

FINAL EXAMINATION
INTELLECTUAL PROPERTY

P.N. Davis

Tuesday, December 9, 2008
8:30 - 11:30 AM

THIS IS A THREE (3) HOUR EXAMINATION.

THIS EXAMINATION CONTAINS SIX (6) PAGES.

THIS EXAMINATION CONTAINS FIVE (5) QUESTIONS.

I = 30 min. II = 60 min. III = 30 min. IV = 15 min. V = 30 min.

FILL IN YOUR EXAMINATION NUMBER ON THE BLUEBOOK STICKER.

* * * * *

YOU MAY BRING IN YOUR STATUTORY SUPPLEMENT, BUT NOTHING ELSE. You may write in the margins and on the blank pages of the supplement.

* * * * *

Instructions:

1. These questions will be graded on the basis of the times indicated with each questions. The indicated time for the questions total 3 hours. You will be given 3 hours to write the examination. Budget your time carefully or you may not finish.
2. Be sure to state a result whenever a question asks for one. Merely stating the arguments on both sides of a legal issue will result in only partial credit because you will not have completed the analysis required by that type of question.
3. If you find it necessary to make factual assumptions in order to answer a question, be sure to state the assumption.
4. Do not assume additional facts for the purpose of avoiding a legal issue or making its resolution easier.
5. Comment briefly on each legal issue reasonably raised by the questions and on each reason for your answer, even when you decide that one legal issue or reason controls the result.
6. The difference between triumph and disaster may lie in a **careful** reading of the questions.

I.
(30 minutes)

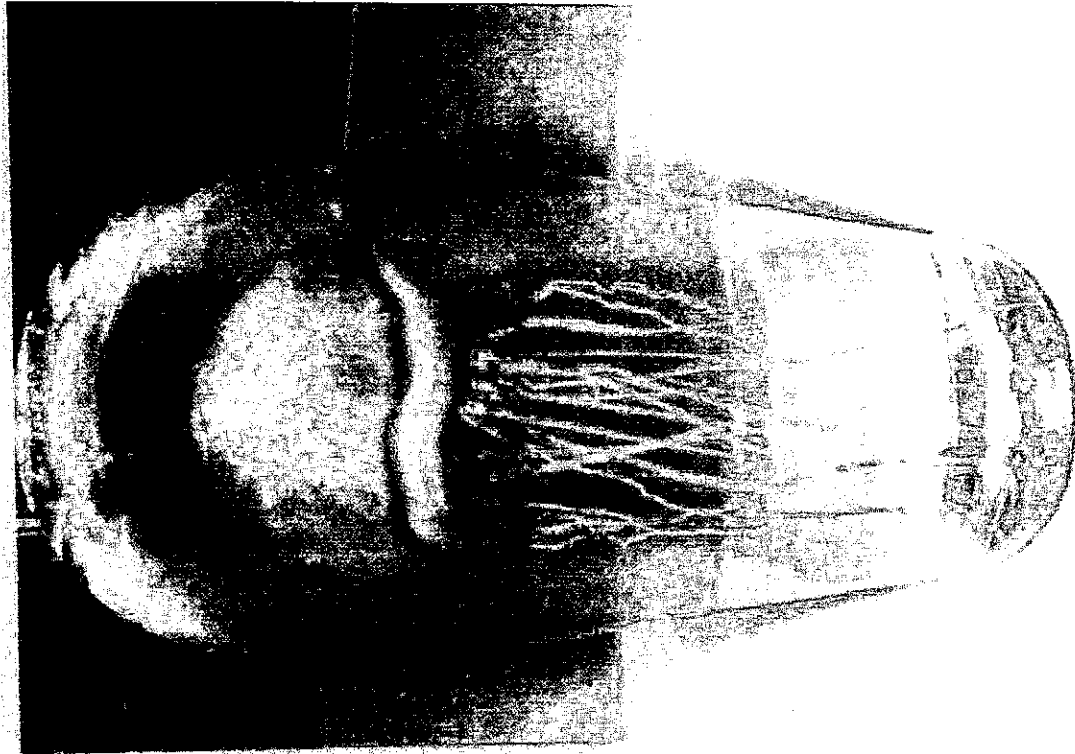
Dick Stone is a glass artist in the Florida keys.. He was inspired by a jellyfish display at Shedd Aquarium in Chicago. Stone began experimenting with jellyfish sculptures in the glass-in-glass medium and began selling glass-in-glass jellyfish sculptures in 2002. They sold well. By 2004, Stone was designing and creating about 300 jellyfish sculptures each month. Each was created individually and was distinct from the others. Stone describes his sculptures as “vertically oriented, colorful, fanciful jellyfish with tendrill-like tentacles and a rounded bell encased in an outer layer of rounded clear glass that is bulbous at the top and tapering toward the bottom to form roughly a bullet shape, with the jellyfish portion of the sculpture filling almost the entire volume of the outer clearglass shroud.” They appear lifelike, but do not reproduce existing jellyfish species. The sculptures sell for hundreds or thousands of dollars, depending on size. Stone’s sculptures have appeared in art magazines and are sold in twenty galleries and gift shops, and appear in many store windows. Stone registered several of his works with the Registrar of Copyrights.

