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**PRINTING INDUSTRIES OF CALIFORNIA**

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### Headline Summary

- Patent Reform Stalls
- New Website
- Minimum Wage Increase
- Patent Petition Filed
- SCAQMD Amends Print Rule
- Legislative Deadline
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- New Health Savings Limits

## Minimum Wage Increase

Proponents of higher minimum wages saw advances in California even though President Barack Obama's call to raise the federal minimum diminishes in Congress.

California would increase the state's minimum to \$13 an hour by 2017, the highest state rate in the nation, under a bill passed by the Democratic-controlled state Senate. Seattle's city council already approved a \$15 minimum, the highest of any big U.S. city.

The campaign for higher minimum wages has gained momentum, as thirty-four states are discussing increases, according to the National Conference of State Legislatures.

# WatchDog

Guarding the Business of Print

June 2014

## Patent Reform Stalls

Six months after the U.S. House of Representatives passed legislation to reign in "patent trolling," Senator Leahy (D-Vt.) pulled the legislation off the agenda in the Senate Judiciary Committee.

In removing the Senate bill targeting so-called patent trolls, Senator Leahy cited lack of sufficient support behind a comprehensive deal.

Before taking the Patent Transparency Act off the active file, Senator Leahy had delayed consideration of the bill numerous times in order to drum up bipartisan support. He also repeated his earlier concerns that "the House-passed bill went beyond the scope of addressing patent trolls, and would have severe unintended consequences on legitimate patent holders."

The Senate has approximately two months in session remaining and legislation focused on patent trolls during that time now seems very unlikely.

## New Website

PIC will be launching a new website, bringing together, in one place, information, tools, and other material on regulatory compliance, trends in industry, and governmental advocacy.

This website is maintained by PIC—the industries government affairs office—for Visual Media Alliance, Printing Industries of San Diego, and Printing Industries of Southern California. These material is grouped into five categories:

- Business/Technical
- Environmental
- Human Resources
- Safety
- Sales Tax.

Each category is further divided by subject matter (e.g., under Human Resources there are twelve sub-categories, such as pre-employment, employment, sample employee handbook, required postings and brochures, and terminations).

The 'Get Involved' section is where members can respond to a "call to action" from your associations, enabling them to email their representatives a form letter prepared by PIC staff on proposed legislation that could impact the graphic arts industry in either a positive or negative way.

Members will be able to easily access all of these tools and information through a link on your affiliate's website (PIASC, PIASD, and VMA).

Inquiries about the website's content may be directed to Gerry Bonetto, VP Government Affairs, at (323) 728-9500, Ext. 248.

## SCAQMD Amends Print Rule

The Executive Board of the South Coast Air Quality Management District (SCAQMD) voted to adopt three amendments to the Rule 1130 (Graphic Arts). The changes include new VOC limits for fountain solution, standard for emission control systems, and manufacturer prohibition of sales of materials above the VOC limits in Rule 1130.

PIASC went into the hearing concerned over two issues: (1) some Board members thought Rule 1130 should be amended to force all printers to use lower VOC inks, specifically, UV/EB inks; (2) the initiative by RadTech (the UV/EB association) to raise the exemption limit for inks from 10 grams per liter to 20 grams per liter, on grounds that the District has given lithography an exemption by allowing a retention factor.

In a letter to the Government Board (Board) before the hearing and oral testimony at the hearing, PIASC addressed these two issues.

At the end of the day, the Board did not consider the claims for universal use of UV inks, and rejected the VOC exemption limit for energy curable inks from 10 grams per liter to 20 grams per liter, a concept, on the face of it, that PIC supported.

### New Health Savings Limits

Health Savings Accounts (HSAs) are pre-tax accounts available to individuals covered under a high-deductible health plan.

For calendar year 2015, a high-deductible health plan is defined as a health plan with an annual deductible that is not less than \$1,300 for self-only coverage or \$2,600 for family coverage. This is an increase from 2014 (\$1,250 for self only; \$2,500 for family).

The annual limits for HSA contributions for 2015 are as follows: \$3,350 for individuals with self-only coverage (an increase of \$50 from 2014); and \$6,650 for family coverage (an increase of \$100 from 2014).

## Patent Petition Filed

Kodak, Agfa and Heidelberg have jointly filed petitions in an effort to get the US Patent & Trademark Office to invalidate the patent claims of CTP Innovations' two patents (6,738,155 and 6,611,349). The process, known as inter partes review, is the same process that Printing Industries of America (PIA) previously undertook unsuccessfully.

The next step, which could take up to 6 months, is for the PTO to accept or deny the petitions, which seek a trial to challenge the patent claims. Trials can take up to 12 months.

At the same time, emboldened by PIA's unsuccessful petition, CTP Innovations continues to send demand letters to printer throughout the country.

To read the announcement in Printing Impressions, go to: <http://www.piworld.com/article/kodak-agfa-heidelberg-file-petitions-with-us-patent-trademark-office-pt/1#>

## Legislative Deadline

The week of May 26th was the deadline for bills to move from one house to the other. Bills that did not pass their house of origin this week are likely dead. Here are two bills that PIC cares about—and opposes:

**AB 2416** (Stone; D-Scotts Valley) creates a threatening precedent in the wage and hour arena by allowing employees to file liens on an employer's real or personal property, or property where work was performed, based upon alleged-yet-unproven wage claims.

The bill passed the Assembly, 43-27.

**AB 1522** (Lorena Gonzalez, D-San Diego) requires an employer to provide their employees paid sick leave upon the seventh day of employment at an accrual rate of one hour per 30 hours worked.

National attention has been paid to this issue as many states grapple with adopting similar proposals. In California, it is a priority issue for the Legislative Latino Caucus and a signature piece for the author who campaigned on it and worked on it for many years as a member of organized labor.

AB 1552 passed the Assembly on a 52-23 vote, with four members abstaining.

## Partial Tax Exemption

For the period beginning July 1, 2014, through December 31, 2016, the state has adopted a partial sales and use tax exemption for the purchase or lease of manufacturing equipment. The exemption will reduce the state sales and use tax rate from 7.5% to 3.3125%. The exemption does not apply to any local, city, county, or district taxes, which would have to be added to the 3.3125 state rate.

In late April, the Board of Equalization (BOE) Tax Committee approved for publication the partial sales and use tax exemption regulation for purchases of manufacturing equipment. The final draft of Proposed Regulation 1525.4 can be found at (<http://www.boe.ca.gov/meetings/btc2014.htm>)

While businesses can take advantage of the exemption beginning July 1st, the BOE will consider the approved regulation at its next Board meeting on July 17, 2014.