



AMERICAN CONTINENTAL GROUP

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## PATENT & TRADEMARK POLICY REPORT JULY 26, 2024



### I. Congressional Update:

- On July 22, the Protecting and Enhancing Public Access to Codes Act (Pro Codes Act), H.R. 1631 was taken up on the House suspension calendar. The Motion to Suspend the Rules and Pass, as amended HR 1631, the Pro Codes Act, FAILED by a vote of 248 to 127. (It needed a 2/3 yes to pass the motion.) The Pro Codes Act is bi-partisan legislation that ensures that codes and standards continue to be protected by copyright and do not lose copyright protection when they are incorporated into law as long as they are accessible without charge on a publicly available website. The bill was originally introduced in March of 2023 by IP Subcommittee Chairman Darrell Issa (R-CA). As introduced, the bill: Amends title 17 of the United States Code to ensure works incorporated by reference into law are publicly accessible. It is aimed at balancing the creation of standards with public access. It acknowledges the essential role of private standards development organizations in creating technical and voluntary consensus standards, which benefit various sectors, such as innovation, commerce, and public safety, without government cost. It recognizes the need for governments to rely on these standards and protect copyrights while providing public access. Federal and state governments extensively use standards incorporated by reference into their regulations. A markup was held in April in the House Judiciary Committee. Chairman Issa presented an amendment in the nature of a substitution to address two concerns articulated by committee members: Section 3a, ensuring that no personally identifiable information is collected without the consent of the user and Section 3b, requiring that information be made available in a format

### Headlines and Highlights:

- PRO Codes Act Fails on the House Floor
- House Judiciary Subcommittee Reviews IP Litigation and ITC Role
- Senate Democrats Propose \$55 Million Boost for DOJ Antitrust
- USPTO Seeks Public Input on Effectiveness of Post-Registration Trademark Communications Collection
- USPTO Proposes Retaining Current Post-Registration Response Deadlines
- Upcoming USPTO Roundtable on Protecting NIL, Persona, and Reputation in the AI Era

### In the Blogs:

#### The National Law Review:

[Understanding the 2024 USPTO Guidance Update on AI Patent Eligibility](#)

that includes a searchable table of content. His amendment passed. Two of Rep. Lofgren's (D-CA) amendments were also passed. The first would require the Copyright Office to produce a report on the Pro Codes Act, and the second would direct the US Government Accountability Office (GAO) to conduct a study.

