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GERMESHHAUSEN CENTER NEWSLETTER

FRANKLIN PIERCE LAW CENTER'S INTELLECTUAL PROPERTY NEWSLETTER

SPRING 2001

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FPLC Ranked #3 IP Law School in Nation Again!

In *US News & World Report's* most recent edition of *America's Best Graduate Schools*, Franklin Pierce Law Center was ranked again as in 2000 the number three law school in the nation for its program in intellectual property law. In fact, in eight out of the ten years of the magazine's rankings, Franklin Pierce has been among the top three. In 1997, 1998 and 1999 Franklin Pierce placed number one, in 1995 it was number two and only in 1993 and 1996 was it number four and five, respectively. This was no small feat for the smallest independent law school in the country, where we have over 180 law schools. It is also one of the youngest and when the rankings began was only 18 years old. Franklin Pierce is truly, "The Little School That Could." It offers a broad curriculum including over 50 courses in IP law for students enrolled in the Juris Doctor (JD), Master of Intellectual Property (MIP), and Master of Laws in Intellectual Property (LLM) programs.

PROFILE

Nermien Al-Ali

by Suzanne F. Saunders (JD '01)

Nermien Al-Ali's presence at Franklin Pierce hardly goes unnoticed. Cloaked in a traditional Islamic veil, this seemingly bashful woman is actually a bounty of legal knowledge, energy, and passion. Her warm, caring nature invites even a stranger to strike up a conversation. Lately, Nermien has a lot to talk about.

Born in Kuwait, Nermien lived in Jordan until her family moved to Sydney, Australia when she was in the 10th grade. Her mother is Egyptian and her father is Jordanian. She lived in Sydney for 15 years, where she graduated from high school and attended the University of Sydney. There she earned a BA in Political Science and a LLB, the equivalent of our JD.

I asked Nermien how she became interested in the law. "I was arguing a lot as a kid so everyone thought I should become a lawyer, but for me, I always had the idea that I wanted to help people and protect their rights, the rights of the weak." A born lawyer, I'd say.

After graduating from law school, her compassionate personality led her to a job as a child protection officer. Even though an LLB is not a requirement for that position, Nermien



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VISIT THE FRANKLIN PIERCE LAW CENTER IP MALL AT: www.ipmall.fplc.edu

"One of the Internet's best sites devoted to intellectual property." — *The Internet Lawyer*, May 2000

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believed it was a good place for her to develop as a child welfare advocate. Within a year however, the stress of working with abuse and neglect cases prompted her to take a job as a claims adjuster for a major, private insurance company. This was satisfying, for a while.

Heeding to the call for adventure, Nermien moved to Cairo. There, she started work as a commercial transaction lawyer specializing in capital markets. Generally, her work was analogous to that of a stockbroker's in the U.S. "All business transactions," Nermien explained, such as "futures, forwards and swaps"- our securities law, "are done through lawyers in Egypt." For example, when an investor

wanted to invest in Egypt, they would call Nermien who would act as a third party, holding the stock until the transaction was completed. In addition, Nermien drafted contracts and advised investor corporations like Chase Manhattan and Lehman Brothers as to whether or not their dealings were legal under Egyptian law.

By the end of 1998, Nermien moved to another firm. Even though she was making a name for herself, she continued to search for her niche. Little did she know, she was getting closer.

Her duties in the new firm were the same although Nermien noticed she was increasingly advising her business clients in intellectual property matters. Even though the firm she worked for had an IP department, it was limited only to registering trademarks and patent applications. "It's not a complicated system. You fill out a form, the trademark office will do all of the searches, and give you a reply," Nermien remarked. The searches are inexpensive; a trademark search costs around \$15.00 and all other fees related to the application will not exceed \$200.00. Upon approval of a trademark, one must get an "accliche." Nermien described the accliche as a wooden stamp with the trademark or logo carved into it. The Egyptian Trademark Office requires you have two of them made instead of representing your logo on a piece of paper. There is no registration requirement for copyrights, although there is a duty on the publisher and/or the author to register books in the Official Egyptian Library.

Nermien became animated at the opportunity to teach me a bit more about Egyptian intellectual property law. "The Egyptian patent system," she said, "is like the U.S. system although it is not as sophisticated. In fact if you want to 'do it yourself' you can with the assistance of an Egyptian patent examiner. The registration and other fees will not exceed the equivalent of \$200 altogether." Nermien further explained that Egypt did not have to change too much of their IP law in response to TRIPS because Egypt has had black letter IP law since the 40's and also because the Trademark Act was enacted in 1939. "We've got great law, but when

it comes to enforcement, it's a different matter!" Nermien exclaimed.

One of the events that really triggered Nermien's interest in IP was a conference her managing attorney sent her to in Cairo. The conference, sponsored by WIPO (World Intellectual Property Organization) and the Egyptian Industrial Property Society, explored a host of IP issues. One session Nermien attended addressed IP issues concerning pharmaceuticals. Nermien said she realized how little she knew about IP. Though that did not stop her from accepting the challenge of establishing the new IP department at her firm. With a broad smile, Nermien joked that her managing attorney had this planned for her all along. "It was like hopping on a roller coaster and it stopped here at Franklin Pierce," Nermien said.

"In the beginning I wanted to know everything that was out there," Nermien explained. She educated herself first by reading all of the Egyptian codes and international treaties. She also got on the internet. After her intense research, Nermien began advising clients on TRIPS. She focused much of her attention on marketing services to pharmaceutical companies because they had a pressing issue. TRIPS introduced product patents that did not exist in Egypt. Until TRIPS, pharmaceutical companies could only protect the process, not the product, because of the "public good" exception. Nermien detailed that there is very little pharmaceutical R&D in Egypt so there was no protection for the product patent. Patents for products such as baby formula also fell under the public good exception. In a country where the average income is low, consumers are unable to absorb the high R&D costs that are factored into the cost of a product. Local R&D could not compete with the foreign products so the solution was to copy the product composition. Introducing product patents caused great upheaval in the business world. Nermien seized the opportunity and advised her large multinational clients about product patents. These companies included Pfizer and GlaxoWellcome, which have a huge presence in Egypt.

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Created in 1985 through the generosity of Kenneth J. and Pauline Germeshausen, the Germeshausen Center is the umbrella organization for Franklin Pierce Law Center's specialization and policy studies in the legal protection, management, and transfer of intellectual property, especially relating to the commercialization of technology.

The Germeshausen Center Newsletter is published three times a year for alumni/ae, students and friends of Franklin Pierce Law Center. Our readers are encouraged to send news, photos, comments or letters to:

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COURT APPOINTMENT

Former appellate defender and professor of law, James E. Duggan, was recently appointed to the position of Associate Justice of the N.H. Supreme Court. The high court's newest member, Duggan was sworn into office by Governor Jeanne Shaheen on January 2, 2001. In her official statement, Shaheen praised Duggan "As someone who has appeared in more than 300 cases at the Supreme Court. James Duggan not only knows his law, he understands the court's strengths and weaknesses. He possesses all the qualities I believe New Hampshire requires in a judicial candidate—integrity, legal knowledge and ability, dedication, judicial temperament and a deep commitment to ensuring justice for all citizens of New Hampshire."

