FINAL EXAMINATION

INTELLECTUAL PROPERTY

P.N. Davis

Monday, December 8, 1997

8:30 - 11:30 AM

THIS IS A THREE (3) HOUR EXAMINATION.
THIS EXAMINATION CONSISTS OF EIGHT (8) PAGES.
THIS EXAMINATION CONTAINS SIX (6) QUESTIONS.
I = 40 min. II = 40 min. III = 20 min. IV = 15 min. V = 45 min. VI = 20 min.
FILL IN YOUR EXAMINATION NUMBER ON THE BLUEBOOK STICKER.

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YOU BRING INTO THE EXAM YOUR COPY OF THE STATUTORY SUPPLEMENT, with any notations in the margins and blank pages you care to make, but no page inserts.

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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.
(40 minutes)

Below is the first page of a greeting card.

The back of the card contained the following notation: © RPG [Recycled Paper Greetings].

A.
(30 minutes)

Discuss whether the greeting card company could be enjoined from making future sales of this greeting card and whether it could be liable for past sales of the card. Explain. Discuss

all relevant legal issues. State a result.

B.
(10 minutes)

Discuss whether there could be liability for printing a copy of the first page of the greeting card in this exam. Explain. Discuss all relevant legal issues. State a result.

II.
(40 minutes)

Henry Chocolate Company makes and markets chocolate candy bars. Two months ago, it introduced a new candy bar containing honey-flavored milk chocolate including small pieces of almond nougat. It is marketed under the *Swiss Castle* label. The candy wrapper has the words "Swiss Castle" in large gold-rimmed red letters on an indigo blue background.

Chocosuisse Union des Fabricants Suisses de Chocolat, a trade group of Swiss chocolate manufacturers (which has Suchard and Lindt as members), sent a letter to Henry demanding that it cease and desist from marketing this candy bar or any other labeled with the word "Swiss." The letter alleges that the American and European publics identify the term "Swiss Chocolate" with chocolate candy bars manufactured in Switzerland. The letter concludes by stating that the trade group will seek legal relief if its demand is not complied with forthwith.

You have been consulted by Henry Chocolate to determine whether to comply with Chocosuisse's demand. A trademark search has revealed (a) that no one has registered the *Swiss Castle* mark, and (b) that no one has registered a certification mark associating the word "Swiss" with chocolate candy. Discuss (1) whether and under what circumstances Chocosuisse could obtain registration of a certification mark for the term "Swiss Chocolate", and (2) whether and under what circumstances Henry could obtain a trademark registration for *Swiss Castle,* and whether Chocosuisse could successfully object to such a registration. Explain. Discuss all relevant legal issues. State a result for each issue.

III.
(20 minutes)

New York magazine has proposed to place 75 large advertisements on the exteriors of buses in New York City with a caption boasting that the magazine is "possibly the only good thing in New York Rudy hasn't taken credit for." New York Mayor Rudolph Giuliana has brought suit to enjoin the display of this advertisement. In the past, Mayor Giuliana has been featured in local newspaper and TV stories almost daily during his two terms in office. He is well-known for taking credit for all of New York City's achievements.

Should the court grant the injunction? Explain. Discuss all relevant legal issues. State a result.

IV.
(15 min.)

Davis Tool Co. is licensee of a patent for an improved high-speed carbide-tipped drill. The drill has a shank portion and a unique carbide tip geometry that has specially configured cutting edges resulting in a drill suitable for high-speed machining with improved cutting ability especially at its center portion. The drill tip is not separately patented.

As illustrated in the above drawings from the patent, the drill has a tip (1), shank portion (2), twisted grooves (3), projections (4) (these projections bend and break the chips to render them smoothly removable), and a conical end having a center point (11) at the apex of the cone and a pair of cutting edges (10). The drill shank (2) is made of medium carbon steel. The drill tip (1) is made of a more durable carbide and is brazed to the steel shank (2). Brazing is like soldering but with a much higher melting point. It requires a temperature of 1300 degrees Fahrenheit to join the carbide tip to the steel shank.

Davis Tool manufactures a commercial embodiment of the patented drill. Although made of durable carbide, over time and use, the drill tip dulls and may require resharpening. Resharpening, also known as regrinding, involves putting a new edge on the drill tip. Normally, the drill can cut through about one thousand inches of material before needing resharpening, depending, of course, upon the hardness of the material being cut. Davis expects the drill tip to be resharpened and, in fact, issues guidelines explaining how to resharpen the tip so as to maintain the specially configured cutting edges. Davis does not contend that resharpening constitutes infringement.

