

[updated June 2006]

**Comments 8.9.05:**

1. We merged former case 6 into 1
2. former cases 12 and 13 (now case 11) merged.
3. former cases 15 and 16 (now case 13) merged.
4. Case 17 added

**The Trento Common Core Project**

<http://www.jus.unitn.it/dsg/common-core/home.html>

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## Questionnaire

### Boundaries to Information Property

#### A. Introduction

The extension of Information Property (IP) Protection has become a topic of public concern. As a quantitative indicator, the number of granted patents has grown overproportional. But also qualitatively, the substantive protection of IP rights has been extending in scope both in respect to subject matter as well as in respect to the protection scope – reinforced through various technical characteristics and feasibilities. For all dimensions of extension, various reasons have been identified. Just to name a few: the economic growth of knowledge-based industries, patent offices granting protection to “trivial”, “unoriginal” inventions; the need in international economic transactions for commodification of knowledge (“technology transfer”), and reasons inherent to information based protection (broadness of protection, “reach through”).

This extension primarily following economic developments gives rise to the quest for a profound academic reflection on IP boundaries. Policy makers often purport that IP extension is not a problem but purely economically beneficial. It is argued that IP rights had no distributional dimension in contrast to property in movables and in land. Without doubt, from the academic standpoint, this position is puzzling and fundamentally wrong. Extensive literature educates on the inherent tensions between IP-incentive and competition, between

knowledge monopolisation and dissemination. However, the purported standpoint reflects the need to better formulate the boundaries of IP-rights in juridical terms comprehensible to a wider public. Profound academic reasoning is a precondition, the comparative law approach a method of choice.

The Questionnaire focuses on competing interests in information that asserts legal protection. The questionnaire does not deal with the boundary between information that can claim legal protection and information that does not. Thus, it deliberately neglects the debate about statutory patentability requirements, like the most prominent discovery-invention distinction. Instead, the questionnaire sets out to shed limelight on colliding interests that come to light in protected information. The legally conceived accommodation of conflicts of interests after a property in information has been granted that is at the heart of the research interest. The questionnaire aims at identifying the diverging and converging public policy responses to those conflicts. The academic interest is the identification of emerging rules and principles – that were originally hosted inside the statutory rules of IP-law. Thus, it sets out to first redescribe the structures of the seemingly new colliding interests. Therefore, a broad enough range of colliding interests is to be addressed. Building on this identified structure in IP-law, the reflection on the mediation of conflict of interest is at the center of the endeavour. The threefold “formants”-structure of the standard Trento-Questionnaire appears to be a useful guide as it pushes for the explicit formulation of underlying policy reasons.

Contemporary information law is widely regulated by statutes on the international, European and national level. Yet, the body of statutory law focuses on the creation of rights and the relation between competitors. Other competing interests are left either to public regulation or to the national judiciary. Without discriminating against the statutory law and its reasoning, the project focusses on emerging rules reflecting boundaries of IP-rights.

The questionnaire has a threefold structure: **Part I** is supposed to set the scene. The cases are the best known and explore the most important dimensions. Its focus is the conflict of regulatory goals in competing IP-laws. Case 1: bilateral intercompetitive relation, essential facilities, access to IP (not injunction, but reasonable compensation), Case 2: “Research-Tools”, Case 3: “Third” party: consumer access without compensation? (private copy-paradigm), Case 4: Third party rights compromised through licensing? Case 5 and 6: “Reach Through”: Control of and access to invention of others, business behaviour of others. **Part II** may be the important part in respect to future boundaries of property rights. If an invention builds on information protected by personality/cultural rights, does the person/group who is entitled to the right enjoy a veto position, a right to be named (not to be named), a right to control research being made with this information, a right to a share in benefits? In respect to personality rights, how to conceive connected/colliding group/family interests? In respect to the current discussion about biobanking it seems important to reflect about inherent interest collision – especially to provide structure to the distinctive cases. **Part III** is focussing on the modern multiple research as modern inventions typically originate in the research environment (successive/incremental, cooperative research).

## B. THE QUESTIONNAIRE

### I. Competing regulatory goals

#### 1. The Easy Case (competition law - modelled on ECJ cases *IMS-Health* and *Magill*)

##### *Base-Case:*

Frank heads a major beer producing company. In the 70's, he developed a computer programme that analyses regional patterns of beer distribution and beer consumption. Since then, he has constantly refined the programme and has **freely distributed** the programme to his traders, trade associations and market analysts. Over time, the programme became the standard instrument to analyse the beer market. However, when Erica, a former trader of Frank's products and now director of a major competitor of Frank, started to model her own distribution system on Frank's system, Frank asked the court for an injunction arguing that the computer programme is his. Will Frank succeed?

