

EXAMPLE ANSWER
COMPILED FROM STUDENT ANSWERS
FOR
INT'L IP FINAL EXAMINATION
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NOTES:

The answers given below are compiled. That is, the answer for one issue may have been written by a different student than the answer written for another issue, etc.

The answers below were selected because they were the one of the highest point-obtaining answers for a specific area of law or issue among a few of the student answers that earned a high grade on the examination. The answers are provided directly as written by the student, without any spelling or any other type of correction or editing. These are not necessarily “perfect” answers, or even answers that noticed all the issues or got everything correct.

A. *Issue Analysis Section*

The EU has asked the WTO DSB panel to review the U.S. law of Section 287c, alleging that it violates TRIPS. Section 287c provides an exception to medical practitioners, shielding them from liability for "medical activity" that falls within the definition of the statute. The EMA and the EU has alleged that this "exception" violates TRIPS.

In the *Canada Patent Protection of Pharmaceuticals* case, the court created a 3-part test under TRIPS article 30 to evaluate whether an exception violates TRIPS. The extent and scope of the exceptions authorized by TRIPS Article 30 requires that they be 1) limited, 2) must not unreasonably conflict with the normal exploitation of the patent, and 3) must not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

1) Limited Exception

The ordinary meaning of the word "limited" will be analyzed by the court. It asks if the use of the exception is "limited" in application. "Limited" implies that there should be narrow meaning and coverage. The U.S. will argue that the exception is limited because it applies only to a small class of medical practitioners and related health care entities. The commercial activities of biotechnology, diagnostic, and pharmaceutical companies are excluded from this exception.

The U.S. will argue that the overwhelming majority of patents in the fields related to medical activity are owned by the biotechnology and pharmaceutical industry and thus the 287c exception will only provide an exception to a very small minority of medical activity patent holders.

The EU will argue that the exception is NOT "limited." The exception applies not only to physicians but also to their "related health care entities". Related health care entities have been defined very broadly within the statute, including nursing homes, universities, hospitals, hmo's, etc. Thus the exception shields from liability a large amount of health organizations where a medical practitioner has performed a "medical activity." Also, the EU will assert that a large number of patent holders are doctors and they are issued patents at a high rate of 15 doctors per week!

2) Doesn't unreasonably conflict with normal exploitation of the patent.

"Normal" was defined in the Canada case to mean that it excludes all forms of competition that could significantly detract from economic returns. Thus an economic analysis must be performed regarding what effect the 287c exception will have from an economic standpoint. The U.S. will argue that the economic effect would be very minor because overwhelming majority of patents in the fields related to medical activity are owned by the biotechnology and pharmaceutical industry, not by "medical practitioners". The EU, on the other hand, will argue that the 287c poses a detrimental economic effect.

The U.S. will argue that litigation against medical practitioners in the U.S. has been scant. Thus a statute that shields medical practitioners from litigation will have a very minor effect because companies in the biotechnology and pharmaceutical industry, who own the majority of patents, rarely sue medical practitioners performing medical activities.

The EU will argue that even though current litigation against medical practitioners may be scant, there is a large *potential* of cases that will not be able to be brought in the *future* due to this exception. EU will assert that a large number of patent holders are doctors and they are issued patents at a high rate of 15 doctors per week! Thus, EU will argue since that a large portion of the patent holders are doctors, the economic impact from the inability to sue the doctors will have a large economic impact upon the medical patent holder community. EU will allege that since doctors performing medical procedures that are patented by others are a "form of competition" that has a significant economic impact, that 287c fails the second prong.

3) Doesn't unreasonably prejudice the legitimate interest so the patent holder, taking account of the legitimate interests of third parties.

The EU will argue that the 287c exception unreasonably prejudices the right of patent holders because it prevents them from protecting unauthorized use and infringement of their patents. A patent holder has the right to prevent unauthorized use and infringement. The patent holder has the right to exclude competitors from making and using their inventions. The inability to bring suit against infringers will take away these rights. Thus, the EU will argue that taking away such rights not only "runs afoul with the definition of limited" but also unreasonably prejudices patent holders.

The U.S. will argue that TRIPS article 30 added "interests of third parties" so this means that legitimate interests goes to more than mere legal interests. The U.S. will argue that they have a legitimate interest in advancing science and technology and promoting "public health". This exception was carved out to provide doctors with incentives to innovate in the field of science, helping find new cures/methods to aid health care, without fearing litigation. U.S. will argue that the benefits of this exception are great to third parties...to society as a whole because it will promote developments in science, permitting physicians to cure diseases, etc. Also, U.S. will allege that the 287c exception is similar to the "experimental use" exception for patents that many countries provide. In summary, the U.S. will assert that the benefits posed by the 287c exception to the general public (third parties) outweighs any drawbacks and that the legitimate interests of third parties outweighs any lessening of the "legal" interests of the right holders.

