

CIPPM Speakers Spring 2010:

**Michael Carrier (February 10<sup>th</sup>)**

Michael A. Carrier is a Professor of Law at Rutgers University School of Law - Camden. He has published and spoken widely on the antitrust and intellectual property laws, and is a leading authority in the United States on the intersection of these laws. His book, *Innovation for the 21st Century: Harnessing the Power of Intellectual Property and Antitrust Law*, was published by Oxford University Press in 2009, and he is the editor of the forthcoming volume, *Critical Concepts in Intellectual Property Law: Competition* (Edward Elgar Publishing 2010).

Professor Carrier's work has appeared in the *Stanford Law Review*, *Michigan Law Review*, *University of Pennsylvania Law Review*, *Duke Law Journal*, *Vanderbilt Law Review*, *Minnesota Law Review*, *Iowa Law Review*, and *Yale Law Journal Pocket Part*. Before entering academia, he clerked for the Honorable John D. Butzner, Jr. on the U.S. Court of Appeals for the Fourth Circuit, and practiced antitrust, intellectual property, and sports law at Covington & Burling, in Washington, D.C. Professor Carrier is a summa cum laude graduate of Yale University and a cum laude graduate of Michigan Law School, where he was Book Review Editor of the *Michigan Law Review*.

**Abstract: *'Agreements to delay entry of generics in pharmaceutical markets'***

A tidal wave of high drug prices has recently crashed across the U.S. economy. One of the primary culprits has been the increase in agreements by which brand-name drug manufacturers and generic firms have settled patent litigation. The framework for such agreements has been the Hatch-Waxman Act, which Congress enacted in 1984. One of the Act's goals was to provide incentives for generics to challenge brand-name patents. But brand firms have recently paid generics millions of dollars to drop their lawsuits and refrain from entering the market.

These reverse-payment settlements threaten significant harm. Courts nonetheless have recently blessed them, explaining that the agreements reduce costs, increase innovation, and are reasonable based on the presumption of validity accorded to patents. Although scholars and the Federal Trade Commission have voiced strong arguments against courts' leniency, these have fallen on judicial deaf ears.

In this talk, I apply the framework that the U.S. Supreme Court articulated in its 2006 *Trinko* decision, which underscored the importance in antitrust analysis of a regulatory regime addressing the challenged activity. I contend that the Hatch-Waxman Act provides Congress's views on innovation and competition in the drug industry. Unfortunately, mechanisms that Congress employed to encourage patent challenges—such as an exclusivity period for the first generic to challenge validity—have been twisted into barriers preventing competition. Given the Act's clear purpose to promote patent challenges, as well as the parties' aligned incentives and the severe anticompetitive potential of reverse payments, I argue that courts should treat such settlements as presumptively illegal.

**Rosie Stoakes (February 25<sup>th</sup>)**

Rosie read materials science at Imperial College, London and gained a doctorate in electronic materials at University of Southampton. She has worked in the field of intellectual property for more than twenty years. During this time Rosie has worked within global corporate, government and multi-national organisations, in roles including invention protection, patent portfolio management, patent licensing and litigation, IPR aspects of M&A, and software licensing. She is a council member of the IP Federation and a member of the Licensing Executives Society.

Rosie was asked to establish a new in-house IPR group for Sony UK in 1999, and became head of patents for Sony Corporation's European IP Department for its electronics business in 2003. Rosie has been a member of M&A and Due Diligence teams for transactions in the UK, Germany, Austria and Sweden.

**Abstract: 'IPR Due Diligence'**

Business Scenario for a UK-Based Medium-Sized Multi-national Company

A small start-up software company has approached us asking if we wish to buy out part of their company. Their software looks very promising. It is a very aggressive market in which all the major players try their best to protect any advantage that they may have, including litigation.

The company consists of 20 engineers based in Germany. It grew from the idea of one University entrepreneur, who now wants to diversify into other areas. Selling this part of the company would help fund his diversification.

