

FOREWORD

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Since its inception, the *Berkeley Technology Law Journal* has sought to address “the novel legal issues posed by advancing technologies, mixing scholarly analysis with useful research tools for the practitioner.”¹ The *Berkeley Technology Law Journal* remains true to this goal in publishing the *Annual Review of Law & Technology* (“*Annual Review*”), which for the past five years has provided practitioners, judges, policymakers, scholars, and students, with detailed summaries and analyses of recent developments in technology law.

The Notes in the *Annual Review* reflect a six-month commitment by a select group of second and third year law students to first, develop and improve their research and writing skills, and second, delve into a particular area of law, and provide a concise, thorough update on significant developments in their chosen topic. The *Annual Review*, in its entirety, reflects the successful collaboration of the *Berkeley Technology Law Journal* editorial staff, with the student authors, student advisors, and Professor Peter Menell, Executive Director of the Berkeley Center for Law & Technology, in producing a comprehensive resource encompassing the most important developments of the prior year.

This year’s *Annual Review*, covering the period from August 31, 2001 to August 31, 2002, continues to adapt to the rapid expansion of technology law, beyond the traditional intellectual property law realm of patent, copyright, trademark, and trade secrets protection, to include antitrust, cyberlaw, telecommunications, entertainment law, business law, and international law.

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We would like to thank Professor Peter Menell for his exceptional efforts and vision in making this year’s *Annual Review* come together, and for his unwavering support and guidance in this venture. We would also like to thank this year’s student authors and advisors, as well as the editorial staff of the *Berkeley Technology Law Journal*, for their contributions towards the production of this issue.

1. Editors’ Page, 1 HIGH TECH L. J. 1 (1986).

I. INTELLECTUAL PROPERTY LAW

A. Copyright

This year, four Notes address how the Internet and digital media have substantially transformed the field of copyright law. One Note addresses the constitutionality of the Digital Millennium Copyright Act² (“DMCA”), and the availability of statutory defenses against alleged DMCA violations, by analyzing two recent federal cases: *Universal City Studios, Inc. v. Corley*³ and *United States v. Elcom Ltd.*⁴ In *Corley*, the Second Circuit rejected arguments that the district court’s application of the DMCA, in enjoining Corley from posting information about DeCSS and linking to other sites that provide DeCSS, violates the First Amendment and the Copyright Clause. Similarly, in *Elcom* the Northern District of California rejected First Amendment and due process challenges to criminal indictments brought under the DMCA, and held that Congress did not exceed its enumerated powers in enacting the DMCA.

A second Note focuses on the effectiveness of the DMCA’s safe harbor provision,⁵ enacted to protect Internet Service Providers (“ISPs”) from copyright infringement liability. A series of recent federal court decisions have eroded the protection of the safe harbor, forcing ISPs to take significant responsibility for protecting digital copyrights.

Other Notes addressing the Internet and digital media discuss the copyright implications of posting thumbnail images, and the public nature of model codes. The Ninth Circuit held, in *Kelly v. Arriba Soft*,⁶ that the posting of thumbnails of copyrighted images constituted fair use, but that the display of full-sized images violated the copyright owner’s exclusive right to public display. In *Veeck v. Southern Building Code Congress International, Inc.*,⁷ an *en banc* Fifth Circuit court held that the Internet posting of legislatively adopted model codes did not violate the copyright of the private organization that created the codes. The majority reasoned that not only were the model codes, as adopted into the law, part of the public domain, but the model codes, as posted, were facts not protectable by copyright.

2. Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 5, 17, 28, and 35 U.S.C.).

3. 273 F.3d 429 (2d Cir. 2001).

4. 203 F. Supp. 2d 1111 (N.D.Cal. 2002).

5. 17 U.S.C. § 512 (2000).

6. 280 F.3d 934 (9th Cir. 2002).

7. 293 F.3d 791 (5th Cir. 2002) (*en banc*).