TEACHERS OF THE YEAR

The students of FPLC recently selected two faculty members as "Outstanding Teachers of the Year." Professor James Duggan was chosen as "Outstanding Teacher of the Year" by the members of the Class of 2001. Professor Susan Richey was voted "Outstanding Teacher of the Year" by the Law Center's master level intellectual property students enrolled in the master of intellectual property (MIP)

program and master of laws (LLM) in intellectual property program. A professor of intellectual property law, Richey teaches Trademark and Deceptive Practices and Information Liberties. Duggan directed the Appellate Defender Program until his recent appointment as Associate Justice.

IPSI GOES TO CHINA



FPLC Dean John Hutson and Prof. Bill Hennessey with Dean Wana Baoshu at Tsinghua Univ. School of Law

Law Center Dean John Hutson and Dean Wang Baoshu of Tsinghua University School of Law, Beijing, China, signed a formal cooperation agreement in early January to establish a summer intellectual property program for U.S. and Chinese law students in Beijing, to begin in 2002. The FPLC-Tsinghua association began in 1997 when the late Professor Bruce E. Friedman initiated the creation of a legal clinic at the University. In 1998, Professor William Hennessey was a Fulbright senior scholar

at Tsinghua and has, since 1999, supervised a cooperative program with Tsinghua made possible through a United States Information Agency grant supporting faculty exchanges. Professor Hennessey will teach "World Trade and World Intellectual Property Law" based on his new casebook in international intellectual property law, to be published by Matthew Bender later this year.

IP MATERIALS AID MUSEUMS

The American Association of Museums will distribute to its members, intellectual property materials prepared by Franklin Pierce Law Center. The materials offer administrators assistance with the development of museum policy and procedure regarding intellectual property related issues.

MORE KUDOS FOR THE IP MALL

Congratulations to IP Librarian Jon Cavicchi for another recent kudo for the Law Center's "IP Mall," which will be featured in a new book entitled, *The Best Websites for Business Appraisers, Accountants And Financial Professionals*, written by Lang and Tudor.

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One popular service Nermien created was an IP audit. She noted she probably read about the audit somewhere and loved the idea. So did her clients. The audits involved examining what the client has, how it can be protected, what are the best modes of protection available, and how to generate the IP. The more consulting Nermien did, the more she realized she wanted more information on IP.

Soon thereafter, Nermien met the patent or trademark attorney for Coca-Cola (Nermien admits at the time she did not distinguish the two) and asked for the name of a premier IP institution. The attorney told her about Franklin Pierce Law

Center. Nermien said she accessed the FPLC website and the first publication she read was authored by Tom Field, entitled *So You Have a New Idea*.

After applying online, she was admitted and asked to come to FPLC in August. True to form, Nermien told Pilar Silva she could not wait that long and she was admitted in January.

Nermien worked until the last minute before she got on the plane to NH. She traveled around the globe to get here, stopping first in Sydney, Australia to visit her family. As she flew out of Kansas after a lay over she thought, "This is America? It looks like outback Australia!"

Nermien confesses when she first got to Concord, she felt trapped. Coming from a big city like Cairo which is crowded with people and lots of lights, it is the extreme opposite of Concord. She'll also tell you, that she has grown fond of the people here. She describes us as "very warm." She launches into a story while contemporaneously flashing her broad smile. "Once, when I was shoveling snow, someone stopped to help me. They realized I am a foreigner and probably don't know what snow is, so they offered to help! I don't ever really feel alone."

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IP Faculty Activities

Professor Thomas Field, Jr. will be published in *Intellectual Property Counselor*, a publication of Business Laws Inc., Chesterland, OH. He also presented a paper on "Resolving Generic Top Level Domain Name Disputes — Are They Worth It?" at the Senior Executive Pan European forum on Intellectual Property Management in the digital Age held in Brussels, Belgium in November. His paper is posted online at: <<http://www.fplc.edu/tfield/RDNs.htm>>



Since joining the faculty, **Professor Jon Garon** has been focusing on his efforts in a number of different areas. Professor Garon teaches in the areas of Copyright and Entertainment Law, and has just completed a draft law review article on the effect entertainment law has had on the development of copyright, privacy and free speech doctrine. He has also recently completed the first two chapters of his new book, *Digital Filmmaking*, which will be coming out in Fall 2002. Professor Garon also writes a regular column for *Interface Tech News*, a regional technology magazine. He has recently given a presentation on copyright issues in Distance Education for the University of New Hampshire, which is particularly fitting because he is chairperson of the Law Center's task force on distance education.



Professors Chris Blank and Bill Hennessey conducted a series of lectures and consultations with government officials, university professors and tech transfer managers, and lawyers over a period of two weeks in September, 2000, held at the offices of the State Agency on Industrial Property Protection of the Republic of Moldova (AGEPI) in Chisinau, Moldova. The program, which was conducted under the auspices and

support of the Bureau of Educational and Cultural Affairs of the U.S. Department of State, focused on rationales for strong IP protection for developing countries such as Moldova, and "transfer of know-how" on teaching intellectual property. The Program was the brain-child of **Maria Cernobrovcuic** from AGEPI, who was a Visiting Scholar at FPLC in the Spring '00 term. Chris and Bill were greeted with warm hospitality by their hosts, and regaled with excursions to symphonies, jazz performances, and to the famous vineyards of the Moldovan countryside.



Professor Bill Hennessey participated in a training institute for Taiwanese judges. He was a member of a team of U.S. experts which conducted a two-week training program for judges in Taiwan in November, 2000. Members of the team included two officials from the USPTO, a federal district court judge, a federal prosecutor, and an expert on counterfeiting from the U.S. Customs Bureau. The program was sponsored by the American Institute on Taiwan (AIT) which represents U.S. interests, and was held at the Judicial Training Institute in Taipei. Professor Hennessey also gave lectures (in Chinese) on recent developments in U.S. patent law to members of the examining corps at the Taiwan Intellectual Property Office (TIPO) during the course of the visit.



Professor Susan Richey presented a workshop on the fundamentals of intellectual property for WIPO (World Intellectual Property Organization) at the United Nations Institute for Training and Research in New York City on March 1.



Professor Craig Jepson was interviewed in January by *Red Herring* magazine regarding the factors that determine the value of biotechnology patents and in turn the equity offerings of biotechnology companies. Jepson was also interviewed by *The Los Angeles Times* in February regarding the Human Genome Project and specifically the revelation reported by Celera that there are 26,588 genes in the human genome. In October Professor Jepson gave a presentation on "Current Developments in Intellectual Property Law" during the NHBA's annual Developments in the Law Conference. In December Professor Jepson participated in the organization of the implementation phase of the Young Entrepreneurs Development Program and the Academy of Applied Science. He was asked to serve on the Governance Council, that includes Robert Rines and business, licensing and engineering professors from Dartmouth University, UNH and MIT.



Professor Karl Jorda attended a special session of the Confidentiality Commission (Commission on the Settlement of Disputes Relating to Confidentiality) of the Organization for the Prohibition of Chemical Weapons (OPCW) — the implementing body of the Chemical Weapons convention — in The Hague, The Netherlands on January 18 and 19. Professor Jorda is the American representative on the 20-member international Commission. He was appointed to this position in 1999 for a two-year term (renewable twice) by the U.S. Arms Control & Disarmament Agency, based on a recommendation from the State Department (*see* Editor's Column, page 13). Professor Jorda also attended the 38th World Congress of AIPPI (International Association for the Protection of Intellectual Property) in Melbourne, Australia on March 25-30. This Congress is held at three-year intervals.

