

## *Introduction*

The six essays within this volume identify and address the key principles and policies with regard to the protection of intellectual property in the United States. A comprehensive analysis of the entire body of U.S. intellectual property law would not be possible in a volume of this size. Rather six of the best, if not the best, professors of intellectual property law in the United States have been invited to write essays that illustrate important principles and policies in U.S. law.

The essays collected here illustrate the several themes which are recurrent in many current debates concerning U.S. law and policy on intellectual property law. First, the need for a constant expansion of protectable subject matter is critically analyzed, especially in relation to trademark and patent laws. Secondly, all essays discuss a critical jurisprudential issue: have the legislature and the judiciary taken sufficient consideration of the different economic and constitutional rationales of intellectual property protection when extending the scope of intellectual property protection? Finally, all essays suggest a tentative agenda as to the future direction for both Congress and the courts to adopt in light of the new technological changes which have affected all areas of intellectual property protection equally.

A detailed precis of each essay is set out below.

### COPYRIGHT LAW

Professor Jane Ginsburg, in her essay entitled *From Having Copies to Experiencing Works: The Development of an Access Right in U.S. Copyright Law* critically analyzes an important issue under the 1998 Digital Millennium Copyright Act: the right of the copyright owner to control digital access to copyrighted works, and the corollary right of users to the exceptions and limitations to such a right. She notes that, in the digital context, if the copyright owner can control access, it can condition how a user apprehends the work, and whether a user may make any further copies. Access control can at the same time vastly increase the availability of copyrighted works by encouraging online licensing of the viewing or hearing of works and yet constrain the users' ability to convert

the ‘de-materialized’ form to physical copies. The essay questions whether end users in this environment will continue to want their own copies and the consequences of this type of control to the developments in copyright law.

Ginsburg’s essay takes as its premise the eventual disappearance of physical copies for some kinds of works. The author stresses that the access right is a crucial right within the 21st century and, moreover, it is part of the copyright regime authorized by the Constitution: the access right does not and should not supplant copyright but should be viewed as being an integral part of copyright. As such, it should serve the policies of copyright that provide economic incentive to creativity and protect the fruits of an author’s intellectual labor. Nevertheless, the scope of the access right may need to be modified so as simultaneously to provide strong protection against unauthorized *initial* acquisition of a copy of a protected work, and to allow for circumvention in order to engage in fair uses, once the copy has been lawfully acquired. Interestingly, she suggests that fair use defenses to an access right are not or should not be fully coextensive with fair use defenses to traditional copyright infringement claims. Some traditional defenses may apply, others may not and, importantly, new ones may evolve in the context of experience with digital online distribution. Without further examination as to the appropriate fair use limitation required to rein back the access right, the right may become, Ginsburg warns, an über-copyright.

Professor Pamela Samuelson states that the principal aim of her essay, *Economic and Constitutional Influences on Copyright Law in the United States*, is to acquaint European intellectual property specialists with two interrelated influences – economics and the Constitution – that affect the formation and interpretation of American copyright law. Thus, one perspective of U.S. copyright law is that it has ostensibly moved toward greater conformity with the long-standing norms of European authors’ rights jurisdictions. This is especially true if one takes into account the stance of the Supreme Court in the 1991 decision of *Feist Publications, Inc. v. Rural Telephone Service Co.*, the reduction in the role of formalities, the nation’s adherence to the Berne Convention, and the cooperation between the United States and the European Union in pushing for higher international standards for intellectual property rights.

Despite these signs of convergence, however, Samuelson’s contention is that the copyright law in the United States and the European Union Member States will continue to differ crucially due to two underlying influences on the development and interpretation of U.S. copyright law: the economic basis and the constitutional basis. Thus, the utilitarian rationale for U.S. copyright law manifests itself in the work-made-for-hire doctrine, the fair use doctrine, the scope of

protection for computer programs and the narrow scope of moral rights law. The employment of economic thinking in these areas may prefigure even wider uses in the future.

