

FRANKLIN PIERCE LAW CENTER

Germeshausen Center Newsletter

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Yung-Yuan Kao, MIP '90 Remembered at Alumni Weekend

Friday, September 27 of Alumni Weekend was the setting for the dedication of the photograph of the late Yung-Yuan (Kenny) Kao, MIP '90 at the entrance of the FPLC Intellectual Property Library. Among those in attendance to remember Kenny were Law Librarians Judy Gire and Cindy Landau, IP Librarian Jon Cavicchi, Germeshausen Center Director Karl Jorda, and Graduate Programs Director Bill Hennessey, who spoke in Kenny's memory. "This is the time and place to remember Kenny Kao for his achievements and his generosity to FPLC," said Bill. "After graduating from FPLC, Kenny became a successful attorney and litigator in Taipei, Taiwan. He was also an early and faithful financial supporter of FPLC. Right after graduation, during

the traditional Chinese Autumn Festival in September 1990, Kenny sent a box of Chinese Moon-cakes for the faculty and staff to enjoy. During the Capital Fund Drive, Kenny and his wife Ling-Ling made a major pledge of funds to the Law Center and faithfully honored it. His sudden illness and loss were a shock to Ling-Ling and their two children. But it was also a deep loss for FPLC and for his classmates. Kenny would have been proud of this IP Library. This is not just the date of the harvest moon, but of a magnificent lunar eclipse here in Concord. The time and place could not be more fitting to remember Yung-Yuan Kao, as he remembered FPLC."

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Produced by The Kenneth J. Germeshausen Center for the Law of Innovation and Entrepreneurship and Student Intellectual Property Law Association

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The Germeshausen Center, created in 1985 through the generosity of Kenneth J. and Pauline Germeshausen, 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 semi-annually for the 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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– PROFILE –

PROFESSOR EMERITUS HOMER O. BLAIR

HOMER & JEAN BLAIR DONATE PATENT MODEL COLLECTION TO FRANKLIN PIERCE LAW CENTER

Homer Blair, the first Director of the Germeshausen Center, and his wife Jean are donating to FPLC their collection of 28 patent models, dating from 1842 to 1883. All of the models are for inventions used in industry. They range from an improvement to Elias Howe's sewing machine to the first manufactured red dye.



The models will be displayed in the Law Center's Intellectual Property Library. Each will be accompanied by the first page of the patent plus text explaining the commercialization of the invention. "The Blairs' gift will vividly show the central role of patents in the industrial growth of the United States in the nineteenth century," says President Robert Viles. "We are pleased that Homer and Jean chose the Law Center over museums that wanted this valuable collection."

In 1985 Homer Blair chose to come to the Law Center to start the Germeshausen Center for the Law of Innovation and Entrepreneurship, made possible by a \$1 million gift from Kenneth J. and Pauline Germeshausen in 1983. The late Mr. Germeshausen was an inventor and one of the founders of the E G & G Corporation, which he served as Chief Executive Officer.

As also the first David Rines Professor of Intellectual Property and Industrial Innovation Homer Blair played a critical role in creating today's curriculum of 40 plus intellectual property offerings. He "invented" courses in Licensing Intellectual Property and Preventative Intellectual Property Lawyering. He also initiated the Patent Systems Major Problems Conference, a unique biennial meeting of judges, corporate patent attorneys, private-firm patent lawyers, and intellectual property faculty for equaltime debates of preannounced topics. With Law Center founder Robert Rines, Blair also started the Master of Intellectual Property (MIP) program to educate

lawyers and administrators from other countries (and now the U.S.) about the U.S. and other principal systems for protecting intellectual property.

Homer Blair's experience in the patent departments of Westinghouse Electric, Boeing, Kaiser Aluminum, Celanese, and Itek (where he was Vice President for Patents and Licensing for 19 years) prepared him well for helping to shape a skills-based, up-to-date intellectual property curriculum, as did his long experience in IP policy. He served on six U.S. delegations to the United Nations and was a member of the 1971 U.S./U.S.S.R. Exchange on Patent Management and Patent Licensing, which led to "detente" between the two countries. Later he became a member of President Carter's Department of Commerce Advisory Committee on Industrial Innovation and the State Department Advisory Committee on Trademark Policy. He also played a significant role in writing the legislation creating the Court of Appeals for the Federal Circuit.

A leader of the industrial property bar, Professor Blair was President of the Licensing Executives Society USA/Canada, the first recipient of that organization's Award of Highest Honor, and a founder of the LES International. President of the International Trademark Association and founding member of the Association of Corporate Patent Counsel, he was active in the American Intellectual Property Law Association, the American Bar Association, the Pacific Intellectual Property Association, and the Boston Patent Law Association.

It is probably needless to add that Professor Blair brought these valuable connections with him to the Law Center. He also brought with him a distinctive personality flavored with the Pacific Northwest where he grew up, a persistence (that of a dripping faucet, according to him) that usually pays off, and an openness that won him friends immediately. After accomplishing much in four years at the Law Center. Homer, along with his wife Jean, retired in 1989 in San Angelo, Texas. With their daughter Patricia living in Concord, the Blairs are frequent visitors to New Hampshire, where Homer keeps an eye on the Germeshausen Center and extols the wonders of western Texas.

Profile of the MIP/DIP Class of 1997

This year 50 students from 16 countries are enrolled in FPLC's MIP/DIP program. The largest delegation is from Korea with 13 students, followed by the People's Republic of China with 8 students, the Republic of China (Taiwan) with 6 students, Japan and the US with 4 students each, and Nigeria, Panama, and Venezuela with 2 students each. The following offers a closer look at the 1997 MIP/DIP class.

Mr. David Acquesta is a legal assistant at Immunex Corporation in Seattle, Washington. He is a graduate of the Industrial Labor Relations Program of Cornell University.

Mr. Omobolanle Aguda is a barrister from Lagos, Nigeria. He received his LL.B from the University of Benin.

Mr. Kook-Chan An is a patent attorney at the law firm of Kim and Chang in Seoul, Korea. He received his B.S. in Engineering from Seoul National University.

Mr. John Asein is the head of the Legal Division of the Nigerian Copyright Council in Lagos, Nigeria. He has an LL.M from the University of Lagos.

Ms. Tania Chen is from San Francisco, Panama. She is a recent graduate of the Universidad Santa Maria la Antigua in Panama where she received her LL.B.

Mr. Miguel De Puy is from Panama City, Panama where he was a legal assistant at the law firm of Morgan and Morgan. He received his LL.B from the Universidad Santa Marie La Antigua in Panama.