The product has been on the market in major European countries for about 2 years, and they have made excellent progress towards launching in US and China. It has some very distinctive features that would be complimentary to our existing products, although it is a slightly different technology to that which we currently use in our products.

Their product has started to develop a good reputation. This is one of the things that we value about the chance to take over part of the company, as it gives us a market to build on. In particular, it is very important for us to have this head start in trying to establish ourselves in the US and Chinese markets as we are trying to catch up other strong competitors in these markets.

They have little experience in using the IP system to protect their innovation, but have filed 5 patent applications in the past year. They have indicated that these patents would form a major part of the value of the transferred company.

*There are a large number of intellectual property matters and associated business related aspects in the scenario described above. Please think about the scenario and come ready to discuss the various issues. During the evening I will explain how the scenario unfolded.*

**Trevor Cook (March 25<sup>th</sup>)**

Trevor Cook joined Bird & Bird in 1974 with a degree in chemistry from Southampton University. He was admitted as a Solicitor in 1977, joining the Intellectual Property Department of Bird & Bird, where since 1981 he has been a partner. He is President of the UK Group of the AIPPI (The International Association for the Protection of Industrial Property), Secretary to the British Copyright Council Standing Committee on Copyright and Technology, and a member of the Council of the Intellectual Property Institute. In addition to numerous articles Trevor has authored the following books – EU Intellectual Property Law (Oxford University Press 2010), Pharmaceuticals Biotechnology and the Law (Macmillan 1991, LexisNexis Butterworths 2009), A User’s Guide to Patents (Butterworths 2002, Tottel 2007), A European Perspective as to the Extent to Which Experimental Use, and Certain Other, Defences to Patent Infringement, Apply to Differing Types of Research (Intellectual Property Institute 2006) and The Protection of Regulatory Data in the Pharmaceutical and Other Sectors (Sweet & Maxwell 2000). He co-authors Practical Intellectual Property Precedents (Sweet & Maxwell 1998 to date) with Audrey Horton and co-authored The Copyright Directive (Jordans 2004) with Lorna Brazell. Having sat as an arbitrator he is currently working with Alejandro Garcia on a new book for Kluwer on intellectual property arbitration. He is one of the General Editors of The Modern Law of Patents (LexisNexis Butterworths 2005, 2010).

**Abstract: *International Intellectual Property Arbitration***

The merits (and demerits) of arbitration in the traditional context of commercial contractual disputes, such as the potential for expertise in the subject matter, and the scope to impose provisions as confidentiality, are well known. In many jurisdictions such considerations can favour the arbitration of intellectual property disputes (including intellectual property licensing disputes, the most common such dispute, apart from those as to domain names, to be arbitrated), but further considerations can also favour such arbitrations.

An especial case of this is provided by agreements to arbitrate international intellectual property disputes, given the limited scope for most courts to adjudicate as to intellectual property in other jurisdictions [1], and where arbitration offers unique scope to resolve disputes in a single proceeding.

[1] See for example in the UK *Lucasfilms v Ainsworth*, [2009] EWCA Civ 1328, holding that the Brussels I Regulation, whilst requiring that the English courts, where properly seized, adjudicate on intellectual property laws of other EU Member States, did not render US copyright law justiciable in the English courts, and drawing support from the reasoning in the US case *Voda v Cordis* (CAFC No 05-1238, 1 February 2007), holding that foreign patent laws were not justiciable in US courts.

A threshold question that has exercised many commentators has been the very arbitrability of intellectual property disputes, and thus the enforceability of arbitral awards as to them<sup>1</sup>. However this proves in practice to be something of a “red herring” once it is recognised that this concern relates primarily to the *in rem* effect of an award whereas the parties’ actual concern in practice is the resolution of the dispute *inter partes*, and thus the *in personam* effect of the award, and that in any event awards can always be

so expressed as to not to purport to adjudicate on matters generally reserved to national courts, such as the validity of rights in rem [2].

