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Intellectual Property – The Year in Review

Monday, Oct. 28 | 2:30p – 3:30p CT | M308

Presented by: Emily Njus, JD

Topics

Overview

Legislation & Broad Cases

Patents

Copyrights

Trademarks

Trade Secrets

Rights in Publicity

Other issues in IP

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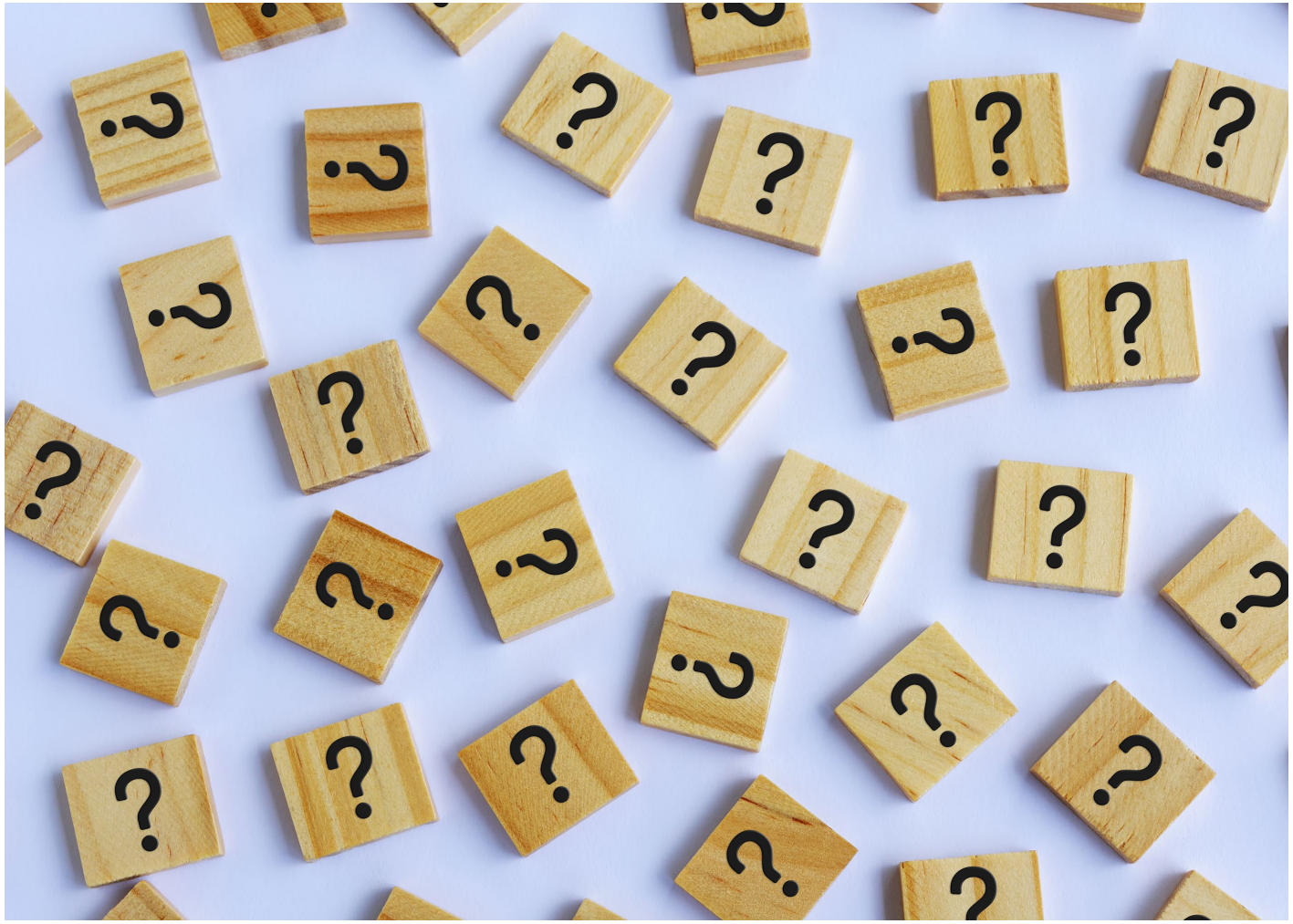
Types of Intellectual Property

- Patents
  - Utility, design, plant
- Copyrights
  - Books, music, software
- Trademarks
  - Words, symbols, phrases, designs, colors, sounds, or smells
- Trade Secrets
  - Business information, algorithms, recipes, etc.
- Right of Publicity
  - Name, likeness, image

Intellectual Property and Research Administration

Why does this matter and how do the changes in IP affect research?



