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## Planning your 2011 IP enforcement program

A technique referred to as “additive manufacturing” promises a revolution in manufacturing as print on demand becomes a viable technique for physical goods. Using a 3-D printer, a small manufacturer can literally print physical goods from digital blueprints. For manufacturers, the perfection of this emerging technology promises a revolution in manufacturing as factories disappear and inexpensive niche marketing becomes a reality. For intellectual property owners, such technology promises a parallel revolution in piracy that will make the tracking of manufacturers of counterfeit goods even harder.

The spate of recent activities to improve IP enforcement by the U.S. government presages a stronger attention on enforcement that may help meet the new challenges of additive manufacturing and other technological reproductive advances. If you have not already done so, it is time to tweak your 2011 to-do list to take advantage of these opportunities.

The first critical tweak is to become more proactive in the enforcement activities of the U.S. Trade Representative (USTR) under its revamped Special 301 investigations. Under the authority of the Trade Act of 1974, USTR heads an interagency team that investigates and ultimately issues an annual report identifying those countries which deny adequate and effective protection to U.S. rights holders. This year it has also instituted a new report and an “out of cycle” reporting process focused exclusively on the presence of notorious pirate markets in foreign countries. The notorious market report should be out shortly. The traditional Special 301 report is published annually in May. At a fundamental level these reports, freely available from the USTR website ([ustr.gov](http://ustr.gov)), provide a snapshot of potential problems your client may have doing business in the identified countries.

Beyond their informational value, these reports often serve as the catalyst to begin the process of improving IP protection in the identified countries. If you have a client who is engaged in manufacturing or distributing goods in a country with a listed notorious market or one which is designated a Priority Watch Country in the Special 301 report for its poor IP protection track record, make sure your client's marks are registered in that country so that you can take advantage of the potential increase in local enforcement activities that should



### Global IP

By Doris Estelle Long

Doris Estelle Long is a law professor and chairwoman of the intellectual property, information technology and privacy group at The John Marshall Law School. She has served as a consultant on IPR issues for diverse U.S. and foreign government agencies, including as attorney advisor in the Office of Legislative and International Affairs of the USPTO. She can be reached at [7long@jmls.edu](mailto:7long@jmls.edu).

result from these reports. You should also start gathering information about the ongoing enforcement problems your client is having in these countries and provide it to the USTR. Although the time period for submission of comments for the Special 301 ended last week, Priority Watch countries, and those with notorious markets, will most likely be the subject of bilateral discussions beginning in July. Your information could be critical in getting the assistance you need in resolving the protection problems your client is experiencing abroad.

The second tweak to your list is to focus on federal customs agents as a renewed tool for IP protection, particularly in connection with digital piracy. Since December 2010, Immigration and Customs Enforcement (ICE) has seized under court order more than 100 websites that traffic in counterfeit and pirated goods. This past week U.S. Sen Patrick Leahy, D-Vt., announced plans to introduce new legislation this year targeting such rogue websites. Given the ease with which mirror versions of some of the more notorious sites reappeared, it is too soon to judge how effective this enforcement technique will prove. But it provides a potential new weapon against easily produced and distributed counterfeit goods.

The power of U.S. Customs to prohibit the unfettered use of free trade zones to allow the transshipment of counterfeit products may also be enhanced this year through the adoption of the Anti-Counterfeiting Agreement (ACTA). The U.S. has always recognized the

ability of its customs officials to prevent the exportation of pirated and counterfeit goods. International standards under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), however, only required Customs to prohibit the importation of such goods. This gap makes it difficult to combat the distribution of counterfeit goods since transshipment is virtually impossible to prevent. ACTA has the potential to alter this situation. Article 16 expressly requires signatories to prohibit the exportation of counterfeit and pirated goods. ACTA may also reduce the ability of pirates to hide behind the protection of free trade zones in distributing their goods by encouraging signatories to elect this enforcement method. Although Morocco is the only developing country to have signed ACTA to date, the obligation to prevent transshipments of illegal goods will undoubtedly be the focus of bilateral discussions with the United States during the coming year. To take advantage of this increased focus on border measures, IP owners should begin working with ICE to have their trademarks and copyrights on the Customs radar screen in future enforcement actions. Registering the relevant copyrights and trademarks is a good first step, followed by providing information to ICE regarding websites to target in future seizures.

The final tweak to the list should be the monitoring of some disturbing international developments that may shorten the life span of certain intellectual property rights. In its revised patent law in 2009, China inserted what appears to be a domestic working obligation for patent owners to avoid forfeiture of their rights. There are several other countries rumored to be considering similar limitations. If your client owns foreign patents and does not manufacture the product in country, you should keep your eye on future developments. Similarly, there is an increasing tendency for popular, relatively unique technology products to be subject to scrutiny for anti-competitive acts in failing to “share” their technology with others. Microsoft, Apple and IBM have all faced anti-monopoly challenges abroad for their methods of licensing protected technologies. As governments seek more “technology transfers” and interoperability becomes a recognized “right” for consumers, standard business methods may have to be changed to avoid liability.