##### *Editorial Comment to the Base-Case:*

Do not spend too much time with this case: It is the least interesting one. It serves as an opener for the reborn debate about the relation between IP-law and competition law.

##### *Modification:*

Suppose Frank licenses the programme to Erica under the **obligation not to improve** it and market the programme without Richards permission. Can Frank claim an injunction, if Erica improves the programme and markets it without prior consent of Frank?

#### 2. Research-Tools (public health - modelled on the *BRCA1/2* and *CCR5* disputes)

Franka, owner of a small biotech company, was granted a patent on the gene BRYU-7. As a utility, the patent accounts for cardiovascular diseases. Five years after the patent was granted, her competitor Eric found out that the gene BRYU-7, in conjunction with the gene BRAB-5, is responsible for healing wounds. The proportional relationship to which each gene accounts for the healing process is scientifically unclear. Eric is also granted a patent on his invention. For producing an ointment, Eric arguably needs a license from Franka. She refuses.

- a) Could Eric apply for a compulsory license on which grounds?
- b) Is there any other rule in equity that entitles Eric to use the BRYU-7 gene?

#### 3. Culture - Third Party Access (modelled on *Napster*)

a) Carla, a 15-year old teenager, downloads songs from the Internet and exchanges CDs with her girlfriend Karen and is now being sued by the Record-company "String". Will an injunction be granted?

b) At the same time, "String" is seeking an injunction against the Internet music provider "keep mov'n", who's site has become the most popular music exchange site. "String" asks the court to oblige "keep mov'n" to prevent the download of illegal material and to release the names and addresses of 33 of its subscribers who are suspected of downloading mass quantities of illegal material.

Will "String" have a successful claim against "keep mov'n"?

c) Suppose that Carla has a monthly subscription to OD2, an Internet site where you can legally download popular songs for €30 per month. Each song bought via OD2 is encrypted so that no copy can be made nor distributed to anyone else over the Internet. This technological protection measure makes it impossible for Carla to burn a CD of the songs that she just paid for and to listen to them on her disc-man on her way to school every day. Carla finds this unacceptable: she circumvents the technological lock and burns a CD of the songs for her own private use.

Can the record-company “String” object to this?

d) Would Carla have an extra argument by saying that she doesn’t want to pay twice (the subscription price at OD2 and the levy on the blank CD in the framework of the home copying regime<sup>1</sup>) for a song that she cannot copy?

e) Suppose that Carla downloads and burns songs on a CD that are distributed under a Creative Commons licence, on a royalty-free basis allowing users to freely reproduce and distribute the works for non-commercial purposes. Would Carla have a cause of action for reimbursement of the levy on the blank CD against the collecting society administering the home copying regime?

#### **4. Public Data/ Database protection of a public institution**

The Royal Institute of Meteorology of country X (RIM) is a 100% publicly owned and funded entity whose statutory mission is to gather, organise, and interpret meteorological data. In the course of the last century, the RIM has developed an incredible database, containing all relevant statistics of the meteorological events that occurred during the period in its own country and across Northern Europe. Realising the immense commercial value of the information included in its database, the RIM has recently decided to start licensing its use to the public for a substantial fee. In her license, the RIM reserves to herself the exclusive right to extract and re-utilise substantial and insubstantial parts of her database. The RIM bases its claim on the *sui generis* database right. Is the RIM correct in her assumption regarding her legal position? Is she indeed in a position to prohibit others from using the data contained in the database, unless they have paid the required fee?

#### **5. The Right to be Named (Moral Rights)**

Richard, a scientist with the renowned pharmaceutical company IPC, buys a Desktop-Programme, the top-selling product of IT-Company (ITC), which organises his article database. The programme has been written by the renowned Professor Higgens at Y-University. A specific algorithm, developed by him, is the core of the programme. This is widely known in the respective community. In order to strengthen its marketing position, ITC markets the programme enclosing a license agreement that obliges commercial users to cite the company’s name (ITC) when improving the programme; explicitly, any reference to Professor Higgens is forbidden. The contract between Higgens and ITC is silent about the original personality right of Prof. Higgens. Has Prof. Higgens the right to be named when Richard adapts the ITC-programme to the needs of pharmaceutical companies? Can Higgens claim an injunction, when IPC markets the improved product making reference only to ITC?

