

INTERNATIONAL INTELLECTUAL
PROPERTY - SELECTED TOPICS

FALL 2009

Cardozo School of Law

Prof. Hughes

Take Home Examination

INTRODUCTION

This is a twenty-four (24) hour, take-home examination.

Conditions and your professional commitments

Once you have received this examination, you may not discuss it with anyone prior to the end of the examination period. Nor may you collaborate on the exam.

Professor Hughes permits you to use any and all inanimate resources. **The only limitations on outside resources are those established by the law school.**

By turning in your answers you certify that you did not gain advance knowledge of the contents of the examination, that the answers are entirely your own work, and that you complied with all relevant Cardozo School of Law rules. Violations of any of these requirements will lead to discipline by the Academic Standing Committee.

General examination logistics

You have 24 hours from the time you receive this examination until you return your answers to the “drop box” on the ANGEL system.

In all these questions, “TRIPS” or “TRIPS Agreement” is the Trade-Related Aspects of Intellectual Property Agreement; “WTO” is the

World Trade Organization. **All** of the countries mentioned belong to the WTO. The European Communities or European Union (EU) also belongs to WTO.

Format of your answers

Please answer the True/False questions with a simple printed list of the question numbers followed by “True” or “False”, i.e.,

- 6. True
- 7. False
- 8. False

This list should come BEFORE your essay answers and be on a separate page from your essay answer.

Please include a word count (such as “This essay is 787 words”) at the end of your essay answer.

GOOD LUCK

A great winter break to everyone. Best wishes for those leaving Cardozo. Thanks for an enjoyable class.

PART I. TRUE/FALSE QUESTIONS

(30 points)

This part of the exam is worth 30 points. Each answer is worth 2 points. Note that there are 17 questions, so in the same spirit as the LSAT and other standardized tests, you can get 2 wrong and still get a maximum score on this section.

If you are concerned about a question, you may write a note at the beginning of your essay answers, but only do so if you believe that there is a fundamental ambiguity in the question.

TRUE OR FALSE

01. In *Canada – Patent Protection of Pharmaceutical Products*, DS 114 (MARCH 17, 2000) the WTO panel ruled that Canada's patent exception for use of the patented product/process to get regulatory approval did not unreasonably conflict with the normal exploitation of the patent because "[t]he additional period of market exclusivity in this situation is not a natural or normal consequence of enforcing patent rights."
02. Under the Dispute Settlement Understanding (DSU) all TRIPS disputes between WTO Members are heard before five member panels.
03. TRIPS Article 22(1) defines a "geographical indication" with exactly the same language used in Article 2 of the 1958 Lisbon Agreement for the Protection of Appellations of Origin to define an "appellation of origin."
04. If trial courts in patent infringement cases cannot be appealed in Thailand – that is, the trial court's decision is always final, Thailand will be in clear violation of TRIPS Article 41.
05. If court decisions in Mali are not published in an official journal or gazette, but are only given to the parties to the court case, Mali will be in clear violation of TRIPS Article 41.
06. Article 10(1) of the European Union's 1996 Database Directive establishes a 15 year term of protection for qualified databases; if a database is revised or otherwise receives "substantial new investment" it is eligible for an additional 15 year term of protection under Article 10(3).
07. If Canada provides protection of "geographical indications" (GIs) through certification marks law, France provides protection of GIs through a special *appellations d'origine* law, and

Brazil provides protection of GIs through a special section of the "Industrial Property Code," then as long as each country's substantive standards meet the requirements of TRIPS Article 22 and 23, this diversity in national implementation is permissible under TRIPS Article 1(1).

