FOREWORD

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The Annual Review is a yearly publication of the Berkeley Technology Law Journal that provides a summary of many of the major developments at the intersection of law and technology. Our aim is to provide a valuable resource for judges, policymakers, practitioners, students, and scholars. Each Note provides a primer into a particular area of law, a development in that area of law, and commentary on that development.

The twenty-two Notes in this issue continue a tradition of covering a wide range of topics. The Notes address developments in traditional intellectual property areas—patent, copyright, trademark, and trade secret law—along with developments in cyberlaw and privacy. Following the Notes in each area of law, we have included a Survey of Additional IP Developments, which contains brief descriptions of important developments that were not addressed in the Notes.

I. PATENT LAW

Our first Note1 in the Patent Law section examines how an effective fee-shifting regime can reduce abusive patent litigation practices, which waste judicial resources, distract producers from bringing technological innovations to the public, and generate unnecessary social costs. The Note argues that transferring the burden of the winning party’s attorneys’ fees to the losing party based on the outcome of litigation will effectively deter filings of questionable merit. It further argues that legislative proposals such as the Saving High-Tech Innovators from Egregious Legal Disputes Act of 2013 (“SHIELD Act of 2013”)2 would be more effective than judicial interpretation in reducing abusive patent litigation.

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The second Note argues that the evolution of joint inventorship law as developed by the Federal Circuit is more stable than many commentators have traditionally acknowledged. Through an empirical analysis of sixty-five published cases, the Note shows that equitable and practical considerations guide many of the appellate decisions reached in the past thirty years.

The third Note explains how existing law can be applied to reduce overbroad means-plus-function claims for computer-implemented inventions. It argues that courts should apply the Federal Circuit’s heightened scrutiny test to all means-plus-function claims and analyze all functional claims under 35 U.S.C. § 112. Furthermore, the Note highlights the ways in which the Federal Circuit clarified existing law to provide clearer notice to patentees about the scope of ownership rights in software patents.

The fourth Note evaluates the legal landscape for trade secret owners both before and after the Federal Circuit’s recent decision in TianRui Group Co. v. International Trade Commission. The Note argues that the liberal interpretation of “domestic industry” in TianRui will lead to an increase in trade secret complainants in the ITC due to the expanded threshold for proving ITC jurisdiction over foreign acts of misappropriation.

The fifth Note analyzes the Federal Circuit’s decision in In re MSTG, Inc., in which the court decided not to privilege settlement documents related to reasonable royalties. The Note identifies eight different types of Non-Practicing Entities (“NPEs”) and groups them into three categories according to their litigation characteristics. Through a decision tree analysis, the Note suggests that MSTG will have the most impact on the strategies of a subset of NPEs, pejoratively known as “patent trolls,” by potentially making them less litigious and more willing to settle.

The sixth Note\(^{10}\) considers the rationales behind patent aggregation, the strategies that practicing entities and non-practicing entities use to exploit aggregated portfolios, and the potential effects that activities associated with aggregation impose on innovation and competition. The Note argues that although courts and antitrust agencies can use antitrust law to regulate some anticompetitive harms associated with aggregation, many of these harms must be addressed directly through patent law and patent policy.

The seventh Note\(^{11}\) reviews the current Federal Circuit split over whether a computer-implemented invention is patent-eligible. It provides an overview of the abstract idea doctrine and discusses the Federal Circuit’s prior attempts to articulate a bright-line test for patentability. The Note concludes with a review of the Leahy-Smith America Invents Act\(^{12}\) and argues that the Act will reduce the problem of overbroad computer method patents that courts have struggled to address.

The eighth Note\(^{13}\) discusses the Federal Circuit’s en banc decision in *Akamai Technologies, Inc. v. Limelight Networks, Inc.*\(^{14}\) to relax the rules for proving liability for inducing infringement. The Note first examines the history of divided infringement law and the legislative history of 35 U.S.C. § 271.\(^{15}\) It then argues that although the new *Akamai* rule is correct in its analysis of patent policy and legislative intent, the decision creates inconsistencies in statutory interpretation. The Note suggests that a better way to prevent entities from knowingly and intentionally inducing infringement would be to lower the relationship standard for the doctrine of joint infringement.

The ninth Note\(^{16}\) examines the Supreme Court’s historical jurisprudence on patentable subject matter. It argues that the Court’s decision in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*\(^{17}\) obfuscated not only the methodology of examining a process claim relying on a natural phenomenon but also the very understanding of a natural phenomenon itself.


\(^{13}\) Michael Liu Su, Note, *A Rock and a Hard Place: Choosing Between § 271(a) and (b) for Divided Infringement in Akamai*, 28 BERKELEY TECH L.J. 609 (2013).

\(^{14}\) Akamai Techs., Inc. v. Limelight Networks, Inc., 692 F.3d 1301 (Fed. Cir. 2012).


II. COPYRIGHT LAW

The first Note 18 in the Copyright Law section describes and analyzes the jurisprudence regarding the use of copyrighted works for educational and research purposes in the wake of Authors Guild v. Hathitrust, 19 a 2012 case wherein the U.S. District Court for the Southern District of New York applied a fair use analysis to unauthorized scanning of books for the purpose of creating a full-text search index. 20 The Note argues that uses of copyrighted works that do not provide expressive substitution should remain outside the scope of copyright protection and calls for the expansion of § 108 and § 121 defenses to claims of copyright infringement.

The second Note 21 discusses the history of remittitur and its recent application in peer-to-peer filesharing copyright infringement cases. 22 The Note argues that remittitur has limited application in future peer-to-peer filesharing copyright infringement suits for two reasons: (1) the low likelihood of suits against individual infringers going to trial and (2) the low likelihood of plaintiffs accepting a remitted damage award.