However, the EU will argue that the 287c exception hinders patient safety because it prevents patent holders from enforcing their patents against Lesser-Practitioners. The group of Lesser-Practitioner comprise a significant percentage of the population of doctors: approximately 15% of doctors.

Anti-Discrimination:

The EU will argue that 287c is violating the Antidiscrimination rule of TRIPS Art. 27.1. Even though the rate of patenting medical procedures is low in the U.S., the rate is 3 times higher in Europe. EU will argue that even 287c may not have a big effect on U.S. right holders, that it has a large effect on European right holders and thus is unfair and discriminatory.

B. IRAC Section

Trademarks have a territorial nature. Territoriality is the principle that each nation's law shall have only territorial application. As per territoriality concepts, if a court determines that NPI is the first to use the mark in U.S. commerce, AHC will be considered a junior user. In order to prevail over NPI in its patent application, AHC will want to show a "first use" date earlier than NPI. AHC will attempt to argue that since it distributed its pen in Canada for years, there is a "spillover effect" from the advertising/distribution in Canada into the U.S. Furthermore, surveys show that 15-20% of the pens distributed in Canada made their way into the U.S. via travelers. However, in *Mother's Restaurants v. Mother's Other Kitchen*, the court held that prior use and advertising of a mark in connection with goods and services marketed in a foreign country creates no priority rights in said mark in the United States against one who, in good faith, has adopted the same or similar mark for services in the U.S. prior to the foreigner's first use of the mark. Furthermore, in *Mothers*, the court held that promotional activities don't count as "use" of the mark in commerce within the meaning of the Lanham act if the advertising/promotion is unaccompanied by actual rendering in the U.S. of the services in connection with which the mark was employed. AHC did not begin to distribute its pens in the U.S. until August 2002. As per the *Mother's* case, a court is not likely to give credence to any travelers/tourists bringing in AHC pens from Canada into the U.S. The only date that will count as far as the court is concerned is the date that AHC began "actual" distribution of its pens in to the U.S. (Aug. 2002). NPI will argue that since August 2002 is later than NPI's first use in May 2002, that NPI is the senior user.

AHC may argue that NPI was not acting in good faith because the NPI pens resemble the AHC pens. However, as per the *Person's* case, an inference of bad faith requires something more than mere knowledge of the personal use of a similar mark in a foreign country. There is no evidence that NPI was aware that AHC was about to being distribution of the pens in the U.S. NPI can argue that it beleived itself to be the exclusive owner of the right to use and register the mark in teh U.S. and apparently had no knowledge that AHC planned to introduce its pens in the U.S.

Famous Mark Exception:

Prior use in a foreign couuntry creates no priority rights unless the it is a famous mark. In *Vaudable v. Montmartre*, the court discussed the famous mark exception. Famous marks are marks that are really really well-known and has achieved a great degree of reputation. AHC can argue that their mark is a famous mark because customers world-wide identify AHC Creature pen by a smiling, bright pink monster-resembling creature molded into the length and shape of the pen body. The court will look at whether the mark is known to a substantial segment of the relevant public in the sense of being associated with the good. AHC can use the survey evidence in Footnote 6 to show that a large percent of customers are familiar with the mark and associate it with the good. Also, AHC could argue that in contrast, very few people in the U.S. (only 1%) associate NPI's "e-Criture" mark with pens.

Likelihood of Confusion:

The senior user of a mark may prevent a junior user from the employing the same or similar marks when there is a "likelihood of confusion" between the 2 marks. As stated above, both AHC and NPI will argue that they are the senior users of the marks. A court examining whether a mark is likely to cause confusion will look at a variety of factors including: the strength of the

mark, proximity of the goods, similarity of the marks, evidence of actual confusion, marketing channels use, type of goods and the degree of care likely to be exercised by the purchaser, D's intent in selecting the mark, and the likelihood of expansion of product lines.

Likelihood of Confusion for word mark

AHC has the word mark "Creature" and NPI has the word mark "e-Criture". Evaluating the likelihood of confusion factors as follows:

the strength of the mark: "Creature" seems quite distinctive because it has nothing to do with pens or writing. "E-criture" also seems distinctive when the word is examined in the English language. However, AHC could argue that the court should apply the "doctrine of foreign equivalents" which deals with considering the meaning of a foreign term when translated into English. Analysis involves looking at to what extent the mark is distinctive and whether the term is generic in the foreign language. AHC could argue that since the word "e-Criture" means "a writing" in French, it is a descriptive term because it describes a "writing" instrument. However, this might not be a very strong argument because the word "writing" does not automatically imply that it is a pen.

proximity of the goods: Both marks are for pen goods. Geographically speaking, NPI currently only operates in Florida and Michigan but does make some shipments to other U.S. states. AHC is attempting to distribute the pens across the United States. As NPI expands operations, there is likely to be both pens being sold in the same geographic regions.

similarity of the marks: Looking at sight, sound and meaning, both marks seem quite similar: "Criture: is similar to "Creature" in sound and the difference in spelling is only of 2 characters.

evidence of actual confusion: AHC would need to provide evidence of customers who confuse their mark for NPI's.

marketing channels used: Look at whether the two goods use the same marketing channels
type of goods and the degree of care likely to be exercised by the purchaser: The degree of care used will vary based on the price of the pens. Certain pens are very expensive and are luxury goods and for such pens the purchaser will exercise a great degree of care. But since this pen is sold to teenagers, the pens are likely not expensive and thus consumers will not use a great degree of care.