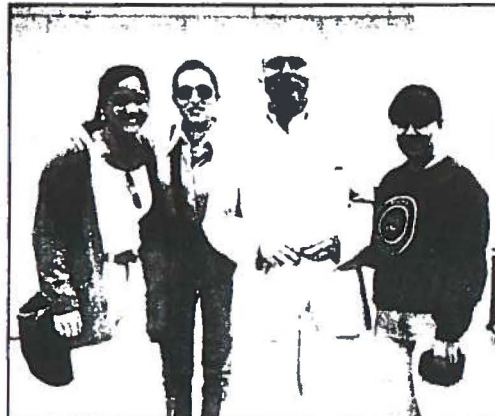
Ms. Mayra Delgado is an intellectual property attorney at the law firm of Bentata Hoet in Caracas, Venezuela. She received her LL.B from the Universidad Santa Maria in Venezuela.

Mr. Alan Frederick Feeney was a trial attorney for Amerilaw in Hollywood, Florida before his recent move to Westminster, MA. He has a J.D. from Boston College.

Mr. Xiang Gao is an agent for the Chinese Trademark Service in Peking. He has his LL.B from Beijing University.

Mr. Wen-Hsiang Ho is a patent engineer at the Taiwan International Patent Law Office in Taipei, Taiwan. He received a B.S. in electrical engineering from National Taiwan University.

Mr. Abd el Rahman Ahmed Ibrahim is the Commercial Registrar General of Sudan. He received a LL.B from the University of Khartoum, Sudan.



Tania Chen-Guillen, Rosa Mejuto, Bill Hennessey and Judith Meza

Mr. Shigemi Iwasaki is a senior engineer at Hitachi Ltd. in Tokyo, Japan. He received an LL.B from Chuc University, Japan.

Mr. Bethew Jennings is originally from Moss Point, Mississippi. He was a computer scientist for IBM/NASA. He is a J.D. candidate from Georgia State.

Mr. Dae Yeon Jo is an assistant manager at Samsung Display Devices in Kyungki-do, Korea. He has his B.S. in chemical engineering from Dong-A University, Korea.

Mr. Chaho Jung is a patent examiner with Korean Industrial Property Office. He has a B.S. in mechanical design from Sung

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Mr. Il-Nam Koh is a patent attorney at the Central International Law Firm in Seoul, Korea. He received a B.S. in atmospheric science from Seoul National University.

Mr. Byung Moon Lee is a patent attorney at the law firm of Lee and Ko in Seoul, Korea. He has his B.S. in engineering from Seoul National University.

Mr. Ho Keun Lee is from Kyungi, Korea. He received his M.A. in electrical engineering from Yonsei Graduate School, Korea.

Mr. Jae Yong Lee is a patent attorney at the Patent Office in Seoul, Korea. He has a LL.M from Seoul National University.

Mr. Won-Hee Lee is a Consul in the Korean Consulate General in Hong Kong. He has a LL.B from Hanyang University, Korea.

MIP continued

Ms. TingXia Liang originally is from Beijing, but has lived for the past five years in Upton, New York. She received a B.A. in education from Xichang Normal College, People's Republic of China.

Ms. Chih-Yang Lin is a patent engineer at the International Patent Law Office in Taipei, Taiwan. She has an M.S. in electrical engineering from Syracuse University.

Ms. Wen "Jane" Liu is from Beijing where she is a trademark agent for the China Council for the Promotion of International Trade (CCPIT). She has a B.A. in English from Beijing Foreign Studies University.

Mr. Ywe Looper is originally from Montreal, Canada. He recently received his LL.B from Ottawa University.

Ms. Yuqin "Melissa" Lu is from Beijing, China where she was a patent examiner at the Chinese Patent Office. She has a B.A. in engineering from the Dalian Institute of Technology.

Mr. Wen-Hsiang "Jack" Lu is a prosecutor for the Department of Justice in Taipei, Taiwan. He received his LL.M from Chung Hsing University, Taiwan.

Ms. Rosa Mejuto is from Caracas, Venezuela. She recently received her LL.B from the Universidad Santa Maria.

Ms. Judith Meza is from Puebla, Mexico. She recently received her LL.B from the University of Las Americas, Mexico.

Mr. Yukihiro Misaka is a Deputy Manager of Toshiba Corporation in Tokyo. He has a LL.B. from Hiroshima University, Japan.

Mr. Satoshi Nakamura is an attorney at Sumitome Chemical Company in Tokyo, Japan. He has a LL.B from University of Tokyo.

Mr. Jongyo Park is from Seoul, Korea where he is the Director of EDP Division of the Korean Industrial Property Office. He has an M.A. degree in public administration from Seoul National University.

Ms. Sapna Singh Pathania is from New Delhi, India. She has a LL.B from Delhi University.

Mr. William Pupulampu is from Accra, Ghana. He is a recent graduate of Southern Methodist University where he received his JD.

Mr. Tianxue Qiu is from Beijing where she was an accountant at Oglivy & Mather Advertising Co. She has a B.A. in economics from Beijing Finance and Trade College.

Mr. Gang Ren is from Beijing where he is the chief of the State Administration for Industry and Commerce. He has a B.A. in Chinese literature and English from Beijing Normal University.

Mr. Dae-Gi is from Seoul, Korea where he works in the patent department of SKC R&D Center. He received a B.S. in engineering from Kyung Pook National University, Korea.

Mr. Jae Pil Shim is from Korea where he is an attorney at the Korean Patent Office. He received a LL.B degree from Korea University.

Mr. Han-Seop Shin is a senior researcher at KOLON Chemical Co. in Incheon, Korea. He received an M.S. degree in chemistry from Yonsei University.

Mr. Chandra Bhushan Singh is a litigator at the law firm of Khaitan House in New Delhi, India. He has a LL.B from the Delhi University.

Ms. Nan Ekdarun Srisanit is from Bangkok, Thailand where she is a paralegal at Anek and Associates. She has a LL.B from Chulalongkorn University in Bangkok.

Ms. Darai Suvarnajata is from Bangkok, Thailand. She has a LL.B from Chulalongkorn University.

Mr. Nai-Chen Tsao is from Taipei, Taiwan where he is a patent engineer at Taiwan International Patent Law Office. He has an M.S. in veterinary medicine from National Taiwan University.

Ms. Bogilmaa Tsend is from Ulaanbaatar, Mongolia where she is an officer for

the Patent and Trademark Bureau of Mongolian Chamber of Commerce and Industry. She received a B.S. degree in chemistry from the Moscow Institute of Printing.

Ms. JianYing "Jenny" Wang is the manager of the application department of China Patent Agent LTD. in Hong Kong. She has a B.A. degree in English from Hena University, China.

Mr. Sheng-Yung "Peter" Wang is a patent engineer at Top Team International Patent and Trademark Office in Taipei, Taiwan. He has an M.S. in electronic engineering from National Chiao-Tung University.



Melissa Lu, Tania Chen-Guillen, Ting Xia Liang, Xiang Gao, Jane Liu, Jenny Wang, Tianxue Qiu, Jun Wei, Gang Ren

Franklin Pierce Law Center Announces A New LL.M. Degree in Intellectual Property

Beginning in 1997, the Law Center will award the LL.M. degree to lawyers who have completed a thesis culminating a year's coursework in intellectual property (IP). The LL.M. (IP) is an international program designed for lawyers needing a better appreciation of sophisticated IP issues that arise in policy-making, teaching, and research. It marks a new direction for intellectual property training at FPLC.