The final Note 23 concerns copyright law and changing demographic and distribution dynamics in the video game industry that have given rise to the so-called “Clone Wars.” The Note argues that the necessarily thin scope of copyright protection for video games makes a definitive judicial end to clone gaming unlikely and unwise. Instead, as development becomes more democratized, the onus will be on the increasingly centralized online distribution platforms to adopt more robust copyright review procedures in order to provide legal enforcement in the video game marketplace.

III. TRADEMARK LAW

The first Note 24 in the Trademark Law section discusses the doctrine of aesthetic functionality. The Note focuses on two recent cases that apply the

The second Note 27 examines contributory infringement in trademark law. The Note uses the recently settled case of *Rosetta Stone Ltd. v. Google, Inc.* 28 as an example of the problems inherent in applying existing trademark law—including precedent, statutes, and real-world analogies—to rapidly evolving technologies such as keyword advertising. The Note then argues that courts considering claims of contributory trademark infringement 29 for keyword advertising should draw on tort law, trademark infringement’s predecessor, and impose responsibility on the least cost avoider.

IV. CYBERLAW

The first Note 30 in the Cyberlaw section addresses the recently enacted Theft of Trade Secrets Clarification Act (“TTSCA”), 31 and its concomitant changes to § 1832 of the Economic Espionage Act (“EEA”). 32 By focusing on the recent decision in *U.S. v. Aleynikov* 33—the case that led Congress to take action and reform the EEA—the Note evaluates the TTSCA’s potential impact on future cases concerning theft of trade secrets that involve high frequency trading software code.

The second Note 34 in the Cyberlaw section examines the intellectual property enforcement effort by the federal government—under “Operation In Our Site”—which seizes and then forfeits domain names suspected of


facilitating copyright infringement or counterfeiting. Although this effort is backed by noble policy concerns, the \textit{ex parte in rem} seizure of a website gives the government the power to seize a domain without any prior notice to the website owner, thus raising due process and free speech concerns.

The last Note\textsuperscript{36} evaluates the problems involved in the interpretation and implementation of § 1831 of the Economic Espionage Act (“EEA”), which criminalizes the theft of trade secrets with the intent to benefit a foreign government.\textsuperscript{37} The Note argues that judicial treatment of cases involving economic espionage under § 1831 of the EEA conflicts with the goals of Congress and frustrates the prosecutorial objectives of the Department of Justice (“DOJ”). The Note posits that Congress can help correct this misalignment by amending the EEA to reflect the policy goals outlined in recent legislation.\textsuperscript{38}

V. PRIVACY LAW

The first Note\textsuperscript{39} in the Privacy Law section discusses the budding tension between the Fourth Amendment\textsuperscript{40} and the Federal Wiretap Act.\textsuperscript{41} The Note argues that although current cases—such as \textit{In re Innovatio IP Ventures, LLC Patent Litigation}\textsuperscript{42}—read the Wiretap Act as permitting certain instances of Wi-Fi sniffing, the Fourth Amendment should prohibit the government from intercepting unsecured wireless communications.

The second Note\textsuperscript{43} delves into the tension between privacy and newsworthiness in the context of right of publicity claims, as exemplified by the recent case of \textit{Fraley v. Facebook, Inc.}\textsuperscript{44} The Note argues that the tension between privacy and newsworthiness takes on a new form in light of changing technology—specifically online social networks. Additionally, the

\begin{footnotesize}
\begin{enumerate}
\item 18 U.S.C. §§ 1831–1839.
\item U.S. CONST. amend. IV.
\item Fraley v. Facebook, Inc., 830 F. Supp. 2d 785, 791 (N.D. Cal. 2011).
\end{enumerate}
\end{footnotesize}
Note points out the weaknesses in the current right of publicity law’s limited focus on economic harm as applied in *Fraley* and considers alternative approaches that incorporate non-economic harm.

The final Note\textsuperscript{45} in the Privacy Law section explores the impact of the recent Supreme Court case *United States v. Jones*\textsuperscript{46} on the relevance of Fourth Amendment privacy protections in the Information Age. The Note focuses on the questions raised by the concurring opinions in *Jones* regarding the expectations of privacy associated with the voluntary communication of personal data in modern society.

**VI. OTHER DEVELOPMENTS IN IP**

The first Note\textsuperscript{47} in this section examines possible remedies for screenwriters whose ideas are rejected by Hollywood producers but are subsequently used without attribution or compensation. The Note first discusses breach-of-contract as the dominant theory for legal recourse. It then argues that the Copyright Act, which excludes ideas from federal copyright protection,\textsuperscript{48} should not preempt contract-based idea submission claims because (1) these claims come with unique factual and policy considerations that merit judicial attention and (2) the vulnerabilities of screenwriters in the entertainment industry leave them without any other means of protection.

The final Note\textsuperscript{49} examines the tension between fostering domestic innovation and attracting high-tech foreign direct investment in China, India, and Brazil. Although prior research suggests that regions seeking to foster innovation should not enforce noncompete agreements, the Note argues that these findings may not be fully applicable to emerging markets. It proposes that policymakers in China, India, and Brazil should implement moderate enforcement of noncompete agreements in order to strike a balance between cultivating domestic innovation and attracting foreign investment.

\textsuperscript{46} United States v. Jones, 132 S. Ct. 945 (2012).
\textsuperscript{48} 17 U.S.C. § 102(b) (2006) (excluding from copyright protection “any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied” in an original work of authorship).