

FINAL EXAMINATION

INTELLECTUAL PROPERTY

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Wednesday, May 14, 1997

8:30 - 11:30 AM

THIS IS A THREE (3) HOUR EXAMINATION.

THIS EXAMINATION CONSISTS OF SIX (6) PAGES.

THIS EXAMINATION CONTAINS SIX (6) QUESTIONS.

I = 40 min. II = 30 min. III = 40 min. IV = 20 min. V = 20 min. VI = 30 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)



In early 1996, the United States Department of Labor announced a new anti-sweat shop publicity campaign designed to influence consumers' shopping behavior. Similar to its American flag "Made in U.S.A." label campaign of several years ago, it proposed to authorize clothing manufacturers to attach labels in their clothing indicating that they did not manufacture the clothing in so-called "sweat shops," which pay substandard wages in for long hours of work in cramped substandard manufacturing facilities. With great publicity, Secretary Robert Reich and Kathie Lee Gifford launched the campaign by unveiling the label bearing the words "*No Sweat*."

Bette Appel is the owner of the *No Sweat*TM and *No Swet*[®] trademarks. She is a small manufacturer who has nationally marketed a line of high quality women's sports garments under those marks for 30 years. [See photo.] The latter mark has been federally registered for most of that time. Many of Appel's customers at retail outlets are repeat buyers.

Appel has three questions for you:

(1) Can the US Department of Labor be enjoined from authorizing use of its proposed *No Sweat* labels?

(2) The Department of Labor has proposed to apply for a certification mark. Can Appel successfully object to the registering of that mark?

(3) Are her marks in danger because of the popular usage of the common remark, "No sweat!"?

Discuss all relevant legal issues and identify any relevant statutory provisions. State a result on each.

II.
(30 min.)

Assume that CompuServe has begun providing scores of professional and collegiate football, basketball and baseball games in progress as part of its on-line Internet service, with updates every 15 seconds. Information provided includes (1) the teams playing, (2) score changes, (3) team in possession of the ball (or at bat), (4) the quarter (or inning) of the game, (5) time remaining in the quarter (or number of outs), and (6) time remaining in the game (or innings played). In addition, it provides recalculated player and team statistics with each score update.

Score information is provided by CompuServe reporters who watch the games on television or listen to them on the radio. They key into a personal computer changes in the score and other relevant information and download it to CompuServe's mainframe computer via modems connected to telephone lines. The information is compiled, analyzed and formatted automatically by the mainframe computer and then is loaded into CompuServe's sports web page. Its customers can log onto the web page to receive the scores and statistics.

Assume the professional sports associations sued CompuServe to enjoin under state law the providing of this information.

Assume you are an attorney with Ever & Faithful, which has been engaged by CompuServe to defend this lawsuit. Several questions need to be addressed:

(1) What state law theory is most likely to be asserted by the plaintiffs? What are the elements of that cause of action? Are those elements present in this lawsuit?

(2) Is there any significant defense available? Is that defense likely to be successful?

Discuss all relevant legal issues. State a result.

failed to mention ⁽¹⁾ that sports broadcasts are copyrighted and ⁽²⁾ that professional sports associations send out copyrighted reports of games and statistics every few minutes.

III.
(40 min.)

Frank Benson, a famous American jurist, died in 1992, at age 82. Benson had been judge at several famous American trials, and, before becoming judge, had been a famous prosecutor and defense attorney.

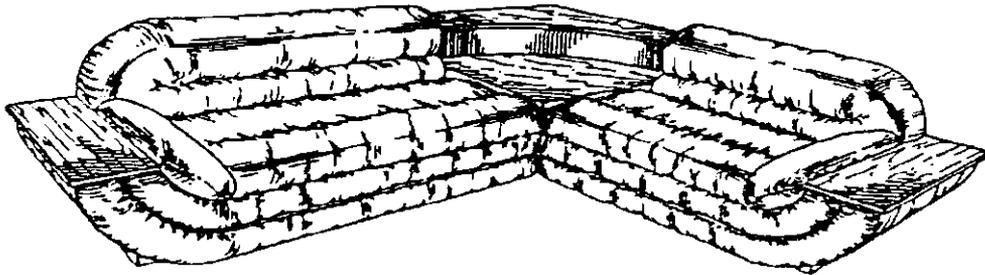
For the past two years, RKO II, a newly emerging American movie studio, has been preparing a film on Benson's life. A year ago, the screenplay was shown to administrators of Benson's estate. According to RKO II's house attorney, "They [Benson's estate] claimed they owned everything in the script, including all the creative writing of the screen playwrights. They were saying that we can't use Benson's words." Nonetheless, RKO II proceeded and began filming last week.