"From the conferences organized under the aegis of the Paris Treaty Convention (PTC) Research Foundation in the early days of the the school through the Germeshausen Center's biannual Patent System Major Problems meetings today, the Law Center has continually addressed leading intellectual property issues," says Robert Viles, President of the Law Center. "Our educational thrust, however, has been to train students to meet these issues in day-to-day practice, especially in patent law," he continues. "Now as intellectual property claims an increasing share of wealth worldwide, we recognize the need for policy-makers and teachers in IP. They need a deeper understanding and knowledge about IP policy issues and their legal, economic, and social dimensions."

The LL.M. degree joins two other degree programs at Franklin Pierce, the Juris Doctor (JD) degree, the basic law degree, and the one-year Master of Intellectual Property (MIP) degree, a specialized degree open to other professionals as well as lawyers. Both programs are supported by more than forty courses offered each year in the school's academic-year and summer curriculums. Courses range from Patent Practice and Procedure, through IP Valuation, to Entertainment Law and Infotorts.

Approximately 50 students each year are awarded a JD after specializing in IP topics. Another 35-50 students receive the MIP degree. Some graduates qualify for both degrees in the school's combined JD/MIP program.

Applicants for admission into the LL.M. (IP) must propose a research and writing topic as part of their applications. "We seek students who have already spent some time thinking about intellectual property issues," explains Professor Thomas G. Field, Jr., the senior IP faculty member in charge of mentoring the first LL.M. (IP) students. "We are looking for people whose experience has brought them directly into contact with policy challenges or whose intellectual appetite has been whetted by exposure to IP topics in law school. Policy issues encountered in adminis-

tration and practice are likely to be much more challenging than ones extrapolated from doctrine or conjured in the classroom."

Professor Field brings an outstanding breadth of experience to the LL.M. (IP). Trained in chemistry and once a U.S.P.T.O. patent examiner, he designed and teaches a comprehensive Introduction to Intellectual Property course that first-year JD students may elect. He is the founder and editor-in-chief of *RISK: Health, Safety & Environment*, an interdisciplinary quarterly publication concerning the management of technological risk and the use of technology in risk management. In addition Professor Field, the Law Center's "web wizard," has been at the center of creating the Law Center's website. With Intellectual Property Research Librarian Jon Cavicchi, he has set up extensive IP linkages with the Law Center's homepage. See <http://www.fplc.edu/tfield/order.htm> and <http://www.fplc.edu/ipmall.htm>.

Besides a six credit thesis, LL.M. degree candidates must complete 24 semester credits of coursework while resident at the Law Center. They must also have completed all requirements for the JD (or equivalent) degree prior to enrollment. Individuals interested in LL.M. (IP) should write directly to Director of Graduate Programs, Franklin Pierce Law Center, 2 White Street, Concord, NH 03301, fax 603-224-3342, e-mail graduateprograms@fplc.edu. Professor Field welcomes inquiries and proposals about thesis topics at tfield@fplc.edu.

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Ms. Yuko Watanabe is an intellectual property attorney at Fuji Corporation in Tokyo. She has a B.A. in literature from Keio University in Tokyo.

Mr. Jun Wei is a patent examiner in the Physics Examination Department of the Chinese Patent Office in Beijing. He has an M.S. in optics from Beijing Normal University.

Mr. Doh-Ki Yang is a customs official at the Korean Customs Service, Seoul, Korea. He has a B.A. degree in philosophy from Seoul National University

Mr. Kwang Hyun Yoon from Seoul, Korea, where he is a researcher at LG Semiconductor Company. He has a B.S. in chemical engineering from Seoul National University.

MIP Hi-Light

By Dan Salehi

Many first time visitors find the United States a bewildering blunder of people and machines running in disharmony. Yuko Watanabe is no exception. This resident of Yokohama, Japan, and an employee of Fuji-Xerox's licensing division, has found her way to the Franklin Pierce Law Center.

When asked how she likes New England she replies, "Boston seemed like a disorganized megapolis. A mixture of shops, historical cities, and ports are arranged next to each other in a disharmonizing array. New and old mixed, newly constructed and historical alike."

Yuko finds professors and classmates at FPLC especially nice and helpful. The large student body of foreign students in the masters program makes her feel more at ease. Having worked in international licensing, she was anxious to see the academic side as opposed to the actual practice. She chose Franklin Pierce because of its reputation in Japan. Yuko now has the opportunity to acclimate herself to the language, the culture and the American way of licensing.

As for the differences between Japan and the U.S., She says, "In Japan, we have a different way of thinking about licenses. Licensing among Japanese companies is much easier than licensing between a Japanese and an American company." Yuko believes this is because there is a common understanding and thinking that makes licensing easier. She says making a contractual agreement between Japanese companies is not difficult. The major issues are discussed and the common understanding between the companies results in resolving minor issues. It is comparable to a "Gentlemen's Agreement." When the negotiation's major issues are resolved, the people from the companies work together under a common understanding to resolve anything else that may come up after the negotiation.

Americans, in contrast, insist on resolving every issue on the negotiation table, and on a written form. American licenses are excruciatingly detailed and leave no room for guessing. While the first draft of a licensing agreement between Japanese companies carries the

weight and the form of the final draft, the American first draft is just a starting point for the ensuing negotiations.

When asked about this diversity, Yuko says, "In Japan, there is an underlying understanding that certain things will be adapted into the contract. This shared

understanding among Japanese companies takes the guess work out of the game." However, she emphasizes that "the custom of Japanese companies is also changing." Companies are starting to insist on more detail than before, and they are starting to view the long term legal aspect of the licensing agreement.

Lawyers normally do not get involved in negotiations in Japan. Most of a company's legal work is done by non-lawyers. This is not to say that lawyers are cut off and the non-lawyers are doing all of

the legal work. Rather, because of the legal educational requirements, most people who are educated in the law are not necessarily lawyers (members of the bar). This is also a matter of company policy and most companies retain legal assistance only for very difficult problems.

When comparing the American trademark system with the Japanese system, Yuko remarks, "In Japan, anyone who first obtains the right to register the mark has priority, even if the mark is not used in the system. Knowing this, many marks are registered and not used." At times, it seems difficult to come up with a new trademark, since so many are registered. There is, however, a way to cancel an unused trademark on appeal, but it is a very expensive process. Typically if a trademark is not used after three years, it can be cancelled. It usually takes two years from the time of filing to obtain full registration, and if your file is burdened by an office action, then you can expect to wait even longer. For example, many software companies perform prior trademark searches and then enter the market, even while awaiting examination.