08. The principle of "most favored nation" in TRIPS Article 4 requires that a WTO country treat citizens of other WTO Members exactly the same as it treats its own citizen under the country's intellectual property laws.
09. In WTO Dispute Settlement DS174, *European Communities – Protection of Trademark and Geographical Indications for Agricultural Products and Foodstuffs*, the Panel concluded that Article 12(1) of the EU Origins Regulation imposed a kind of "reciprocity" requirement for GI protection in the EU that was incompatible with the "national treatment" standard of TRIPS.
10. In its 2005 study of the impact of the 1996 Database Directive [the study was called "FIRST EVALUATION OF DIRECTIVE 96/9/EC ON THE LEGAL PROTECTION OF DATABASES"], the European Commission concluded that the *sui generis* "database right" significantly increased the EU's share of global database production.
11. The "Nice Agreement" is a multilateral IP treaty administered by WIPO establishing a harmonized international system of patent classifications while the "Strasbourg Agreement" does the same thing for classifications of goods and services for trademark law.
12. The TRIPS Agreement requires WTO Members to comply with with Articles 1 through 16 of the Paris Convention (1967) and Articles 1 through 10 of the Berne Convention (1971).
13. The settlement of WTO Dispute Settlement DS125, *Greece – Enforcement of Intellectual Property Rights for Motion Pictures*

and Television Programs, showed Greece both changing its law “on the books” and taking tougher enforcement action against television piracy.

14. If ROQUEFORT is a protected geographical indication in France and is a registered certification mark in the US for cheese, then TRIPS Article 23(1) requires the US to prevent any US cheesemaker from using the phrases “Roquefort-style,” “Imitation Roquefort,” or “Roquefort Aging Process” in relation to cheeses not from Roquefort, France.
15. In *British Horse-racing v. William Hill* (2004), the European Court of Justice found that concluded that the “substantial investment” in “obtaining” the data in a database “must . . . be understood to refer to the resources used to seek out existing independent materials and collect them in the database, and not to the resources used for the creation as such of independent materials. . .”
16. TRIPS Article 27(1) requires patents to be available “without discrimination . . . as to the field of technology.” Nonetheless, if South Africa passes an amendment to its patent law that states “[u]nder no circumstances will a patent be issued for mammalian animals,” this amendment will be permissible under TRIPS Article 27(3).
17. In WTO Dispute Settlement DS160, *United States – Section 110(5) of the Copyright Act*, the WTO Panel agreed with the European Union that the question whether a limitation or an exception to copyright protection conflicts with a normal exploitation of a work should be judged “for each exclusive right individually” and not against the entire bundle of copyright rights guaranteed by the Berne Convention and the TRIPS Agreement.

PART II – ESSAY QUESTIONS**(70 points)**

In this part of the Examination, you should choose TWO of the three topics available for essays. Each essay should be in the range of 700-1000 words; each essay counts for 35 points. Professor Hughes takes on no obligation to read any one essay beyond the 1000 word limit. The essays will count equally.

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You work in the office of Mona L. Jaconde, the Australian Minister of Trade. Minister Jaconde is a strong believer in balanced, well-enforced intellectual property laws.

Minister Jaconde is preparing to leave for a multilateral trade ministers meeting on intellectual property issues. Although she will be accompanied by the head of "IP Australia" (the government organisation that administers the patents, trade marks, designs and plant breeder's rights system) and people from the Copyright Law Branch of the Attorney-General's Office (responsible for copyright policy in Australia), she wants to be well-prepared herself for issues that might arise. She has asked her staff, including you, to prepare short briefing papers (no more than 1000 words each) that she can review on several topics.

Choose two of these three topics. Assume Madame Jaconde is a former law professor and at least once taught a survey course in intellectual property.

A. TREATY FOR THE VISUALLY-IMPAIRED

While the TRIPS Agreement is administered by the World Trade Organization (WTO), the World Intellectual Property Organization (WIPO) continues to administer many other IP treaties and to discuss emerging issues and new, possible international agreements.

Early in 2009, a group of countries submitted a proposal to WIPO for a "WIPO Treaty for Improved Access for the Blind and Visually Impaired Persons" (VIP). This "VIP Treaty," if agreed, would establish mandatory exceptions and limitation to copyright for people who are visually impaired or suffer certain reading disabilities.