D.E. Co. offers a drill repair service which includes resharpening and retipping Davis drills. D.E. retips a drill, at the request of its customer, when the tip cannot be sharpened because it chips, cracks, or simply wears down after being resharpened several times. The parties agree that when the tip is damaged (*i.e.*, chipped, cracked or sufficiently worn down so that it cannot be resharpened), the drill has reached the end of its useful life unless it is retipped.

D.E.'s retipping process includes removing the worn or damaged tip by heating the tip to 1300 degrees Fahrenheit using an acetylene torch. D.E. then brazes a rectangular piece of new carbide onto the drill shank. After the piece of carbide has cooled, D.E. recreates the patented geometry of the cutting edges by machining the carbide. This process includes: (1) grinding the carbide to the proper outside diameter; (2) grinding the carbide to a point; (3) grinding the rake surfaces of the new point; (4) grinding the center of the new point; and (5) honing the edges. In the final steps of the machining process, D.E. creates the cutting edges by following Davis's instructions for tip resharpening.

Davis brought suit against D.E. to enjoin it from retipping Davis's drills. Davis does not manufacture or sell replacement drill tips. It contends that it never intended for the drills to be retipped.

Should the court grant the injunction? Assume that Davis's patent is valid. Explain. Discuss all legal issues. State a result.

V.
(45 min.)

Acme Scuba Works is licensee of a patent for an "Adjustable Strap For Use With A Diver's Face Mask," issued to Baker on March 27, 1991. The sole claim of the patent describes a flexible, resilient strap having hook and loop type fastening material ("Velcro") to adjustably attach the strap to a diver's face mask. Baker developed a prototype face mask strap which was first manufactured by Acme Scuba Works on May 20, 1988. In July 1988, Acme supplied a few of the prototype straps to a group of scuba diving teachers who wore them while giving lessons in a local swimming pool; they did not wear the straps in open waters. Baker, who was not satisfied with the convenience of using the prototype strap, decided in September 1988 to make a modified strap. The prototype strap was displayed by Acme at a series of industry trade shows during fall 1988, but refused to sell any. Baker had heart bypass surgery in November 1988 and did not produce his modified strap until February 1989. They, too, were worn in the swimming pool by the scuba diving teachers for a few months. Again, they did not wear them in open waters. Acme began selling the more successful modified strap in July 1989. Both straps fall within the scope of Baker's patent claim. Acme began advertising the modified strap in its mail order catalog and in trade magazines in summer 1989.

Foster Industries learned of Acme's prototype strap in fall 1988 at a trade show in Miami. By January 1989, Foster had designed and began manufacturing and selling various similar face mask straps. These straps fall within Baker's patent claim.

In November 1989, Acme engaged a patent attorney to obtain patent protection for its face mask strap. The patent application was filed on March 1, 1990. The patent issued on March 27, 1991.

Adjustable "velcro" straps have been used on bicycle helmets, construction hard hats, and backpacks since the middle 1980's, but there had been no underwater applications of "velcro" before the marketing of Acme's and Foster's face mask straps.

On July 24, 1990, Acme sued Foster for patent infringement, seeking damages and an injunction. Should the court grant the requested relief? Explain. Discuss all relevant legal issues. State a result.

VI.
(20 minutes)

A Scottish poet, Derick Thomson, wrote a poem "On Glascow Streets," published in 1991 in his collection, *Bramble of Hope*. In 1995, a Cornish poet, Alan Kent, published a poem "Boscowen Street" in a collection, *Modern Cornish Poets*. He and some of his fellow Cornish poets support Cornish independence and reject mainstream English literature. Both poems are copyrighted. Thomson and Kent have never met each other.

The poems are as follows:

On Glascow Streets, by Derick Thomson

When I hear
Glascow waitresses
talking earnestly
about Perry Como
or Starsky and Hutch,
or singing a song
by John Lennon,
I remember
that Wallace
is out the window,
and Alasdair Mace Colla
at the mill of Gocam-go
and my country, for lack
of will
has gone to hell.

Boscowen Street, by Alan Kent

When I hear
seasonal Truro waitresses
talking earnestly
about Neighbours
or Mel Gibson
or singing the number
one,
I remember
that Flamank
is just out of the window,
and Joseph is
at St Kaverne,
yet my country, for lack of
will
has gone to hell.

Thomson sued Kent for copyright infringement. For purposes of this question, assume that both collections were published in the United States. Should the court find Kent liable? Explain. Discuss all relevant legal issues. State a result.