In relation to the constitutional influences, Samuelson notes how Article 1, section 8, clause 8 (the 'Intellectual Property Clause') in the U.S. Constitution imposes an intellectual framework on the thinking of American intellectual property specialists that differs profoundly from the conceptual framework of authors' rights laws. The author notes that Justice O'Connor, in the seminal *Feist* decision, invoked that clause 13 times in her reasoning as to why the 'sweat of the brow' doctrine is an impermissible basis for copyright protection. Copyright law is further molded and influenced by other constitutional provisions such as the First Amendment (on Free Speech), the Supremacy Clause (which forbids the preemption of federal copyright law by state law), and the Eleventh Amendment (which limits the power of federal courts to order state governments to pay damages for infringement of federal intellectual property rights).<sup>1</sup>

Because the Constitution is such a seminal document in the U.S. legal tradition, Samuelson concludes that its influence seems likely to 'abide over time'.

#### PATENT LAW

In her essay, *State Street or Easy Street: Is Patenting Business Methods Good For Business?*, Professor Rochelle Cooper Dreyfuss critically examines whether the patenting of business methods is good for business, through discussion of Judge Giles S. Rich's 1998 decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* Professor Dreyfuss notes that this is an important decision for two reasons: (1) it simplifies the law on patenting of software; and (2) it reads patent law to encompass protection for business methods. Her essay focuses on the latter part of the decision as it has the potential, Dreyfuss contends, to affect the efficient operation of the United States' marketplace as a whole.

Dreyfuss argues that none of the standard rationales for patent protection support protecting business methods. They do not spur business progress and are, in effect, like patenting nature. She argues that they jeopardize the competitive process itself. Although Judge Rich understood that business method

<sup>1</sup> Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank, 527 U.S. 627, 119 S.Ct. 2199 (1999).

patents pose special dangers, he believed, nevertheless, that the patent prerequisites of novelty and nonobviousness (inventiveness) would prevent the patenting of most business methods. Dreyfuss refutes this presumption. For instance, she states, a major limitation of the novelty requirement is that the U.S. Patent and Trademark Office has a difficult time in examining in areas where the birth of the field is not coextensive with the beginning of patenting, i.e., there is a great deal of prior art and practice beyond the reach of the patent examiner. The fact that some business method patents could be held invalid at a later date does not solve the problem because of the *in terrorem* effect of such patents. After considering ways in which to limit the *State Street* decision, Dreyfuss then examines whether such forms of limiting *State Street* would violate TRIPs and concludes that they would not. Her contention is that the best method of limiting *State Street* is to recognize the patents in the computer programs used to implement business methods. She finds that this form of protection does not carry the same danger as business method patents *per se*.

Professor Jay Thomas tackles a completely different yet important issue in his essay, *Discharging the Canons of Claim Construction: Exercises in Interpretation at the United States Court of Appeals for the Federal Circuit*. He posits that the issues of patent eligibility and claim interpretation plague the United States Patent and Trademark Office and the U.S. Court of Appeals for the Federal Circuit, thus diminishing the value of judicial precedent, defeating the expectations of industry, and denying the elusive goal of certainty. Thomas sees in recent years a devolution of patent eligibility principles 'to the extent that our rudderless regime appears ready to appropriate any tangible manifestation of human intelligence', such as mathematical algorithms, mental steps, printed matter and methods of doing business. On the other hand, Thomas notes that the Federal Circuit's jurisprudence with regard to claim interpretation has become increasingly doctrinal, with the court aggressively controlling the reader's encounter with the text of patent claims and erecting more detailed interpretational protocols to augment longstanding canons of claim construction. This strategy has, however, been marked by failures as some canons have been short-lived and others are surrounded by ambiguities of application.

Thomas's essay focuses on the latter 'crisis' in claim interpretation and the Federal Circuit's increasing tendency toward interpretative rulemaking. Although Thomas agrees with the Federal Circuit that a goal of the patent system is consistent interpretation of claims, he criticizes the increasing canonization of claim interpretation protocols and seeks to rationalize new techniques for enhancing textual understanding within the patent community. He begins by

reviewing the essential U.S. law governing patent claim construction including the seminal *Markman* and *Warner-Jenkinson* opinions. He then offers a critical assessment of the U.S. experience with proscriptivism in claim interpretation. He concludes that the best hope for clarity in claim construction lies in the ‘continued acculturation of patent attorneys towards the reading and writing of texts.’ The patent bar, he suggests, provides an ideal community in which administrative rulemaking, training and dialogue could develop shared norms of interpretation. Thomas also calls upon the U.S. courts to unpack the traditional equivalency formula that balances protection to the patentee with notice to competitors for, by inquiring into whether an accused infringer had actual notice of the asserted claims, courts can better assess the scope of protection that should be afforded to those claims.