In 2003, Chris Lambert, a glass artist from Hawaii, also began making glass-in-glass jelly fish sculptures. They look like Stone’s, and many people confuse them. Lambert admits that he saw a photo of Stone’s jellyfish sculptures in an art magazine in 2004 and examined a Stone jellyfish sculpture in 2005 that a customer brought to him for repair. Lambert, too, is selling many jellyfish glass-in-glass sculptures, about one hundred each month, for a few hundred dollars each. None of Lambert’s sculptures was an exact copy of any of Stone’s sculptures, although their concept, jellyfish form, orientation, and shroud shape were very similar.

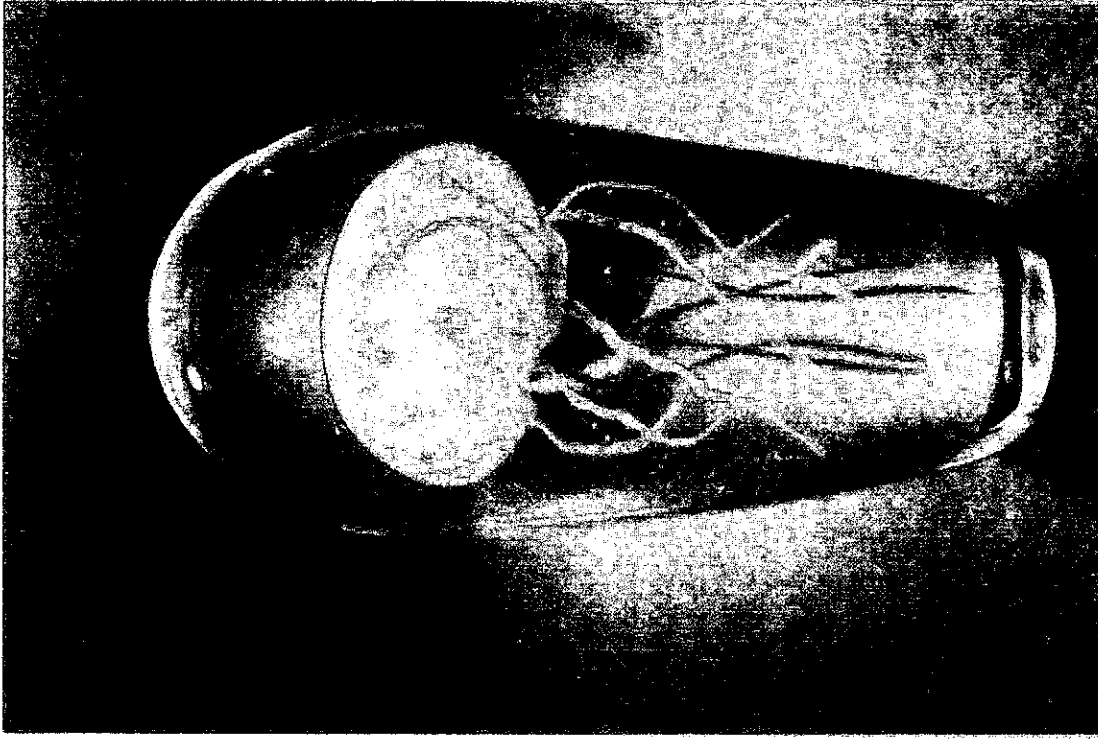
See attached photos for examples of Stone’s amd Lambert’s jellyfish sculptures.