INTELLECTUAL PROPERTY
Dec. 8, 1997

I. (40 min.)
A. (30 min.)

Drawing and phrases are copyrightable as literary & pictorial work. § 101.
Exclusive rights of copyright owner include duplication. § 106.
Infringement: substantial similarity + access + exceeds fair use

Card contains parodies of Superman cartoon character and of Superman descriptive phrases.
Are cartoon characters copyrightable?
- Yes! They are pictorial works.

Are they protectable independently of the works in which they appear?
- Yes! *Detective Comics* and *Kropft*.

Are parodies fair use?
- Yes! § 107.
- they must satisfy the 4-factor test
  - **[insert]**
- parodies are allowed to copy, but only to extent that they conjure up the originals (*Benny*)
  - a parody is a form of criticism -- a spoof of the original
  - that amount of copying is necessary because reader/viewer makes a mental comparison of original with parody
  - cartoon characters can be parodized to that extent (*Air Pirates*)

Analyze this greeting card.
- degree of similarity: compare costume, age & physical appearance of character, drawing style, descriptive phrases.

Is a copyright notice (as here) necessary to keep work from falling into public domain?
- No! Since 1989, under Berne Convention Implementation Act, a copyright notice is not a prerequisite to copyright protection of published works.

Does use of an incorrect form of copyright notice create a problem?
- the correct form is © [date] [copyright owner]. § 401(b).
- No! Since notice is not required at all, use of an incorrect form does not affect protection.

Conclusion

B. (10 min.)

Duplication without consent violates copyright owner's exclusive rights. § 106.
This duplication probably falls within teaching type of fair use. § 107.
Such duplications for classroom use must comply with the Publishers' Guidelines. (*Princeton*)
- the Guidelines require brevity, spontaneity, cumulative effect
- *brevity:* 1 drawing or cartoon is permitted
- *spontaneity:* appears to be an idea developed too late to acquire consent
- *cumulative effect:* this appears to be the only example of copying from this work or

publisher
No liability

II. (40 min.)

Chocosuisse's certification mark:

- designates regional origin, quality, or other characteristics of goods or services. § 45.
- only goods or services having the designated origin, quality, or characteristics may bear the certificate mark.
- may be registered by entities exercising legitimate control over the use of the certification mark. § 4.
- certification mark is not registerable if the public associates the mark, not with geographic origin, by with a generic product (like Swiss cheese) or a product of a particular source.
- to determine how the public associates the term "Swiss Chocolate," a market survey probably is required.
- result

Henry's trademark registration:

- a trademark can be registered after a first use in commerce. Apparently satisfied.
- a mark can be registered only when it becomes distinctive.
    - arbitrary and suggestive terms are considered distinctive *ab initio* and can be registered immediately.
        - arbitrary terms bear no relation to the product or service.
        - suggestive terms require imagination to perceive an association between the mark and the product or service
    - otherwise marks must acquire secondary meaning before they can be registered.
- *Swiss Castle* has been marketed only recently.
- probably it is suggestive and registerable immediately.
- § 2(e) prohibits registration of geographically descriptive or geographically misdescriptive marks, unless and until they acquire secondary meaning.
    - since Henry's chocolate bar is not made in Switzerland, it is geographically misdescriptive.
    - it has been marketed only for 2 months; it is highly unlikely that it has already acquired secondary meaning.
- therefore, *Swiss Castle* cannot be registered; Chocosuisse could successfully object to registration.

III. (20 min.)

Right of publicity:

- public figures (celebrities) have a right to control commercial use of their names and likenesses.
- it is breached when someone appropriates the celebrity's name or likeness for commercial advantage.
    - this is in part to prevent unauthorized testimonials.

- presumably a political figure has the same rights of publicity as other celebrities

Parody defense:

- parody ordinarily is not a fair use exception to the right of publicity.
    - parody may be a fair use defense in copyright infringement, and in a limited way in trademark infringement.
- parody for commercial advantage, as distinguised from parody as a form of comment, clearly is not a defense. *White*.
- here, the parody was a link Mayor Giuliani's persona and his penchant for garnering publicity.
- that is a legitimate subject of parody generally.
    - *See Hustler* [parody of Jerry Falwell -- not in a real or fake advertisement], mentioned in class, but not read.
- but did it serve as an implied endorsement (a commercial purpose)?
- result

IV. (15 min.)

Issue is whether D.E.'s service is repair or reconstruction.