The screenplay was based on interviews of Benson by Daniel Finley, Benson's friend and unauthorized biographer, on letters exchanged between Benson and several famous persons, on transcripts of and briefs in some of the trials Benson judged or participated in, and on a few of Benson's lectures at law schools (all of which were spoken or written after 1950). The interviews were recorded by Finley, the letters were deposited in various university and public libraries, and the texts of the lectures were published in the law reviews of the respective law schools. The recorded interviews included both casual conversations and Benson's extemporaneous expositions on various topics suggested by Finley. Portions of the interviews, letters, court transcripts, and lectures were excerpted in the screenplay.

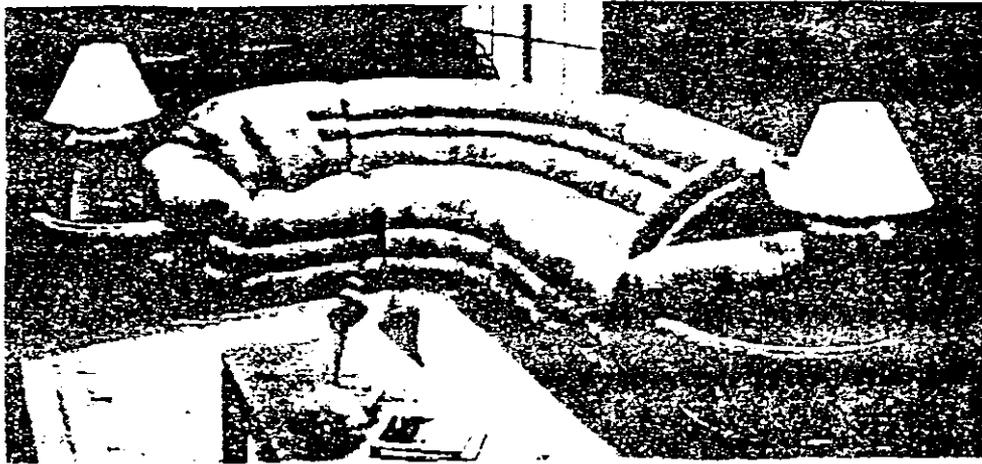
The Benson estate brought suit against RKO II for a permanent injunction against the filming. Should the court grant the injunction? Discuss all relevant legal issues. State a result.

IV.
(20 min.)

Earl & Edna Abbott, of Earl & Edna Furniture, Inc., submitted an application for a design patent for a contiguous three-piece sectional sofa, with a corner table at the intersection of the straight sofa sections and integral end tables. The diagram for the Abbotts' design is as follows:



At the time the Examiner was considering this application, she went shopping for furniture and discovered a contiguous three-piece sectional sofa with integral end tables for sale. It had been manufactured by Stuffed Sofa Ltd. for five years. That sofa is depicted in the following photograph taken from the manufacturer's catalog:



Should the Examiner grant or deny the Abbotts' application for a design patent? State a result. In making your determination, discuss the criteria the Examiner should consider.

V.
(20 min.)

Second Savings Bank. Second Savings Bank is a federally chartered savings bank located in Columbia, Missouri, with branch offices in Jefferson City and Mexico, Missouri. It was originally chartered as the Second National Bank of Columbia. It was known in mid-Missouri from 1887 to 1983 as “Second National Bank.”

In 1983, it adopted its present marketing name, *SecondBank*, and prominently advertised the change of name. In 1986, it changed its legal name from Second National Bank to Second Saving Bank, but did not change its marketing name. Hence, from 1983 to the present time, Second Savings Bank has used the *SecondBank* mark without interruption in connection with its banking services. Second Savings Bank has not obtained a federal registration for its name, but did obtain a Missouri registration in 1993.

