruvian communications marketplace is highly concentrated, and its actors are highly specialized. This means that bad faith is inferred from the identity between both signs, and between the services they distinguish. Given all these concurrent circumstances, the court applied Article 7 of the Washington Convention in order to permit the opposition and reject the application.

The Peruvian Trademark Appeal Board (Tribunal de Defensa de la Competencia y de la Propiedad Intelectual de Indecopi) has shown in its own decisions a similar approach to this situation. In a July 1999, Decision No. 912-1999/TPI-INDECOPI, the Board permitted an opposition against a Peruvian application for the trademark MORROW to cover goods in International Class 25, based on a U.S. registration for that same mark, written in the same letter style, and for the same kind of products. The four requirements were found to be met:

• The opposer had a registration in the U.S. (signatory country), and even though it was issued after the challenged application's filing date, it recognized as date of first use a prior date;

• The evidence submitted showed that the U.S. trademark had been used and was being used in connection with goods classified in International Class 25;

• The court determined there was a likelihood of confusion between the opposer's trademark and the trademark being applied for; and

• The evidence submitted demonstrated that magazines containing advertising of the opposer's trademark had circulated in Peru, so that prior knowledge by the applicant could be presumed, especially considering the improbability of an involuntary identity between two fanciful trademarks that cover the same specialized products.

Hopefully, international trademark practitioners will now know they have in their arsenal a previously unrealized weapon against trademark piracy in Latin America.

For a very recent example of how U.S. courts apply the Washington Convention, and particularly Article 8, see *British-American Tobacco Co. vs. Phillip Morris, Inc.*, 55 U.S.P.Q. 2d 1585 (TTAB 2000).

Francisco Espinosa Reboa (LLM '01) received his law degree from Lima University (Peru) and plans to practice IP law in Peru.

GARDNER from page 10

to go to law school after college." According to Peter, lawyers taking time out to pursue an additional degree should consider the cost of doing so carefully. They should look at the cost not only in time and money but in advancement potential and reasonable, probable benefits. "Be strategic. Ask yourself — is a targeted course of study going to help you move along faster in a chosen area of practice?"

That's Peter's strategy. And when I asked him how an MIP degree would help him serve clients in a town like Hanover, New Hampshire, he gushed about how he was surrounded by innovation. With Dartmouth College, Thayer Medical School and Research Center and Tuck Business School all within walking distance of his office, he's right. "People within these institutions are generating patents, trade secrets, and various IP assets in one form or another every day." When asked about the competition, Peter is confident, "To my knowledge no other firms in this area are developing their IP skills to the degree we are.

As for the future — well, "You can't predict trends," Peter says, "But we all [in this firm] understand how important IP is to a business transactional practice."



Christine Macdonald (JD '01) from San Carlos, CA plans to practice law in California.

Fifth Annual Symposium of the FPLC LES Student Chapter Challenges in Licensing and Intellectual Property Management

by Deepak Nambiar (LLM '01)

There are moments when time stands still, when barriers get broken, when annals of history are re-written. March 17 stood testimony for none of the above. Instead, it witnessed the Fifth Annual LES Symposium held under the auspices of the FPLC student chapter. A truly well organized event, this year's symposium was informally kicked-off the previous night at the New Hampshire Historical Society amidst delicious kebabs and soothing jazz. The morning of the 17th was no less elegant. Addressing the "Challenges in Licensing and Intellectual Property Management," the Symposium commenced with a stirring note delivered by John Hutson, Dean of the Law Center. Then, Professor Karl Jorda took over the mantle, sharing with the audience his long-standing involvement with LES and discussing the rich relationship that has blossomed between the Society and the only law school in the world that boasts a student chapter. The student chapter Co-Chairs, Chris Hennessey (JD '02) and Anita Soni (JD '02) followed suit by introducing the distinguished panel of speakers.

This year's program was marked by the presence of a diverse set of speakers, and was truly representative of the entire IP industry, ranging from biotechnology to internet and music licensing.

Mr. Patrick O'Reilly, LES (Eastern Region) VP and Partner at Finnegan, Henderson, Farabow & Dunner LLP, commenced the discourse by presenting an overview on "International Patent Exhaustion and the MEDS Act of 2000." The review addressed the implications of this statute on patent rights, especially on patent exhaustion and high-priced cures for ailments such as AIDS.

