Intellectual Property in the New Technological Age: 2019

Volume I: Perspectives, Trade Secrets & Patents

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For Claire, Dylan, and Noah

P.S.M.

For Rose, as always

M.A.L.

For my brothers, Bruce, Paul, and Matt

R.P.M.
When we embarked on this project more than two decades ago, we envisioned many things, but not that it would lead to self-publishing a casebook.

A lot has changed since we began collaborating. At the time that we launched this project, most intellectual property courses were taught along particular mode of protection lines: patent law, copyright law, trademark law, and trade secret law. From our research and real world experience, we recognized that digital technology blurred the traditional doctrinal lines. We set out to design a book for the emerging technological age. We built the book around core philosophical frameworks, broad integrated coverage, and a pedagogical model that emphasizes problem-solving.

Over the ensuing years, our insight and framing proved enduring. Nearly all manner of enterprise and organization—from high technology start-ups to traditional manufacturing and media companies, government agencies, and even educational institutions—came to confront a broad range of intellectual property issues spanning the full spectrum of protection modes. The survey intellectual property course became a core subject at our law schools and many others across the United States and around the world. That much we had at least dreamed of.

But we did not foresee entering the publishing business. During the formative stage of our careers, we were thrilled to gain the interest of established publishers. Our book hit the market just as the Internet was gaining traction. The IP field expanded rapidly and we found ourselves churning out new editions every two or three years to keep pace with the increasing velocity of IP law. Little, Brown’s law book division was acquired by Aspen, which was then acquired by Wolters Kluwer. The market for our book continued to grow.

Yet as advances in digital technology reshaped the world around us—from Internet search to online publishing—we, and our adopters and students, saw relatively little change in our publishing market. Prices continued to rise each year. Publishing schedules remained rigid. The publishing of our book seemed suspended in time. Most frustratingly, our students were paying well over $200 for a book that generated just $15 in total royalties. This pattern conflicted with the thrust of our book and scholarship. Advances in digital technology and competition should have been driving prices down, not up. Our frustration grew.

These issues came to a head in September 2014. When our publisher indicated that we missed the deadline for getting our book into the summer 2015 catalog, we dusted off our original publishing contract from December 1993. In checking the revision clause, we recognized that we held the copyright in the work and retained the right to prepare derivative works.

Once we realized that we had the right to shift to self-publishing, we faced a choice: stay with a leading publisher or take on the start-up costs and day-to-day operations of
self-publishing. Peter had been writing about disintermediation in the media industries and strongly believed the time was ripe to branch out on our own. He posed a simple question: how would we view this choice ten years down the road? A quick review of self-publishing options indicated that we could substantially reduce the cost of our book while providing students with more convenient access—both digital versions and print-on-demand. We could also move to annual editions and take control over the production pipeline. This would ensure that our book was always current. Although striking out on our own involved some risk and additional tasks, failing to take this path would perpetuate an obsolete and unjustifiably costly burden on students at a time when they can ill afford it. We decided to take the plunge.

After reviewing options, we decided to begin our self-publishing experiment with Amazon. (We retain copyright ownership and hence flexibility to try other platforms as the marketplace evolves, an important lesson from various media markets.) Amazon’s publishing platform imposes size limits that required us to divide our book into two volumes: Volume I covering Philosophical Perspectives, Trade Secrets, and Patent Law (we also included the patent preemption cases from Chapter VI for those interested in studying those materials in conjunction with the trade secret and patent law chapters); Volume II covering Copyright Law, Trademark Law, and State Law IP Protections (including the preemption materials). The volumes are available as eBooks and through Amazon’s on-demand publishing platform. This has the virtues of reducing the weight of what students need to carry around on a daily basis and creating more modular teaching options. We also distribute Chapters I and II on SSRN so that students can sample the book before committing to the class.

Which brings us to what we hope is a New Publishing Age for all manner of academic publishing. In addition to releasing IPNTA2—— (we plan to designate new editions by publication year rather than volume number), we launched Clause 8 Publishing, a new publishing venture to “promote Progress” in intellectual property education (and possibly more). We plan to introduce a series of complementary products, enhancements, supplementary texts, multimedia, and other resources for adopters and students—at low cost and with easy accessibility. You will be able to learn about these resources at IPNTA.com and Clause8Publishing.com.