Second Bank System. Second Bank System is a large interstate financial holding company headquartered in Denver, Colorado. It has branch banks scattered across the United States. Its various branch banks used their individual names and logos. Since 1971, it obtained a federal registration for the term *Second Bank System* and for the following logo:

**Second
Bank
SYSTEM**

Historically for several years after 1971, Second Bank System’s member banks used this mark to show their affiliation with the holding company. The mark was placed to the right of the individual bank logos on forms and documents, on bank buildings, and in advertisements. In 1979, Second Bank System adopted a new marketing strategy that required a change in individual bank names. From that year, each bank was named and marked as “Second Bank” followed by the name of the city. For example, the branch in Kansas City was marked *Second Bank Kansas City*. The above logo no longer was used. However, all bank forms and documents and all advertising contained the banks name in the above format and also the phrase “Member Second Bank System.” It was thought that the banks would have a common nationwide identity even though the member banks had disparate individual legal names. The above logo’s registration expired in 1991. However, Second Bank System obtained a federal registration of the phrase *Second Bank System*.

In 1995, Second Bank System acquired the assets of Metropolitan State Bank in Columbia, Missouri. It is located one block away from Second Savings Bank. Second Bank System changed the legal name of Metropolitan State Bank to Second Bank Columbia, printed new forms and documents, installed a new sign on its building and began publishing advertising in the local newspapers bearing its standardized name *Second Bank System*.

Second Savings Bank sued Second Bank System to enjoin the latter’s use of the *Second Bank System* mark. Should the court grant the injunction? Discuss all relevant issue. State a result.

VI.
(30 min.)

Define briefly the following terms:

- (1) originality
- (2) conception
- (3) use in commerce
- (4) right of integrity
- (5) utility
- (6) public performance
- (7) incontestability
- (8) "known or used by others"
- (9) joint work
- (10) "person having ordinary skill in the art"

INTELLECTUAL PROPERTY

Winter 1997

I. (40 min.)

Injunction:

- *No Sweat*TM is a common law mark
 - is protectable under state unfair competition law & state anti-dilution statutes
 - state law cannot forbid that which federal law allows
 - however, it is protectable under §§ 43(a) & 43(c) [see below]
- registered mark (*No Sweat*®) is presumptively valid
 - cannot be used by another to designate origin of goods or services
 - infringing mark is one which is confusingly similar
 - is protectable in federal court because of federal registration
 - is Gov't's *No Sweat* confusingly similar to Appel's *No Sweat*®? -- discuss
- § 43(a) unfair competition & dilution -- protects trademarks & trade names
 - false designation of origin, or loss of good will
 - likelihood of consumer confusion required
- § 43(c) distinctive & famous name dilution
 - mark/name must be famous
 - loss of good will or derogation of value as indicator of origin
 - likelihood of confusion not required
- US Gov't not using its label to indicate origin -- no trademark infringement
- is dilution under § 43(a)
 - consumer confusion about what Gov't label means
 - especially when Gov't label is used on Appel's apparel
- is dilution of famous mark/name under § 43(c)
 - is Appel's mark "famous"? -- Yes! -- customers are repeat buyers
- use of Gov't label should be enjoined

Certification mark:

- indicates regional origin or specified quality/nature of goods
 - Gov't label does specify quality/nature of goods
 - Appels apparel would qualify to use Gov't label
- same mark cannot be used for both origin and certification purposes
 - that would cause consumer confusion
- Gov't cannot get certification mark without buying out Appel
 - because Appel can file objection to registration

Common remark:

- marks can be lost by common usage as a generic noun or verb describing the mark owner's goods or services
- "no sweat!" is a common remark
- but, it does not refer to wearing apparel or sports apparel
- hence, Appel's mark is not in danger
- note, *No Sweat*® is not in danger in any event, since public doesn't use that spelling

II. (30 min.)

Misappropriation:

- elements:
 - (1) taking of information generated by another,
 - (2) the information is time-sensitive,
 - (3) the use of the information constitutes a free-ride on the efforts of the other,
 - (4) there is direct competition between plaintiff & defendant, and
 - (5) the free-ride will reduce the value of creating the information and, thus, reduce the incentive of plaintiff to create it
- these elements appear satisfied

preemption by Copyright Act:

