Global Patents: Limits of Transnational Enforcement

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I. Introduction with Examples
II. The Absence of a Global Patent
III. Protection of Inventions in Multiple Countries
IV. Protection of Inventions outside the Protecting Country
V. Empirical Findings
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I. Introduction

- The intersection of intellectual property law (patent law) and private international law (conflict of laws)
- Public v. private international law dichotomy
- Globalized economy
- Informational globalization
I. Introduction

Example I

Litecubes, LLC v. Northern Light Products, Inc., 523 F.3d 1353, 1369 (Fed. Cir. 2008); cert. denied on Nov. 10, 2008

I. Introduction

- Example II

Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc., 617 F.3d 1296 (Fed. Cir. 2010) (cert. pending)
II. The Absence of a Global Patent

- A “World Patent”

- Country-per-country patenting
- Invention protected by the patent only in the “protecting country”

- A. du Bois-Reymond, *Das Weltpatent*

“In the development of the economic value that is to be extracted from an invention, the exploitation of foreign markets has an important position.”

A. du Bois-Reymond, *Das Weltpatent, in* STUDIEN ZUR FÖRDERUNG DES GEWERBLICHEN RECHTSSCHUTZES 465, 468 (1909)
III. Protection of Inventions in Multiple Countries

- Parallel Patents
  - A novel idea in the 1870s

Vienna Exposition, 1873
III. Protection of Inventions in Multiple Countries

- Parallel Patents

  - A novel idea in the 1870s

  - Obstacle 1: obtaining a patent abroad
    - Inventor as a “teacher of the nation”
    - Discrimination against foreign applicants
    - A working requirement under penalty of forfeiture
    - Limitation of the duration of patent protection if first patented abroad
      - Paris Convention, TRIPS

  - Obstacle 2: obtaining parallel patents in multiple countries
    - A 1916 proposal for an international patent register and a unified patent examination
      - PCT, EPC, Eurasian Patent Convention, AIPO, ARIPPO, Gulf Cooperation Council Patent Office
      - Patent Prosecution Highway
III. Protection of Inventions in Multiple Countries

- Obstacles to Obtaining Parallel Patents Today

  - **Costly**
    - “[U]nless a patentee is seeking patent protection in approximately fifteen or more countries, he will pay more in fees when using the PCT application than when he files in each country individually”
    - According to PCT statistics for 2009, only “around 10% of all patent families include filings at four or more patent offices.”

  - Difficult to ascertain *ex ante* where patents should be obtained

  - Once disclosed, an invention is disclosed everywhere in the world
III. Protection of Inventions in Multiple Countries

- **Enforcing Parallel Patents**
  - Need for uniformity in enforcement
  - Uniformity in enforcement contributes to *de facto* harmonization
  - Impossible to have parallel patents adjudicated in one court
    - Issues of jurisdiction, choice of applicable law
    - State sovereignty / “act of state” doctrine
  - Proposals to solve through private international law
    - American Law Institute, Conflict of Laws in IP (Max Planck), International Law Association, etc.
  - New EU patent court system
Means of Protecting an Invention outside the Protecting Country (1)

- Inventions in the means of transportation
  - Caldwell v. Van Vlissengen, 1851 (Eng.), reported by Francis Fisher, Esq., 16 Jurist o.s. 115 (1853)
  - 1925 Revision Conference of the Paris Convention, Article 5ter

- Inventions in transit and border measures
  - “transit in a strict sense” vs. “transit in a broader sense”
IV. Protecting an Invention outside the Protecting Country

- Means of Protecting an Invention outside the Protecting Country (2)

- Offers to sell
  - Definition of a patent infringing “offer”
  - Rotec Indus., Inc. v. Mitsubishi Corp., 215 F.3d 1246 (Fed. Cir. 2000)
  - Localization of the infringing act
  - Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc., 617 F.3d 1296 (Fed. Cir. 2010)
Means of Protecting an Invention outside the Protecting Country (3)

- Inventions assembled abroad from components from a protecting country
  - German court decisions as early as 1888

- Acts contributing to infringements in the protecting country
  - Doctrines of participating, aiding, and abetting a tortious activity
  - U.S. Patent Act in 1952: inducement and contributory infringement
  - German Patent Act in 1980: indirect infringement within Germany
  - Possibilities for reaching infringing conduct abroad
IV. Protecting an Invention outside the Protecting Country

- Means of Protecting an Invention outside the Protecting Country (4)

- Acts in multiple locations
  - Localization of infringing acts
  - E.g., the Internet, shipments “free on board”
  - “Divided” infringements - individual components of the system or steps in the process are used in different countries
  - NTP v. Research in Motion, 418 F.3d 1282 (Fed. Cir. 2005), cert. denied
V. Empirical Findings

- Empirical Survey A:

  all patent cases
  filed in U.S. federal district courts
  in 2004 and 2009
V. Empirical Findings
V. Empirical Findings

**Patent cases filed in U.S. federal district courts in 2004, by domicile of the parties**

- 75.7%
- 24.3%

- Cases in which at least one party was a foreign entity
- Cases in which all parties were U.S. entities

**Patent cases filed in U.S. federal district courts in 2009, by domicile of the parties**

- 70.6%
- 29.4%

- Cases in which at least one party was a foreign entity
- Cases in which all parties were U.S. entities
V. Empirical Findings

Patent cases filed in U.S. federal district courts in 2004 and 2009, by domicile of the defendants

- Cases in which all defendants were U.S. entities: 2357 (2004), 2138 (2009)
- Cases in which defendants were both foreign and U.S. entities: 400 (2004), 272 (2009)
- Cases in which all defendants were foreign entities: 143 (2004), 97 (2009)
V. Empirical Findings

Patent cases filed in 2009 in the seven most frequented patent litigation venues, by domicile of the defendants

- **Cases in which all defendants were U.S. entities**
- **Cases in which defendants were both foreign and U.S. entities**
- **Cases in which all defendants were foreign entities**

<table>
<thead>
<tr>
<th>Venue</th>
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*SDNY, DDE, DNJ, EDTX, NDIL, NDCA, and CDCA are the patent venues.*
V. Empirical Findings

Countries represented in the most patent cases filed in U.S. federal district courts in 2004 and 2009, by domiciles of the defendants.
V. Empirical Findings

**Patent cases filed in the U.S. District Court for the District of Delaware in 2004 and 2009 against foreign defendants, by domiciles of the defendants**

**Patent cases filed in the U.S. District Court for the District of Delaware in 2004 and 2009 against foreign defendants, by type of claim**
V. Empirical Findings

Patent cases filed in U.S. federal district courts in 2004 and 2009 against defendants from China and Hong Kong, by subject matter of the patent.
V. Conclusions

- No prospect for a “global patent”
- Some prospect for a “deeper harmonization”
- The EU “experiment:”
  - unified patent and patent enforcement system
- Extraterritoriality of national patent law
  - time for legislators to embrace extraterritoriality and legislate for the extraterritorial reach of national patent laws
  - territorial reach of national patent laws should be considered to be a component of national patent policy
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6 November 2013