D's intent in selecting the mark: AHC could argue that NPI had bad faith intent in selecting the mark and only did so to copy AHC's mark.

Likelihood of expansion of product lines: Both companies may expand into the same product lines such as pencils, etc.

NPI may argue that its goods are different from AHC because it provides the electronic functionality.

Likelihood of Confusion for shape mark

AHC's creature is a smiling, bright pink monster-resembling creature molded into the length and shape of the pen body. NPI has a bright red monster resembling animal shaped very similar to

AHC's creature. AHC and NPI can argue that the other party's marks are likely to cause confusion. My analysis above for the likelihood of confusion factors also applies for the shape mark. The only difference is the strength of the mark. AHC can argue that it is a strong and distinctive mark because monsters have nothing to do with pens or writing. Thus it is an arbitrary choice of a shape mark. AHC could also argue that "pink" is close enough in color to "red" and thus NPI's shape mark is so similar as to cause confusion.

C. Policy Analysis

Lance Protecian (LP) talks about "over-expansive IP protection". I don't think thing providing a large amount of IP protection is a negative thing. Protection of IP fosters innovation and provides inventors, authors, etc with the ability to profit from their inventions and works without worrying about people misappropriating their hard work. Although LP may argue that these IP rights only protect large conglomerates or cartels, I think it trickles down to every author, artist, inventor. Small-scale artists, inventors, and authors are not hindered by IP protection laws. These laws may seem to favor large corporations more because of the costs and time associated with registering for IP protection. Nevertheless, I don't think the answer would be to decrease the expansion of IP rights.

Database Bill:

Lance Protecian (LP) is operating under the assumption that if the United States under the database bill provides protection to foreign nationals, that this would in turn result in database protection to U.S. nationals in European countries. This is a false assumption because it assumes "reciprocity", that European countries would reciprocate by providing U.S. nationals what U.S. provides to European nationals. However, the two main Copyright treaties/agreements, both Berne and Paris conventions provide for "national treatment". Under national treatment, a country is to give nationals of other member countries the same treatment as their own nationals. National treatment and MFN permit a a country to give greater treatment (but not less treatment) to foreign nationals than their own citizens.

The purpose of the U.S. database bill is the prevent misappropriate of certain databases. This is an important objective in the digital age. Database protection under this bill would lend to both the design and the contents of the databases, provide "sue generis" rights, and have anti-circumvention measures. This is a noteworthy and good effort by the United States to provide much needed database protectin. Since database protection is an important objective, U.S. nationals deserve just as much protection as foreign nationals in the area of database protection. There is no reason not to provide U.S. nationals with any less database protection.

Europe has also taken many steps to provide database protection through their EU Directives such as the EU directive for the "legal protection of databases". Thus the United States isn't the only place that is trying to make strides in the area of database protection. The widespread effort to provide database protection indicates the great need for it.

Amendment to TRIPS 9(1)

Lance Protecian (LP) wants to amend TRIPS to require implementation of Berne Article 6bis. Currently, TRIPS exempts Berne Article 6bis and thus certain moral rights are not covered under TRIPS. One of the greatest differences between Continental Europe and Anglo-American coypright law is the treatment of moral rights of authors. The Right of Attribution is the right to have a work attributed to its author or artist (right to claim

ownership of the work). The Right of Integrity is the right to object to any distortion, mutilation, or other modification of the work. Two purposes of moral rights include 1) the public interest in preserving culture and prohibiting destruction and 2) to emphasize the author's personality. The differences between the concept of "authors rights" and "moral rights in Europe and the concept of "copyright" in common law is a giant difference. If TRIPS were to provide certain moral rights, the United States would likely have several objections to such modifications of TRIPS. The United States system is based on the concept of protecting against "copying" of the work rather than protecting certain rights of authors. Since this is a significant change in ideology, the United States would not be pleased in changing TRIPS to permit Article 6bis. Currently, the U.S. does provide moral rights but only to a certain class of art under the Visual Artists Rights Act (VARA). To provide an extension of moral rights into all area of protectable copyright would be a very dramatic change and it would be something that the U.S. did not bargain for when they became a member of TRIPS. I would not endorse LP's proposal because I don't believe that it is a reasonable proposal considering what large changes would have to be made in U.S. copyright ideology. I don't think that LP's proposal will change the bargaining power between authors/artists and large conglomerates because moral rights are already provided in European countries, yet, European countries still face the same problems of large conglomerates vs. authors/artists.