Yuko lives in Yokohama, Japan, and works in Tokyo. All of us at FPLC hope that she enjoys her year with us in Concord, N.H.



Government Act of Indecency on The Net

By Jim DeFelice



Congress has once again invited the scrutiny of the Supreme Court involving First Amendment protections with the Communications Decency Act of 1996 (CDA).¹ Recently, in *ACLU v. Reno*, three federal district judges held that the CDA is unconstitutional as applied under a standard of strict judicial scrutiny.² Yet almost as soon as those judges subjected the CDA to a strict scrutiny standard, the Supreme Court undermined the District Court's decision by rendering the strict scrutiny standard as inappropriate for dealing with government regulation of free speech across rapidly advancing mediums.³

The Government's assurance that it will appeal the decision in *ACLU v. Reno* further demands comparison between the District Court's reasoning and the Supreme Court's reasoning in *Denver Area Educational Telecommunications Consortium, Inc. v. FCC*. Unfortunately, the Supreme Court's decision provides excess verbiage and little lucid law. Nevertheless, the timing of the two decisions begs speculation: What effect does the Supreme Court's decision have on the strict scrutiny standard used by the District Court, and can the District Court's analysis satisfy the lesser scrutiny standard so as to achieve the same result?

The Basic Facts of *ACLU v. Reno*

In February of 1996, the American Civil Liberties Union (ACLU), filed suit in the Federal District Court for the Eastern District of Pennsylvania. The ACLU was seeking to enjoin the Defendants, US Attorney General, Janet Reno and the US Department of Justice from enforcing the CDA on the grounds that it violates the First Amendment right to free speech.

The issue was whether the term "indecent" in §223(a) and the phrase "patently offensive" as measured by contemporary community standards, sexual or excretory (patently offensive) in §223(d) are unconstitutionally vague.⁴ In addition, the court had to determine whether or not §223(a) and §223(d) were constitutional in light of the statutory defenses provided in §223(e).⁵

A panel of three judges ruled in favor of a permanent injunction subsequent to granting a temporary restraining order in February. The three judges based their decision on their understanding of the Supreme Court's view on what standard applies concerning government regulation of protected speech. The question is whether the District Court was correct in choosing the strict scrutiny standard.

Scrutinizing the Strict Scrutiny Standard

In *ACLU v. Reno*, Chief Circuit Judge Sloviter found the regulation of indecent speech over the medium of the Internet similar to the regulation on which the Supreme Court ruled in *Sable Communications v. FCC*. There, the Supreme Court held that a government regulation banning indecent telephone messages was unconstitutional.⁶ Like the situation involved in *Sable*, a user of the Internet must actively retrieve information. The speech at issue in other cases involves a passive medium such as television or radio which allows a child to come across "indecent" or "patently offensive" subject matter inadvertently.⁷ According to Sloviter, *Sable* established that the first amendment grants the speech constitutional protection (regardless of whether or not it is indecent or patently offensive). Therefore, the government must show a compelling interest in regulating the speech in question and that the regulation is narrowly tailored.⁸ On June 11, 1996, Judge Sloviter's reasoning for applying strict scrutiny appeared cogent. He analogized the situation to one similar on which the Supreme Court had already ruled and applied the same standard, strict scrutiny.

However, on June 28, 1996 in *Denver Area Educational Telecommunications v. FCC*, the Supreme Court decided that the best standard to apply to speech issues across rapidly advancing mediums is one less than strict scrutiny but greater than less scrutiny.⁹ The case involved a government regulation which granted cable operators the right to ban indecent programming on leased access channels and public access channels. The regulation further required that cable operators who chose not to ban indecent programming on these channels segregate and block such programming unless otherwise directed in writing by the consumer.¹⁰

In announcing the opinion of the Court for this case, Justice Breyer propounded elusive terms for that which formerly applied to government regulation of protected speech. Instead of "strict scrutiny", "compelling interest" and "narrowly tailored", terms which law practitioners have come to rely on, Breyer articulated less definite terms such as "close judicial scrutiny", "extraordinary" or "extremely important problem", and "sufficiently tailored."¹¹ Breyer then claimed that the tradition of first amendment jurisprudence "teaches that the First

Amendment ... protects speech from government regulation through close judicial scrutiny, thereby enforcing the constitution's constraints but without imposing judicial formulae so rigid that they become a straight jacket that disables the government from responding to serious problems."¹² Breyer's logic indicates that the applicable standard parallels the philosophy of Justice Stewart in determining obscenity. If the regulation is unconstitutional, "I'll know it when I see it."¹³

In addition, Justice Souter agreed with the Court's policy in choosing a degenerative standard, and stated "as broadcast, cable, and the cyber-technology of the Internet and the World Wide Web approach the day of using a common receiver, we can hardly assume that the standards for judging one of them will not have immense, but now unknown and unknowable, effects on the others."¹⁴ In applying the logic of Souter and Breyer to the medium involved in *ACLU v. Reno* it is apparent that the District Court chose too harsh of a standard.

Equally detrimental to the District Court's decision to apply a strict scrutiny standard is the fact that *Sable* involved an outright and direct ban on indecent telephone messages, thereby warranting a strict scrutiny standard.¹⁵ The CDA does not expressly require such a ban, but merely makes it a criminal offense to disseminate indecent material to persons under the age of 18. As a result, the issue becomes one of application in which the Court must weigh the facts involved in *ACLU v. Reno* in the absence of a definitive standard.

Application Of A Lesser Scrutiny

The question now asks whether the District Court's application of the facts in *ACLU v. Reno* to a strict scrutiny standard will have the same effect as applied to a less strict and more elusive scrutiny. It is necessary to compare the relevant portions of the District Court's application of strict scrutiny to the facts in *ACLU v. Reno* and the Supreme Court's application of a lesser scrutiny in *Denver Area Educational Telecomm.*

Sloviter substantiated the Government's general interest in regulating the speech in question.¹⁶ However, Sloviter found that the vagueness of the terms "indecent" and "patently offensive" leaves many speakers who post arguably indecent material on the Internet to choose between silence and the risk of prosecution. The indecent and the patently offensive provisions fail to exclude material with artistic, scientific, social or moral value.¹⁷

Judge Buckwalter, who originally issued the TRO, analyzed the terms "indecent", and "patently offensive". He concluded that if the Government wanted "indecent", and "patently offensive" to have the same meaning, then

the language in subsection (a) should have mirrored that in subsection (d).¹⁸ He also alluded to another statute which defines "indecent" in a different way suggesting that Congress's inconsistency in defining the word calls for a more concise definition.¹⁹