Glass-in-glass sculpture is a centuries-old art form that consists of a glass sculpture inside a second glass layer, commonly called the shroud. The artist creates an inner glass sculpture and then dips it into molten glass, encasing it in a solid outer glass shroud. The shroud is malleable before it cools, and the artist can manipulate it into any desired shape. This technology has been used for centuries for such objects as paperweights.

Stone sued Lambert in 2007 for copyright infringement. How should the court rule? Discuss all relevant legal issues. State a result.



Stone



Lambert

II.
(60 minutes)

Therma-Scan, Inc. [TSI], located in St. Louis, performs infrared thermal-imaging examinations of the human body, analyzes the resulting images, and prepares diagnostic reports to its clients or their physicians. Most of its clients are residents of the bi-state St. Louis area, most of whom are referred by their physicians. TSI selected its *Therma-Scan* mark because it “succinctly describes” its services, according to its president and founder. TSI received a PTO registration of its *Therma-Scan* service mark in 1995. Its service mark appears on its office door, stationery, literature, reports to physicians and clients, and informational and advertising materials. TSI does not sell any medical devices. It is listed in the yellow pages of the St. Louis phone book. TSI does not advertise in any magazines, professional journals, or other publications, because physicians learn of TSI’s existence and services by professional word-of-mouth..

Thermoscan, Inc., based in Chicago, manufactures hand-held electronic ear thermometers, which are used extensively in physicians’ offices, hospitals, and other medical facilities. In 2000, its sales were \$3 million. By 2006, its sales had increased to \$147 million. Eighty percent of its sales are to the general public and twenty percent are to physicians, hospitals, and other medical facilities. Thermoscan advertises extensively in general circulation magazines, medical trade magazines and professional journals.

In 2001, Thermoscan filed an application to register *Thermoscan* as a trademark for use on its electronic thermometers. It had begun using the mark on its thermometers in 1997. The PTO accepted Thermoscan’s application and published it for opposition on January 15, 2002. No one filed an opposition. The registration was granted on September 24, 2002.

Although spelled almost identically, TSI’s *Therma-Scan* mark and Thermoscan’s *Thermoscan* mark use quite different typefaces [fonts] and graphics. *Thermoscan* electronic thermometers are marketed nationally, including in the St. Louis area, and are advertised in national magazines. TSI’s thermal imaging services are used by physicians in the bi-state St. Louis area. TSI received 12 e-mails ordering electronic thermometers between 1995 and 2000. Meanwhile, Thermoscan has sold 3,200,000 electronic ear thermometers over the same period and receives about 11,000 phone orders each month.

After seeing a *Thermoscan* advertisement in a medical magazine, TSI’s attorney sent Thermoscan a letter in August 2003, protesting Thermoscan’s use of the *Thermoscan* trademark on its electronic thermometers. On September 10, 2003, TSI sued Thermoscan’s for infringement of its *Therma-Scan* mark.

Should the court find that Thermoscan’s *Thermoscan* trademark infringes on TSI *Therma-Scan* mark? Discuss all relevant legal issues. State a result.

III.
(30 minutes)

Mason and Swain, smelt fishermen concerned with the zebra mussel infestation of the Great Lakes, developed an underwater circuit that generates an acoustic wave signal of sufficient magnitude and frequency to vibrate the zebra mussel shell until it breaks, thereby killing the mussel. The invention consisted of an adjustable oscillator and an underwater sound generator to create the acoustic wave. The frequency and volume is adjusted to be injurious to non-self-propelled mussels. They filed a patent application in 2004. They did not prove reduction to practice until two months after they filed their application.

