

FINAL EXAMINATION

INTELLECTUAL PROPERTY

P.N. Davis

Tuesday, May 11, 1993

8:30 - 11:30 AM

THIS IS A THREE (3) HOUR EXAMINATION.

THIS EXAMINATION CONSISTS OF SEVEN (7) PAGES.

THIS EXAMINATION CONTAINS FIVE (5) QUESTIONS.

I = 30 min. II = 45 min. III = 35 min.

IV = 35 min. V = 30 min.

FILL IN YOUR EXAMINATION NUMBER ON THE BLUEBOOK STICKER.

* * * * *

YOU BRING INTO THE EXAM YOUR COPY OF THE STATUTORY SUPPLEMENT, with any notations in the margins and blank pages you care to make.

* * * * *

Instructions:

1. These questions will be graded on the basis of the times indicated with each questions. The indicated time for the questions total 2 hours, 55 minutes. 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)

Gorman applied for a patent for a lollipop which consists of the following elements: (1) a molded lollipop in the shape of a human thumb, (2) a removable resilient elastomeric plastic shell mold, also serving as the product wrapper (the candy is poured into the mold), (3) gripping flanges at the open end of the mold to facilitate removal, (4) a chewing gum plug at the open end of the mold to seal the product, and (5) a cardboard or plastic disc over the chewing gum seal to hold the lollipop stick in place while the candy cools during manufacturing. The customer peels off the mold to lick and eat the candy and chewing gum.

The examiner discovered the following prior art:

- (a) *Siciliano* discloses an ice cream confection molded in a plastic, rubber, or elastomeric mold, which also serves as a product wrapper. The ice cream is poured into the mold, a stick with cardboard seal is inserted, and the ice cream is hardened. The mold is peeled from the product prior to consumption.
- (b) *Copeman* discloses a candy lollipop molded in an elastomeric mold, which also serves as a product wrapper. The mold may take "varying shapes, such as in the form of fruit, or animals". The mold is peeled from the product prior to consumption.
- (c) *Kuhlke* discloses a candy lollipop molded in an elastomeric mold, which also serves as a product wrapper. It mentions the desirability of sealing the candy from the outside air. The mold is peeled from the product prior to consumption.
- (d) *Nolte* discloses gripping flanges placed on an ice cream wrapper to facilitate removal.
- (e) *Ahern* discloses a disc-shaped seal or cover in conjunction with a stick for an

ice cream confection.

- (f) *Harris* discloses a hollow thumb-shaped lollipop into which the human thumb is inserted for consumption.
- (g) *Fulkerson* discloses a candy coating surrounding a block of ice cream, and a candy plug for retaining liquid syrup inside a cavity in the ice cream.

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

II.
(45 minutes)

In 1978, W.W.W. began selling a lip balm (similar to *Chapstick*) under the trademark *Sportstick*. It obtained a registration on May 11, 1982. It is packaged in a royal blue tube and bears the mark *Sportstick* in white letters parallel to the length of the tube. The product is sold in a variety of retail outlets. W.W.W.'s sales were erratic in the 1980s, peaking with 75 accounts, including some national drug and grocery store chains, in over 40 states, grossing \$233,000 in 1985. It changed suppliers in 1986, which could not meet demand, and W.W.W. suffered a dramatic decline in sales, reaching \$100,000 in 1988.

In 1988, Major Cosmetics introduced a solid deodorant. Hoping to appeal to younger consumers, it called the product *Major Sport Stick*. Before introducing the product, Major's trademark attorney conducted a trademark search, revealing 60 relevant trademarks, including W.W.W.'s *Sportstick* lip balm. Located directly below the *Major* trademark on the deodorant tube were the words in smaller letters *Sport* and *Stick*, separated by a picture of a running figure. The deodorant tube was black with red letters. Major advertised the deodorant on prime time television in commercials using prominent athletes. Major's *Sport Stick* was very successful, grossing over \$10 million in 1989.

W.W.W. protested Major's use of the mark by letter on May 12, 1988. When Major did not stop its use of the mark, W.W.W. filed suit on March 21, 1989, seeking an injunction against Major's further use of the mark *Sport Stick* and damages. What plausible federal and state law claims can W.W.W. allege in this lawsuit? Should the court grant an injunction and/or damages on any of those claims? Discuss all relevant issues. State a result as to each claim.