Following Mr. O'Reilly, **Edward Hendrick** (JD '99), VP of Science Applications International Corporation (SAIC), put forth the importance of IP mining and valuation. He believes that success in the new economy requires "renaissance" attitudes and education, which can only be reached by proper optimization of the IP resources of an organization.

Mr. Stephen Chow, Partner at Perkins Smith & Cohen, who is also the Uniform Law Commissioner of Massachusetts, laid down the intricacies of internet laws viz., the undesirable application of UCITA to UCC 2(b). This "morphing of the UCC," according to Mr. Chow, has posed practical difficulties in enforcing e-signatures. He also believes it has adversely impacted the "first sale doctrine" and diluted the contractual principle of "mirror image."

While conceding his personal passion for downloading music, **Richard Rose** took us through the economic undercurrents influencing the efforts of the music industry in curtailing infringing uses such as Napster and Gnutella. As VP and Counsel of Copyright.net, a company that helps in locating pirated copyrighted works on peer-to-peer networks, Mr. Rose also addressed the need to balance the muddy battle between the rights to privacy of the user and the need for a regulatory regime.

The symposium concluded with **Lance Klass**, founder and President of Porterfield's Art Licensing, who provided an overview of art licensing on the Internet. He emphasized the need to educate artists to avoid predatory companies and toxic licensing agreements, while facilitating maximum commercialization of their creative efforts.

Truly the law is a seamless web. It is this web that we as lawyers need to work around to find solutions. While it may have been the last student organized event for this year, it ended with the promise of continuing the tradition of bringing together practicing professionals and students for more such enriching events. A special note of thanks to the entire faculty and student body of FPLC, for their continuing support and encouragement and for the Lebanese Babaganuche!!

Deepak Nambiar (LLM '01) from Bangalore, India received his BA and LLB from the National Law School of India University, Bangalore.

ACCESSION from page 9

tecting Barcardi's rights in this case. It's the only pending case it relates to." Torri Still, Red Rum: "Pernod readies for Round 2 with Barcardi over its Havana Club Mark", *IP Worldwide* October 1999. Havana Club appealed the decision to the Supreme Court, which denied cert in October 2000.

This will likely not be the end of the dispute. In July 1999, the European Union filed a complaint on behalf of Pernod Ricard, claiming that §211 violates a provision of the Lanham Act that entitles foreigners to the same trademark rights to which U.S. citizens are entitled. (*See,* 15 U.S.C. §1126 (b), (e) 1994) Because the litigation had not been resolved within two months of the E.U. complaint, the WTO entered into a formal dispute resolution process that could last into 2002. *See Still* at 3.

Fidel Castro has also made his feelings known concerning the U.S. court's treatment of the case. The Cuban leader has threatened that Cuba may stop recognizing U.S. trademarks. In a speech made in May of 1999, he stated, "the U.S. should not complain if we start using any North American brand to produce and commercialize products". He went on to single out Coca-Cola as a possible brand for the government to start producing. *Id.* at 4.

At the time this article was written the Treaty was again scheduled for a reconsideration vote in the Senate Foreign Relations Committee during the spring session. As to the status of the Protocol, one can only wait and wonder.

The Irrational Disparity between the Patent and Copyright Terms

Twenty years ago, I went on record as advocating a fifty-year (!) patent term (*The New York Patent Law Association Bulletin*, March 1981). I did this in the context of the great debate about pending patent-term restoration legislation to extend the term of a patent for up to seven years to compensate for the delay caused by Federal premarketing regulatory review requirements, enactment of which came about in 1984.

In writing the NYPLA Bulletin article and espousing a fifty-year patent term, I was joining a chorus of authors assailing the short patent life in comparison to the long copyright term.