- state law cannot forbid that which federal law allows
- Copyright Act does not protect facts; they are in the public domain
- (also, Copyright Act does not protect underlying games, because they are not in a fixed medium of expression)
- although Act protects telecasts & broadcasts of games, those copyrights do not protect underlying facts
- here, only the facts related to the games were taken
- “hot news” misappropriation under state law (*INS*) involves taking of expression (stories about underlying events), not the mere facts related to those events
- stock quote averages misappropriation (*Dow-Jones*) involved use of arbitrary formula generated by plaintiff, not mere use of individual stock quotes inputted into that formula; there is no analogy here, since both scores and statistical formulae are in public domain
- (*note*, there is no free-riding by CompuServe, because it does not take any scores or statistical data separately provided by the professional sports associations)

III. (40 min.)

- only works embodied in fixed mediums of expression are protected by Copyright Act
 - whether published or unpublished (since 1-1-78)
 - unpublished works created before that date are protected by state common law copyright
 - duration of the copyright is author’s life + 50 years
 - works created in 28 years before 1978 have duration of 75 years (*i.e.*, after 1950)

Interviews:

- hence, words & short phrases ordinarily are not protected by copyright
- but, *Hemingway* suggests that extemporaneous words may be protectable under state common law copyright
 - provided they are delineated and protection is asserted at the time
- did Benson so delineate all or a portion of his interviews with Finley?
 - *casual conversations*: probably not
 - *extemporaneous expositions*: arguably they are impliedly delineated

Trial transcripts:

- judicial opinions, court transcripts and court briefs are in the public domain
 - they may be copied at will by anyone
- this includes anything Benson said or wrote as judge, prosecutor, or defense attorney

Letters:

- although the physical letters belong to the recipient (or successors in title), the words are expression protected by copyright
- *Salinger* suggests that smaller portions can be copied from unpublished letters under fair use doctrine than from published works

Lectures:

- the written texts of lectures are copyrightable.
- the blanket copyrights of the law reviews protect the respective rights of the various authors, including Benson

Fair use doctrine:

- a person may copy small portions of copyrighted works without copyright owner's consent [§ 107]
 - for purposes of comment, criticism, news reporting, teaching, scholarship, research
 - a biographical movie is comment/criticism
- the 4 factors should be applied to determine whether the excerpts are allowed by the fair use doctrine
 - purpose & character of the use (inc. commercial nature vs. Nonprofit education use)
 - nature of copyrighted work
 - amount & substantiality of portion used as compared to whole copyrighted work
 - effect of use on potential market for or value of copyrighted work

IV. (20 min.)

Criteria:

- novel, original, ornamental [§ 171]
- nonobvious [§ 103]
- no statutory bars [§ 102]
- because there is only 1 prior art reference, the issue is novelty
- the design must be substantially similar to be barred
- here, the designs can be distinguished visually
 - applicant has table at intersection; reference has seat cushions there
 - applicant has front rolls curving up at end tables; reference has relatively straight rolls there
 - end tables have different shapes
- hence, the design patent should be granted

V. (20 min.)

Confusing similarity:

- second comer cannot use identical or similar mark
 - where second mark is confusingly similar to first mark
- discuss similarity of marks
 - *test*: likelihood of confusion -- factors:
 - are they similar in sight, sound, and meaning?
 - strength of the marks
 - second comer's intent in adopting its mark ("passing off" motive?)
 - similarity of services and manner of marketing them
 - degree of care exercised by customers
 - actual confusion?

Concurrent use:

- prior user of two identical or similar marks has exclusive right to use of mark
 - right of use limited to actual marketing area
- effect of SBS's federal registration
 - preemptive rights in virgin marketing territory
 - *but*, prior similar marks are grandfathered in their marketing territory
 - no preemption here; similarity analysis controls whether second comer is barred

VI. (30 min.)

Definitions:

- (1) originality
- (2) conception
- (3) use in commerce
- (4) right of integrity
- (5) utility
- (6) public performance
- (7) incontestability
- (8) "known or used by others"
- (9) joint work
- (10) "person having ordinary skill in the art"