Despite granting the Government deference to legislative history, Buckwalter found that accepting the terms "indecent" and "patently offensive" as synonymous still contributes little to the clarity of the statute.²⁰ Buckwalter focused on the phrase "community standards," and essentially said that the effect of the Supreme Court's holding in *FCC v. Pacifica* (Supreme Court case upholding FCC's regulation of indecent programming over broadcast radio) requires the Government to conform the restricting terms "indecent" and "patently offensive" to the community standards of cyberspace.²¹ According to Buckwalter, the government failed to show the existence of a nationwide community standard applicable to the Internet which would clarify what is indecent or patently offensive.²² The third district judge, Dalzel, dipped into the legislative history and determined that "indecent" was to be defined as "patently offensive as measured by contemporary community standards, sexual or excretory activities."²³

Breyer had stated that "indecent" and "patently offensive" as defined by *FCC v. Pacifica* depends on the context, degree and time of broadcast.²⁴ Therefore, "indecent" and "patently offensive" are determined by three qualifying factors and consequently, are not vague. However, the problem with applying Breyer's reading of *FCC v. Pacifica* to the facts in *ACLU v. Reno* is that cable and the Internet are dissimilar mediums with regard to demographics. Unlike the owners of websites in *ACLU v. Reno*, cable operators serve one community with definable boundaries. A cable operator works for a local cable company serving a town or county, and thus is able to determine local community standards. On the other hand, a web site posted over the Internet on the World Wide Web transcends boundaries and serves an infinite number of users residing in different communities with different standards. For example, sexual activity depicting penetration may be acceptable in light of the community standards of New York City but indecent or rather patently offensive according to the community standards of Butte Montana.²⁵ Thus community standards cannot suffice in defining "indecent" and "patently offensive."

Sufficiently Tailored?

All three judges for the federal court in *ACLU v. Reno* found that the statutory defenses in §223(e) do not save the CDA from being unconstitutional. The statutory defenses provided in §223(e) exonerate those websites

which make use of age or credit card verification schemes. In addition, any reasonable means given the technology employed by an access provider to prevent access of minors to indecent material may serve as a defense. However, the court found that age or credit card verification schemes do not provide economically feasible solutions. This requirement would burden plaintiffs such as Critical Path Aids Project and Stop Prison Rape who provide non-profit services, but post arguably indecent material.²⁶ The Government then offered a tagging scheme for preventing access to indecent materials by minors as an example of a reasonable measure. According to the Government, this would serve as an alternative to the more expensive age and credit card verification. The court found this argument ineffective because no tagging scheme has been implemented, and even if done, would pose too much of a burden.²⁷

In addition, the court found that relatively inexpensive software exists for parents to block indecent programming on their own computers,²⁸(i.e. Net Nanny, or Cyber-Patrol) and that current obscenity and child pornography laws satisfy the Government's ancillary objectives.²⁹ As a result, parents have options to protect their children from indecency. The question remains as to whether the CDA is sufficiently tailored pursuant to *Denver Area Educational Telecomm.*

Justice Breyer, speaking for the Court in *Denver Area Educational Telecomm.*, would most likely agree with the District Court's logic in *ACLU v. Reno* with regard to the existence of self-help measures available to parents. Breyer, in ruling that the government did not sufficiently

tailor §10(b) of the Cable Communications Consumer and Competition Act of 1992, found the requirement that cable operators provide parents with lock boxes exemplifies a least restrictive measure that serves the government interest.³⁰ Similarly, the government could require that providers of access to the Internet make available blocking software to serve the government's interest in regulating indecency over the Internet.

However, there are a few Supreme Court justices who would argue otherwise. The three dissenting justices in *Denver Area Educational Telecomm.* antagonistically voiced serious doubt that parents would have the technical proficiency to operate a lock box.³¹ Those same justices might similarly argue that parents owning computers lack the technical proficiency to operate software which blocks indecent material. Perhaps including a training seminar as well as continuing education programs along with self-help products such as Net Nanny would satisfy these three dissenters.

Conclusion

Though apparent that the Supreme Court will most likely avoid applying strict scrutiny upon reviewing the district court's decision in *ACLU v. Reno* (I would enjoy hearing Justice Kennedy try to establish the Internet as a public forum) the 130 findings of fact applied to a less than strict scrutiny standard seems sufficient to warrant upholding the District Court's decision. Free speech advocates can look forward to another narrow decision.

Jim DeFelice is a second year law student interested in intellectual property issues.

Endnotes

- 1 Communications Decency Act, 1996, §502, 110 STAT. 134. The act amends 47 U.S.C. §223 and will be referred to as such.
- 2 *American Civil Liberties Union v. Reno*, 929 F.Supp. 824 (E.D. PA 1996).
- 3 *Denver Area Educational Telecommunications Consortium v. FCC*, 116 S.Ct. 2374 (1996).
- 4 47 U.S.C.A. 223 (1996). Subsection (a) makes it punishable by fine or imprisonment for anyone using a telecommunications device who sends obscene or indecent subject matter to person(s) under 18 years of age. Likewise, subsection (d) makes it criminal for anyone who sends patently offensive as measured contemporary community standards sexual or excretory ... to a receiver under the age of 18.
- 5 *Id.*
- 6 *ACLU v. Reno*, 429 F.Supp. at 851 citing *Sable Communications of California v. FCC*, 492 U.S. 115 (1989).
- 7 *Id.*
- 8 *Id.*
- 9 *Denver Area Educational Telecomm.*, 116 S.Ct. at 2385.
- 10 1992 Act, §10, 106 STAT. 1486.
- 11 *Denver Area Educational Telecomm.*, 116 S.Ct. at 2385.
- 12 *Id.*
- 13 *Jacobellis v. Ohio*, 378 U.S. 184 (1964). (Stewart J. Concurring)
- 14 *Denver Area Educational Telecomm.*, 116 S.Ct. at 2402.
- 15 *Sable Communications of California v. FCC*, 492 U.S. 115 (1989).
- 16 *ACLU v. Reno*, 429 F.Supp. at 853.
- 17 *Id.* at 855.

18 *Id.* at 861

19 *Id.* Citing 18 U.S.C. § 1461 which states. "The term indecent as used in this section includes matter of a character tending to incite arson, murder or assassination."

20 *Id.* at 862.

21 *Id.* citing *FCC v. Pacifica Foundation*, 438 U.S. 726 (1978).

22 *Id.* at 863.

23 *Id.* at 868.

24 *Denver Area Educational Telecomm.*, 116 S.Ct. at 2390.

25 *ACLU v. Reno*, 429 F.Supp. at 853. "...The Broadway play *Angels in America* which concerns homosexuality and AIDS portrayed graphic language, may be far less acceptable in smaller less cosmopolitan communities of the United States. Yet the play garnered two Tony Awards and a Pulitzer prize for its author, and some uninhibited parents and teachers might deem it to be material to be read or assigned to eleventh or twelfth graders."

26 *Id.* at 856. See also, *Id.* at 846. Finding of Fact ¶100. In a one month period Critical Path Aids Project received over 3,000 clicks, use of credit card verification would either not allow Critical Path to provide free services or would seriously burden Critical Path.

27 *Id.* at 856. See also, *Id.* at 847. Findings of Fact ¶108-116.