For instance, in an article in the *PERFORMING ARTS REVIEW*, 9, 1979 (p.389) under the title: "The Short Patent Life — An Injustice and Block to Innovation: Too Far Behind Copyright," Theodore Hafner of New York offers the following argumentation:

The difference in length of life between copyright and a patent has historical and structural bases. But the author is no longer the idealistic creator of arts, nor the inventor the ruthless exploiter in the market place. No longer is the patent a monopoly and the invention a manufacture. Invention is becoming more mental and copyright more industrial. Both constitute creations of man's mind and constitute property rights and should be subject to the same legal treatment at least as far as their life spans are concerned. But the inventor has been left far behind and is being discriminated against even though his position is exactly like that of the author. And the complex and expensive patent examination also is discriminatory. The more important the invention, the longer its examination, the longer also the time required for test-use, and the longer the risk that the patent will expire before being ready to be exploited.

Michael Elphick, Managing Editor of "Electronic Design", also pled in an Editorial entitled "Patent laws are behind the times": "The time has come to extend these benefits (i.e., advantages of copyright protection over patent protection) to all creators. A good start would be to extend the lifetime of patents". Why? Because, inter alia, "the distinctions between artistic creation and scientific invention are becoming blurred." (*ELECTRONIC DESIGN* 6, March 15, 1979; p.75)

And in an article which appeared in the September 1980 issue of GRUR (p.828) and was written by Mr. Willi Schickedanz, a patent attorney in Offenbach am Main, Germany, under the title "Sind 20 Jahre Patentschutz genug?" ("Are 20 years of patent protection enough?"), the author argued persuasively that twenty years was not enough but fifty years would be more like it. Briefly, his thesis was based on the following main points:

Present patent terms are merely based on historical happenstance having to do with terms of apprenticeship. They bore no relationship to present-day realities and complexities but were simply taken for granted without question or critique. This was an atavistic practice. Many an invention was ahead of its time and became commercial only after patent expiration and this was so particularly in the case of pioneering inventions or adverse economic or financial circumstances. This hurt especially the private inventors and small and medium-sized companies who still were responsible for a large share of the more significant advances. Many well-documented examples from Germany and the United States were given by Schickedanz.

No truer words were ever spoken — and they are equally or even more valid today — in light of the fact that, e.g., product labels and inserts for drugs obtain copyright protection for 100 years, although written in accord with strict FDA regs, while the product in question, possible a pioneering blockbuster drug, gets patent protection for merely 20 years. Likewise, a given piece of software, which is now simultaneously patentable or copyrightable, has 20 and 100 years of respective protection.

When I joined the faculty of Franklin Pierce Law Center (FPLC) in 1989 and continued to argue for a fifty-year, or at least a 25-year, patent term, my colleagues politely tried to persuade me that there was nothing wrong about the patent/copyright term disparity, pointing out that this disparity was due to the fact that patent protection was very strong, blanketing an inventive concept very broadly, while copyright protection was very weak, covering only the expression of an idea but not the idea itself.

Subsequently, in my IP classes at FPLC and The Fletcher School of Law & Diplomacy (Tufts University), I used an "IP Paradigm" slide that showed the inverse relationship between the duration and the strength of protection with respect to the major IP categories, that is, the stronger the protection, the shorter the term and the weaker the protection, the longer the term. Other law professors, I understand, analogize the patent and copyright grants to edifices, with the patent edifice being short and squat and the copyright edifice, tall and narrow.

But now comes Edward Walterscheid, who in his recent JPTOS article, entitled "The Remarkable — and Irrational — Disparity Between the Patent Term and the Copyright Term" (83 *JPTOS* 233, April 2001), proves cogently and in painstaking detail that this disparity in duration is from historical and public interest perspectives erroneous and irrational after all. And Walterscheid is the most knowledgeable and prolific writer on the history of the U.S. patent system.

His article concludes that all of the rationales used for extending the copyright term several times apply equally to patent terms:

"In 1790 the base term for patents and copyrights was the same. (Fourteen years.) Today, the base term for copyrights is almost always four times longer than that of

See EDITOR page 15

EDITOR from page 14

patents and may easily be five or more times longer. Neither Congress, nor courts, nor commentators have provided any showing that the creative efforts of authors are so inherently more difficult or different than those of inventors that such a remarkable disparity is required by the very nature of the efforts. Indeed, with the possible exception of the harmonization rationale, every rationale set forth for the continuing lengthening of the copyright term is also applicable to the patent term. If these rationales are valid, they should also be applied to the patent term. If they are not, then there is no good justification for the present copyright term(s). Simply put, there is nothing rational about the present huge disparity between the patent term and the copyright term."