B. Patent

It has been a prolific year in patent law. This fast-growing field of IP law experienced a great number of significant developments, involving: (1) the interplay between the doctrine of equivalents and prosecution history estoppel; (2) the jurisdiction of the Federal Circuit over non-patent causes of action with patent law counterclaims; (3) the patent misuse implications of patent licensing agreements exacting post-expiration royalties; (4) the type of evidentiary support available to inform the nonobviousness requirement for patentability; (5) the strict application of the dedication rule; and (6) satisfying the written description requirement for patentability with deposits of genetic material.

As with last year, the most prominent patent case of this year involved the application of prosecution history estoppel to amended patent claims. This time, *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.* came before the United States Supreme Court,⁸ which vacated the Federal Circuit's application of a complete bar to the application of the doctrine of equivalents to claims amended for reasons of patentability, and iterated a modified flexible bar approach to prosecution history estoppel that allows the assertion of equivalents for some narrowed claims.

This year, the Supreme Court also reined in the Federal Circuit's jurisdiction over non-patent cases with patent counterclaims, in *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*⁹ The Court held that in order for a case or controversy to "arise under" the patent laws for Federal Circuit jurisdiction, the plaintiff's well-pleaded complaint must include a patent claim.

In *Scheiber v. Dolby Laboratories, Inc.*,¹⁰ the Seventh Circuit questioned the Supreme Court's wisdom in previously holding that a patent licensing agreement extending royalty payments beyond the expiration date of the patent constitutes per se patent misuse.¹¹ Despite the views expressed in Judge Posner's opinion, the Seventh Circuit ruled in accordance with the Supreme Court precedent, *Brulotte v. Thys Co.*, leaving it to the Supreme Court to amend its own rule.

This *Annual Review* also includes a Note discussing the Federal Circuit's unpredictable line of cases applying the nonobviousness standard. The Note proposes that the courts and the U.S. Patent and Trademark Of-

8. 122 S. Ct. 1831(2002).

9. 535 U.S. 826 (2002).

10. 293 F.3d 1014 (7th Cir. 2002).

11. *Brulotte v. Thys Co.*, 319 U.S. 29 (1964).

fice look to less traditional forms of evidence to help them determine whether an invention is obvious.

For more regarding Federal Circuit decisions, the Note on *Johnson & Johnson Associates Inc. v. R.E. Service Co., Inc.*,¹² discusses the court's ruling that a patentee cannot claim subject matter disclosed in the specification, but unclaimed by the patent, under the doctrine of equivalents, overruling *YBM Magnex v. International Trade Commission*.¹³ The final patent Note discusses the court's holding that the written description requirement of 35 U.S.C. § 112 could be satisfied by a deposit of genetic material, in *Enzo Biochem, Inc. v. Gen-Probe, Inc.*¹⁴

C. Trademark

This issue builds on the Internet-based developments in trademark law from last year's issue, by detailing significant developments to the Anti-cybersquatting Consumer Protection Act ("ACPA") and the Uniform Domain-Name Dispute-Resolution Policy ("UDRP").

The first trademark Note analyzes the *in rem* provision of the ACPA, which provides U.S. residents with a cause of action against foreign cybersquatters. The second trademark Note discusses the interaction between the UDRP and the ACPA, two major forums for domain-name dispute resolution. The Note analyzes two recent Federal Court decisions, *Sallen v. Corinthians Licenciamentos*¹⁵ and *Barcelona.com, Inc. v. Excelentisimo Ayuntamiento de Barcelona*,¹⁶ which are paving the way for the ACPA to become a de facto appellate process for UDRP decisions.

II. CYBERLAW

Issues involving the Internet and digital technology continue to dominate new developments in technology law. Cyberlaw, therefore, remains one of the most dynamic areas of technology law. This year, the *Annual Review* highlights significant developments in the areas of cybercrime and privacy law.

The first cyberlaw Note explores the impact of the "digital revolution," and post-9/11 legislation on privacy law, analyzing the ability of current privacy law to adequately address growing privacy concerns. The current body of privacy law has not been revised to address developments in tech-

12. 285 F.3d 1046 (Fed. Cir. 2002).