Minister Jaconde wants an analysis of the proposed VIP Treaty's main provisions to tell her if they would be compatible with Australia's obligations under TRIPS and the Berne Convention. The relevant provisions of the treaty are as follows:

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ARTICLE 4. LIMITATIONS AND EXCEPTIONS TO EXCLUSIVE RIGHTS UNDER
COPYRIGHT

(a) It shall be permitted without the authorisation of the owner of copyright to make an accessible format of a work, supply that accessible format, or copies of that format, to a visually impaired person by any means, including by non-commercial lending or by electronic communication by wire or wireless means, and undertake any intermediate steps to achieve these objectives, when all of the following conditions are met:

1. the person or organisation wishing to undertake any activity under this provision has lawful access to that work or a copy of that work;
2. the work is converted to an accessible format, which may include any means needed to navigate information in the accessible format, but does not introduce changes other than those needed to make the work accessible to a visually impaired person;
3. copies of the work are supplied exclusively to be used by visually impaired persons; and
4. the activity is undertaken on a non-profit basis.

(b) A visually impaired person to whom a work is communicated by wire or wireless means as a result of activity under paragraph (a) shall be permitted without the authorisation of the owner of copyright to copy the work exclusively for his or her own personal use. This provision is without prejudice to any other limitations and exceptions that a person is able to enjoy.

(c) The rights under paragraph (a) shall also be available to for-profit entities and shall be extended to permit commercial rental of copies in an accessible format, if any of the following conditions are met:

1. the activity is undertaken on a for-profit basis, but only to the extent that those uses fall within the normal exceptions and limitations to exclusive rights that are permitted without remuneration to the owners of copyright;
2. the activity is undertaken by a for-profit entity on a non-profit basis, only to extend access to works to the visually impaired on an equal basis with others; or
3. the work or copy of the work that is to be made into an accessible format is not reasonably available in an identical or largely equivalent format enabling access for the visually impaired, and the entity providing this accessible format gives notice to the owner of copyright of such use and adequate remuneration to copyright owners is available.

ARTICLE 8. IMPORTS AND EXPORTS OF WORKS

Provided that all the relevant conditions of Article 4 are complied with in the exporting and importing countries as appropriate, the following shall be permitted without the authorization of the owner of copyright:

1. the export to another country of any version of a work or copies of the work that any person or organisation in one country is entitled to possess or make under Article 4; and
2. the import of that version of a work or copies of the work by a person or organisation able to act under the provisions of Article 4 in the other country.

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Minister Jaconde has been told by her chief of staff that you are an expert in copyright exceptions and limitations; she wants a simple, preliminary analysis whether such obligations would be compatible with TRIPS and the Berne Convention.

B. THE AGING MOUSE

On October 24, 2006, the United States Patent and Trademark Office (USPTO) issued *US Patent 7,040,126 - Mouse model for aging*. This patent has caused some controversy because it covers a mouse genetically altered to "age" prematurely, so that researchers can use it to study a variety of issues related to aging. Specific claims in the patent cover the mouse selected for premature heart failure, premature gray hair, premature auditory loss, etc.

Here are some of the key claims of the patent. Do not worry about the technical language in claim #1.

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We claim:

1. A transgenic mouse model for mouse aging comprising a mouse having a targeted site-directed mutation in the exonuclease domain II of the endogenous mitochondrial DNA polymerase gamma gene, wherein said targeted site-directed mutation is the substitution of an aspartic acid residue to an alanine residue at position 257 as set forth in SEQ ID NO:3, wherein said mutation results in an elevated mitochondrial mutation frequency in at least two tissues in said mouse model.

* * *

4. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of abnormalities in tissues of high cellular turnover.

5. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of heart dysfunction.

6. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of graying hair and baldness.

7. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of auditory function loss.
8. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of anemia.
9. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of male germ cell loss leading to lack of sperm and infertility.
10. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of skeletal muscle mass loss neurodegeneration.
11. The transgenic mouse of claim 1 wherein the aging symptoms are selected from the group consisting of loss of bone mass.

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Applications for the same patent have been made at the European Patent Office (EPO), the Korean Patent Office (KIPO), and IP Australia. The Dutch Trade Minister – who is personally opposed to the patenting of animals – has informally indicated that he wants to talk about this US patent (and European patent application) and the morality of animal patents. Minister Jaconde wants to go into any such discussion well-informed about EPO precedent in this area and has been told that no one her staff has a better understanding than you of the EPO's *Oncomouse* decision.

