

PATENT & TRADEMARK POLICY REPORT SEPTEMBER 22, 2017



I. Congressional Developments:

- On September 18, 2017, the Center for Strategic & International Studies hosted United States Trade Representative Robert Lighthizer to discuss U.S. Trade Policy Priorities. Ambassador Lighthizer made four general points in his speech. First, contrasting his and the President's views with those whom he characterized as "sincerely believ[ing] that the prevailing world trade policy has been great for America," Lighthizer stated that "we must use all instruments we have to make it expensive to engage in non-economic behavior, and to convince our trading partners to treat our workers, farmers, and ranchers fairly." Second, Lighthizer said that he believes "that trade deficits matter," and that "faced with decades of large deficits globally and with most countries in the world," we must ask "whether the rules of trade are causing part of the problem." Third, Lighthizer argued that China is a challenge "that is substantially more difficult than those faced in the past," particularly with regard to China's subsidizing of Chinese enterprises and forced technology transfers from American businesses. Lighthizer believes that "the World Trade Organization is not equipped to deal with this problem," and that we "must find other ways to defend our companies, workers, farmers, and indeed our economic system." Watch the speech [here](#).
- On September 26th at 2:30 p.m. the Senate Commerce Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security will hold a hearing titled "FTC Stakeholder Perspectives: Reform Proposals to Improve Fairness, Innovation, and Consumer Welfare." Read more [here](#).
- On Tuesday, September 19th the Senate [confirmed](#)—by a vote of 50-47—Noel J. Francisco to serve as U.S. Solicitor General, the government's top lawyer at the U.S. Supreme Court.

Headlines and Highlights:

- China announces four month crackdown on intellectual property theft.
- Noel J. Francisco confirmed to serve as next U.S. Solicitor General.
- Google, in wake of \$2.89 billion EU fine, announces plans to auction off shopping ad spaces to rivals.
- Lawmakers send letter to President Trump urging him to not withdraw from KORUS.
- POLITICO profiles Open Markets-New America dispute.
- Internet Association president pens op-ed applauding PTAB.
- Group of trade associations, tech companies, and creative organizations launch pro-IP ACTION for Trade coalition.

- On Thursday, 19 lawmakers, led by Reps. Kind (D-WI), Reichert (R-WA), Dent (R-PA), and Larsen (D-WA) wrote a letter to President Trump urging him to not withdraw from the U.S.-Korea (KORUS) free trade agreement. “We are concerned that America’s reputation would be greatly diminished if we withdraw from this agreement,” the letter reads, adding that “no relationship is perfect, and we should commit to growing and improving our trade relationship with Korea just like any other.” Read more [here](#).

II. Administration Updates:

- On Friday, the Department of Commerce released a report titled, “[U.S.-Produced Value in U.S. Imports from NAFTA](#)” which contains data showing the U.S.’ diminished role in manufacturing products that are bought and sold around the continent. The *New York Times* is reporting that the report is “expected to dominate NAFTA discussions over so-called ‘rules of origin.’” Read more [here](#).
- The Office of the U.S. Trade Representative (USTR) has issued requests for comments regarding its Special 301 Out-of-Cycle reviews of [Thailand](#) and [Colombia](#).
- The Food & Drug Administration (FDA) has released [draft guidance](#) on statistical approaches to evaluate analytical similarity for proposed biosimilar drugs. The draft guidance “describes the type of information a sponsor of a proposed biosimilar product should obtain about the structural/physicochemical and functional attributes of the reference product, how that information is used in the development of an analytical similarity assessment plan for the proposed biosimilar, and the statistical approaches recommended for evaluating analytical similarity.” Read more [here](#).

III. USPTO Updates:

- The Patent Trial and Appeal Board (PTAB) has designated the following decision as informative: General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha, Case IPR2016-01357 (PTAB Sept. 6, 2017) (Paper 19). This expanded panel decision explains that applying factors to evaluate the equities of permitting follow-on petitions in AIA proceedings is a proper exercise of the Board’s discretion under 35 U.S.C. § 314 and provides a non-exhaustive list of factors that the Board considers in evaluating follow-on petitions. A [PDF of this informative decision](#) can be found on the USPTO website.
- This week the USPTO released a beta version of the [Citation List](#), a Global Dossier service that provides a comprehensive listing of relevant citations in related applications that share a common priority claim. One can use the Citation List to view all references cited in the patent family of an application on a single page. (Source: *IPO Daily News*)
- The USPTO is seeking applications for the position of IP Attaché in the U.S. Consulate General in Guangzhou, China. Read the job announcement [here](#).
- Speaking before the Intellectual Property Owners Association earlier this week, Acting USPTO Director Joseph Matal said that the PTO is examining its policies regarding the allowance of amendments from patent owners to challenged patent claims in IPR, according to *Bloomberg*. He said that the PTO is considering “more robust” amendment procedures like

those used in German and Japanese post-grant review proceedings. Matal also reportedly commented on the *Oil States v. Greene's Energy* case pending before the Supreme Court, stating that he believes the Court will uphold the constitutionality of inter partes review given that some property rights can in fact be revoked by an administrative body. He argued that because patents are property rights that stem from federal law, they can be revoked by an agency with sufficient expertise.

