HISTORIAN'S CORNER

"As Time Goes By - A Wake-Up Call for Our Nation's IP Policies"

by Dale Carlson

Amidst his fascinating keynote presentation at our Association's annual dinner meeting held this year at the University Club on May 21st, Professor Hugh Hansen issued a wake-up call to the gathered crowd.

Professor Hansen, a teacher of Constitutional and IP law at Fordham Law School, offered his opinion that the mandate emanating from the recent decision in *eBay Inc v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) is unconstitutional. In that case, the Supreme Court held that patentees suing to enforce their patents must pass a four-factor test, including a showing of irreparable harm, before being entitled to a permanent injunction against an infringer. By implication, the *Ebay* holding is applicable to copyright holders in copyright violation actions as well.

Professor Hansen suggested that the Supreme Court in *Ebay* failed to appreciate the unique consideration that our Founding Fathers gave to patent and copyright holders when it wrote into the Constitution Article 1, Section 8, Clause 8 to empower Congress to provide an "exclusive right" to authors and inventors, as a way to "promote the Progress of Science and the useful arts".

We are left to wonder whether the Supreme Court, in construing the verbiage "in accordance with the principles of equity" recited in Section 283 of the 1952 Patent Act, failed to give proper credence to Section 154(a)(1) which expressly recites the "right to exclude" afforded by a patent.

The current patent statute traces all the way back to the Patent Act of 1819 which gave courts the equitable jurisdiction to grant injunctions. Although it may be difficult to discern the intent of Congress in 1819, it is safe to say that it believed that legal remedies would not suffice to protect the patentees' exclusive rights.

In 1908, the Supreme Court succinctly spoke to the issue in *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405 (1908), when it noted that reducing the entitlement to injunctive relief for patent infringement "runs contrary to the long-settled view that the essence of a patent grant is the right to exclude others from profiting by the patented invention."

Dale Carlson, a partner at Wiggin & Dana, serves as the NYIPLA Historian, and as Second Vice President.

Our Association's Past President, Judge Giles Rich, brought the right perspective to the course he taught at Columbia Law School for a decade-and-a-half during the 1940s and 1950s. He would tell the class "everyone in business knows what it means to have an 'exclusive', it means that you have a right to exclude others." But for the fact that Judge Rich was a co-author of the 1952 Patent Act, his words might carry less weight than they do for patent practitioners.

We may wonder how Judge Rich was selected to draft the patent statute during his tenure as an Officer of our Association. It was, of course, no coincidence. Through his involvement in our Association's legislative activities, he was selected by the National Council of Patent Law Associations (later called the "NCIPLA") to assist Congress in the revision and codification of the patent statutes into what became the 1952 Patent Act.

NCIPLA's future role in legislative initiatives was effectively neutralized when it recently became a committee of the AIPLA called the "IP Law Associations Committee". That committee presumably promotes the AIPLA's legislative and policy agenda, as opposed to the legislative and policy goals of the local and regional IP law associations across the country.

Accordingly, our Association may need to find a new approach to insure that its voice is heard in IP legislative matters, as well as in regard to judicial and administrative appointments that will have an impact on the development of patent, trademark and copyright law.

Although patent reform in Congress is deadlocked for the moment, we are in an election year that presages a new administration. Perhaps the new administration will offer a new perspective on patent reform that legislatively addresses recent Supreme Court decisions, such as *Ebay*. It also may decide to appoint a new PTO Director. It also may have the opportunity to nominate candidates to join the Federal Circuit Court of Appeals. Indeed, four judges sitting on that court are currently eligible to take "senior status" and four more will be eligible shortly.

In all of these areas, the new administration will need the guidance of experienced IP practitioners. What organization is better equipped to provide that guidance than our Association? Clearly, our Association must respond to Prof. Hansen's wake-up call for the benefit of our profession, and the clients we serve.