C. THE GRAPE VARIETY, WINE, AND TOWN OF PROSECCO

Prosecco is a traditional sparkling wine from Italy, made from "Prosecco" grapes (a variety of grape, like merlot or zinfandel grapes); the sparkling wine is traditionally made in an area near the town of Prosecco in northern Italy. It has become popular in many

countries, causing the Prosecco grape to be planted in other countries; these vineyards are making similar sparkling wine and marketing it as "Prosecco." This has prompted the Italian government to move to protect the name "Prosecco" as a geographical indication. Here is an excerpt from a Bloomberg story:

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Paris Hilton's Prosecco Cans Send Italians Into Fight Mode

Elin McCoy

August 27, 2009

. . . .

It's the summer drink in Piazza San Marco, and the national aperitivo. Five years ago, the rest of the world began embracing this sparkler, named after the grape from which it's made. In the year ended July 25, U.S. sales were up 30 percent while champagne nosedived.

Italian prosecco has become a victim of its own success. It's been the grape of choice in the steep-sloped vineyards of the historic Conegliano-Valdobbiadene zone in the Veneto region for centuries. In 1969, the zone was recognized as a D.O.C. (denominazione di origine controllata) area, with regulations imposed on production methods to ensure higher quality wine.

The grape spread to the surrounding unregulated flat plains, which now produce oceans of cheap fizz. Wineries in other countries including Brazil and Australia planted the grape and started making their own version -- like the just-released 2008 Brown Brothers Prosecco from Australia.

Enter Paris Hilton.

"When an Austrian company launched **Rich prosecco** two years ago in gold soda-pop cans and promoted it with ads featuring Paris Hilton naked, covered in gold paint, Italian producers felt assaulted," said Vittorio Zoppi, marketing manager for the **Consorzio del Prosecco di Conegliano-Valdobbiadene**, in a phone interview. "They felt they had to protect the wine's image."

Because prosecco is named for a grape, it's not so easy to give it an official territorial identity. The official solution, starting with the 2009 vintage, is a tangle that involves renaming the grape, elevating the flat plains to a D.O.C. zone that includes the town of Prosecco, and promoting the **Conegliano-Valdobbiadene** to the higher category of D.O.C.G. (Denominazione di Origine Controllata e Garantita).

As a result, the region was able to get the European Union to include prosecco in new protected-origin regulations, making it illegal for producers outside these zones to use the name prosecco on a label, at least in the EU.

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In other words, the Italian government made the area immediately around the town of Prosecco into a new *Denominazione di Origine Controllata* (D.O.C.) – one of the kinds of geographical indications protected under Italian law; they have also applied to the European Commission for a EU-wide PGI, so that only sparkling wine from this small area near Venice can be called PROSECCO throughout the European Union.

The Italian authorities have also declared that the grape variety previously known as Prosecco will hereafter be called the "Glera" grape. In response to questions about the re-naming of the grape variety, internationally known wine critic Robert Parker commented, "The Italians can call this type of grape whatever they want, but in the English-speaking world, this grape type or varietal is still 'Prosecco'." Another wine magazine commented "'Glera' is an awful name – the Italians are trying to keep people from using the grape and just get the name 'Prosecco' to themselves."

As the article mentions, wineries in Australia have already started planting the Prosecco/Glera grape and last year the Australian winery Brown Brothers released their first Prosecco sparkling wine. There is also a chain of "Prosecco" Italian restaurants in Sydney and Melbourne with a registered trademark

(PROSECCO TRATTORIA); the restaurant chain was founded in 1992.

Australia uses a combination of certification mark law and a special system of wine appellations to protect wine geographical indications. Minister Jaconde believes that the Italian Trade Minister will demand that Australia protect the new Prosecco PGI in Australia. Minister Jaconde has heard that you are an expert on the international controversy surrounding GIs and wants an analysis of Australia's obligations under TRIPS Article 22-24, especially, but not limited to, the exceptions in Article 24.

Remember, just two of these three topics!

That's all, folks.

Thanks for an enjoyable class.

Congratulations to anyone graduating - and to our SIPO colleagues on the completion of their semester.

Best wishes to everyone for the holiday season.

END OF EXAMINATION MATERIALS/International Intellectual Property - Selected Topics/Fall 2009/Professor Justin Hughes

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