IV. Judicial Updates:

- On September 21, 2017, the Federal Circuit overruled a recent decision on patent venue by Judge Gilstrap of the Eastern District of Texas. In June, following on the Supreme Court's decision in [TC Heartland](#), Judge Gilstrap had [introduced](#) a four-factor "totality of the circumstances approach" to determine whether a defendant has a "regular and established place of business" under the patent venue statute. Judge Gilstrap also found—relying on the Federal Circuit's 1985 decision in *In re Cordis Corp.*, and not on his own four-factor test—that venue was proper where Cray Inc. employed a sales representative in the Eastern District for over seven years. That representative had sold an allegedly infringing supercomputer to the University of Texas system, and that computer was accessed via remote terminals at UT campuses within the Eastern District. The representative had also made multiple "offers to sell" within the Eastern District. In its September 21 decision in [In re Cray Inc.](#), the Federal Circuit held that the Eastern District of Texas "misinterpreted the scope and effect of [the Federal Circuit's] precedent in determining that Cray maintained 'a regular and established place of business' in the Eastern District of Texas" within the meaning of the patent venue statute. The Federal Circuit also stated that Judge Gilstrap's "four factor test is not sufficiently tethered to [the] statutory language and thus it fails to inform each of the necessary requirements of the statute," namely that the defendant has a "place of business" that is "regular and "established." Notably, the Court stated that the "statute cannot be read to refer merely to a virtual space or to electronic communications from one person to another" to show that the defendant has a physical location in the district.

V. International Updates:

- In the wake of the European Union's \$2.89 billion fine of Google for inappropriately directing consumers to its own shopping platforms, the search engine giant announced this week plans to auction off shopping ad spaces to rivals. Under the proposal, Google would reportedly bid against rivals to display products for sale in the space above its general search results. Although Google announced last week that it would appeal the EU's ruling, the company is required to comply while any legal action is ongoing. Read more [here](#).
- *Reuters* reported this week that China's commerce ministry will conduct a "four-month crackdown" on intellectual property theft, starting this month. China will reportedly "target theft of business secrets, knockoffs of well-known brands, the trade of goods in violation of intellectual property rights and take steps to protect copyrighted material." Read more [here](#).
- The International Association of Scientific, Technical, and Medical Publishers (STM) sent a letter late last week to the Berlin-based academic networking website ResearchGate regarding the illegal sharing of articles on the platform. The letter proposes a "solution...that would enable ResearchGate to operate in a way that would be consistent" with STM's 'Voluntary Principles on Article Sharing.' STM's proposal includes the use of an automated

system that would indicate the extent to which certain articles can be shared, and messages sent to authors showing them “how to obtain rights to post [a particular] article more widely.” Read more [here](#).

VI. Industry Updates:

- On Tuesday, a group of trade associations, technology companies, and creative organizations announced the launch of “ACTION for Trade,” a coalition that aims to ensure U.S. trade policy and trade agreements advance “a pro-creativity and innovation agenda and prevent foreign countries from stealing intangible assets developed by U.S. creators and innovators.” Members include the Motion Picture Association of America (MPAA), Authors Guild, and RIAA, amongst others. Read more [here](#).
- *Politico* has profiled the ongoing dispute between New America and Open Markets that saw the lead researcher for the Open Markets team ousted from New America after criticizing Google on antitrust grounds. The article argues that the controversy is part of a larger struggle over the goals of the Democratic Party, with Open Markets “trying to push [the Democratic Party] into a new fight against global corporate titans...and arguing that it’s time to use federal antitrust law to chip away at their influence.” While the Democratic Party has incorporated antitrust policy into its new ‘Better Deal’ platform, “it has still not adopted the more ambitious and controversial aspects of Open Markets’ broader political philosophy,” with “none of the new [Democratic Party] plans target[ing] Amazon, Google, Facebook or the other big tech firms.” Read more [here](#).
- On Monday, President of the Internet Association Michael Beckerman penned an op-ed in *Morning Consult* titled “PTAB Turns Five: Benefits to Innovation Economy Already Strong.” In the op-ed, Beckerman applauds the PTAB for “serving its purpose and protecting public interest in promoting a strong innovation economy and upholding the integrity of the patent system.” Read more [here](#).