Proposal for Developing a New Standard for Managing Patents

by Arnaud Gasnier (MIP '00)

With reference to quality management and the International Organization for Standardization standards (ISO 9000), this proposal defines a new standard (called hereafter The Proposed New Standard) conceived and developed by the author for managing patents in a more consistent, coherent, and predictable manner.

The Underlying Theory

For the last 20 years, consistency, coherency, and predictability have been addressed by international standards such as the ISO 9000 in the field of quality management. Thus, quality management has been considered as a "business process," that is, a group of interrelated work processes that define how an organization conducts its business for achieving a major business objective (here, the fulfillment of customers' needs). The development of the ISO 9000 standards has provided systems and models that are considered to represent how the organization manages its processes for providing products and services in compliance with customers' needs.

More recently, most of the organizations involved with patents (including corporations, law firms and consulting groups) have shown a growing need for managing patents in a more consistent, coherent, and predictable manner.

The underlying theory of this proposal consists of considering the management of patents as a "business process" (within the meaning of quality management) and in conceiving and developing The Proposed New Standard on the basis of the ISO 9000 standards.

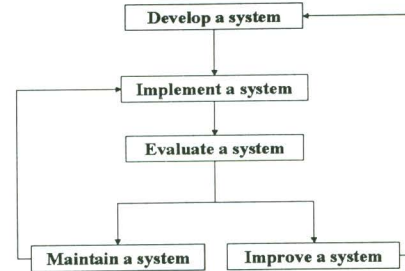
The Proposed New Standard

Conceived as a "generic" standard, The Proposed New Standard would apply to any organization, regardless of its size, its products and services, and its sector of activity. For such an organization, this standard would consist of: (1) a model (called hereafter The Model) for setting up and operating a system for managing patents (called hereafter The System) in the organization; and (2) The System itself.

The Model

The Model would be similar to the models that are commonly applied in the field of quality management. Figure 1 shows the simplified flowchart of The Model.

Figure 1:
The Model



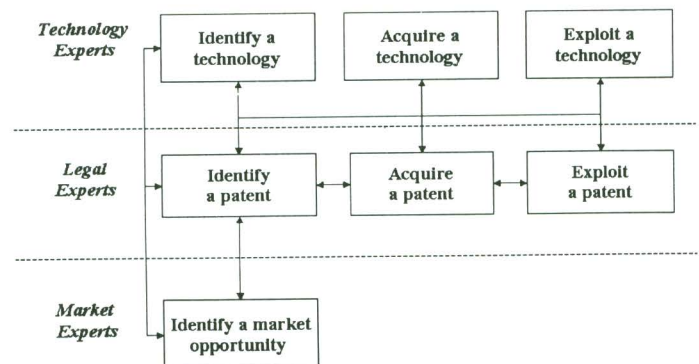
As shown in Figure 1, The Model would comprise a sequence of the following steps: develop, implement, evaluate, maintain and improve The System. These steps would be implemented with the aid of techniques that have been used successfully in the field of quality management, such as the statistical process control methods and the quality improvement tools.

The System

Similar to a quality management system, The System would be specified by an organizational structure and documentation.

The organizational structure would define: (1) the work processes of The System; and (2) the allocations of these work processes to individuals and departments of the organization (that is, mainly to the technological experts, the legal experts and the market experts). Figure 2 shows the simplified flowchart of this organizational structure.

Figure 2:
The Organizational Structure of The System



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As shown in Figure 2, the organizational structure would comprise a sequence of the following work processes: (1) "Identify a technology;" (2) "Acquire a technology;" (3) "Exploit a technology;" (4) "Identify a patent;" (5) "Acquire a patent;" (6) "Exploit a patent;" and (7) "Identify a market opportunity." In addition, the technology experts would be responsible for the first, second, and third work processes, the legal experts would be responsible for the fourth, fifth, and sixth work processes, and the market experts would be responsible for the seventh work process. (Despite this share of responsibilities, most of these processes would be fully performed through a close cooperation amongst these experts.) Each of these work processes would be defined in turn as a sequence of activities. Table 1 shows the work processes of The System and their corresponding activities.

Table 1:
*The Work Processes of The System and
Their Corresponding Activities*

Work Processes	Activities
"Identify a technology"	"Analyze the state of the art," and "Disclose an invention"
"Acquire a technology"	"Decide to license in," and "Analyze prior art (avoid infringing)"
"Exploit a technology"	"Decide to exploit internally (avoid infringing)," and "Decide to divest"
"Identify a patent"	"Analyze patentability"
"Acquire a patent"	"Prepare a patent application," "Determine a filing strategy," "Prosecute a patent application," and "Decide to maintain a patent"
"Exploit a patent"	"Identify a potential licensee/infringer," and "Analyze prior art (avoid infringing)"
"Identify a market opportunity"	"Analyze a key industry," "Analyze a key competitor," "Analyze a key individual," "Analyze a key patent," and "Analyze a key technology"

The documentation of The System would comprise guidelines directed to the individuals and departments of the organization (mainly to the technology experts, the legal experts and the market experts). It would include directive documents, strategic documents, procedural documents, and historical documents. The directive documents would comprise the corporate policies that would define the overall intent of The System (including "The corporate patent policy"). The strategic documents would comprise the policy manuals that would define the main concepts of The System (including "How to keep a notebook," "How to design around an existing patent," and "How to obtain a valid and

enforceable patent"). The procedural documents would comprise the operating procedures that would specify the work processes of The System and their corresponding activities. The historical documents would comprise the records that would prove these activities had been performed (including blank forms, such as Invention disclosure form and Invention report).

The operating procedures would specify the requirements (see below) a system for managing patents must meet to be in compliance with The Proposed New Standard; however, they would not dictate how these requirements should be met in the organization, thereby leaving great flexibility for implementing The System in different industries and cultures.

Further Steps

Several avenues are available for further developing the present proposal. As an illustration, in the health care sector, the ISO has recently reported following: "During the course of this year, working groups from the American Society for Quality (ASQ) and the Automotive Industry Action Group (AIAG) ...were set up, independently of each other, to begin work on health care sector implementation guidance based on the ISO 9000: 2000 revised. Once these groups became aware of their common focus, agreement was reached to work together toward a single document. Since then, interest from other countries has led the combined group to request that the proposed document should be developed and published within the ISO system." *see* Press Release, ISO, US Proposal for Health Care Sector Guide to ISO 9000 (Sept. 11, 2000) (Ref.781).

The remaining steps relating to The Proposed New Standard are as follows: (1) obtaining, from large and small companies, law firms, consulting groups, and professional associations, supporting statements that show the current needs for developing a new standard for managing patents; (2) further developing The Proposed New Standard (in particular the requirements of the operating procedures); (3) consulting with national standard institutes; and (4) filing such a proposal with a national standard institute (this proposal may then draw sufficient attention to be addressed to the ISO).

To discuss these matters further, please feel free to contact me at arnaud.gasnier@excite.com.

Arnaud Gasnier (MIP '00) has a MS in Physics from Grenoble National Engineering School of Physics. He has worked as a Patent Engineer in Switzerland and has been an IP consultant for a software company in California. Since 1998, he has been giving seminars on patents in French to engineering and Ph.D trainees.

Mercosur: The Harmonization of Trademarks and Other Source Identifiers

by Andres Cikato (MIP '01)

Consider a market of 190,000,000 people living in an area larger than the European continent. Now, consider a region with a gross domestic product of \$870 billion, with a potential of becoming the largest economic block in the world.