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Legislation

- U.S. BIOSECURE Act – pending -
  - Prohibit certain US Federal Governmental agencies from engaging with so-called “biotechnology companies of concern,” specifically, several large Chinese companies and other companies that pose national security risk
  - But China is one of the biggest suppliers of complex peptides, immunotherapy, and antibody drugs and many US companies have existing contracts (services, licensing, and partnership agreements, etc.) with these companies
  - Bill is gaining momentum, House of Representatives passed HR 8333 on September 9, 2024, it is predicted that the Senate will react favorably as well, indicated by reactions to the Senate bill from March.

Legislation

- PREVAIL Act – pending –
  - Reform the Patent Trial and Appeal Board (PTAB), established under the America Invents Act of 2011, tightening Inter Partes Review (IPR) procedure
- PERA Act of 2023 – pending –
  - Will overrule Alice/Mayo framework and codify many categories of currently ineligible subject matter as patent eligible
- RESTORE Patent Rights Act of 2024 – pending –
  - Reverses *eBay v. MercExchange* decision, returns patent owners to rebuttable presumption that an injunction is warranted after a court rules their patent was infringed.
- IDEA Act – pending –
  - Allow for voluntary collection of demographic information from inventors,
- NO FAKES Act – pending –
  - Recognizing federal IP right to voice and likeness, authorizes action against unauthorized digital replicas; both Senate and House have introduced separate bills

Broad Cases

Loper Bright Enterprises v. Raimondo and *Relentless, Inc. v. Dept. of Commerce,* No. 22-451, 603 U.S. ___ (S. Ct. 2024)

- Overruling of Chevron deference, requiring courts to defer to Administrative Agencies' "plausible" interpretation of their rules and regulations
- Now courts get to rule on the issues before them with no deference to the agency or its interpretation
  - Most federal grant and contract sponsors fall under administrative agencies.
- Impact on IP law
  - USPTO falls under the US Dept. of Commerce
  - Could affect USPTO and Copyright Office, but big effects are not likely
  - Biggest IP effect will likely be the US International Trade Commission (USITC)

Broad Cases

Corner Post, Inc. v. Board of Governors of the Federal Reserve System, No. 22-1008, 603 U.S. ___ (S. Ct. 2024)

- Effectively extend the limitations period to challenge final agency actions under the Administrative Procedure Act ("APA")
  - Statute of limitations period does not begin to run for a particular plaintiff until a claim accrues with that plaintiff, i.e. when that plaintiff is injured by final agency action
  - Previously, a limitations period started running when an administrative rule was published
  - Opens the door to many new suits concerning administrative regulations

Patents

USPTO Guidance Documents

- USPTO 2024 Guidance Update on Patent Subject Matter Eligibility, Including on Artificial Intelligence
  - Response to requirement in EO 14110
  - Patentable subject matter follows *Alice/Mayo* two-part framework
  - AI-assisted inventions
    - Inventorship requires a human
    - One or more persons must make a significant contribution to AI-assisted claimed invention
- USPTO 2024 Guidance on Use of Artificial Intelligence-Based Tools in Practice before the United States Patent and Trademark Office
  - Guidance issued based on existing regulations as applied to use of AI in practice before USPTO:
    - Duty of Candor and Good Faith
    - Signature Requirement and Corresponding Certifications
    - Confidentiality of Information
    - Foreign Filing License and Export Regulations
    - USPTO Electronic Systems' Policies

Patents

USPTO Guidance Documents

- USPTO 2024 Guidance for assessing enablement in utility patent post *Amgen v. Sanofi*
  - *Wands* factors still control to assess whether specification provides sufficient enablement
  - Specification does not need to "describe with particularity how to make and use every single embodiment within a claimed class," reasonable experimentation to make and use the invention is acceptable.
  - Guidelines only, not regulations
- USPTO admits design patent practitioners under the design patent bar
- USPTO *proposed* terminal disclaimer rule
  - Disclaimed patent would be unenforceable if tied to any patent that has claim(s) invalidated or cancelled based on prior art.
- USPTO disclosed error in patent term adjustments under 35 USC 154(b)
  - Effected approximately 1% of patents issued between March 19, 2024, and July 30, 2024