#### TRADEMARK LAW

Both the essays on U.S. trademark law and policy analyze the growing concern as to the justificatory basis for the expansion of the protection of trademarks.

Professor Marshall Leaffer, in *Sixty Years of the Lanham Act: The Decline and Demise of Monopoly Phobia*, discusses the dramatic change in attitude towards trademark protection which was at its lowest in the 1930s and the lead-up to the passage of the Lanham Act in 1946, and at its highest in the passage of the federal dilution statute in 1996. Today, Marshall states, the prevailing view is the one that views a strong trademark system, based upon a property rights model, as one that enhances competition and consumer welfare. Trademark law is more than a mere indication of origin. It recognizes that a trademark owner’s investment in goodwill in creating a mark should be protected against third party use that would undermine its distinctiveness.

Professor Leaffer looks to three on-going processes that progressively led to these doctrinal and policy changes in the law of trademarks. The first is what he terms ‘the new economic learning’, demonstrating the competitive benefits of product differentiation and the fundamental role trademarks play in this process as a means of reducing search costs to consumers. The second force has been the way goods are sold in a global marketplace and the phenomenon of a restructured multinational industrial organization. The third force for change is the push toward harmonization of intellectual property worldwide, as manifested in TRIPs. Taken as a whole, he concludes that these three factors have all but dissipated the trademark monopoly phobia and have led to an expanded concept of property rights trademarks. To illustrate the progression of trademark

protection, Leaffer concentrates on two substantive areas of trademark law: (1) the relaxation of restraints associated with the assignment and licensing of trademarks; and (2) the expanding scope of the likelihood of confusion doctrine. He concludes that the passage of the Federal Dilution Act reflects the inevitable culmination of a long process whose rationale became ever more persuasive during the first sixty years of the Lanham Act. While Professor Leaffer concludes that the development of greater protection in trademark law is essentially pro-competitive and comports with the new realities in commercial life that exist today, he notes that there remains a persistent skepticism about trademarks prevalent in the academic community.

Professor Graeme Dinwoodie posits a similar thesis in his essay entitled *The Rational Limits Of Trademark Law*. In his view, there have been three areas of expansion within U.S. law that have tested the limits of trademark law: (1) the development of virtual unlimited trademark subject matter; (2) the right to protect against dilution when there is no competition and no likelihood of confusion; and (3) the new protection regime against cybersquatting. Dinwoodie finds that each of these expansions represents ad hoc delineation of trademark holders' rights in response to the latest perceived social or economic threats to brand values. In order to establish rational limits on the scope of protection, however, Dinwoodie argues that trademark law must develop by explicit reference to its basic purposes. Although these purposes are somewhat general in nature, attention to them will ground trademark law in present commercial reality without foreclosing adaptation to future social developments. Since trademark law is 'mercantile' law, it must be shaped and limited by the market forces that it seeks to regulate.

Dinwoodie identifies the classic avoidance of consumer confusion as the appropriate purpose that will be sufficient to serve the legitimate concerns of producers and consumers, especially as this rationale has been implemented in recent years by U.S. courts. Use of avoidance of consumer confusion in 'purposive analysis' to determine the scope of trademark law would offer the possibility of more generous trade dress protection than under the current approach of the Supreme Court; limit the scope of protection more narrowly than Congress has done in the federal dilution statute; and offer a workable vehicle for addressing conflicts between domain names and trademark rights without detailed congressional legislation.

Dinwoodie concludes that this purposive analysis would guide courts in establishing rational limits to trademark law; otherwise, trademark law might simply represent a vehicle for mere rent seeking. As trademark rights come to protect subject matter traditionally protected by other intellectual property regimes

such as copyright or patent, the strength of trademark law's claim to regulate such matter in a manner different from those other regimes rests upon the policies of trademark law retaining a distinctive hue. Purposive analysis will ensure that trademark law retains that characteristic coloration.

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