- On July 23, the House Judiciary Subcommittee on Courts, Intellectual Property, and the Internet held a hearing entitled, "IP Litigation and the U.S. International Trade Commission." The hearing featured testimony from Sam Korte (Senior Principal Counsel, IP, Garmin Ltd), Jorge L. Contreras (James T. Jensen Endowed Professor for Transactional Law, University of Utah), Tara Hairston (Senior Director, Technology Policy, Alliance for Automotive Innovation), and Michael Doane (Visiting Assistant Professor of Law, University of Akron School of Law). Chairman Darrell Issa (R-CA) outlined that the purpose of the hearing was to focus on how intellectual property (IP) litigation at the International Trade Commission (ITC) fits into the overall IP system, and to evaluate the ITC's role and effectiveness in the overall IP landscape. He highlighted concerns over the misuse of the ITC for purposes beyond its original intent, citing the *Qualcomm vs. Broadcom* case as an example. Ranking Member Hank Johnson (D-GA) defended the ITC's role in protecting American IP rights, emphasizing its importance for small businesses facing high costs and long wait times in district courts. The discussion included potential reforms to Section 337, balancing public interest considerations, and the ITC's role in handling standard essential patents (SEPs) and enforcing IP rights against foreign infringers. A full memo from ACG can be provided upon request.
- On July 25, *Bloomberg Law* reported that Senate Democrats have introduced a FY25 appropriations bill proposing a nearly 25% funding increase for the Department of Justice's (DOJ) antitrust division, totaling \$288 million—\$55 million more than in FY24. This proposal, announced by Senate Appropriations Committee Chair Patty Murray (D-Wash.), aims to strengthen the DOJ's capacity to pursue competition cases against major corporations like Apple and Alphabet. Jonathan Kanter, assistant attorney general for the DOJ's antitrust division, praised the effort, stating, "This historic investment in antitrust enforcement will help improve the lives of hardworking Americans across the country. Competition is the backbone of economic resilience, opportunity, and liberty in every community." The bill eliminates restrictions on merger notification fees collected by the DOJ. Both President Biden's budget and House Republicans' appropriations plan previously included caps on the division's access to these fees. Under current regulations, mergers valued at or above \$119.5 million must notify the DOJ and the Federal Trade Commission (FTC), with fees dependent on deal size. In contrast, a bill introduced by House Republicans in June would cap the division's spending at \$192.8 million for FY25, irrespective of fee collections. This bill passed through committee but has not yet received a floor vote, with the House adjourning early for the August recess, canceling scheduled votes on spending bills, the earliest this could see floor time would be mid-September. Read more [here](#).
- On Thursday, July 25, the Senate Appropriations Committee held a markup of the Commerce-Justice-Science-and Related Agencies Appropriations Act for FY2025. Overall, the bill was passed out of committee as amended by a vote of 26-3. The no votes included Senators Hagerty (R-TN), Rubio (R-FL), and Manchin (D-WV). Of note, the USPTO receives \$4,554,940,000, which is \$359,141,000 above the fiscal year 2024 enacted level and equal to the budget request. ITC receives \$126,100,000, which is \$4,100,000 above the fiscal year 2024 enacted level and equal to the administration's budget request. Sen. Shaheen's

Managers Amendment Package that was adopted by Unanimous Consent. One adopted amendment was the *Protection of U.S. Innovation in the Global Marketplace* proposed by Senators Chris Coons (D-DE) and Bill Hagerty (R-TN) which states, “The Committee directs USTR to advance the protection and enforcement of intellectual property rights with trading partners around the world in order to protect U.S. innovation. Strengthening protections for intellectual property rights reinforced America’s global competitiveness and incentivizes the American businesses and workers who bring these technologies to market.” A summary of the Senate CJS bill can be found [here](#) and the markup can be found [here](#).

## II. USPTO Updates:

- On Thursday, July 25, the USPTO announced a proposal not to make planned changes to post-registration response deadlines and retain the current response deadlines for post-registration office actions. The Trademark Modernization Act of 2020 had provided the USPTO with the authority to establish new response periods and extensions in the examination of post-registration filings. Although a final rule published in September 2023 postponed implementing this post-registration change, the USPTO continued studying the proposition. Upon further examination, the USPTO determined that a significant portion of trademark owners would not be subject to the shortened response period. Additionally, the new deadlines could confuse registrants and lead to unnecessary extension requests. Miscalculating deadlines could unintentionally cancel registrations. Therefore, the potential benefit from shortened response periods is minimal, while confusion is likely. Under this new proposal, the current response period will remain the same, either six months or the end of the one-year period for filing the relevant maintenance document, whichever is later. “We welcome feedback from trademark customers on post-registration response deadlines as we continue to evaluate our procedures for the benefit of the trademark community,” said Under Secretary of Commerce and Director of the USPTO Kathi Vidal. “We are working to build a strong and sustainable trademark system for businesses and entrepreneurs throughout the United States.” Public comments on this proposal are welcome and due by August 19, 2024. Comments can be submitted electronically.
- On Thursday, July 25, the USPTO published a notice in the Federal Register seeking public feedback on the effectiveness of its information collection concerning trademark communications filed after registration. This includes the deletion of goods and services, declarations of continued use, and amendments to registrations. Read more [here](#).
- On Thursday, July 25, the USPTO hosted a listening session on the impact of the proliferation of artificial intelligence (AI) on prior art and a person having ordinary skill in the art (PHOSITA). According to the USPTO, the purpose of the session was to gather public input from a broad group of stakeholders regarding the impact of AI proliferation on prior art and PHOSITA, as outlined in the questions for public comment in the April 30, 2024, Federal Register notice. Read more [here](#).
- On August 5, the United States Patent and Trademark Office (USPTO) will hold a roundtable titled "Protecting NIL, Persona, and Reputation in the Age of Artificial Intelligence." Announced in the Federal Register on July 1, the roundtable seeks public input on whether existing laws protecting an individual's reputation and prohibiting unauthorized use of an individual's name, image, voice, likeness, or other indicia of identity are sufficient given the

