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## EIGHTH IP SYSTEM MAJOR ISSUES CONFERENCE



**O**N APRIL 1, 2006 Franklin Pierce Law Center, in cooperation with Germeshusen Center for the Law of Innovation & Entrepreneurship, held its 8th IP System Major Issues Conference. The 8th Conference continues a tradition of scholarship and discussion begun in 1987 by former Pierce Law David Rines Professor of Law and Germeshusen Center Director, Homer O. Blair.

As in previous years, the '06 Conference was designed to bring together a significant number of invited scholars, industry representatives, practicing attorneys and government

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## PORTRAIT: FOUNDING FATHER OF TAIWANESE PIERCE LAW ALUMNI ASSOCIATION

BY **ASHLEY J. WALKER (JD '07)**

**T**HOMAS Q. T. TSAI, (MIP '89/JD '91) is now one of the few IP practitioners focusing on patent drafting and prosecution in Taiwan. He is a Managing Partner of Tsai, Lee, & Chen in Taipei, one of the top ten IP firms in Taiwan. Since graduating from Pierce Law, Mr. Tsai has distinguished himself in all aspects of his IP career, fulfilling his own ideal goal which he believes all lawyers in civil law countries like Taiwan and China should achieve: building up a law firm organization

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**THOMAS Q. TSAI**

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otherwise, allowed importation of the patented pharmaceutical products from India.' *Id.* The era of international price related competition in pharmaceuticals and resulting reduced prices may therefore still be alive. Further, the Bolar exemption under § 107A of the Patents Act has been expanded to exclude from infringement, the act of importing a patented invention for the purpose of obtaining information to be submitted to a regulatory authority. § 107A of the Indian Patents Act. Earlier, § 107A only excluded the acts of making, using or selling a patented invention for such purpose. § 107A of the Patents Act, 1970 (prior to its amendment by the Patents (Amendment) Act 2005). Clearly, this provision would also complement the parallel importation provision discussed above.

The amendments also establish a post-grant opposition period of one year from the date of publication of grant of patent. § 25(2) of the Indian Patents Act. This post-grant opposition procedure is in addition to the existing pre-grant opposition as an additional measure to weed out non-meritorious patents. *Patents (Amendment) Act: Implications, supra.* Further, the amendments insert new definitions aimed at tightening the patentability criteria: the definition of 'New Invention', appears to institute an absolute novelty standard (§ 2(1)(l)); the amended definition of 'inventive step' while appearing to institute a tighter non-obviousness requirement

seems only to reiterate the pre-existing standard (§ 2(1)(ja)). Shamnad Basheer, *India's Tryst with TRIPS: The Patent Amendment Act 2005* forthcoming article in IJLT (2005). The unusual wording of these definitions will probably be subject to "nuanced interpretative battles" in the course of litigation expected in the near future. *Id.* Finally, the amendment process itself, seems far from over as the Indian Parliament has yet to decide two key issues: (a) whether to limit the grant of patents for pharmaceutical substance to new chemical entities or to new medical entities involving one or more inventive steps, and (b) whether to exclude microorganisms from patenting. These issues are currently being considered by an expert committee.

### WHY THERE STILL IS CAUSE TO CELEBRATE

Despite the apparently diluted 'cause for celebration', the international pharmaceutical industry should focus on the up-side of the amendments—namely, the introduction of product patents for pharmaceuticals and chemicals. Given the flexibilities and multitude of possible interpretations inherent in the language of TRIPS, astute changes in business policies and relationships may be a better means of making the new patent regime in India a cause to celebrate rather than a reason for disappointment. The US pharmaceutical industry, for example, may consider joining hands with generics companies in

India who are themselves looking at changing their business models to conform to the new changes in the law. A recent study revealed that the Indian generics giants now invest more in R&D and want to partner with MNCs. Cheri Grace, *The Effect of Changing Intellectual Property on Pharmaceutical Industry Prospects in India and China* (June 2004) <http://www.who.int/3by5/amds/Grace2China.pdf> (accessed October 12, 2005). The results of these efforts are positive: one third of all abbreviated new drug applications (ANDA) filed in the FDA in 2003, came from India. *Id.* at 21. In fact, partnering with Indian generic companies may be indispensable for entering the heavily regulated but by no means insubstantial Indian market. In truth, India continues to produce a plethora of highly skilled researchers and still offers lower labor costs and lower land costs. These facts, alone, make India an ideal place to establish new business ties. Indeed, they add to the reasons that make the 2005 amendments a cause to celebrate. ■



**Mrinalini Kochupillai (LLM '06)** plans on practicing IP law upon graduation.

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and management that mirrors the American standard of professional ethics. Mr. Tsai has been interested in IP ever since he served as a patent examiner at the Taiwan IP Office in the early 70s. After consulting many foreign associates, including former Germeshausen Center Director and Professor of Law Homer Blair, he chose Pierce Law over Queen Mary College of the University London. He benefited greatly from his exposure to U.S. litigants while he was at Pierce Law, because it introduced him to the aggressive litigating style that he was faced with later when he returned to

Taiwan and the piracy lawsuits that his country members often faced.

While at Pierce Law, Mr. Tsai was exposed to classmates from countries like Japan, Korea and China, with whom he actively discussed issues such as the equivalent of each country's infringement standard. As a reflection of his interest in comparative cross-cultural practice and study of law, Mr. Tsai believes that an effective IP attorney should know at least one foreign language so as to not limit one's career to domestic practice.

