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SI 507: Information Policy Analysis and Design

Wk 7: Intellectual Property: Patents

Motivations for intellectual property

"to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries" (U.S. Constitution)

Why patents?

1. Incentives to invent;
2. Incentives to develop / commercialize;
3. Making useful knowledge public (combinatorial innovation)

- The patent bargain: *limited protection* in exchange for *disclosure*
- Patent protections: *the right to exclude* others from making, using, selling, or importing the invention in question for the term of the patent

Core elements of IP regimes

(Pam Samuelson, "Preliminary Thoughts on Copyright Reform")

1. Statement of subject matters /forms that IP applies to
2. Eligibility criteria for specific people and works
   a: who is eligible?
   b: what standards must a work meet to be eligible?
   c: what procedures must be followed to obtain / maintain rights?
3. A set of exclusive rights
4. A duration for the exclusive rights
5. A set of limitations / exceptions to exclusive rights
6. An infringement standard
7. A set of remedies against those who infringe

Patent process (U.S.)

Patent application:

- Patent specification / description (describes the nature of the invention or process for which a patent is being submitted)
- Patent claim (defines the legal protection being claimed)
- Filing date
- Priority claim / date

Patent process (U.S.)

Examination and grant:

- Prior art search
- Patent tests: novelty, utility, non-obviousness ("Person Having Ordinary Skill in the Art" (PHOSITA))
- Grant or issue + publication (18 months after filing)
- Continuation applications (amending / broadening scope of filed patents)

Patent process (U.S.)

Negotiation and licensing:

- Licensing, cross-licensing, and reciprocity
- Notification and settlement
- Patent challenges
- Continuations

Patent abuse:

- A sealed crustless sandwich, comprising: a first bread layer having a first perimeter surface coplanar to a contact surface;at least one filling of an edible food juxtaposed to said contact surface;a second bread layer juxtaposed to said at least one filling opposite of said first bread layer, wherein said second bread layer includes a second perimeter surface similar to said first perimeter surface;a *crimped edge directly between said first perimeter surface and said second perimeter surface for sealing said at least one filling between said first bread layer and said second bread layer; wherein a crust portion of said first bread layer and said second bread layer has been removed.*
- http://images.businessweek.com/ss/09/04/0408_ridiculous_patents/1.htm

Patent Reform: Congress

- Variety of specialty statutes (industry-specific) since 2000
- Comprehensive patent reform efforts since 2005, so far unsuccessful

The limits of Congressional patent reform (Burk & Lemley):

- TRIPS prohibits patent discrimination by technology type
- Challenges of drafting sufficiently detailed industry-specific patent rules
- Administrative costs and uncertainty
- Challenges of industry separation for legislative purposes
- Challenges of freezing legislation in fast-moving areas (e.g. Semiconductor Chip Protection Act 2000)
- Special interest lobbying (rent seeking and industry capture)
- Complexity and opacity (the copyright lesson)

Patent Reform: PTO

- Ongoing efforts to tighten PTO standards, limit continuations, improve processing times, strengthen post-grant review, increasing funding and staff at the PTO for processing, research and fact-finding
- Administrative agency solution – a middle ground between legislative reform and judicial tailoring?
- Advantages: greater expertise vis-à-vis courts, some insulation against rent-seeking
- But: PTO may ALSO be subject to extreme forms of regulatory capture…

‘Policy levers’ available to support judicial tailoring (‘micro’ + ‘macro’):

Validity/acquisition:

- Utility
- Experimental use
- Obviousness (PHOSITA) (grant and disclosure)
- Written description / enablement

Scope:

- Abstract ideas
- Equivalents (‘reasonable interchangeablity’)
- Element-by-element analysis
- Pioneer patents
- Reverse doctrine of equivalents

Remedies:

- Reasonable royalty doctrine

Other potential levers

- 'secondary non-obviousness' (accounting for costs and uncertainty of downstream & lateral development as additional argument for patent protection to incentivize investment)
- (weakened) presumption of validity
- patent misuse (antitrust & licensing beyond scope or term)
- tightening preliminary or permanent injunctive relief

Discussion (small groups):

- What's wrong with the patent system?
- What are the pros and cons of Burk and Lemley's proposed solution of judicial tailoring, including the various 'policy levers' they propose? Are there other sites and forms of patent reform (e.g. in Congress, at the PTO, elsewhere) that might be more promising (or might be pursued in conjunction with judicial reform strategies)?