development and proliferation of AI technology. The roundtable will feature an in-person session and a separate virtual session. Individuals wishing to participate as a speaker at either session must submit a request to [NILroundtable@uspto.gov](mailto:NILroundtable@uspto.gov) by July 31, 2024. Supplementary information and a link to register to watch the livestream can be found [here](#).

- On Friday, August 2, the U.S. Patent and Trademark Office's Trademark Public Advisory Committee (TPAC) will hold its next quarterly meeting from 11 a.m. to 12:35 p.m. ET in Alexandria, Virginia, and online. Attendees can learn about trademark-related policies, goals, performance, budgets, and user fees. The meeting agenda will be available on the TPAC event page one week prior.

### **III. Judicial Updates:**

- On Friday, July 26, the U.S. Court of Appeals for the Federal Circuit made a significant ruling in the case of *SoftView LLC v. Apple Inc.* The court affirmed the Patent Trial and Appeal Board's (PTAB) use of the estoppel provisions outlined in 37 CFR § 42.73(d)(3)(i) to invalidate amended claims by SoftView in both inter partes and ex parte reexaminations. These claims were found to be not patentably distinct from those previously invalidated in inter partes review (IPR) proceedings involving SoftView. While the court confirmed the U.S. Patent and Trademark Office's authority to enforce these estoppel rules under the America Invents Act, it restricted their application to only new or amended claims. The court sent the case back for further review of claims that were issued before the reexaminations.
- On Wednesday, July 24, the Federal Circuit issued a nonprecedential ruling in the case of *Juniper Networks, Inc. v. Correct Transmission, LLC*. The court upheld the Patent Trial and Appeal Board's (PTAB) decisions validating the communications networking patent claims owned by Correct Transmission. The Federal Circuit concurred with the PTAB that Juniper Networks' expert testimony, which asserted that it would be "very simple" for a person of ordinary skill in the art to combine prior art references, was not a credible basis for determining that a skilled artisan would likely succeed in making that combination.
- On Monday, July 22, in an opinion by Judge Dyk, the Federal Circuit upheld a USPTO inter partes review decision finding six claims of UNM Rainforest Innovations' (UNMRI) patented method of "constructing a frame structure for data transmission" unpatentable as obvious but also upheld the USPTO's grant of UNMRI's motion to amend. ZyXEL Communications Corp. argued that the USPTO erred in granting the motion to amend because UNMRI failed to include "written description support for all of the claim limitations of the substitute claims." The Federal Circuit disagreed, finding that any error was harmless. Although it was undisputed that UNMRI failed to include the written description in its initial motion to amend, the USPTO did not err by "permitting UNMRI to use its reply brief to supplement the written description support that should have been, but was not, included in its original motion" because "the core purpose of the MTA Pilot Program is to allow for the correction of errors in the original motion."
- On Friday, July 19, in an opinion by Judge Hughes, the Federal Circuit dismissed Koss's appeal of an inter partes review decision as moot because "all the claims in the patents at issue were invalidated in a prior district court litigation." Koss argued that the district court's

order was superseded by their filing of a second amended complaint in the case and did not preclude the issue of invalidity. However, the Federal Circuit disagreed, finding that the order of invalidity merged with the district court's final judgment and dismissing the case with prejudice. Koss's second amended complaint had no effect on its ability to appeal because, out of fairness to the parties and the court, "claims in prior dismissed complaints need not be raised in amended complaints for them to be appealable." Instead, Koss's failure to appeal or vacate the order caused it to preclude the issue of validity in all subsequent litigation.