Maybe you are thinking about a region in Asia, North America or Africa. It is understandable. But I'm afraid you are wrong. It is **MERCOSUR: Merco what?**

The Southern Common Market – **MERCOSUR** – was created as part of the Asuncion Treaty in 1991 comprising the South American countries of Argentina, Brazil, Paraguay and Uruguay, with a final goal including free movement of goods and services. In 1995 a Custom Union was created among these countries. Meanwhile, countries such as Bolivia and Chile have already concluded agreements with Mercosur and are well on their way to becoming full members.

From the Mercosur Administrative Headquarters in Uruguay, this regional group has already pushed ahead financial and trade negotiations with the North American Free Trade Association (NAFTA) and the European Union, which have shown themselves keen on establishing permanent ties with Mercosur. But this article is not about economics or social issues. The goal here is to talk about Intellectual Property in the Mercosur area.

In 1995, the Mercosur Protocol to Harmonize Intellectual Property Procedures and Regulations regarding trademarks, indications of source, and denominations of origin (The Mercosur Protocol) was created. The purpose was to reduce the distortions and impediments to regional trade, and in addition, promote effective and adequate protection of rights. It is worthy of mention that, as of today, no regulation has been passed regarding patents, computer software, copyrights, and other intellectual property rights on the regional level. Currently, the

Protocol is in effect only in Paraguay and Uruguay. It will not take effect throughout the region until Argentina or Brazil enacts it through legislation and makes the corresponding deposit.

According to the Protocol, the four member countries agreed to comply with the provisions of the Paris Convention and the TRIPS Agreement. In accordance with those Treaties, the national treatment provision, referred to as Article 3 was established. Article 3 of the Protocol grants to the nationals of each member state a treatment which shall be no less favorable than the treatment it grants to its nationals with respect to the protection of those intellectual property rights.

Article 5 of the Protocol defines a simple but broad definition of a trademark. It expresses that the member states will recognize as trademarks any visible sign able to distinguish products and services in commerce, but with the possibility that any country may demand, as a condition of registration, that the sign be visually noticeable. This means that fanciful, arbitrary, and suggestive trademarks can be registered in these countries. Registration of trademarks involving sound, smell, or taste may be registered in these countries as long as they comply with the normal requirements for trademarks.

It is important to establish that no protection for single colors is available, even though secondary meaning has been acquired. Moreover, notwithstanding Uruguay, secondary meaning is not established in the Protocol. In Uruguay, as an individual country for example, protection for descriptive trademarks is available as long as secondary meaning has been acquired. This will probably be an issue for future discussion among the authorities so that they may comply with the international trend.

Protection for Collective and Certification trademarks is also available. Protection for product design and product

packaging is available as long as they are distinctive and susceptible of identifying a good or a service in commerce. Again, no provision regarding secondary meaning is available in this Protocol. Well-known trademarks are protected in order to comply with the provisions of the Paris Convention, providing damage has been caused.

Article 10 of the Mercosur Protocol establishes the term for registration and renewals of trademarks. The validity of a trademark expires 10 years after the granting date with the possibility of unlimited renewals as long as they are filed in the correct period.

Article 11 expresses that a registration grants a foreign trademark owner the right to exclusive use, and the right to prevent any third person the following: (1) use in commerce of an identical or similar trademark, so long as such use creates confusion or an association risk regarding source, and (2) economic or commercial damage caused by the dilution of the distinctive sign or commercial value of the trademark.

Article 13 details the exhaustion of rights provision. Free traffic of labeled products introduced legitimately into commerce by the owner, or with the authorization of the same, will be permitted. Actually this provision is a matter of discussion among the countries.

Mercosur Protocol establishes the possibility for trademark cancellation due to lack of use if such trademark is not used for five years prior to the date in which the cancellation action begun. However, if the trademark was used in any of the member countries, such use is enough to avoid the cancellation. The burden of proof in these procedures is on the owner of the trademark.

The state members of the Mercosur Protocol are committed to protect reciprocally their indications of source and

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“⇨Click Here⇧ for More Info!”

by Christine Macdonald (JD '01)

In order to compete in today's technology driven marketplace, companies must be able to disseminate their products and/or information quickly and easily to consumers. As a result, companies have found creative ways to employ the contracts that accompany these electronic business transactions, most notably the "click-wrap" agreement. By allowing users to simply click "I Agree" or "I Accept" after being shown the terms of a contract or license, a legally binding contract has been formed — or has it? While these types of agreements may help to facilitate electronic transactions, they leave little or no opportunity for contract negotiations. "When you are dealing in extremely high volume sales it is impossible to conduct negotiations with every buyer. These types of agreements are the only means we have available." says FPLC Professor Karl Jorda.

Although the validity of "click wrap" agreements has yet to be directly addressed by the courts, support for them may be found in cases involving its predecessor, the "shrink-wrap" agreement. The term "shrink-wrap" refers, of course, to the transparent plastic wrapping that encases most mass-produced physical software. The term "shrink-wrap agreement" has come to indicate any license or agreement that does not require a signature.

In *ProCD, Inc. v. Zeidenburg*, 86 F.3d 1447(7th Cir. 1997), the Seventh Circuit Court of Appeals held that shrink-wrap licenses should be treated as "ordinary contracts accompanying the sale of products, and therefore as governed by the common law of contracts and the Uniform Commercial Code." *Id.* at 1450. The fact that the license in question was printed on the *inside* rather than the *outside* of the package made no difference to the *ProCD* court. What did matter, the court noted, was that the buyer had *notice* that a licensing agreement was contained in the box and that it expressly extended to the buyer the right to return the software for a *refund*. To require that the license be

printed on the packaging itself, the court stated, "was just not practical."

While the court in *Pro CD* did not specifically address the validity of "click-wrap" agreements, support for their enforcement can be found in two notable cases that followed the *Pro Cd* decision.

In *CompuServe, Inc. v. Patterson*, 89 F.3d 1257 (6th Cir.1996), the plaintiff sought from an Ohio court a declaratory judgment that it was not infringing any of defendant Patterson's trademarks. In response, Patterson, a resident of Texas, moved to dismiss for lack of personal jurisdiction. The Sixth Circuit Court of Appeals held that Patterson's contacts with Ohio were sufficient for the Ohio court to exercise personal jurisdiction over him. In discussing "purposeful availment" the court found that Patterson had "entered into a written contract with CompuServe." By typing "I Agree" at points throughout a shareware agreement the court concluded that Patterson *manifested assent* to the terms of the agreement which included an applicable law provision.

In *Hotmail Corp. v. Van\$ Money Pie*, 47 U.S.P.Q. 2d. 1020 (N.D. Cal. April 16, 1998) Hotmail sued and obtained a preliminary injunction against a defendant who was using Hotmail accounts to send hundreds of "spamming" messages and pornography. The free e-mail service that Hotmail provided required that subscribers agree to abide by the terms of an online service agreement. Defendant's use, Hotmail claimed, was in direct violation of those terms. In granting the preliminary injunction, the court stated that Hotmail was "likely to prevail on its breach of contract claim."

While these decisions indicate the courts' willingness to extend established contract concepts to online agreements, drafters of click-wrap agreements may find more aegis under the recently adopted Uniform Computer Information Transactions Act (UCITA).