III.

(35 minutes)

Columbia News Service records newsworthy events on videotape and licenses television stations and networks to use all or segments of the unedited ("raw") footage in edited telecast news stories. Video Reporting Service provides a video "news clipping" service. It monitors television news programs, records them on videotape and sells copies of all or segments of the tapes to interested individuals and businesses.

Columbia videotaped the sites of an airplane crash and a train wreck, registered its copyrights to the tapes, and licensed several Missouri-area television stations to use them on news programs. Video made video recordings of those news programs, which included portions of Columbia's footage, and marketed the recordings.

Columbia sued Video for copyright infringement. Video defends on the ground (1) that Columbia's unedited ("raw") footage is not copyrightable, because Columbia's tapes merely recorded whatever was before the video camera, and (2) that its copying of that footage was not infringement because the tapes recorded newsworthy events. Should the court find that copyright infringement has occurred? Discuss all relevant issues. State a result.

IV.

(35 minutes)

General Telephone Corp. was formed in 1935. Its name was changed in 1959 to General Telephone & Electronics Corp., and again in 1982 to GTE Corp. One of its subsidiaries is a network of telephone operating companies, including GTE of the Midwest, which operates the telephone system in Columbia, Missouri. All of the telephone subsidiaries use *General Telephone* and *GTE* as trade names, trademarks, and service marks. GTE provides local telephone service in only about 20 percent of communities in the United States, serving less than 10% of the nation's population. GTE advertises its telephone equipment on national television commercials, but not its local telephone services.

Warner operates a sole proprietorship providing mobile telephone and paging services in the Jefferson City, Missouri, area under the trade name, trademark, and service mark *General Telephone Mobile*. Warner adopted it in 1974 and has used it continuously since. Warner uses mobile telephones and paging devices manufactured by General Telephone. Local telephone service in Jefferson City is provided by a non-GTE company, United Telephone.

In October 1982, GTE obtained a registration of the service mark *General Telephone* for the provision of telecommunications services. Although it does not provide local telephone service in Jefferson City, GTE sued Warner for infringement of its federally registered mark and for false designation of origin, and sought an injunction.

By affidavit, Warner conceded that GTE's mark *General Telephone* had acquired secondary meaning for provision of local telephone services in those communities which it served, but did not concede that it had acquired secondary meaning in communities served by unrelated companies. At trial evidence was presented showing (1) that Warner knew that GTE had provided local telephone service in Columbia, Missouri (35 miles from Jefferson City), since before Warner established his business, and (2) that most telephone customers in Jefferson City were not aware of that fact.

Should the federal district court find infringement and grant the requested injunction? Discuss all relevant legal issues. State a result.

V.
(30 minutes)

Briefly explain the significance of the following terms:

- (1) public performance
- (2) experimental use
- (3) suppression
- (4) first sale doctrine
- (5) palming off
- (6) operativeness
- (7) skill in the art
- (8) use in commerce
- (9) certification mark
- (10) originality

IP 1993

ANSWER SHEET

I. (30 minutes)

obviousness - § 103
analyze elements from cited references

II. (45 minutes)

validity of registration:

- words are generic, but used in perhaps nongeneric combination
- distinctive?: more than "merely descriptive"; suggestive?
- secondary meaning?: strength of mark + public recognition
- likelihood of confusion? -- tests: similarity of products, strength of prior mark, similarity of marks, competitive proximity (same outlets?), "bridging the gap"?, actual consumer confusion, good faith, product quality, sophistication of consumers
- reverse confusion?
- unfair competition? 3-part test
- dilution?

III. (35 minutes)

originality?

- discuss *Sarony re* intellectual & artistic input in photography
- even in unedited material

fair use?

- discuss newsworthy event exception to infringement
- 1st Amendment need of public access to news
- only tapes available about that airplane crash & train wreck
- 4-part test for fair use:

IV. (35 minutes)

likelihood of confusion? (can mobile & local telephone services be distinguished?)

- *General Telephone* not used to advertise nationally its local telephone services
- Warner was aware of GTE in Columbia, Missouri
- Warner's customers were not aware of that fact

concurrent use:

- senior user gets territory of actual use under common law
- registrant gets territory of actual use + preemptive rights in territory not served by concurrent user (as of date of registration)
- registrant cannot preempt territory occupied by pre-registration user