Today

- Digital Millennium Copyright Act  
  - Online Copyright Liability Limitation  
  - Anti-circumvention provisions
- Claim Drafting Exercise
- Patent Reform Legislation

DMCA: Safe Harbors

- DMCA, in section 512, provides safe harbors for:  
  - (a) Transitory digital network communication  
  - (b) System caching  
  - (c) Hosting by service providers  
  - (d) Search engines
- DMCA “Take down”: To obtain shelter, the service provider must  
  - Provide a notification and removal mechanism  
  - Inform users of the take down policy

DMCA Takedown Procedure

- Elements of DMCA takedown  
  - Copyright owner sends a notification that identifies the material and includes a statement of good faith and accuracy  
  - Provider responds by taking down the material  
  - Provider is not liable for taking down material, but must  
    - Notify subscriber of takedown  
    - Provide copy of takedown notification to subscriber  
    - Replace material if provided with a counter-notification from the subscriber

Anti-circumvention

- DMCA, in section 1201:  
  - (a)(1) No person shall circumvent a technological measure that effectively controls access to a work protected under this title  
  - (a)(2) No person shall … traffic … in any technology primarily designed for the purpose of circumventing a technological measure that effectively controls access to a work  
  - (b)(1) No person shall … traffic … in any technology primarily designed for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner … in a work

Technological measures

- A technological measure “effectively controls access to a work” if the measure … requires the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work.
- What qualifies:  
  - A password  
  - Encryption  
  - A dongle  
  - A watermark

Exceptions

- Reverse engineering: for interoperability of software programs
- Encryption research: multi-factor test:  
  - Whether information was disseminated in a manner reasonably calculated to advance the state of knowledge vs. whether it was disseminated in a manner that facilitates infringement  
  - Whether the researcher is engaged in a legitimate course of study, or is appropriately trained or experienced  
  - Whether notice is provided to the rights holder, and when the notice is provided
More Exceptions

- Security testing:
  - Whether information was used solely to promote security of the owner or operator of computer, or shared directly with developer of computer system
  - Whether information was used/maintained in a manner that does not facilitate infringement

Penalties

- Civil actions
  - Injunctions
  - Damages (actual or statutory $200-2500 for each violation)
- Criminal penalties
  - Willful and commercial violation = fines up to $500,000 and 5 years for first offense...

DMCA Discussion/Reaction

- Safe Harbor
  - Takedown abuse: businesses targeting competitors; invalid copyright claims; etc.
  - On the other hand: arguably facilitates development of many Internet companies
- Anti-circumvention
  - What is a "technological protection measure"
  - Chilling effect on encryption and security research
  - Arguably provides disincentive to develop improved DRM systems
  - Interaction with fair use doctrine is confusing

Protect IP Act

- Currently under consideration by the Congress
- AKA: “Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act of 2011”
- Aims to stop “Internet sites dedicated to infringing activities”: a site that has no significant use other than reproduction of copyrighted works; violation of the DMCA; or distribution of counterfeit goods

Causes of Action

- Authorizes the AG (or a qualifying plaintiff) to institute an (in personam) action a domain name registrant or owner/operator of a site
  - Can institute an in rem action if person cannot be found
- If an order issues, other parties may get pulled in:
  - Domain name server operators
  - Financial transaction providers
  - Internet advertising services
  - Information location tools

Additional Patent Reform Topics

- Specific Patent Reform Proposals
  - Three-track examination
  - America Invents Act (S.23)
Three Track Examination

- Proposal: Split examination into three tracks, and allow applicant’s to self-select
  - Track 1: Prioritized – $4000 filing fee, final action within one year
  - Track 2: Traditional – same as under current system
  - Track 3: Delayed – lower filing fee; applicant can delay for up to 30 months

- What is good/bad about this proposal?
- Fate: Congress cut $100M from PTO budget, and three-track system was axed as a result

America Invents Act

- Current Status:
  - S.23 Passed Senate 95-0
  - House version currently in committee
- Features:
  - Change to first to file system
  - Citation of prior art by third parties
  - Reduce best mode requirement
  - New post-grant review procedures

First to File

- Change from first to invent to first to file
  - How does this change filing strategy?

- In many jurisdictions, first to file is coupled with a prior use defense
  - Prior use operates as a “shield” against a patent holder

- Differences between the House and Senate version:
  - Senate bill includes only provision for a study on prior use
  - House version seeks to include a prior use defense

Citation of Prior Art

- Third party can submit relevant prior art (publications)
- Previously:
  - Must submit within 2 months of publication
  - No explanation of art permitted
  - Max 10 references
- Proposed change:
  - Timing: before allowance and within the later of 6 month of publication or first rejection
  - Include explanation

Current Reexamination

- Two forms of reexamination
  - Ex parte: third party gets “one shot”
  - Inter partes
- Reexamination is granted for prior art that raises substantial new question of patentability
- The proceedings are more or less like examination, but handled with special dispatch
  - Office action
  - Response
  - Appeal

Third-Party Post-Grant Review

- Within 9 months of issuance:
  - Third party may request post-grant review
  - Request may be made for any invalidity ground (e.g., subject matter, anticipation, obviousness, enablement)
  - Request will be granted if it is more likely than not that at least one claim is unpatentable (higher than current standard)
  - Proceedings conducted by appeal board, thence to the Federal Circuit (no “examination” as in current system)
Inter Partes Review

- Replaces current inter partes reexamination
- Anytime within lifetime of patent:
  - Third party may request review
  - Request may be made only for publications (patents, etc.) that raise issue of patentability
  - Requester must show that there is a reasonable likelihood that the requester will prevail with respect to at least 1 claim (is this different from the post-grant review standard?)
  - Proceedings conducted by appeal board...