Under the Act, a party to an electronic contract may manifest his assent by "intentionally engaging in any conduct that

indicates assent." Any affirmative action such as clicking or typing the words "I agree" should suffice. Problems arise, however, when there is no way to authenticate the transaction.

In situations where software is simply downloaded from a website, there is no way of knowing if a user really meant to click acceptance or if he was even authorized to do so. FPLC Professor Bill Murphy poses, "Basically all you really have is a contract with an IP address, not a real person."

Because click-wrap agreements are not really "signed" in the traditional sense, there remains a potential enforcement risk. "When people actually *sign* a contract they take it seriously." says Professor Murphy. "The problem is we use these types of agreements so often for trivial things its hard to get the ceremony back."

In what may seem like an obvious solution, some companies ask purchasers to complete a "Customer Registration Card" or similar form. But because users are not *required* to return them, or even provide *true* information, this method of follow up does little to alleviate the problem. Although more complicated, "Digital signatures," Murphy suggests, "may be a better solution."

Clearly, click-wrap agreements are invaluable tools for any e-commerce business. There are however, some key points to consider when drafting them:

(1)Display the agreement conspicuously. Key provisions of UCITA require that parties have an "opportunity to review" terms of the entire agreement before clicking in acceptance. This means that the "record" must be made available in a manner that calls it to the attention of a reasonable person (No bright blinking neon colors or 3 inch high fonts necessary but you might consider it!).

(2)Put important terms first. Make sure that the limitations and liabilities are not buried in fine print but brought to the attention of the purchaser. These types of clauses are widely used in the software

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Sweet Patent of Mine: Dual Acoustic / Electric Double-Neck Guitar Patent Creates Cacophony in the Music Industry

by Jeanne Andrea Di Grazio LLM '00

Thomas Jefferson once wrote that ideas, once released to the masses, must be free for all to use. He stated that, "If nature has made any one thing less susceptible than all others of exclusive property, it is the action of the thinking power called an idea." See *Graham v. John Deere Co.*, 383 U.S. 1,8 (1966)(quoting VI Writings of Thomas Jefferson at 180-81 (Washington ed. 1854))(Letter to Isaac McPherson (Aug. 13, 1813)). Thomas Jefferson also believed that property rights granted in inventions did not exist as a natural right, but instead that a right could exist in profits deriving from inventions. In one sense, Thomas Jefferson is correct: ideas are not in and of themselves generally entitled to legal protection. Ideas and concepts are not copyrightable subject matter. 17 U.S.C. §102(b)(1999). Ideas in and of themselves do not fit within the purview of patentable subject matter. 35 U.S.C. §101 (1999). In fact, the patent statutes enumerate the types of categories which may form the basis of patent protection to cover any new and useful: process, machine, manufacture, or composition of matter, or any improvement. *Id.*

On the other hand, the expression of an idea, when others can perceive such, is copyrightable subject matter. A concept, when reduced to practice, can result in a patent if all of the other statutory requirements for a patent are satisfied. In fact, "invention" under the patent laws means the fusion of conception and reduction to practice. Furthermore, ideas may garner legal protection under various theories to include breach of contract (express or implied) and breach of a fiduciary relationship. The lines between ideas and inventions, and conception and reduction to practice can become blurred.

What does one do when one has patented an invention and then another party takes credit for the idea underlying the patent? What does the patentee do when that other party is a famous member of the music industry? Broadly stated, these are a couple of the issues allegedly facing the owner of U.S. utility patent 4,987,815 for an acoustic and electric combination guitar. Gary Shockley, owner of utility patent 4,987,815, received his patent for a combination acoustic/electric guitar in January of 1991 at the age of 26. Shockley, as patentee, has the right to exclude others from making, using, selling, offering for sale, or importing the patented invention. 35 U.S.C. §154(a)(1)(1999).

According to a recent news release, Shockley's concern over his patent started in 1993 when he apparently observed a musician in a music video with an alleged copy of his guitar. Reports indicate that Shockley alleges that Slash, lead guitarist for Guns 'N Roses, not only had a strikingly similar guitar in one of the band's music videos, but Shockley also claims that Slash has taken virtually full credit for the idea of a dual electric/acoustic guitar. This apparently has Shockley concerned not just about a possible infringement, but Shockley is also concerned that the music industry views Shockley himself as the "copycat" instead of the other way around. Apparently, the music industry is not too sympathetic with Shockley's alleged plight which is anything but music to Shockley's ears.

Shockley invented the combination electric/acoustic guitar to solve a variety of prior art problems. Many musical compositions require the efficient interchange from one guitar type to the other: that is, a musician needs to be able to change from an acoustic to an electric guitar and vice versa. In a studio setting, where parts of a composition can be

recorded with, for example, the acoustic guitar first and then later on with the electric guitar, the need to change from one guitar type to the next poses no problem. However, during a live performance, the need to move rapidly and effectively from one type of guitar to the other without any fundamental alteration of the original composition can be problematic when a musician has to change between the two types of instruments. Enter the Shockley dual combination guitar!

Shockley's invention allows the artist to switch back and forth between the acoustic and electric guitars without interruption because it is a single instrument comprising both a hollow body acoustic and a solid body electric guitar. The summary of the invention lists the purposes of the invention to include the ability to switch from one guitar type to the other without interruptions and also to provide a dual combination guitar that does not interfere with the acoustics of the acoustical guitar's acoustical body. Another purpose of the invention is that of allowing the interconnection of the electrical components for the adjustment and balancing of the instrument's acoustical portion with the amplifier and then further for the adjustment of the instrument's electric portion to the acoustical output through the amplifier. See http://www.delphion.com/details?&pn=US04987815_&s_bsum=1.

The metes and bounds of Shockley's patent comprise seven claims. Claims 1 and 5 are independent claims and claims 2,3,4,6, and 7 are dependent claims. Interestingly, the structure of the claims is very symmetric – almost paralleling the symmetry of the instrument itself. Claims 1 and 5 are almost identical except that claim 1 claims, in part, "an acoustic/

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electric guitar comprising ... electric pickups to pick up and transmit sound signals to the amplifier” and claim 5 claims, in part, the same instrument but “having bass and treble electric pickups to pick up and transmit sound to the amplifier.”

If infringement of the 4,987,815 patent is proven, Shockley has various remedies available to him. In general, when there has been infringement, the court has to award damages “adequate to compensate for the infringement.” 35 U.S.C. §284 (1999). Furthermore, the court cannot award less than a reasonable royalty for the infringer’s use of the patented invention. *Id.* The court can award treble damages in certain circumstances and in exceptional cases, the court may award attorney’s fees. *Id.*; 35 U.S.C. §285 (1999).

The issues raised by Shockley’s allegations are numerous and potentially complex. Without more facts, it is difficult to fully assess all of the potential legal intricacies. Unfortunately, Shockley’s present dilemma is deterring him from wanting to patent other guitars because he worries about having to possibly deal with others taking credit for his inventions. This is perhaps a more profound problem than infringement, because it strikes at the

fundamental policy behind the patent laws. The patent laws aim to encourage innovation in exchange for a negative exclusivity limited to 20 years. If another party is able to take credit for an idea underlying the invention – even if there has technically been no infringement – this could be dangerous because it subverts the fundamental purpose of the patent grant. For Shockley and future independent inventors, this is anything but euphonious.

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industry and will not be considered unconscionable if worded correctly.