- under first sale doctrine, purchaser is entitled to repair a patented device, but cannot reconstruct it; the latter constitutes infringement by violating patentee's exclusive right to manufacture the patented device. § 271(a).
- purchaser is granted an implied license to use the patented device for its useful life, including the right to repair it.
- repair is replacement of parts during the expected lifetime to restore an existing patented device
- reconstruction is remanufacture of a patented device after it has reached the end of its useful life.
- here, replacing the drill tip, which contains the patented geometry, amounts to remanufacture. It does not merely involve substitution of a part; it involves several manufacturing steps to recreate the patented device. It is not like replacing bearings, motors, etc., which typically are staple items of commerce.
    - the drill tip does not have a useful life shorter than that intended for the drill as a whole.
- result

V. (45 min.)

Priority date:

- the first inventor is entitled to a patent. § 102(a), (g).
- here, Baker's application date is subsequent to Foster's first marketing date.
- in order to establish priority, the inventor must show a reduction to practice or conception date prior to Foster's earliest priority date.
- here, Baker's reduction to practice date for the prototype strap is earlier than Foster's marketing date; Baker's reduction to practice date for the modified strap is later.
- an inventor must show continuous diligence from reduction to practice to application in order to preserve his reduction to practice date.
- ordinarily, gaps in diligence during the period when the other inventor establishes a priority date causes the earlier inventor to lose his priority., unless there is a adequate excuse. § 102(g).
- here, Baker had a gap in activity for heart surgery. That does not constitute a gap in diligence, since the gap was largely involuntary and since the period was not excessively long.
- but Baker waited 13 months to hire a patent attorney + patent attorney took 4 months to prepare patent application
    - attorney time not too long
    - but hiring delay was too long.
- hence, Baker should lose his reduction to practice priority date of May 1988.
    - *also:* can argue that Baker's development period was too long in light of the simplicity of his invention.

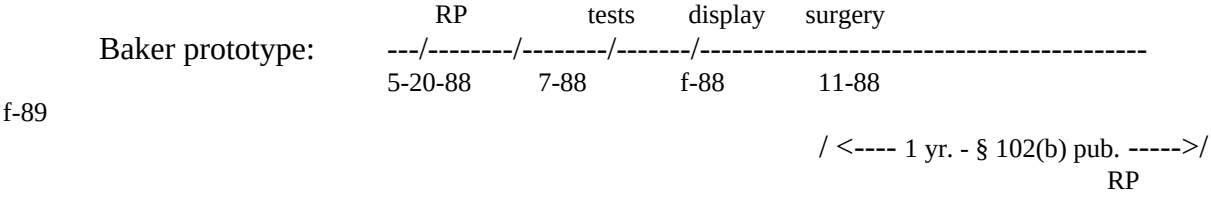
§ 102(b) first sale loss of patentability:

- an inventor cannot obtain a patent if anyone uses or sells the invention for more than 1 year prior to application.
- here, Foster sold the strap for 14 months before Baker's application.
- here, the scuba diving teachers wore Baker's strap during two intervals, the first being about 20 months before application.
    - unless their use of the strap could be considered an "experimental use."
    - an experimental use is one by the inventor, or at his request, to perfect the invention and prove its operativeness.
    - is underwater use of a "velcro" strap for an extended period of time necessary to prove operativeness? Discuss.

Obviousness:

- if a combination of prior art references makes the invention obvious to a person with ordinary skill in the relevant art, the invention is not patentable. § 103.
- "velcro" straps on bicycle helmets, etc., and other types of scuba face mask straps are prior art references.
- would their combination be obvious? Discuss.

Timelines:



tests sales/pub. atty. PA

Baker modified: ----------/------/-------/---------/---------/-

2-89

7-89 12-89 3-1-90

sales

Foster: ----------/----------

1-89

1-90

/ <---- 1 yr. -

§ 102(b) sales ----> /

VI. (20 min.)

- a copyright notice has not been required for protection since Mar. 1, 1989. Hence, both poems are protected in the absence of a copyright notice.

- expression is protected by copyright, not ideas.
- among the exclusive rights of a copyright owner is control of copying and distribution of the copyrighted work. § 106.

- infringement occurs when there is substantial similarity coupled with access.
- *access:* access can be presumed where the first work has been published in a widely circulated book prior to creation of the second work.
- *substantial similarity:* there must be literal duplication, or immaterial variations, amounting to mimicry of expression; the similarity of a few words is not enough.

- here, there is an identity of several lines, and substantial similarity of many of the remaining lines.

- result