IP Update on the U.S.

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IEEM Professional IP Update
Hong Kong, November 8, 2017
1. Statistical Overview of IP Litigation
2. Major Trends in Current U.S. IP Law
3. Judicial Responses
4. Proposals for Legislative Responses
1. STATISTICAL OVERVIEW OF IP LITIGATION

EDTX = Eastern District of Texas
DDEL = District of Delaware
CDCA = Central District of California
NDCA = Northern District of California

Lex Machina, October 31, 2017
Copyright Cases Filed in U.S. Federal District Courts in 2007 - 2017 by Malibu Media (LLC or Inc.) and by Other Plaintiffs

- **Malibu Media (LLC or Inc.)**
- **Total minus Malibu Media**

Lex Machina, October 31, 2017
2. MAJOR TRENDS IN CURRENT U.S. IP LAW
• The phenomenon of patent and copyright “trolls,” patent enforcement/patent assertion entities, patent aggregators

• Limitations of IP right owners’ rights

• IP right owners seeking new streams of revenue
3. JUDICIAL RESPONSES
Limitations on Aggressive Enforcement Practices

• Limitation on availability of injunctive relief

• Limitation on forum shopping
  TC Heartland v. Kraft Foods, SCOTUS, May 22, 2017
  • Patent infringement suits must be filed where the defendant is incorporated
  • “[A] domestic corporation ‘resides’ only in its state of incorporation for purposes of the patent venue statute.”
Limitations of IP Rights

• Move to the principle of international exhaustion
• Kirtsaeng v. Wiley, SCOTUS, 2012 (copyright)
• Impression Products, Inc. v. Lexmark International, Inc., SCOTUS, 2017 (patents)

• Calculation of damages for design infringements
  Samsung Electronics Co. v. Apple
  • An “article of manufacture” for determining damages may be only a component of that product
Broadening of Protectible Subject Matter in Trademarks and Copyright

Matal v. Tam, SCOTUS, 2017
• The provision of the Lanham Act under which the USPTO may deny registration of disparaging marks was held unconstitutional

• A two-part test to determine separability: Whether “the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article, and (2) would qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article.”
4. PROPOSALS FOR LEGISLATIVE RESPONSES
Copyright Small Claims

- Copyright Claims Board within the U.S. Copyright Office
- A voluntary alternative to a court proceeding
- Claims of infringement, claims of non-infringement
- Monetary and injunctive relief
  - Actual damages and profits; statutory damages only up to a maximum amount
  - The maximum amount of damages $30,000 (exclusive attorney’s fees and costs)
Expansion of Right of Public Performance and Protection of Pre-1972 Sound Recordings

• State law on pre-1972 sound recordings is not preempted by federal law (17 USC s. 301)
• U.S. Copyright Office recommended federal legislation to cover pre-1972 sound recordings
• State statutes cover some aspects of pre-1972 sound recordings
• NRS 205.217 (“Unlawful reproduction or sale of sound recordings”)
• Question of common-law public performance right in pre-1972 sound recordings (Flo & Eddie v. Sirius litigation)
• Question of the dormant Commerce Clause
• Legislative proposal: “Fair Play Fair Pay Act of 2017”
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