In arriving at this conclusion, Walterscheid discussed in detail the copyright term extension of 1831 (28 years from recordation, renewable by widow(er) for 14 years), 1909 (28 years from first publication, renewable for 28 years), 1976 (life of author plus 50) and 1998 (life of author plus 70) and the various rationales therefor as well as the reasons why the lengthened copyright terms apply equally to patent terms.

For instance, as regards the seven rationales for the 1976 term extension, which he calls "logically fallacious" and "demonstrably false" and even "absurd", quoting his discussion of but three will demonstrate that they apply equally to patent terms, indeed.

"If the '56-year term under 1909 Act was not long enough to assure an author and his dependents a fair economic return, given the substantial increase in life expectancy' as Congress argued, why, given the same increase in life expectancy for inventors, was a patent term of 17 years during this period deemed sufficient to give a fair economic return to inventors? If economic reward to authors was secondary to the public interest as Congress acknowledged in 1909, how did Congress justify now making such economic reward a primary concern and ignore the public detriment produced by further lengthening the copyright term?"

"Likewise, if 'the growth in communication media has substantially lengthened the commercial life of a great many works, particularly serious works which may not initially be recognized by the public,' was a rationale for lengthening the copyright term, there was nothing to suggest the situation was any different with respect to patents. A similar argument could be made that many patented inventions are not commercially recognized until many years after they are patented and accordingly the patent term should be lengthened to life of the patentee plus 50 years."

"(T)he rationale that a 'system based upon the life of the author avoids confusion and uncertainty, because the date of death is clearer and more definite than the date of publication, and it means that all of a given author's works will enter the public domain at the same time instead of seriatim as under a term based on publication,' is false on its face in that the date when any individual will die is almost by definition uncertain. Any system of property right based on the life span of an author creates basic uncertainty as to the term of the property right. Why should a particular copyright last 50 years longer than another copyright when the two works are created in the same year simply because one author happens to live fifty years longer than the other? There is no public interest served by such a disparate term determination. But if life of an author determines the term of a copyright, why should it not also determine the term of a patent as well? What makes the life of an author more significant than that of an inventor, and why? Why should the various patents of a particular inventor go into the public domain seriatim, but not the various copyrighted works of an author? How is the public interest served by making the term of copyright dependent on the life of the author, but not applying the same principle to the patent term?"

It is also noteworthy that the latest copyright term extension via the Sonny Bono Copyright Term Extension Act of 1998 was challenged in court on tenable constitutionality grounds, albeit unsuccessfully. Nonetheless, Walterscheid's article likewise refutes each and every rationale for the further extension of the copyright term by 20 years and, at the same time, demonstrates that the rationales used are equally or *a fortiori* applicable to the patent term.

Interestingly, an article entitled "The term of copyright protection: is it too long in the wake of new technologies?" appeared in the Copyright bulletin (v.XXIII, p.19) in 1989. It was authored by Kanwal Puri (University of Queensland Law School), who also contended that the copyright term was "much too long" and hence should be cut back with different terms for different species of copyright and who surmised that in "all probability the European doctrine of *droit moral* (moral right), under which the author's intellectual and creative rights are recognized in addition to (and beyond?) the purely economic rights' has much to do with the long copyright terms.

And for a conclusion, let me return to the IP paradigm of the inverse relationship between the duration and strength of protection as regards patents and copyrights. This, it turns out, is a misconception as well. According to Professor Jay Dratler, there are two paradigms of IP law, indeed, i.e., "The Constitutional Paradigm: 'Strong' Protection for a Limited Time" and "The Interstate Commerce Paradigm: 'Weak' Protection for Potentially Unlimited Time," but these paradigms do not distinguish between patents and copyrights but instead between patent and copyrights, on the one hand, and trade secrets and trademarks, on the other hand. Patents and copyrights "provide strong protection for a specified term" and trade secrets and trademarks "provide relatively weak protection for a potentially unlimited term." The copyright owner also enjoys very strong protection, having "five specific, exclusive rights....(which) are quite far-reaching." (Jay Dratler, "Intellectual Property Law: Commercial Creative and Industrial Property," Law Journal Seminar Press, 1991, v.1, chpt. 1., §1.08)

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