The examiner found that the claims in their application were anticipated by a research paper written by Campbell and published by the Ontario Hydro Research Division in 1991. This paper was deposited in and indexed in card and online catalogs of the Division's research library in 1992.

Should the patent examiner grant or deny the application? Discuss all relevant issues. State a result.

IV.
(15 minutes)

Explain the significance of the following cases:

- (1) *In re* Bilski.
- (2) KSR International, Inc. v. Teleflex.
- (3) Eldred. v. Ashcroft.

V.
(30 minutes)

Briefly identify and define the following:

- (1) ordinary skill in the art.
- (2) tangible medium of expression.
- (3) trade secret.
- (4) “on sale” bar.
- (5) process.
- (6) originality.
- (7) first sale doctrine.
- (8) palming off.
- (9) misappropriation.
- (10) right of publicity.

INTELLECTUAL PROPERTY – Fall 2008
Peter N. Davis

I. (30 min.)

- the glass-in-glass art form technology is old, and is not protectable by copyright.
- copyright protects original creative expression in a fixed medium of expression.
- glass-in-glass sculpture is a fixed medium of expression.
- original artistic expression is protectable.
 - but copying of generic and public domain forms is permitted.
- jellyfish is an animal in the public domain; its form, therefore, is generic.
- creating fanciful & colorful variations is original.
 - but the scope of protection is very narrow, limited to virtual reproductions of the variations.
- infringement is copying of protectable elements of another's original creative design.
- Stone's designs are original, because they do not exist in nature and were created by him.
- the facts indicate that Lambert did not literally copy any of Stone's designs, but merely utilized the same technology and generic jellyfish form to create his own original designs.
 - Stone had combined several unprotectable ideas and standard elements of shape and orientation.
 - only Stone's variations of the jellyfish form are protectable.
- thus, Lambert has not copied the protectable elements of Stone's designs.
- no infringement.
- bonus: unfair competition may exist.
 - but there is federal preemption of state unfair competition law.

II. (60 min.)

- a mark is an indicia of the origin of the product or service.
 - it must be affixed to the product or location of the service.
- infringement exists when there is a likelihood of confusion between the plaintiff's and defendant's marks among consumers.
- 8-factor test:
 - (1) strength of plaintiff's mark
 - arbitrary, suggestive, and merely descriptive marks
 - secondary meaning
 - degree of strength is based on how widely the mark is recognized by consumers
 - TSI had 6 years' of uncontested use following its 1995 registration
 - (2) relatedness of the goods or services
 - physicians use both TSI's services and Thermoscan's thermometers
 - hence, both marks serve the same group of consumers
 - this raises the likelihood of confusion
 - but Thermoscan sells 80% of its thermometers to the general public and 20% to physicians
 - (3) similarity of the marks

- the issue is whether physicians would confuse the origin of TSI's services and Thermoscan's thermometers
- *Therma-Scan* and *Thermoscan* are nearly identically spelled
- but their typefaces and graphics differ significantly
- (4) evidence of actual confusion
 - the only evidence of actual confusion is the 12 e-mails sent to TSI with orders for electronic thermometers between 1995 and 2000
 - but, Thermoscan has sold millions of thermometers over the same period and receives about 11,000 phone orders per month
 - this suggests very little actual confusion by consumers
- (5) marketing channels used
 - Thermoscan advertises its thermometers extensively; TSI relies on professional word-of-mouth exclusively
 - these are different marketing channels
 - Thermoscan sells 80% of its thermometers to the general public and 20% to physicians; TSI's services are offered to physicians and their patients
 - thus, there is only partial market overlap
- (6) likely degree of purchaser care
 - physicians are likely to be careful purchasers who know the origin of the products they buy
 - while this is not true of the general public, they are unlikely to know about TSI's services
 - unless they are looking for thermal imaging services, in which case they are likely to be more careful than usual, or will rely on their physicians' advice
- (7) Thermoscan's intent in selecting its trademark
 - that Thermoscan adopted its mark after TSI registered its mark does not create an inference that it intended to copy TSI's mark
 - there is no affirmative evidence about Thermoscan's intent other than the suggestive character of its mark
- (8) likelihood of expansion of the parties' product lines
 - there is no evidence about TSI's or Thermoscan's intentions to move into each others' markets
- mark becomes incontestable after 5 years' uncontested use.
 - secondary meaning is presumed when a mark become incontestable.
 - it can no longer be cancelled for being merely descriptive.
 - but, incontestability does not raise a presumption that it is a strong mark.
- here, TSI's mark is merely descriptive; although incontestable, it is not widely recognized by the general public, but must be well-known by the physicians in the bi-state St. Louis area.
- RESULT: there is little likelihood of confusion between the two marks.
 - no infringement.