Now, in his daily work at Tsai, Lee, &

Chen, he handles patent infringement, invalidation, appeals, and administration litigation, in addition to conducting comparative studies of patent issues in China, Taiwan, and the U.S. He also serves as the President of the Taiwan Group of the Asian Patent Attorneys Association (APAA), dealing with the Taiwan IP Office regarding policy matters such as law amendments, regulations, and examination standards.

In addition to working with the APAA, Mr. Tsai also founded the

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Taiwan Association of Information Technology and Intellectual Property (TAITIP), which has successfully received delegations for the past two years from the provisional EIPOs of Shanghai, Jiangsu, and Zhejiang. TAITIP's goal is to assist the government, academic community, and industries in advancing the protection and development of e-commerce, internet information, intellectual property rights, and related technology laws.

Mr. Tsai's list of achievements goes on: not only is he currently writing a book, *Corporate IP Management*, but he is also a founder of the Taiwanese Pierce Law Alumni Association. He decided to start the association after meeting many alumni at different events in Taiwan's IP community; realizing that by informally discussing issues they could present uniform suggestions and comments on newly-proposed IP bills, regulations, and exam standards to professional associations. In fact, the Alumni Association is planning on having a first reunion in conjunction with the APAA 14th General Assembly in Kaohsiung, Taiwan on November 4-8, 2006. Interested participants should contact the current Taiwanese Pierce Law Alumni Association President, Benjamin Wang, at [bywang@itri.org.tw](mailto:bywang@itri.org.tw), or Mr. Tsai himself at [ttsai@tsailee.com.tw](mailto:ttsai@tsailee.com.tw).

Mr. Tsai's studies at Pierce Law have exposed him to cross-cultural IP issues and contacts, which he plans to continue pursuing by eventually earning a SJD (Doctor of Juridical Sciences) in the U.S. focusing on Sino-American IP issues. He has enjoyed a distinguished IP career for more than thirty years, and if the past is any indication, he will continue to do so for many more years to come. ■

**Ashley J. Walker (JD '07)** received her BA in English from St. Mary's College of Maryland. Upon graduation,



Ashley plans on practicing sports law, with a focus on representing disabled athletes.

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to their original work. No formalities are required for copyright to vest in an author, nor for that author to enforce her rights pursuant to the primary or secondary infringement of another. An action for primary or direct infringement may be brought against anyone who copies a copyrighted work without the author's permission. Secondary or indirect/vicarious infringement provides a remedy against those who authorize others to engage in piracy of copyrighted material. The fair dealing defense is an exception to an author's copyright and is available to those who can show that the unauthorized copyright did not unreasonably prejudice the legitimate interests of the copyright owner. The fair dealing defense in Hong Kong is a deeply contentious issue. As one of the world's most narrow and restrictive copyright provisions in the world, Hong Kong's fair dealing defense (similar to the U.S. fair-use defense) allows would-be infringers to use a copyrighted work only for research, private study, criticism, review or news reporting. These narrow exceptions to infringement are particularly limiting (and frustrating) for those using or desiring to use copyrighted works for educational purposes, e.g. teaching and classroom use.

From a comparative perspective, it is interesting that Hong Kong is now considering exchanging its exhaustive approach for a more flexible, non-exhaustive approach, like the one used in the U.S., Australia and Singapore. The non-exhaustive approach relies on a multi-factor test and weighs such factors as the (1) purpose and character of use, (2) nature of the copyright work, (3) amount and substance of portion used in relation to the work as a whole and (4) effect of the use on the market for the work. Those weary of the non-exhaustive approach worry that it may cause legal uncertainty because Hong Kong lacks case law in this area. As each case would be reviewed on its own merits, Hong Kong would need to look to the U.S. for case law, whose use is dubious, as U.S. law has no binding effect in Hong Kong. Opponents also expressed concern that this model may not comply with TRIPs provisions mandating that exceptions to copyright be

limited to certain special cases. Conversely, those in favor of the non-exhaustive approach, including schoolteachers and administrators, argue it would provide needed flexibility to accommodate new circumstances and uses. Although the debate over fair dealing remains a contentious issue, the Hong Kong Government appears to have taken a position. On March 16, 2006, it announced a legislative bill proposal including, among other things, a more expansive and less restrictive fair use-type defense.

## PATENTS

The Hong Kong Patents Ordinance took effect in June 1997 and provides standard and short-term patents for inventions. Patents will issue only for those inventions, which are new, capable of industrial application and involve an inventive step. Unlike other jurisdictions, Hong Kong does not conduct substantive patent examination. Registration for standard patents depends on prior registration in the UK Patent Office, European Patent Office or the State IP Office (SIPO) in the PRC. Only after a patent is granted in one of these offices may an applicant apply for registration in Hong Kong. In Hong Kong, the patent undergoes a formalities examination and will be granted a 20-year term of exclusivity if it meets all statutory requirements. Short-term patents, known as petty patents in Australia and other jurisdictions, may be filed in Hong Kong directly and do not require prior registration. If all formalities are satisfied, a patent applicant will enjoy an 8-year term of exclusivity.

IP in Hong Kong is a dynamic area of law that is sure to see wide reforms and changes within the years to come. The role of technology transfer will become increasingly more important as Hong Kong implements programs like the Digital 21 Strategy, which aims to transfer ownership of government-funded information technology projects to the private sector. Also, before too long Hong Kong might even see a revamping of its ailing patent system. However, as a trip to the well-

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