28 *Id.* at 883. See also, *Id.* at 839. Finding of Fact ¶54-73. Software by which users may block indecent material from the Internet exists. (Cybersitter, Surfwatch etc.)

29 *Id.* at 854.

30 *Denver Area Educational Telecomm.*, 116 S.Ct. at 2393.

31 *Id.* at 2429.

Protecting Domain Names

By Joseph Funk

The Internet and the World Wide Web is a growing phenomenon called Cyberspace which more individuals and companies gain access to week by week. For businesses, it is touted as being a marketplace of the future, and hundreds of companies put up new home pages on the Web each week. When a business obtains a home page on the Web, and their own domain name, they are a part of a world wide marketplace and people and businesses from around the world can visit their electronic store or company.

Notwithstanding its advantages, the rapidly growing Internet is a place fraught with many new legal problems involving domain names, tradenames, service marks, and trademarks. Unless consideration is given to picking and protecting domain names used on the Web, a business may find itself in a trademark dispute with other businesses around the world, which can result in significant expense.

Network Solutions, Inc. (NSI) in Herndon, VA is responsible for assigning domain names in the U.S. Their policy regarding domain names is found at <http://rs.inter-nic.net/domain-info/inter-nic-oain-4.html#summary>. A business may select and register a domain name with NSI and have a home page developed to show their products and services on the Web. Domain names are usually based on the business tradename, product trademarks, or service marks. This Web site address may also be featured in other forms of conventional advertising and on business cards.

An owner of a registered U.S. or foreign mark may contact NSI and challenge the registration and use of a business domain name if the challenger's mark was in use or registered prior to the activation date of the business domain name. Upon notice from NSI, the domain name holder has thirty days to submit a certified copy of a U.S. or foreign national trademark or service mark registration covering the challenged domain name. If the registration date of the domain name with NSI is prior to the earliest of the challengers first use of its mark or the date of its national mark registration, the domain name is retained and can continue to be used, unless NSI receives a court order prohibiting such use. If the domain name registration date with NSI is not earlier, NSI will assign a new domain name and allow use of the old and new domain names for up to ninety days, unless they receive a court order prohibiting such use. The original domain name is then discontinued pending resolution of the dispute.

The domain name holder may be able to show use of the domain name prior to the challengers mark registration issue date and must legally pursue the matter to save its use of the domain name. However, this involves time and money, and at least temporary loss of the challenged domain name. No matter what the outcome of any challenge in the courts over the domain name, under the terms of the contract with NSI the domain name holder must indemnify NSI for any legal expenses they incur from any legal challenges. As such, NSI can request a bond.

If the domain name dispute is decided in favor of the challenger, the former domain name holder incurs the expenses of paying for a second server during the ninety day transition period, must discontinue use of the domain name, and must discontinue use of brochures, business cards, etc. that have the former domain name on them.

Thus, it is prudent for a business to do a trademark search prior to registering an Internet domain name. In addition, the holder and user of a domain name should file a federal trademark/service mark registration for the domain name at the earliest possible date. The first person or business to file and obtain a trademark/service mark registration in the U.S. obtains the exclusive right to use the mark for an initial term of six years. Samples and other proofs of earlier use of the domain name as a service mark, trademark or trade name should also be kept on file by the business in case of a legal challenge to the registration.

In the U.S. Trademark Office a problem has arisen in conjunction with their registration of domain names. Presently, selling products over telecommunications media, such as the World Wide Web, is considered to be no different than selling over the telephone. A business telephone number cannot be registered as a trademark or service mark. However, the service mark of a business providing information via the Web or other electronic means may be registered as if the information was not provided electronically. Thus, the registrant of a domain name should provide to people accessing their home page a broad range of information in addition to showing their products. For example, a company who distributes software via their home page on the World Wide Web could publish information about their company, such as quarterly or annual reports, and about the target market for their products.

Mr. Funk is a corporate attorney with Hamblett & Kerrigan who practices computer law, and is registered to practice before the U.S. Patent and Trademark Office.

Famous Trademarks Around the World

By Diane Kort



Although there is general agreement that more international consistency is needed in protecting "well-known" trademarks from unscrupulous or unauthorized registration, the means of achieving this end is uncertain. A system of international registration could create more problems than it would solve. At a meeting of the Committee of Experts on Well-Known Marks of the World Intellectual Property Organization (WIPO) in November 1995, most countries expressed skepticism that an international register of "well-known" marks would be feasible.

The initial stumbling block is that there is no internationally recognized definition of the term "well-known." The Committee agreed that criteria need to be established by the International Bureau to determine whether a trademark is "well-known" or not. The Committee will meet again on October 28-31, 1996, to consider the International Bureau's proposals on the criteria for defining "well-known" marks.

The International Bureau proposes, at a minimum, that the following criteria should be taken into account: the "potential customers" or "target group" for the goods/services; the "channels of distribution" of the goods/services; the "duration, extent and geographical area" of any use or of any advertising of the mark; and the "market share" in both the territory where protection is sought and in other territories. In addition, the proposal clarifies that registration or use of the mark in the territory where protection is sought can not be a prerequisite to protection under the "well-known" standard. The proposal also includes a provision similar to TRIPS Article 16(3) (discussed below), as well as another provision that surpasses TRIPS, to include anti-dilution protection.

Currently, protection for "well-known" marks can be found under Article 6 bis(1) of the Paris Convention, Article 16(2) of TRIPS, Article 1708.6 of NAFTA, and Article 8(2)(c) of the Council Regulation no. 40/94 on the Community trademark. The Paris Convention is the oldest of the above agreements governing the protection of trademarks. As such, it has served as a foundation for many of the provisions in later agreements.

Each of the agreements mentioned above fully incorporates Article 6 bis of the Paris Convention and expands the protection of "well-known" marks in Article 6 bis(1).

Article 6 bis(1) requires member countries to recognize unregistered marks when the mark is "well-known" locally, where protection is sought. Unfortunately, the term "well-known" is not clearly defined. A member country could refuse to grant, or could cancel a trademark or prohibit its use where it is likely to be confused with a locally "well-known" mark used for "identical or similar goods."

No such protection, however, is available to unregistered marks that are not "well-known" locally. This lack of protection proves problematic for businesses as the fluidity of information crossing national borders and expanding international trade make it increasingly difficult to protect new marks in foreign countries.

A case which exemplifies this problem is *Person's Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990). Larry Christman, a U.S. citizen, visited Japan and copied the logo and clothing-line of Person's Co., a Japanese company. Christman registered the "PERSON'S" mark in the U.S. despite its prior use in Japan by Person's Co. The U.S. Court of Appeals for the Federal Circuit upheld Christman's registration in a cancellation proceeding brought by Person's Co. Christman was found to have registered the mark in "good faith" because he did not intend to interfere with the Japanese company's planned expansion into the U.S. market and the Person's Co.'s mark was not "well-known" in the U.S. Had Person's Co.'s mark been "well-known" in the U.S., Article 6 bis(1) of the Paris Convention would have applied and Christman's registration would likely have been denied.