III. (30 min.)

- the patent application must contain claims and a specification that shows that the invention is operative and useful.

- the date of the invention for purposes of determining who is the first inventor is the earliest of date of conception, date of reduction to practice, or date of application.
 - here, the date of invention is the date of application.
- an invention must be operative.
 - reduction to practice is required for complex and somewhat complex inventions, but is not needed for simple inventions.
 - their operativeness is self-evident from the patent claims and specification.
- but, reduction to practice need not be established at the time of application.
 - reduction to practice is presumed at the time of application.
 - it is sufficient to prove reduction to practice when the examiner requires proof of operativeness.
- *anticipation*: § 101(a) requires that a patent cannot issue if the invention is known or used in the U.S. or is described in a printed publication or patent in the U.S. or a foreign country before applicant invented the invention.
- here, the invention was described in the Canadian research report years before applicant's date of invention.
 - a publication is considered published:
 - (1) it is "printed", *i.e.*, printed in any form of hardcopy by any process
 - bonus: or is available online
 - a single copy available to the public is sufficient. *Borst.*
 - (2) it is made available to the public
 - deposit in a library open to the public and indexed to make it accessible is sufficient. *Borst.*
 - here, the research report was deposited and indexed in a library open to the public in a foreign country.
- thus, the invention was anticipated.

IV. (15 min.)

Explain the significance of the following cases:

- (1) *In re Bilski* [Fed. Cir.] - abandons "useful, concrete and tangible result" test of *State St. Bank* and *AT&T v. Excel* for patentability of process claims and restores "machine of transformation" test of prior cases (*Benson* and *Diehr*); eliminates patentability of computer processes and business methods.
- (2) *KSR International, Inc. v. Teleflex* - requires a synergistic effect or unexpected result for patentability of combinations of old elements claims, repudiating *Stratoflex*; a combination of old elements, with no change in their respective functions and yielding a predictable result is not patentable, confirming *A&P, U.S. v. Adams, Sakraida*.
- (3) *Eldred v. Ashcroft* - holds that extension of copyright term by 20 years is not the equivalent of creating a perpetual copyright term.

V. (30 min.)

Briefly identify and define the following:

- (1) *ordinary skill in the art* - patent: level of technical skill in the pertinent area of

- technology possessed by a person to whom applicant's invention would be obvious.
- (2) *tangible medium of expression* - copyright: copyrighted subject matter must be expressed in a physical entity.
 - (3) *trade secret* - secret information intended to be kept secret which creates a competitive advantage.
 - (4) *"on sale" bar* - patent: invention cannot be patented if it has been offered for sale or has been sold to the public by applicant or anyone else for more than 1 year before applicant filed.
 - (5) *process* - patent: one of 4 categories of patentable subject matter: a sequence of physical, chemical, or other steps for treating materials to achieve a predetermined physical result.
 - (6) *originality* - copyright: work was created by author/composer/artist, not by someone else.
 - (7) *first sale doctrine* - patents & copyrights: ownership of copyrighted/patented object is distinct from ownership of copyright/patent; thus, purchaser of patented or copyrighted object has the right to sell or dispose of it without liability to patent/copyright owner.
 - (8) *palming off* - unfair competition: selling something with suggestion/assertion that it is made by someone else, with the purpose of deceiving customers.
 - (9) *misappropriation* - taking the work product of another without consent for competitive advantage.
 - (10) *right of publicity* - right of a celebrity to prevent others from using the celebrity's name or likeness for competitive advantage.