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<sup>1</sup> In countries where no levies are applied to the sale of blank recording supports, please explain the reason.

## **6. Farmers' Rights**

Imagine that your country has accepted GM-food: The Company CaMon is marketing seeds of a tomato-plant that keeps a fresh look on the shelf longer than others. This feature of the tomato has been patented. Paul, a farmer of vegetables and legumes, is looking for better marketing opportunities. He heard about this variety and hopes to win more customers by enlarging his distribution system. It seems that the new tomato variety has the potential to be a building block for his new strategy. He buys the freely available seed – enough to plant 100 acres. However, the delivery of the seed is accompanied by a license contract that obliges him to sell the whole harvest to a big food processing company (FPC), located 700 km away.

Paul ignores the license and sells the harvested tomatoes to regional customers. In September he receives a letter from CaMon reminding him only to sell to FPC and announcing a law-suit for damages. Since Paul pursues his own marketing strategies, they meet one year later in court. Does Paul owe damages to CaMon, and if so, how much?

## **II. Personality/Cultural Rights**

### **7. Personalised Genomic Information**

Richard has a unique gene that makes him immune to a specific, but widespread influenza virus. The Pharmaceutical Company (PhC) maps his genome. As a result of this information, PhC develops a vaccine against this type of influenza.

- a) Is he entitled to veto research on the gene? Does Richard *a maiore ad minus* have the right not to give consent to experiments that he considers unethical? Could he object to commercial research and restrict the use to “academic research”?
- b) Is he entitled to veto the patent application (prior informed consent)?
- c) Is he entitled to be named/not to be named in the patent description?
- d) Is he entitled to a share of the benefits that are generated by marketing the patented products?
- e) Is he entitled to obtain the product free of charge? Has PhC a right to claim money from Richard for selling him the product?

### **8. The Human Body as Replicator**

Amelie undertook gene therapy. As a result of the successful treatment, she is now producing a protein in her bone marrow that is patented by the company Cellgene. Has Cellgene the right to forbid Amelie giving her blood away for free?

### **9. Conflicting Interests in Families and Groups in Genomic Information**

The Miller Family carries a unique gene that is somehow linked to the development of intelligence. 80-percent of the family enjoys an IQ of 140. The downside of the gene is shortevity. Those carrying the gene live no longer than 42 years. Richard, a carrier of the gene, agreed with a pharmaceutical company Genfix to undertake extended experiments on the gene. As compensation he was promised a 1% share in all product sales made on the basis of the respective gene. His brother William, who carries the same gene, objects. Has William the right to veto the whole contract? Has he the right to veto the payment of 1 %?

*Modification:*

Would it make a difference if the gene was not bound to a specific family but was unique to a specific region? Assume the same factual situation as given in the original case, the brothers names are Ricardo and Guillermo, the name of the company is Genbest. Has Guillermo a right to veto the payment clause in the contract between Ricardo and Genbest?

### **10. Traditional Knowledge**

For centuries, the indigenous community ABC harbours the knowledge of how to treat a specific eye infection with a specific plant. Plant biologist Q bioprospects the country where the ABC live and he consults with the respective “council of the elderly”. The “council of the elderly” agrees to show Q the plant, how it is to be grown, prepared and applied – under three conditions: Q may only use the plant extract for medicinal purposes and he has to safeguard against anyone else pursuing research for different purposes. Any potential patent application shall name the ABC community. In addition, ABC shall obtain a 2 % share in any profits that are generated from exploiting the patent. Q accepts these conditions in front of the council in a formal meeting.

Assume that your own country laws apply:

- a) At home, Q has a laboratory colleague Frank, who does contract research for the Army searching for a new poison, discovers that the lead component of the plant is highly toxic with specific “beneficial” characteristics for warfare (assume that the toxic spreads despite unfavourable wind conditions) and he files a patent. Has ABC the right to veto the patent?
- b) If Q does not name the Community in his own patent description, has ABC a right to correction?
- c) Q develops a derivative from the substance. The new substance is easily produced chemically in large quantities. Q is granted a patent. Is ABC entitled to a share of the profits?