(3) Use straightforward, non-lawyer language. Consumers may be confused or intimidated by pages of legal “mumbo-jumbo” that accompany these products, or worse yet, simply ignore them and accept anyway. This could leave your client vulnerable if the agreement does not clearly spell out their rights. Consider simply explaining “Here’s what you may or may not do with this software . . .”

(4) Avoid unreasonable or overreaching terms. On-line contracts are no different than traditional ones in the sense that they must not contain unconscionable or unduly oppressive provisions.

(5) Consider the limitations of Copyright and Patent law. Do not draft terms that exceed or expand the scope or duration of federal statutory protection. Further, avoid terms that prohibit or restrain the use of patent or non-copyright subject matter. For example, avoid terms that prohibit or restrain “fair-use” of copyrighted works otherwise permitted under the Act.

(6) Refunds. Courts are more likely to uphold an agreement if the purchaser is provided with the opportunity for a full

refund prior to use of the product if he does not agree with the terms.

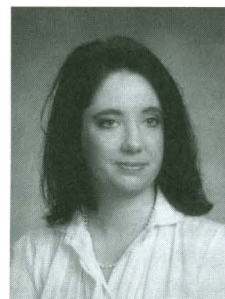
(7) Research the laws in other countries. Remember UCITA applies to U.S. transactions only. Recently, a Canadian court declined to enforce an on-line agreement drafted by a major U.S. computer company because it did not have key provisions written in French.

Finally, it is important to recognize the limitations associated with these types of agreements. As with any contract, the terms can only bind *parties* to the agreement. Companies will have a hard time trying to enforce an agreement against unknown or unauthorized third parties. Further, no agreement, no matter how carefully drafted, can absolutely protect against illegal use or copying.

“It’s an unusual, psychological phenomenon,” says FPLC Professor Susan Richey. “People who would not dare go into a store and shoplift may feel no remorse when they illegally download music or software from the Internet.” Perhaps it is the false sense of anonymity users feel when they are online that allows them to justify the theft or their actions. Or, and perhaps more likely, people are simply not aware that what they are doing is illegal. Consider that a carefully drafted on-line agreement is at least one way for attorneys to educate the public about intellectual property, its uses and infringement.

In the end, any agreement is better than none at all. As Professor Murphy puts it, “Basically you’re just trying to remove defenses.”

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The Evolution of Domain Name Dispute Resolution

by Kelly R. A. Mullen (JD/MIP '01)

Rapid increases in global Internet use have resulted in a myriad of disputes concerning domain name spaces (DNS) on the World Wide Web, a key component of the Internet. Since the Internet has many functions and exists in many jurisdictions, there is no single regulatory authority. Over the past three years, the World Intellectual Property Organization (WIPO) has addressed several key issues arising from the interface between domain names and intellectual property rights. WIPO undertook this effort with the goal of formulating recommendations to the Internet Corporation for Assigned Names and Numbers (ICANN), the corporation established to manage the domain name system. As a result, WIPO and ICANN, among other organizations, have established innovative forums for resolution of domain name disputes.

"Domain names are the human-friendly form of Internet addresses." See WIPO, *The Management of Internet Names and Addresses: Intellectual Property Issues, Final Report of the WIPO Internet Domain Name Process* (Apr. 30, 1999) <<http://wipo2.wipo.int>>. An Internet address consists of a string of numbers, called an Internet Protocol number (IP number), that correspond with a particular computer on the Internet. The DNS emerged as a means to facilitate navigation of the Internet's interconnected networks by linking words to the strings of numbers. See Simon Pollard and Brendan Scott, *Domain Names: A View From the Antipodes*, (last modified Apr., 1999) <<http://www.gtlaw.com.au/pubs/domainnames.html>>. DNS is organized in a hierarchical manner. At the top of this hierarchy is the root domain, which is administered by the Internet Assigned Numbers Authority (IANA) and is structured to allow for the decentralized administration of name-to-address mapping. This system facilitates the

addition of new computers to the Internet by ensuring accurate name and number correlation.

As commercial activities have increased on the Internet, domain names have become part of the standard communication apparatus used by businesses to identify themselves, their products and their activities. *Id.* Advertisements appearing in several types of media routinely include a domain name address, along with traditional contact information, such as corporate names, trademarks, and telephone numbers. Where domain names have acquired further significance as business identifiers, they have come into conflict with the system of trademarks and service marks that existed before the arrival of the Internet and that are protected by intellectual property rights. WIPO and ICANN have endeavored to address the numerous policy questions presented by these conflicts.

In July 1998, WIPO commenced the First WIPO Process to address disputes regarding the seven generic top-level domain names (gTLDs). The most well-known gTLDs are the "open" ones: .COM, .NET, and .ORG., which have no restrictions on the persons or entities who may register names in them. The use of others, such as .EDU, .MIL, .INT, and .GOV, are less likely to be disputed since they are typically restricted to educational, U.S. military, international organizations, and governmental uses respectively. As a result of the First WIPO Process, ICANN

implemented the Uniform Domain Name Dispute Resolution Policy (UDAP) in August 1999. The WIPO Arbitration and Mediation Center adopted UDAP, along with its own set of supplemental rules, and is currently considered the leading dispute resolution service provider for disputes arising out of the registration and use of Internet domain names.

In the course of formulating the First Report, 17 consultation meetings were held in 15 different cities throughout the world. Written submissions were received from 334 governments, intergovernmental organizations, professional associations, corporations and individuals. The First Report was submitted to ICANN and the member states of WIPO with recommendations in five areas: Best Practices for Registration Authorities; Administrative Procedure Concerning Abusive Domain Name Registrations; Exclusions for Famous and Well-known Marks; New gTLDs; and First Steps and Outstanding Issues.

The Best Practices recommendations included suggestions to adopt a number of improved, standard practices for registrars with authority to register gTLDs. WIPO identified the focus as reducing the tension between domain name registrations and intellectual property rights. To combat abusive domain name registrations, or "cybersquatting," WIPO suggested ICANN adopt the UDAP as well as an exclusionary registration

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Kelly Mullen (JD, MIP '01) from Campton, NH has a BA in Political Science and International Affairs from the University of New Hampshire. She plans to practice Information Technology, Business, and Dispute Resolution Law in Boston, MA.



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system. Under this system, owners of well-known marks would be able to prevent others from registering those marks as a domain name under any gTLDs. Additionally, WIPO suggested that ICANN refrain from introducing new gTLDs until the initial recommendations are adopted. Further, WIPO stated that any new gTLDs should be introduced in a controlled manner with constant monitoring and evaluation.

The First Report also identified several outstanding issues for future discussion and resolution. These included exploration of the feasibility of introducing a non-commercial use-restricted domain where contact details of domain name holders might not be readily available publicly. Three areas of abusive and bad faith name registrations were targeted for further exploration. First, were those violating intellectual property rights other than trademarks or service marks, for example, geographical indications and personality rights. Second, were the names and acronyms of international intergovernmental organizations protected against use and registration as trademarks by the Paris Convention. Third, were International Nonproprietary Names selected by the World Health Organization for the identification of specific pharmaceutical substances under single, globally available names in order to protect the safety of patients. Dialogue and debate continue to determine how WIPO and other dispute resolution service providers will address these issues.