Patents

Cases

- *Edwards Lifesciences Corporation v. Meril Life Sciences Pvt. Ltd.*, No. 22-1877, slip op. at 17 (Fed. Cir. Mar. 25, 2024)
  - Broad interpretation of Safe Harbor under 35 U.S.C. § 271(e)(1); as long as activities are in some way related to the development or submission of information to regulatory bodies (e.x. FDA), even activities perceived as infringing may still fall under safe harbor. But regulatory intent must be clearly demonstrated, especially in mixed purpose activities.
- *LKQ Corp. v. GM Global Tech. Operations LLC, No. 21-2348, slip op. at 15 (Fed. Cir. May 21, 2024)*
  - Design Patents - Federal Circuit has ruled that the longstanding *Rosen-Durling* test for assessing obviousness of design patents is improperly rigid, the obviousness test for utility patents
  - Court said the four-factor test from *KSR* looking at analogous earlier inventions and differences between them and the application may be used
  - USPTO issued Memo to Examiners clarifying how to evaluate obviousness for design patents

Patents

Cases Continued

- *Core Optical Technologies, LLC v. Nokia Corp., et al.*, 102 F.4th 1267 (Fed. Cir. 2024)
  - Who owns the patent, inventor or employer? Agreement to assign inventions that "relate to the business or activities of . . . and were conceived, developed or reduced to practice during . . . employment." Employer funded fellowship (salary, benefits, tuition, expenses, etc.) through Ph.D. program – was the invention developed "entirely on [their] own time?"
  - Implications for graduate students, graduate programs, and ownership of IP.
- *EcoFactor, Inc. v. Google LLC*, No. 2023-1101 (Fed. Cir. Sept. 25, 2024)
  - US Court of appeals for the Federal Circuit granted *en banc* rehearing, first *en banc* since 2018 on a utility patent case
  - Issue concerns evaluation of assessment of experts and expert's methodologies in assessing damages, specifically under Federal Rule of Evidence 702 (*Daubert v. Merrell Dow Pharm.*) and the reliability of principles and methods used to calculate hypothetical royalties as damages

Patents

Cases Continued

- *Mobile Acuity Ltd., v. Blippar Ltd., et al.*, No. 2022-2216 (Fed. Cir. (C.D. Cal.) Aug. 6, 2024)
  - Affirmation of the *Alice* two-step process to determine patentable subject matter
  - "Under 35 U.S.C. § 101, patents may be granted for 'any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.' This provision, however, "contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable." *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014)."
- *Sanho Corp. v. Kaijet Tech. Int'l Ltd, Inc.*, No. 2023-1336 (Fed. Cir. July 31, 2024)
  - Public disclosure, under 35 USC 102(b)(2)(B) requires an invention be made reasonably available to the public, a private sale, even non-confidential, is not a public disclosure.
  - Since relevant aspects of the invention were not disclosed to the public, the invention is not excluded as prior art

Patents

Cases for which Certiorari was denied:

- *MacNeil v. Yita*, no. 23-494 (S. Ct.)
  - Federal Circuit reversal of PTAB obviousness decision; importance of secondary indicia of non-obviousness
- *Intel v. Vidal*, no. 23-135 (S. Ct.)
  - *Fintiv* rule, restricts initiation of IPR if parallel district court litigation is pending
- *Vanda v. Teva*, no. 23-768 (S. Ct.)
  - Federal Circuit decision on obviousness of methods of using certain drugs
- *Realtime Data v. Fortinet*, no. 23-498 (S. Ct.)
  - Eligibility doctrine, is it broad save a few judge-made exceptions?
- *Tehrani v. Hamilton Tech.*, no. 23-575 (S. Ct.)
  - Expert witness qualifications and claim interpretation

Patents

Cases to Watch

- *VidStream LLC v. Twitter, Inc.*, No. 2024-2265 (Fed. Cir.)
  - Seeks to re-establish, post *eBay v. MercExchange*, that patent infringement alone is enough to establish proof of irreparable harm, thereby making injunctions more obtainable
- *Cellect, LLC v. Vidal*, no. 23-1231 (S. Ct.)
  - Scheduled for long conference, whether non-statutory obviousness type double patenting doctrine applies to cases receiving patent term adjustment
- *Chestek PLLC v. Vidal*, no. 23-1217 (S. Ct.)
  - Is the PTO exempt from the notice-and-comment requirements when exercising rulemaking power under 35 USC 2(b)(2)
- *Norwich Pharm. Inc. v. Salix Pharm, Ltd.*, no. 24-294 (S. Ct.)
  - Scope of injunctions and Hatch Waxman
- *Roku, Inc. v. ITC*, no. 24-180 (S. Ct.)
  - Scope of the domestic industry requirement
- *Return Mail, Inc. v. U.S.*, no. 24-47 (S. Ct.)
  - Patent eligibility under abstract-idea exception to 35 USC 101
- *Plotagraph v. Lightricks*