[2] See for example Mathew Smith et al - *Arbitration of Patent Infringement and Validity Issues Worldwide* - Harvard Journal of Law & Technology Volume 19, Number 2 Spring 2006 – available at <http://jolt.law.harvard.edu/articles/pdf/v19/19HarvJLTech299.pdf>. The only country to have a patent statute that expressly excludes the possibility of arbitrating patent disputes would appear to be South Africa, although it is not clear that such provision would necessarily preclude the enforcement of an award in dispute as to such a patent expressed to be *inter partes*. Some jurisdictions however, such as Switzerland, expressly provide that such awards, in patent matters, can have *in rem* effect.

Unique legal issues to arise in the context of such multijurisdictional intellectual property disputes include the determination of the applicable law or laws of the dispute, and the approach to be adopted to the issue privilege when discovery is ordered [3].

[3] The WIPO Rules are available at <http://www.wipo.int/amc/en/arbitration/rules/index.html>, and unlike other sets of arbitral rules, have been specifically tailored to intellectual property disputes.

International intellectual arbitrations are not merely a theoretical possibility. Some have already taken place, and after outlining some of the above issues the talk will conclude with a case study based on a real-life multijurisdictional patent arbitration conducted under the WIPO Arbitration Rules. [4]

[4] The issue arises because of the significant role of non-lawyer professionals in intellectual property and the different approaches adopted in different jurisdictions to privilege in correspondence with and advice given by such non-lawyer professionals.

### **Ronan Deazley (April 29<sup>th</sup>)**

Ronan Deazley is a Professor of Law at the University of Glasgow who has published widely on the history of copyright law in Britain. His first book, *On the Origin of the Right to Copy: Charting the Movement of Copyright Law in Eighteenth Century Britain (1695-1775)* (Hart Publishing, 2004) has been described as ‘the most authoritative account to date of this important period in the development of the modern law of copyright’ (J. Adams, *Intellectual Property Quarterly*), and as ‘strongly recommended for all who aspire to an informed understanding of the evolution of copyright law and of the way in which it should continue to evolve’ (W.M.C. Gummow, *Australian Law Journal*). His second book, *Re-Thinking Copyright: History, Theory, Language* (Edward Elgar, 2006 and 2008), has been described as ‘contrarian’, ‘a manifesto’, and one that ‘will surely provoke disagreement from many readers knowledgeable about copyright’ (J. Ginsburg, *Columbia University*), as well as ‘a must have book for those who care about getting things right’, and ‘a tour de force to be savoured and returned to over and over again’ (W. Patry, Senior Copyright Counsel, Google Inc., New York).

### **Abstract: *The Exploitation of Photographs of Public Collections: The case of the V&A (1850 and today)***

On 21 March 1859 the British government took the unprecedented step of authorising the photography department based at the South Kensington Museum (now the V&A) to issue photographs of paintings and other works of art in national and foreign collections to the public at a price corresponding to the cost of production. This policy however was short-

lived, ending in March 1863. Thereafter, the publication and sale of photographs of works of art in national collections was left in the hands of private enterprise. During the life of this experiment in South Kensington, the government also passed the Fine Arts Copyright Act 1862 which, for the first time, extended copyright protection to original paintings, drawings, and photographs. The inclusion of photography within the 1862 Act was controversial, and the question of what exactly 'originality' might mean in relation to a photograph was a matter that quickly came before the courts.

Read together, the South Kensington experiment and the substance of the Fine Arts Copyright Act prompt many questions about the control and use of publicly owned works of art, about the opportunities and barriers that new technologies and the legislative regime can present in relation to those works, about the benefits of encouraging widespread access to a nation's cultural heritage, and about the role of government and private industry in the pursuit of that end. These questions offer up many pertinent resonances with contemporary large-scale digitisation initiatives such as Europeana, the Google Library Project, and the World Digital Library. In particular, this talk will locate the current discussions surrounding the i2010 European Digital Libraries Initiative within the context of the debates concerning the work of the photography department at the South Kensington Museum in the mid-nineteenth century, and, more generally, about photography and its place within the copyright regime.