In July 2000, WIPO entered into the Second WIPO Process to address issues surrounding country-code top-level domain names (ccTLDs) that had not been considered in the First WIPO Process. There are more than 240 ccTLDs, each bearing a two-letter country code derived from Standard 3166 of the International Organization for Standardization (ISO 3166), for example *.au* (Australia), *.br* (Brazil), *.ca* (Canada), *.eg* (Egypt), *.fr* (France), *.jp* (Japan) and *.za* (South Africa). Some of these domains are "open" in the sense that there are no restrictions on the persons or entities who may register in them. Others are restricted to persons or entities satisfying certain criteria, such as domicile within the

territory. When the First Report was published, nearly 7.2 million domain names had been registered worldwide. See Netnames Ltd. (visited February 1, 2001) <<http://www.netnames.com>>. In response to increasing numbers of disputes, many of the ccTLDs have adopted UDAP or formed their own dispute policies. The dotTV Corporation, which controls registrations of domain names ending with *.tv*, has adopted UDAP and encourages its registrants to resolve disputes through ICANN accredited forums. See The *.tv* Corporation, *dotTV Policies: Dispute Policy* (last modified Nov. 9, 2000) <<http://www.tv/en-def-dcca55f9c5f6/en/policies/disputes/html>>.

Recognizing the success of UDAP in resolving bad faith cybersquatting issues, WIPO continues to analyze and examine options in this important area. In November 2000, WIPO hosted the International Conference on Dispute Resolution in Electronic Commerce at its headquarters in Geneva, Switzerland. At the conference, a special plenary session addressed Domain Name Dispute Resolution. In response to its Member States' requests, WIPO has established a cooperation program to advise administrators of ccTLDs on intellectual property strategy and management for their domains. In February 2001, the WIPO Conference on Intellectual Property Questions Related to the ccTLDs addressed the challenges facing the intellectual property and ccTLD sectors.

While ICANN was involved in developing a new framework for the registration of domain names, the Disputes.org/eResolution.ca consortium was forming. It was clear to these organizations that competition in the DNS would result in the need for innovative and accessible domain name dispute resolution processes. The consortium was accredited by ICANN in January 2000 and offers an alternative to the WIPO Arbitration and Mediation Center. See Disputes.org home page (visited Feb. 9, 2001) <<http://www.disputes.org>>, see also eResolution Company Profile (visited Feb. 9, 2001) <<http://www.eresolution.ca>>. By contacting Disputes.org or eResolution.ca, parties can attempt to resolve their dispute in a secure manner online with the help of

one or more of an experienced panel of neutrals. Proceedings are initiated by filling out an easy online complaint form, and are expedited by a clear set of procedures and the ability to communicate in several languages.

As Internet infrastructure and use expands, it will become increasingly important for parties to resolve domain name disputes in a fast and effective manner. Online dispute resolution mechanisms such as those established by WIPO and the eResolution/Disputes.org consortium are ideal choices for disputants wanting to steer clear of time-consuming and complicated actions in various court systems. They reflect the collision of traditional and innovative means of coping with legal disagreements and herald changes in the way we resolve these and other types of disputes in the Information Age.

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denominations of origin, but they will not be protected as trademarks, as Article 20 indicates.

Finally, the state members are obliged to accomplish in the near future efforts to reach additional agreements regarding patents of invention, utility models, industrial designs, trade secrets, copyright, and other matters related to intellectual property in general.

But there is something yet to be done. Why did Argentina and Brazil not approve the Protocol? Brazil is concerned about Article 13's exhaustion of rights and specifically the gray imports; notwithstanding the fact that Brazil was in favor of Article 13 in 1995. Argentina is obviously waiting for her big competitor, Brazil, to see what happens.

There is a possibility that the Mercosur Protocol could be reviewed in the upcoming years, and the region may be on its way to eventually having a Mercosur Trademark.

Andres Cikato (MIP '01) from Montevideo, Uruguay has a background in Economics from the University of Uruguay. He plans to practice IP law in Uruguay upon graduation.

The Chemical Weapons Convention and Trade Secrets

The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention — CWC) prohibits the use of poison gas and other chemical and toxic weapons in warfare. It entered into force four years ago — on April 29, 1997 — after it had been proposed by the United States 17 years earlier. The CWC has been called “a historic milestone in the efforts by the international community to prohibit and eliminate an entire category of weapons of mass destruction — chemical weapons — under strict and effective verification and control.”

Demonstrating unprecedented early support, within two years 121 countries ratified, 48 countries signed but had not yet ratified and only 23 countries had done neither. By now 141 countries have ratified CWC, 36 countries have signed but not yet ratified and only 10 countries are still holdouts. Yugoslavia, which used chemical weapons in Bosnia and Kosowo, is the only European country never to have signed that treaty. That should change now.

The CWC is being implemented by the Organization for the Prohibition of Chemical Weapons (OPCW). It is located in The Hague, The Netherlands, where it is housed in a brand-new, state-of-the-art edifice and has already about 1000 employees, including several hundred international inspectors. In the first two years, OPCW had already carried out nearly 470 inspections of chemical weapons and chemical industry facilities in 29 countries, having identified “more than 8 million chemical munitions — enough poison gas to kill the entire world several times over — and more than 100 chemical weapons related facilities world-wide,” all of which have to be destroyed under OPCW’s supervision.

While the U.S. forthwith destroyed all chemical weapons and in October 1998 passed treaty-implementing legislation, on-site inspections of over 2000 chemical and biotech industrial facilities in the U.S. began only in 2000, since the requisite Executive Order and Regulations were not issued earlier. U.S. industry concerns about on-site verification by international inspectors gave Congress a pause and caused the delay. Hold-harmless commitments to American companies by the U.S. Government finally allayed industry concerns.

Due to national security and trade secret misappropriation concerns on the part of governments and industries, the OPCW established a Confidentiality Commission (Commission for the Settlement of Disputes Related to Confidentiality) as an administrative arm, in addition to having an Executive Council and a Secretariat. Disputes related to confidentiality are bound to arise for four reasons: 1) the importance of trade secrets (“crown jewels”) in the corporate world, 2) the lack of awareness in developing countries of the role trade secrets play, 3) the collection and concentration of trade secrets and national security information at the OPCW, and 4) the prevalence of economic and other espionage

on an international level. The Commission members will settle disputes by mediation, conciliation or arbitration with the help of a very detailed policy statement (66 pages) and procedures manual (237 pages of text and forms). Training in ADR methods are on the agenda of regular meetings of the Commission. Official languages are Arabic, Chinese, English, French, Russian and Spanish and simultaneous interpretation is provided. Commission members have diplomatic status in Holland. The Confidentiality Commission has 20 two-year term members, four from each of the following five groups of countries: Africa, Asia, Eastern Europe, Latin America/Caribbean and Western Europe and Others (e.g. Australia, Canada, U.S.). These terms are renewable twice.

I was appointed to the 20-member Confidentiality Commission as the American representative by the State Department (U.S. Arms Control & Disarmament Agency) for a two-year term (renewable twice) in May 1999. According to Mr. Bill Miller, Head of the U.S. Delegation to the OPCW, I shall get a second two-year term on the Commission. I am the only member with an IP background and this pleases the U.S. Delegation to the OPCW in light of the fact that maintenance of trade secrets and redressing confidentiality breaches are the *raison d’etre* for the Confidentiality Commission.