Legal piracy of this sort favors unscrupulous entrepreneurs at the expense of creators and new businesses. A solution to this problem is suggested in a Note by Beth Fulkerson, *Theft by Territorialism: A Case for Revising TRIPS to Protect Trademarks from National Market Foreclosure*, 17 MICH. J. INT'L L. 801 (1996). In light of expanding international trade, Fulkerson calls for the abandonment of the "well-known" standard in favor of an "awareness of foreign use" rule. If the latter rule were applied to the Person's Co. case, Christman's awareness alone of Person's Co.'s use in Japan would prevent his U.S. trademark registration, regardless of the mark's renown in the U.S.

The "well-known" standard of the Paris Convention

continued on the next page...

FPLC HOSTS LATIN AMERICA PATENT CONFERENCE

On September 21 and 22, Franklin Pierce Law Center sponsored the Third Annual Seminar entitled "Protecting Industrial Property in Mexico and Central America" in its International Intellectual Property Practice Series. The seminar was chaired by Professor Karl Jorda.

Conference speakers included officials and attorneys from the United States, Mexico and Guatemala. They focused their discussion on the interplay and investment strategies of intellectual properties between these countries. The speakers also discussed the differences in intellectual property law and how it has evolved and changed in the political atmospheres of these developing countries.

Highlights included: the perspective of the Mexican Institute (IMPI) from Jorge Amigo, its director; a creative assessment of evaluating intellectual property investment in foreign countries by Robert M. Sherwood, an International Business Counselor; enforcement issues

in Mexico by Jesus Mejia, Director of Legal Affairs at IMPI; a corporate practitioner's perspective from Donald Hasse of Proctor & Gamble, and the perspective of a

Mexican practitioner by Luis Schmidt of Olivares & Cia.

Marco Antonio Palacios, Secretary for the Central American Economic Integration Treaty, evaluated each Central American Country, and defined its present intellectual property law and what he believed it would be in the future.

Judge Fred McKelvey, of the Patent & Trademark Office, gave an overview of differences in patent applications in Mexico, and helpful tips for the American

practitioner dealing in Mexico and other Central American intellectual property offices.

The conference concluded on Friday with a wine and cheese social, sponsored by the Student Intellectual Property Law Association (SIPLA), where students and faculty met and exchanged ideas with conference speakers.



IP Protection in Latin America Conference

...continued from prior page

Article 6 bis(1) is adopted by TRIPS, NAFTA, and the European Community regulations of the Community trademark. TRIPS incorporates Article 6 bis and expands it to include protection for services in addition to goods under Article 16(2). Article 6 bis is also expanded under Article 16(3) of TRIPS, allowing for the protection of a registered trademark against use on dissimilar or unrelated goods when a "connection" would be perceived between the two, and the trademark owner would be damaged by such use. TRIPS Article 16(2) also provides a hint at the definition of "well-known." Accordingly, an "account shall be taken of the knowledge of the trademark in the relevant sector of the public," including knowledge obtained as a result of trademark promotions.

Like TRIPS, NAFTA incorporates 6 bis of the Paris Convention, extending its provisions to services, and uses similar language to define a "well-known" mark. Unlike TRIPS, NAFTA does not include a provision similar to TRIPS Article 16(3), but it does expand TRIPS Article 16(2) to clarify that no member country

"may require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services."

Article 8(2)(c) of the Council Regulation no. 40/94 on the Community trademark incorporates Article 6 bis and relies on the Paris Convention's use of the words "well-known" without further elaboration. A "well-known" mark, however, need only be renowned in one Member State and not the entire European Community.

This brief survey of current international protection for "well-known" marks illustrates the distinct lack of a solid definition for the term and reiterates the point made by the WIPO Committee in November 1995, calling for a standard set of criteria. It remains to be seen which of the International Bureau's draft provisions will be adopted by the Committee in October. Furthermore, as international trade expands, perhaps the "well-known" standard should be replaced or augmented by some measure that takes into account the rights of foreign first users.

Diane Kort is a joint JD/MIP degree candidate.

MEDICAL PROCEDURES PATENTS

By Marlene Shinn



Concern over the patentability of medical procedures in the United States has led to new legislation on the subject, H.R. 1127, "The Medical Procedures Innovation and Affordability Act." A medical procedure patent allows the patent holder to exclude, own, and license procedures such as the Heimlich maneuver.

These patents are not patents on methods of using drugs, medical devices, or biological products. Nor do they concern processes which are subject to the Food and Drug Administration (FDA) or the Public Health Service regulations. They are concerned with medical and surgical procedures, techniques, and processes which include treatment, therapy, and diagnosis.

Medical process patents were not granted on a regular basis in the 19th century and, in a 1880's court decision, were barred as not patentable. In 1954, a board of patent examiners readdressed the possibility of medical procedure patents and by the late 1980's the number of medical process patents had increased dramatically. The United States Patent and Trademark Office (USPTO) has in the past, routinely issued approximately 15 patents a week.

Many physicians believe it is their ethical duty to disclose new and better treatments of diseases through publications, seminars, and teaching demonstrations. The American Medical Association (AMA) has issued a report declaring its opposition to the patenting of medical procedures. Physicians feel the patenting of medical procedures will have a chilling effect on the practice of medicine and education. As of today, over eighty countries have banned the issuance of medical procedure patents.

Of special concern to physicians is the quality of health care. Medicine has always regulated itself by a peer review process as a safety check. The FDA deliberately does not regulate medical procedures and techniques. Some fear that if medical procedure patents are issued, less responsible physicians wishing to obtain licensing royalties may attempt questionable procedures on patients in the hope of discovering a technique worth patenting. Some also fear the cost of health care in the U.S. will increase. The expense of patent infringement suits, legal fees, application fees and royalty fees could cause new inflationary pressures on the health care industry, resulting in greater concern as to who pays, and who can afford health care.

The USPTO is opposed to the ban on medical procedures, as are the biotechnology companies. They fear that the exclusion from patent protection of these processes will

cause the companies not to put capital into developing these techniques further.

The purpose of the United States patent system is to disclose to the public what is novel, non-obvious, and of utility. If inventors are not given protection, they will tend to keep their inventions secret. The USPTO argues that the detailed explanations required in filing applications are actually better at disclosure than if their findings were subsequently published in a medical journal.

The most controversial case to date involves an infringement suit brought by Dr. Samuel Pallin against Dr. Jack Singer, a Dartmouth College Assistant Professor of Ophthalmology. Dr. Pallin charges that Dr. Singer was infringing his patent, a medical process dealing with a shape of incision used in cataract surgery. Nearly 2,000 other physicians use Dr. Pallin's technique or variations of it. Each would have been future targets for infringement suits. The federal courts eventually rejected Dr. Pallin's claims. The USPTO has stated that the patent was issued by mistake and they are making administrative changes to prevent similar errors.