13. 145 F.3d 1317 (Fed. Cir. 1998).

14. 296 F.3d 1316 (Fed. Cir. 2002).

15. 273 F.3d 14 (1st Cir. 2001).

16. 189 F. Supp. 2d 367 (E.D. Va. 2002).

nology and legislation, enabling the government to increase their investigative and surveillance powers.

The Second Note discusses the use of “traditional” crimes to prosecute cybercrimes in the United States. It further discusses developments in the Counterfeit Access Device and Computer Fraud and Abuse Act of 1984,¹⁷ the Economic Espionage Act,¹⁸ and the application of the DMCA in *United States v. Elcom, Ltd.*¹⁹

III. ENTERTAINMENT LAW

This year’s *Annual Review* also includes a Note addressing a significant development in the evolution of webcasting: The Copyright Royalty Arbitration Panel’s (“CARP’s”) determination of webcasting royalty rates. After record companies and webcasters failed to reach agreement on royalty rates for webcasting, a CARP was convened, which issued a report on February 20, 2002, recommending a two-tiered royalty that has been criticized by almost everyone involved. The Librarian of Congress, who must review all CARP recommendations, rejected the two-tiered royalty structure, and opted for a single-tier structure instead.

IV. BUSINESS LAW

Several important developments occurred with the use of contracts and licenses to protect copyrighted works. One Note analyzes the legal, economic and public policy implications of two federal decisions addressing the interplay between copyright and contract laws: *SoftMan Products Co. v. Adobe Systems, Inc.*²⁰ and *Bowers v. Baystate Technologies, Inc.*²¹ *Softman* held that the transfer of software was a sale and not a license; and *Bowers* held that federal copyright law did not preempt a breach of contract action involving the violation of a contractual prohibition on reverse engineering. The Ninth Circuit also resolved a copyright case involving the sublicensing and reselling of copyrights without consent from copyright owners. A second Note discusses the Ninth Circuit’s holding, in *Gardner v. Nike*,²² that the Copyright Act of 1976 did not abolish the doc-

17. Pub. L. No. 98-473, 98 Stat. 1837, 2190 (Oct. 12, 1984) (codified as amended at 18 U.S.C. § 1030 (2002)).

18. Pub. L. No. 104-294, 110 Stat. 3488 (Oct. 11, 1996) (codified at 18 U.S.C. §§ 1831-1839 (2002)).

19. 203 F. Supp. 2d 1111 (N.D. Cal. 2002).

20. 171 F. Supp. 2d 1075 (C.D. Cal. 2001).

21. 302 F.3d 1334 (Fed. Cir. 2002), *aff’d in part and rev’d in part*, 320 F.3d 1317 (Fed. Cir. 2003).

22. 279 F.3d 774 (9th Cir. 2002).

trine of indivisibility, and thus an exclusive licensee does not have the right to sublicense or re-sell a copyright without the consent of the copyright owner.

V. FOREIGN & INTERNATIONAL LAW

This issue also includes a discussion of the Council of Europe's Convention on Cybercrime ("Convention"). This multilateral agreement represents an unprecedented attempt to create an international agreement facilitating the prosecution of crimes committed on the Internet or other computer networks. By providing procedural tools, the Convention resolves many jurisdictional difficulties in prosecuting cybercriminals whose acts impact the international community.

Finally, this year's Foreign & International Law section includes an update on developments regarding the 1996 European Community Directive on the Legal Protection of Databases²³ ("the Directive"). Recent European decisions have confirmed prior concerns about the use of the Directive's *sui generis* right to hold deep linkers liable to database creators for copyright infringement.

This year's compilation of Notes and Additional Developments illustrates the continued growth of technology law. The *Berkeley Technology Law Journal* and the Berkeley Center for Law and Technology strive to keep up with this growth in publishing the *Annual Review*.

23. Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases, 1996 O.J. (L 78) 20.