Having been to two regular annual meetings of the Commission in May ’99 and April ’00, I attended a special two-day meeting in January ’01 in The Hague. This meeting was called to consider certain suggestions proposed by the OPCW headquarters staff (Secretariat) for improving the implementation of OPCW’s confidentiality policy in light of difficulties experienced by them. More particularly, the Secretariat’s major recommendations were 1) reduction of classification levels from three to two, 2) paragraph by paragraph rather than document by document classification, and 3) warnings to the States Parties not to practice over-classification.

The problems that had surfaced were that in most cases the highest of the three confidentiality classifications was used, i.e., “Highly Protected,” rather than “Protected” or “Restricted,” and whole documents were so classified when only a few paragraphs were confidential to different degrees. In other words, there was a gap between the theoretical model and the practice in the field, according to the Commission’s Chair. Also, it turned out that the criteria for “Highly Protected” and “Protected” status were almost identical, and the examples for these classifications overlapped greatly. This was not helpful and added to the confusion.

Because of this and because the Commission, whose original charter was the settlement of disputes and in the absence of disputes so far was not fully engaged, the Commission was tasked with the advisory function of recommending improvement and simplification of the OPCW confidentiality policy and practice. After two days

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CALL FOR PAPERS AND COMMENTS

IDEA: The Journal of Law and Technology welcomes intellectual property related articles and comments that offer novel, timely, practical or controversial viewpoints. Authors in the legal, business, scientific, corporate and technological disciplines are encouraged to submit their intellectual property related articles and comments for possible publication. Preferred topics of interest include domestic and international patent, copyright, trademark, trade secret, unfair competition and other related intellectual property issues.

For general questions of style, follow *The Bluebook: A Uniform System Of Citation* (16th ed. 1996) and *The Chicago Manual Of Style* (14th ed. 1993). Footnotes should include parallel citations to the *United States Patent Quarterly*. Articles are not limited in length. Comments, as opposed to articles, may be informal, without footnotes, and should be less than ten pages. All submissions will be reviewed, and if accepted, will be published as soon as the publication schedule permits.

Please send submissions via e-mail or on a 3-1/2 inch disk in one of the following formats: Microsoft® Word (preferred), WordPerfect®, or Rich Text Format (RTF). Graphics should be submitted in Visio or PowerPoint format. Materials submitted for consideration will not be returned. Please forward your submissions and/or questions to:

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of “diplomatic” deliberations at the January meeting, the Commission did recommend merger of the “Highly Protected” and the U.S. position was strongly in favor of these simplification moves.

The difficulty all along had been that the OPCW staff as well as the Commission members, were used to thinking in terms of the customary multi-level governmental classifications, when actually three distinct categories were involved, i.e., 1) national security data, 2) OPCW inspection documentation, and 3) industrial trade secrets. Undoubtedly, industrial trade secrets are the biggest and most important category inasmuch as on-site inspections in thousands of industrial facilities all over the globe is what the CWC and the OPCW are all about.

Yet, the term “trade secret” was not in anybody’s vocabulary, nor did anybody appreciate that when it comes to trade secrets there are no grades or shades of confidentiality. I pointed out that it is an either/or matter for trade secrets, just like with pregnancy, and that industry must

give their trade secrets and proprietary data the highest classification in order not to jeopardize their legal status; thus there can be no over-classification when it comes to trade secrets. Ironically, in some countries industrial trade secrets were only given the lowest classification of “Restricted”. I also stressed that trade secrets have become much more important worldwide in light of WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Article 39 of TRIPS requires that all WTO countries establish systems to “protect undisclosed information.” Apparently, in the Uruguay Round negotiations spawning TRIPS, the term “trade secret” was eschewed in favor of the term “undisclosed information” for lack of appreciation of the meaning of the term “trade secret” in many countries outside the U.S. However, the system that Article 39 of TRIPS describes and imposes, is a copy of the American Uniform Trade Secrets Act.

Initially, there were expressions of doubt and objection at the meeting last January. Argentina, China, Cuba, and

Zimbabwe were against any change; Iran wanted to keep the classifications but define the criteria more specifically; Holland suggested going slowly, too much work for the Secretariat not being a good enough reason to change; Spain thought that, based on the original intent, the present classification was very logical and reasonable, as it followed governmental (!) classifications in Europe and the U.S. and the real problem was not classification but volume of information; etc. In the end, logic and reason prevailed, consensus was reached and appropriate revisions to the policy and procedure manuals were worked out.

Karl F. Jorda, David Rines
Professor of IP Law & Industrial
Innovation
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Franklin Pierce has become her second family. She particularly mentioned that Pilar Silva, Bill Hennessey, and Jan Neuman all made a special effort to make her feel part of the FPLC community. She said the LLM/MIP's are mostly foreigners and that common bond facilitates community among the students. She admits, while visiting New York recently, that she could not wait to get back to Concord. "What you really miss is the warmth of the people."

Nermien said she is constantly inspired by the professors at FPLC. Professor Jorda's Intellectual Property Management class got her to think on a different perspective. She began thinking, "OK, how do you manage the inventors? How do you think as a corporation; what sort of strategies should you have to increase the output of inventions; what do you do with the patents; and how do you license them out?" Nermien said with business in mind, she always thinks in terms of the client. She focuses on what they want and need. In addition, Nermien said that Professor Gordon Smith's IP Valuation, Professor Jorda's Licensing, and Professor Tom Ward's class on how to use IP as a security to get loans, have all been invaluable to her. "Here I was, my IP consciousness getting expanded every day, and I'm getting all these new ideas and instead of getting satisfied with that, I wanted more!"

Nermien graduated from FPLC last semester receiving her LLM. While doing an independent study on intellectual asset management in the U.S. and the European market, she developed a thesis that there exists no comprehensive method to manage IP assets. When she had more information than she needed to write her paper, she decided to write a book on the

subject. She introduced the idea to Dean Hutson at graduation and from there the idea took off. "If it wasn't for Dean Hutson's enthusiasm and encouragement for the project, it would not have become a reality!" Nermien exclaimed. "The Dean studied the idea and responded in phenomenal time adding to this rocketing idea more fuel." Nermien also mentioned how the support she got from certain IP faculty members made her believe that this was a winning cause. Invaluable to her was the support she got from Professor Ron Neary at the early stages of brainstorming, editing, and general mentoring. Nermien continued, "When the book idea surfaced the support of Professor Tom Field with his extensive experience in the world of publishing and keen sense of the market put me on the right track." Nermien doesn't know how to do things small time. The book proposal turned into a new course she will teach this summer during FPLC's Intellectual Property Summer Institute (IPSI). Her book proposal also landed her a position as a research scholar at FPLC. Nermien explained how fortunate she feels to be at FPLC not only because of the assistance of the IP Faculty members, with their great

knowledge and expertise, but also because of the warmth and encouragement she says she is met with on a daily basis from members of the staff. Nermien mentions in particular Paula Jewell, Roberta Woods, and Terry Cromwell. Nermien's vision is that the book will contribute a proposed business model to the emerging field of intellectual asset management that can be applied to all corporations and customized to each respective industry.

It is evident that Nermien believes the relevant question for an IP attorney is: How do you manage knowledge and ideas to produce IP? She states that intellectual assets are the United States' most valuable asset, and it is moving the economy. Her secondary question: How do you manage it in a way to maximize its value? "Knowledge and ideas," Nermien says, "are the raw materials of the future of mass production. If IP and IP rights are the products of this century, then you should teach the corporation to control the raw materials. Because the raw materials are so different, old management structures will not work, so we need to innovate." It became clear to me by the end of this interview that Nermien is one of the innovators.

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