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PATENT & TRADEMARK POLICY REPORT
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I. Congressional Developments:

- The House Judiciary Subcommittee on Courts, Intellectual Property, and the Internet held a hearing on Tuesday to discuss how well the Defend Trade Secrets Act of 2016 (DSTA) has protected U.S. companies from trade secret theft. Members from both sides of the aisle joined the panel in praising DSTA for providing trade secret owners with new tools to combat and remedy proprietary data theft. However, each witness testified that a loophole in 28 U.S.C. §1782 needs to be closed to enhance DSTA's effectiveness.

- On Wednesday, April 18th, from 10:00 AM-11:30 AM ET, the Senate Judiciary Committee held an oversight hearing on the U.S. Patent and Trademark Office. PTO Director Andrei Iancu was the sole witness at the hearing. The hearing covered a wide range of topics, but mostly focused on PTO's potential proposals to reform the Patent Trial and Appeal Board (PTAB), proposals to clarify patent eligibility under Section 101, and the importance of properly enforcing against theft of intellectual property abroad. When asked about the timeline for the review process, Director Iancu at first stated that the process was ongoing, without providing further detail. He was later pressed on the timeline by both Senator Kamala Harris (D-CA) and Chairman Grassley (R-IA), and he then stated he hopes to be able to make announcements on the inter partes review (IPR) and post grant review (PGR) process by this summer. He also hopes to issue guidance to help address concerns over Section 101, and stated he would update the committee within 90 days on PTO's progress on that front.

- On Tuesday, House Ways and Means Committee Ranking Member Richard Neal (D-MA) and Trade Subcommittee Ranking Member Bill Pascrell (D-NJ) led a letter to Chairman

Headlines and Highlights:

- Senate Judiciary holds USPTO oversight hearing.
- Trump Administration may withdraw from NAFTA to force Congress' hand on voting for a renegotiated pact.
- Senate Commerce to vote on nomination for Rebecca Slaughter to be FTC Commissioner.
- Ways and Means Democrats send letter to Chairman Brady asking for NAFTA hearings.
- *Raconteur* profiles China's rise in becoming IP powerhouse.
- Congressional Trademark Caucus to hold sports industry briefing on World IP day.
- Stephen Moore, Heritage Foundation fellow, writes op-ed urging USTR to protect IP in new NAFTA.

Kevin Brady (R-TX) from all 16 Democrats on the Committee demanding a hearing with the Trump Administration on NAFTA. "More than 25 years ago, during the original NAFTA negotiations, this Committee brought forward United States Trade Representatives, Secretaries of Labor, and Administrators of the Environmental Protection Agency to testify multiple times," wrote the members. "Yet the Ways and Means Committee has not, to date, convened a single hearing dedicated to the renegotiation of NAFTA with Administration witnesses." Read the entire letter here.

- On Wednesday, April 25th the Senate Commerce Committee will vote on the nomination of Rebecca Slaughter to be a Federal Trade Commissioner.

- On Wednesday, the Congressional Trademark Caucus will hold a sports industry briefing and cocktail reception featuring remarks from Intellectual Property Enforcement Coordinator Vishal Amin and Sens. Coons and Grassley. Additionally, there will be a panel featuring representatives from MLB, NFL, NBA and more.

II. Administration Updates:

- Amid reports that Congress would wait until a lame-duck session of Congress to vote on a renegotiated NAFTA deal, United States Trade Representative (USTR) Lighthizer is reportedly considering withdrawing from the existing pact even before the new one is ready. In doing so, the Trump Administration thus would force Congress' hand to vote on the new deal or face not having an agreement with the U.S.' two largest trading partners. Read more here.

III. USPTO Updates:

- The U.S. Court of Appeals for the Federal Circuit (Federal Circuit) recently issued a decision regarding the inquiry of whether a claim limitation represents well-understood, routine, conventional activities (or elements) to a skilled artisan in the relevant field. Specifically, the Federal Circuit found that whether a claim element, or combination of elements, represents well-understood, routine, conventional activities to a skilled artisan in the relevant field is a question of fact. The United States Patent and Trademark Office (USPTO) has implemented this decision in a memorandum recently issued to the Patent Examining Corps (the Berkheimer memorandum). The Berkheimer memorandum is available to the public on the USPTO's Internet Web site. The USPTO is now seeking public comment on its subject matter eligibility guidance, and particularly its guidance in the Berkheimer memorandum to the Patent Examining Corps.

- The USPTO's Office of Innovation Development invites you to attend the forum for Small Business Inventors and Entrepreneurs on May 2 from 8 a.m. to 12:30 p.m. ET at the Western Carolina University, Cullowhee Campus (Cullowhee, North Carolina).

IV. Judicial Updates:

- Yesterday in an opinion by Judge REYNA, the Federal Circuit overturned a district court's grant of summary judgment based on equitable estoppel. John Bean's patent claimed "a "high-side" auger-type chiller for cooling poultry carcasses." In 2002, Morris sent a letter to John Bean's counsel asserting that the patent was invalid and demanding that John Bean

produce contrary information or stop making statements alleging infringement. John Bean did not respond. In a subsequent ex parte reexamination, amended and newly added claims were allowed. Shortly thereafter, John Bean sued Morris for patent infringement in district court. The Federal Circuit said that the district court abused its discretion in applying equitable estoppel to grant summary judgment against John Bean. "Because the 2014 reexamination resulted in substantive amendments that narrowed the original claims' scope as well as the addition of substantively new claims, we find that equitable estoppel cannot apply based on the 2002 Demand Letter challenging the validity of the original claims." (*IPO Daily News*)

V. International Updates:

- Sharon Thiruchelvam of *Raconteur* published an article this week outlining "How China became a leader in intellectual property." Thiruchelvam points out that contrary to China's reputation as an "inveterate bootlegger", the country is on course to becoming an "IP powerhouse." Read more here.

VI. Industry Updates:

- This week, Stephen Moore, a co-founder of the Committee to Unleash Prosperity and a senior fellow at the Heritage Foundation, wrote an op-ed on the importance of the Trump Administration to complete the NAFTA renegotiation and ensure it protects IP. "IP-intensive industries—music, entertainment, software and biotechnology among them—support 45 million jobs, nearly a third of U.S. employment, and produce more than $7 trillion of value-added output," Moore writes. "We know that the US loses about one half trillion a year of income from theft of our IP products abroad. Most of that is in China, but it's a problem with Mexico and Canada too." Read more here.

- On Thursday, John Thorne, General Counsel for the High Tech Inventors Alliance (HTIA), wrote an op-ed in the *Washington Times* in which he offers ideas to USPTO Director Andrei Iancu—who appeared before the Senate Judiciary Committee this week—on how to improve the patent system. "Ideas that would help include increasing access of PTO examiners to the best technology for identifying the most relevant prior art. A good first step would be support the Big Data for IP Act of 2018 introduced by Sen. Chris Coons and Sen. Orrin Hatch to encourage the PTO to study this issue," Thorne wrote. "Improving the examination process and the management of examiners would also be key to improving patent quality. A GAO report of 2016 identified some problems and solutions." Read more here.