On March 3, 1995, Representative Gary Ganske introduced the Medical Procedures Innovation and Affordability Act, House Bill 1127. This legislation bans patents on medical procedures unless the procedures are necessary components of a patented machine or device. The House passed the act on July 24th, 1996, and it was a rider to the House's version of its Appropriations Bill. Representative Ganske states the bill is clear and does not prohibit patents on gene therapy or similar procedures, but the bill's opponents are not convinced. They believe the bill is overbroad and threatens the procurement of capital for research and development by biotechnology corporations. Five different types of invention categories are affected: 1) surgical procedures; 2) medical procedures; 3) administration of surgical therapies; 4) administration of medical therapies; and 5) performance of medical diagnosis. The bill fails to adequately define any of these prohibited types of inventions. Opponents claim its exemption, which permits processes to be patented in conjunction with a machine, is pointless because the process could not be infringed without use of the machine.

In October of 1995, Senator Frist introduced a non-infringement approach to H.R. 1127, Senate Bill 1334. The USPTO would continue to issue medical process patents, however the patent's practice by physicians, other

licensed health care practitioners, and institutions would be exempt from infringement suits. This approach is based on section 271(e) of the United States Patent Statute, which deals with the infringement of patents pertaining to drugs and veterinary biological products. An exemption to infringement is provided for clinical trials. Because the Senate Bill passed, it means that Section 271(e) of the patent statute, which is broader than the proposed bill, will have to be legislatively rescinded. The Senate Bill allows biotechnology and pharmaceutical companies, as well as device manufacturers, to continue to enforce their medical procedure patents against alleged infringers. But it precludes physicians from obtaining medical process patents. Opponents to the Senate version feel that the immunity provision, which gives special rights to physicians and other health care providers, will belittle the U.S. patent system and allow them to be above the law. A due process

issue under the Fifth Amendment of the Constitution may also arise concerning this legislation. In addition, the USPTO and others in the intellectual property community have expressed concerns that the Senate Bill will cause conflicts under Article 30 of the Trade Related Aspects of Intellectual Property Rights (TRIPS), which already prohibits medical procedure patents.

The future of the patentability of medical procedures in the United States looks dismal at this time. There is apprehension on the part of inventors and their investors in the biotechnology and health care industries. Only time will tell what effects the passing of the current law will have on these industries, considering the increase in health care costs and the downward budget trend in hospital management. Hopefully, it will not be to the detriment of patients.

Marlene Shinn has a master's in biotechnology and plans to practice patent law.

EDITOR'S FORUM

The enactment of a new patent law provision, which deprives patentees of medical procedures of remedies for infringement by performance of a "medical activity," was prompted and abetted by the American Medical Association. It took place in the face of strenuous opposition by Senator Orrin Hatch, the Judiciary Committee Chairman, who relied in part on very vocal objections by the most important national IP associations, namely, the American Intellectual Property Law Association (AIPLA), the Intellectual Property Law Section of the American Bar Association (ABA-IPL Section), and the Intellectual Property Owners (IPO) as well as the Clinton Administration, speaking through the U.S. Patent and Trademark Office (PTO) and the U.S. Trade Representative (USTR).

These associations and agencies strongly opposed this legislation as unnecessary and establishing a "dangerous precedent" that could "undercut the efforts of the United States to strengthen patent rights in countries throughout the world in all fields of technology" as it raises "serious questions regarding U.S. obligations under TRIPS".

Even more vigorous opposition was expressed by Senator Hatch because this legislation was passed without Senate Hearings. Other objections voiced by Senator Hatch: "To exempt large-multi-million-dollar organizations such as HMO's from the reach of the patent code enforcement flies in the face of the American tradition of encouraging individual initiative." ... "Although the amendment goes through the back door of the enforcement provisions of section 287, when all is said and done the practical effect is to preclude an important class of endeavor — medical procedures — from protection under section 101." As regards the pro argument that "health care costs would explode if doctors charged licensing fees for every new surgical or medical technique", Senator Hatch made

this telling point: "But the facts of the case reveal that—even with the requested \$4 per operation fee—appreciable cost savings are achieved when it is taken into account that each stitch not needed saves an estimated \$17."

Alas, in spite of Senator Hatch's methodical and persuasive traversal and rebuttal of each and every argument advanced by the proponents, this improvident piece of legislation was hastily railroaded through Congress. In the view of this Editor, the "cons" clearly have it and should have carried the day. In addition, this Editor believes passionately that "everything under the sun made by man" is patentable, as stated by our Supreme Court, so that there should be no direct, nor indirect, exclusions; the act of obtaining a patent is a completely neutral act and the patent code should, therefore, not be used for social engineering or other purposes; and separate legislation should be used to deal with any real safety or other public policy problem a la e.g. our Food and Drug Laws, which control the commercialization of new drugs to insure safety and efficacy without impairing the patenting of medical advances or a la recent Finnish biotechnology legislation which, on the one hand, establishes the patentability of biotech inventions according to the same criteria as other types of inventions, while, on the other hand, leaving any social or moral problems posed by the development and use of such technology to be addressed in separate legislation, i.e. their "Gene Technology Act."

Well, maybe this Editor is an incorrigible purist when it comes to our venerable patent law — and maybe this is another example of one of the two things that, as per Lyndon Johnson, you don't want to see how it's made, namely, sausages and legislation.

Karl F. Jorda, Editor

David Rines Professor of Intellectual Property Law and Industrial Innovation and Director, Kenneth J. Germeshausen Center for the Law of Innovation and Entrepreneurship

Kudos!

LES FELLOWSHIP GRANT WINNER

Congratulations to Julie Schwartz, '97 for being the first Franklin Pierce student to be awarded the Licensing Executive Society (LES) Fellowship! The award includes a prize of \$5000 for her paper, which will be published in *Les Nouvelles*.

Julie found out about the opportunity from Professor Karl Jorda, in the IPSI Licensing course. She was required to fill out an application and submit a recommendation and project proposal. The topic had to be one that would be a significant contribution to the field of licensing. Professor Jorda assisted Julie in choosing the rich, yet unmined area of "Patent Sublicensing and the U.S. Antitrust Laws" as her topic. So little has been written about intellectual property sublicensing and antitrust laws, despite the fact that in practice, these issues have been emerging.

After completing an exhausting exam, Julie went home to discover her fellowship acceptance letter. She began researching her topic in January by obtaining as much information about the subject as possible. Robert



Goldscheider, of the LES, was her project manager, providing guidance throughout the process. Professor Jorda also helped by providing relevant articles.

Look for Julie Schwartz's article in the next issue of *LES Nouvelles*. Franklin Pierce is very proud of her accomplishment!

For more information about the fellowship, you can contact Karl Jorda at the Franklin Pierce Law Center.

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