Copyrights

Cases

- *Andersen v. Stability AI Ltd.*, 3:23-cv-00201, (N.D. Cal.)
  - In discovery, US District Judge Orrick denied key parts of motions to dismiss from defendants allowing suit alleging copyright violations due to AI tools being trained on unique artistic styles from copyrighted images scraped from the internet.
- *Getty Images (US), Inc. v. Stability AI, Inc.*, 1:23-cv-00135, (D. Del.)
  - Same premise as case above
  - Nmerous copyright and trademark violation related claims, including direct infringement, unfair competition, trademark dilution, and deceptive practices

Copyrights

Cases

- Numerous other AI copyright suits in progress, alleging unauthorized use of authors' works in training AI LLMs – See also *Thomson Reuters Enterprise Centre GmbH v. ROSS Intelligence Inc.*, 1:20-cv-00613 (D. Del.), *Debus, et al. v. NVIDIA Corp,* 4:24-cv-02655 (N.D. Cal.) and *Makkai et al. v. Databricks, Inc., et al.,* 3:24-cv-02653 (N.D. Cal.)
- These suits relate to Fair Use, 17 USC 107, allowing the use of copyrighted works for purposes such as commentary, search engines, criticism, parody, news reporting, research and scholarship under the 4-part test.

- See https://blogs.gwu.edu/law-eti/ai-litigation-database/ - the Database of AI Litigation

Copyrights

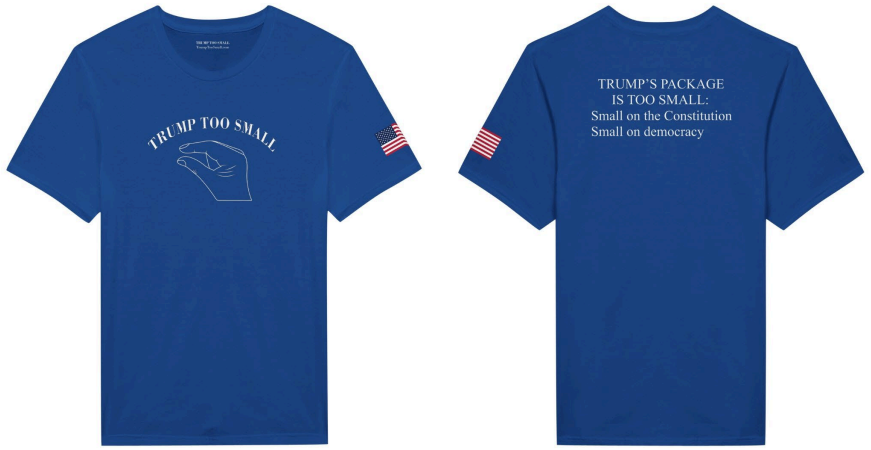
Cases

- *Warner Chappell Music, Inc. v. Nealy*, No. 22-1078 (S. Ct. May 9, 2024)
  - A copyright owner can obtain monetary relief for any timely infringement claim, regardless of when the infringement itself occurred, even when the infringing activity dates back more than 3 years from the time of suit. A claim is timely brought, per the discovery rule, if it is brought within 3 years from the copyright owner's discovery of infringement, irrespective of when the infringement actually occurred.
- *Hachette Book Group Inc. v. Internet Archive*, No. 23-1260 (Fed. Cir. Sep. 4, 2024)
  - A library scanning and lending entire copyrighted works (books) without authorization is not fair use, it is a violation of copyright law. It is not transformative, because no new meaning, expression or message is added to the original works by converting existing copyrighted material into a new electronic format.

Trademarks

Cases

- *Vidal v. Elster*, 602 U.S. 286 (2024)
  - The Supreme Court held that a provision of the Lanham Act, 15 USC § 1052, does not violate the First Amendment when "Trump too Small" was denied a trademark
  - 15 USC § 1052, the "names clause" prohibits the "registration of a trademark that '[c]onsists of or comprises a name . . . Identifying a particular living individual except by his written consent.'"