**Ian Hartwell (April 30<sup>th</sup>)**

Ian Hartwell is a practising European Patent Attorney and Chartered Engineer. He has worked as a technologist at Rolls-Royce Aero Engines, as an examiner in automotive technology at the European Patent Office, Munich, and as in-house IP Manager for Cambridge microtechnology companies Xaar and CDT. He currently consults with patent and trademark attorneys Maguire Boss.

Ian received his PhD in intellectual property management from the R&D Management Centre in the School of Engineering, Cranfield University. His research interests are intellectual property risk management and intellectual property portfolio structure, particularly from the perspective of the IP manager. He has published on patent invalidity risk management (funded by IP insurers Miller) and patent infringement clearance practices in UK and German companies (funded by the European Patent Organisation). He has also lectured on IP management for various public and private organisations including Cranfield School of Management, NESTA and AURIL as well teaching on the MA/LLM and PG Cert IP courses at Bournemouth. Until 2009, he was chair of the Intellectual Asset Management Education Committee of the Licensing Executives Society, Britain & Ireland.

***Abstract: Patent Infringement Clearance Practice in UK and German Automotive Companies: An empirical study***

Patent infringement clearance is the process undertaken by an organisation to ensure that its new product or service will not be prevented from entering the market by third party

patent rights. Clearance processes have the potential to complicate an organisation's new product/service development and to consume both time and money, resources that are particularly scarce in start-up companies and that are arguably better spent on bringing the new product/service to market. However, inadequate clearance can be argued to be equally unacceptable, particularly from the shareholders' perspective. With a view to providing companies with data with which they can benchmark their clearance processes, a survey has been carried out of the patent infringement clearance practice of ten UK and German corporate patent departments. All ten departments come from a common industry, namely automotive. To ensure that the results are as representative as possible of actual practice, the survey has been carried out on a confidential, non-attributable basis. The survey has yielded data inter alia on the timing and extent of patent monitoring, the personnel involved in decision making, the balance between seeking to invalidate, to bypass ("work around") and to take a licence, the extent of any invalidity searching and the action taken in the event of an apparently invalid patent. Factors that influence behaviour have also been identified, as well as justification for some of the approaches adopted. This information can help companies - particularly in the automotive sector - make their clearance processes more cost-effective, freeing up resources while meeting corporate governance obligations. There are also more general findings. Swingeing financial penalties for stopping automotive production lines mean that court injunctions are infrequent and licenses typically available. None of the companies surveyed felt the need to pursue a policy of "never knowingly infringe a valid patent", instead employing more nuanced, "commercial" approaches in place of traditional "legal" approaches such as opposition and revocation. Applied to start-up companies, such commercial approaches might allow patent infringement risk to be dealt with at lower cost. The survey also revealed a general aversion to taking a licence, another finding which start-up companies would be well advised to take into account when considering how to persuade large automotive manufacturers to adopt their patented technologies.

**Nicola Lugaresi (May 14th)**

Nicola Lugaresi is an Associate Professor at the School of Law, University of Trento (Italy)

**Abstract: *Electronic Privacy in the Workplace: Transparency and Responsibility***

The use of the Internet and email in the workplace adds new issues to the traditional contrast between employers and employees. The employees' expectations of electronic privacy collide with the employer's need to monitor the workers' online activities. An electronic privacy policy can help in striking a balance, but it may not be sufficient. The aim of the paper is to analyse the legal and ethical problems arising from this daily contrast. In particular, the paper deals with three basic questions. Do employees have a right to use the Internet and email in the workplace for personal reasons, and, in case, to what extent? Can the employers legitimately monitor the employees' Internet behaviours, and, in case, how, under what conditions and to what purposes? What are the employees'

legitimate expectations of online privacy in the workplace, and what legal remedies are they provided with?