

Today

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

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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

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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

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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

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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

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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

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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

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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...

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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

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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

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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

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Additional Patent Reform Topics

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

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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

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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

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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

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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

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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

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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)

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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 ...

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