This photo taken from the website trumptoosmall.com shows the phrase "Trump too small" as a slogan for T-shirts and hats. From trumptoosmall.com

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Trademarks

Cases

- *Dewberry Group, Inc. v. Dewberry Engineers, Inc.*, No. 23-900 (S. Ct)
  - Certiorari granted
  - Issue is "[w]hether an award of the "defendant's profits" under the Lanham Act, 15 U.S.C. § 1117(a), can include an order for the defendant to disgorge the distinct profits of legally separate non-party corporate affiliates."
  - Lanham Act allows for disgorgement of profits as a remedy for trademark infringement, subject to principles of equity, and allows a court to use its discretion to determine a just sum under the circumstances

Trade Secrets

News and Cases

- Non-Compete Agreements
  - The Federal Trade Commission voted in April to ban most non-competes, preventing employers from enforcing or entering into non-competes with "workers;" the final rule was set to take effect September 4th. The Northern District of Texas ordered a nationwide bar on the rule taking effect and enforcement thereof.
  - This could end up before the Supreme Court under the new *Loper Bright* rule, questioning whether the FTC exceeded their rule making power.
- *Motorola Solutions, Inc. v. Hytera Communications Corp.*, No. 22-2413 (7th Cir. 2024)
  - The Defend Trade Secrets Act (DTSA) allows for extraterritorial damages, Motorola recovered Hytera's foreign profits due based on domestic acts in furtherance of the offense committed in the US.
- *Insulet Corp. Eoflow, Co. LTD.* , No. 24-1137 (Fed. Cir. 2024)
  - Established that a high bar exists for obtaining a preliminary injunction for trade secret misappropriation; there is no assumption of irreperable harm just because companies are direct competitors.

Rights in Publicity – Name, Image, and Likeness (NIL)

Legislation and Rules

- Federal Proposed – No AI Fake Replicas and Unauthorized Depictions Act (No AI FRAUD Act)
  - Protect an individual's right to control use of their own likeness and voice against unauthorized AI-generated content.
  - Similar proposed legislation – Nurture Originals, Foster Art, Keep Entertainment Safe (NO FAKES)
- Tennessee's Ensuring Likeness, Voice, and Image Security (ELVIS) Act
  - Every individual has a property right in their name, image, likeness, or voice (NIL+V) in any medium in any manner, goal is to protect from misuse of AI; carves out uses protected under First Amendment
  - ~40 states have enacted or proposed NIL legislation; TN ELVIS Act is the 1st to protect against AI-based infringements in NIL+V
- NCAA Division I passes new rules, effective August 1, 2024, allowing for schools to increase NIL support to athletes

Rights in Publicity

Cases

- Scarlett Johansson and OpenAI –
  - Not a lawsuit yet, but could become one
  - OpenAI's voice named Sky sounds like Johansson, does it violate her right of publicity?
    - No federal right of publicity currently, some states recognize the right to protect one's identity; CA has right of publicity laws
  - Although OpenAI claimed Sky was not meant to sound like Johansson, the Sky voice has been removed.
- *Robinson v. National Collegiate Athletic Association*, 2:24-cv-12355, (E.D. Mich.)
  - Former Univ. of Michigan football players claiming continued commercial use of their names, images and likenesses.
  - Related:
    - *Reggie Bush v. USC*
    - The NCAA is currently trying to settle 3 antitrust suits related to NIL compensation of athletes *House v. NCAA*, *Hubbard v. NCAA* and *Carter v. NCAA*.

International Developments

Treaties

- WIPO Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge
  - Adopted by World Intellectual Property Organization (WIPO) member states, 15 contracting parties
  - "Will establish in international law a new disclosure requirement for patent applicants whose inventions are based on genetic resources and/or associated traditional knowledge"
    - Patent applications for inventions based on genetic resources must disclose country of origin or source and those for inventions based on traditional knowledge associated with genetic resources must disclose the Indigenous Peoples or local community who provided the traditional knowledge
- Council of Europe Framework Convention on Artificial Intelligence and Human Rights, Democracy, and the Rule of Law – adopted 5/17/24, signed in early September
  - 46 Council of Europe states, 11 non-member states (including the U.S.), 68 observers from private sector
  - Seven key AI principles for implementation by signatories

International Developments

European Union

- European Union – The Artificial Intelligence Act (AI Act)
  - Applies to providers and deployers of AI systems, regardless if located in EU or not
  - Risk-based approach, dividing AI systems into tiers with varying requirements by tier:
    - Unacceptable risk / Banned AI practices (ex. systems that deploy subliminal, manipulative, or deceptive techniques to distort behavior, exploit vulnerabilities, or apply certain social scoring, like crime profiling AI)
    - High risk (ex. AI covered by certain product safety legislation or critical areas/uses listed in Act)
    - General-purpose AI (ex. Generative AI that can be integrated into downstream AI systems)
    - Limited-risk AI systems (ex. chatbots; deepfake generators)
    - Minimal-risk AI systems (everything else)
- European Commission Living guidelines on the Responsible Use of Generative AI in Research
  - Non-binding recommendations, but apply existing frameworks (like AI Act) to use of AI in research
  - Based on principles of Reliability, Honesty, Respect, and Accountability

Questions?

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