### *III. IPRs in Research*

#### **11. Grant-Back and Reach Through (public research institutions)**

After years of in-house research, the large IT-Company (ITC) outsourced its research facilities in the beginning of the 1990s. By now, it not only contracts with its own subdivision but also with a diverse range of universities, public and private research institutions, including spin-offs. ITC contractors are **obliged to transfer future intellectual property rights** to ITC. In breach of this contractual obligation Prof. Brain of the M-University applies for a patent in the name of the M-University. The M-University transfers the granted patent to a group of students undertaking a start-up.  
Can ITCo challenge the patent?

#### **Modification 1:**

Would it make a difference if ITCo did not demand the transfer of future intellectual property rights but demanded to be named as **co-inventor**?

#### **Modification 2:**

Assume that ITC-Co is a biotech-company whose basic business is breeding patented laboratory mice. It licenses 100 mice to Prof. Brain under the condition to transfer all future inventions coming out of experiments with the mouse-model to ITC.

When Brain ignores the clause which he regards invalid and applies for a patent for an invention based on experiments with the mouse model, is ITC entitled to challenge the patent on the ground that it is the owner of the patent?

#### **12. Use Restrictions**

Dr. Grey, director of a private research institution, undertakes research projects with a variety of sponsors. She receives a license for 100 EMC<sup>4</sup> rats from the White Corp. for a research project headed by her employee Dr. Black. The license obliges the Institute only to use the rat model in the identified experiment conducted by Dr. Black. The use of the rat in experiments sponsored by White's competitor Yellow Corp. is expressly forbidden. Two years later, Dr. Black gets entrusted with another in-house research project sponsored by Yellow Corp. He continues using the rat model EMC<sup>4</sup> and patents his results.  
Does Yellow Corp. have a right to a share in profits as damages on the basis of breach of contract?

#### **13. Co-inventorship, Co-ownership**

PXZ is a patient organisation representing 200 families with a disposition of a malignant form of cancer. Its mission is to sponsor wide research on this form of cancer. It raises money, obliges the researchers it sponsors to identify the director of PXZ as a **co-inventor** in any future files for patents and holds a strong interest in having a say in future licensing negotiations.

a) The big pharmaceutical company BPC is close to coming up with a chemotherapy for this form of cancer. A gene-based therapy could cut profits on the final chemical cocktail. It considers a challenge to the gene patent as part of its business strategy. Can BPC challenge the patent on grounds of **false inventorship**?

b) PXZ and Prof. Marlow hold a patent as co-inventors, **owned jointly** by PXZ and the University Institute. After years have passed and contacts got fewer, the University Institute licenses the invention **exclusively** to the Transnational Chemical Company *TransChem* without prior informed consent of PXZ. As TransChem denies any access to third parties, PXZ objects to the license. Is PXZ entitled to challenge the contract between Prof. Marlow and TransChem?

c) Would it make a difference when the University Institute had only granted a simple license?

d) PXZ contracted with a University Institute under the named conditions. The University Institute **refuses to patent** the invention because of the University Guidelines on “Specifically Important Developments”. These require that scientific inventions with utmost importance and potential broad use be put into the public domain. Does PXZ have the right to apply for a patent on its own?

#### **14. Open Access**

After years of publishing his scientific findings under the very strict conditions of “Big Publishing House, Inc.”, Dr. Silver decides, along with several of his colleagues, to make all his publications available on his Institute’s webpage under an Open Access licence. Not only do they make their most recent articles available on the website, but they also include the full text of the articles that were previously published by “Big Publishing House, Inc.”. On the website, the papers are freely accessible provided that the user accepts the licence conditions by clicking “I agree” in the dialogue box on their screen. Contrary to licence used by “Big Publishing House, Inc.”, the Open Access licence allows authors to publish their work on the Internet, and to use it for any purpose including for educational purposes. The Open Access licence also allows anyone to reproduce and communicate the paper freely for strictly non-commercial purposes, provided that proper credit is given and that any redistribution of the paper occurs under the same licence conditions.

a) “Big Publishing House, Inc.” has wind of Dr. Silver’s action. Could “Big Publishing House, Inc.” object to the making available of the articles on the website? If so, on what grounds?

b) Dr. Cooper works for a pharmaceutical company. He downloads Dr. Silver’s latest paper, makes small modifications and publishes it in the company’s on-line newsletter without mentioning the conditions of the Open Access licence. Can Dr. Silver object to the modification of his article and to the making available of the article in the newsletter? If so, on what grounds?