Peter has managed the transition of our book to a self-publishing model and has taken the lead on establishing this platform. Those interested in adopting our book (or anything else about the project) should contact him at pmenell@law.berkeley.edu. (Please include “IPNTA” or “Clause 8” in the subject line.) IPNTA2016, the first self-published edition of “Intellectual Property in the New Technological Age,” more than exceeded our hopes. Sales for IPNTA increased above the highest sales of prior editions, resulting in savings to students of over $1 million. IPNTA2017 and IPNTA2018 continued on this path. IPNTA2019 updates the text to reflect the most recent developments in this rapidly evolving field of law.

In retrospect, the subject matter covered by our original edition—philosophical perspectives on intangible resources, promoting progress in technology and creative expression, and competition policy—set us on the path to DIY/New Age publishing.
Copyright law seeks to harness market forces to encourage creative expression and widespread dissemination. It builds bridges between creators and those who value their work. Digital technology and the Internet enhance these powerful forces by lowering the costs of creation and providing the virtual dissemination bridges. We feel fortunate to have liberated our book and very much look forward to working with law professors and students in building a more productive marketplace and community for IP teaching materials.

Peter S. Menell          Mark A. Lemley          Robert P. Merges
                          July 2019
NEW FEATURES

Rapid advances in digital and life sciences technology continue to spur the evolution of intellectual property law. As professors and practitioners in this field know all too well, Congress and the courts continue to develop intellectual property law and jurisprudence at a rapid pace. For that reason, we have significantly augmented and revised our text.

The 2019 Edition reflects the following principal developments:

• **Trade Secrets**: Congress passed the Defend Trade Secrets Act of 2016, one of the most momentous changes in the history of trade secret protection. The new law opens up the federal courts to trade secret cases, provides for ex parte seizures of misappropriated trade secrets in “extraordinary circumstances,” and establishes immunity for whistleblowers.

• **Patent Law**: The past several years have witnessed some of the most significant developments in U.S. patent history—from the establishment of the new administrative review proceedings at the Patent Office to important shifts in patent-eligibility, claim indefiniteness, enhanced damages, and equitable remedies at the Supreme Court and means-plus-function claim interpretation and infringement doctrine at the Federal Circuit. We have also significantly expanded coverage of design patents.

• **Copyright Law**: Congress passed the Music Modernization Act. The Supreme Court issued important decisions addressing the useful article doctrine, the public performance right, and the first sale doctrine. The past few years also witnessed important developments in the Online Service Provider safe harbor, fair use, and state protection for pre-1972 sound recordings.

• **Trademark Law**: We have integrated important cases on genericide, federal registrability of disparaging marks, merchandising rights, likelihood of confusion on the Internet, and remedies.

• **Other State IP Protections**: We have updated material on the right of publicity, an active and growing area. We have also reorganized the chapter and focused it on IP regimes.
Clause 8 Publishing is a digital publishing venture founded and managed by Peter Menell. Mark Lemley and Robert Merges serve on the Editorial Board. Inspired by Article I, Section 8, Clause 8 of the U.S. CONSTITUTION, Clause 8 Publishing seeks to promote production and dissemination of the highest quality and most up-to-date educational resources at fair prices and in a way that ensures that much of the revenue flows to authors. It aims to streamline the publishing process, take full advantage of evolving digital platforms and print-on-demand functionality, and develop innovative educational resources.

Clause 8 Publishing plans to produce annual editions of INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE.

Over the coming years, Clause 8 Publishing aims to support a series of complementary products (statutory supplement, primers, problem sets, multi-media presentations) and resources for intellectual property professors, students, judges, and policy makers. It aspires to lead the academy toward more productive and just publishing models. More information will be available at Clause8Publishing.com and IPNTA.com.
ACKNOWLEDGMENTS

We are indebted to a great many people who have helped us since this project began in 1991. We would like to thank our many colleagues who reviewed earlier drafts of the book and provided helpful guidance. While many of these reviews were anonymous, we have also benefitted from the advice of Lynn Baker, Paul Heald, Tom Jorde, and Pam Samuelson, each of whom read several different drafts of the book as it made its way through the editorial process. We gratefully acknowledge the research assistance of Evelyn Findeis, Edwin Flores, Ryan Garcia, Shari Heino, Toni Moore Knudson, Christopher Leslie, and Barbara Parvis. We would also like to thank Michele Co for exceptional secretarial and administrative assistance in completing the original text.

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