

# Intellectual Property Wypadki Fall 2009



Intellectual Property  
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*This document has not been reviewed by Prof. Johnson for legal or factual accuracy.*

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# 2009 Intellectual Property Wypadki

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## COPYRIGHT

### Originality

1. Work must be original to qualify for protection: (1) author must have engaged in some intellectual endeavor and not just copied from a preexisting source; and (2) the work must contain a minimal amount of creativity.
2. mere compilations of data are not copyrightable
3. de minimis "works" are not copyrightable (words, short phrases, slogans, etc.)
4. facts are discoverable, not created, therefore they are not subject to copyright (however, an author's original method of expressing facts is copyrightable)
5. "sweat of the brow" theory rejected
6. Feist v. Rural Telephone Services
  1. Rural would not give Feist a license to publish phone numbers, so Feist just copied Rural's white pages
  2. compilations of facts are generally not copyrightable
  3. a work must be original to the author
  4. Even a directory that contains absolutely no protectable written expression, only facts, meets the constitutional minimum for copyright protection if it features an original selection or arrangement.
  5. Alphabetical arrangement of names is not original enough to be protected
  6. To establish infringement, two elements must be proven
  7. ownership of a valid copyright
  8. copying of constituent elements of the work that are original
7. Roth Greeting Cards v. United Card Company

1. Background: Roth copyrighted greeting cards, and United is selling similar greeting cards, and Roth sues them for copyright infringement
2. Rule
  1. The White-Smith Music Pub. Co. v. Apollo Co. test
    1. "[W]hether the work is recognizable by an ordinary observer as having been taken from the copyrighted source?"
    2. United failed this test, they were too similar, so Roth won
3. The art and text were not copyrightable in and of themselves, but the combination of the art and text was copyrightable
4. Dissent: If neither the art nor text is copyrightable, then the combination is not copyrightable

## 2. Fixation requirement

1. Copyright Act of 1976 - a work is fixed "when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than a transitory duration."
2. Contemporaneous fixation takes care of fixation
3. State law can protect unfixed works

## 3. Expression (not ideas)

1. Cannot just be a movie plot, but has to be a thought you have come up with and expressed, written down, ext.

## 4. NOT useful articles (conceptually separable): Must distinguish btw aesthetic elements (protectable) and utilitarian elements (no protectable)

1. Brandir International, Inc. v. Cascade Pacific (bike rack)
  1. "industrial designs not subject to copyright protection"
  2. "the dominant characteristic of industrial design is the influence of nonaesthetic, utilitarian concerns"
  3. Ribbon bicycle rack developed from sculptures
  4. Bicycle rack was not conceptually separable from the sculpture
  5. Bicycle rack was a useful item, not copyrightable

## 5. NOT scenes-a-faire: (incidents, characters, settings, or other elements that are indispensable, or at least standard, in the treatment of a given topic) creative works not protected when they are mandated or customary to the genre

## Subject Matter

### 1. 17 USC 102: Spans the broad spectrum of artistic and literary expression

- 1. Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
  - 1. Literary works; musical works (including lyrics); dramatic works (includes music); pantomimes and choreographic works; pictorial, graphic and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works (this list is not meant to be exclusive)

- 2. Some works might be encompassed by more than one category
- 2. Literary works (includes computer databases): includes the story and characters (the less developed they are, the less protected they are) and to non-literal elements such as structure, sequence, and organization
- 3. Characters are in that they cannot be revealed in other creative works
- 4. Musical works: protects both the author and the performer; subject to compulsory licensing under sect 115 once they have been released to the public.
- 5. Dramatic works: cannot copyright simple steps or conventional gestures
- 6. Pictorial, graphic and sculptural works:
  - 1. includes two-dimensional and three-dimensional works of fine, graphic, and applied art: photographs; prints and art reproductions; maps; globes; charts; diagrams; models; technical drawings; and "works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned."
- 7. Motion pictures and other audiovisual works
  - 1. Soundtracks are treated as integral part of motion pictures and are protectable
- 8. Architectural works
  - 1. Exceptions
    - 1. can take pictures
    - 2. can make alterations to buildings
  - 2. Owner of the building does not need permission to destroy the building from the copyright holder
- 9. Derivative Works and Compilations
  - 1. Derivative works - works based upon one or more preexisting works, such as translations, musical arrangements, dramatizations, fictionalizations, motion picture versions, art reproductions, etc.
  - 2. Compilations - works formed by collecting and assembling preexisting materials or data.
  - 3. Extends only to the work contributed by the author, as distinguished from the preexisting material employed in the work
  - 4. Keep a strong interest in anything that stems from the original work, book, then movie, then TV show, then toy, still has an interest in the toy
  - 5. Gives the ability to license others to sell in different markets
- 10. NOT words and short phrases
- 11. Baker v. Selden
  - 1. Background
    - 1. Selden got a valid copyright of a book that's purpose was to explain a specific system of bookkeeping
    - 2. Baker wrote book of forms using Selden's method
  - 2. Rule
    - 1. "The novelty of the art or thing described or explained has nothing to do with the validity of the copyright."
    - 2. Trying to get IP rights on something such as a system of bookkeeping, is a patent claim, not a copyright
- 12. Morrissey v. Procter & Gamble
  - 1. Background
    - 1. Morrissey created/copyrighted a "sweepstakes" game for people to play for a chance to win a prize
    - 2. Procter and Gamble created an almost identical "sweepstakes" game with an almost identical rule
  - 2. Rule: The court found that this matter was too simple, and therefore there was no infringement of the subject matter
  - 3. Some ideas are so narrow that there are only a few ways to describe them
    - 1. Granting a copyright would grant an unfair monopoly

## 1. OWNERSHIP

- 1. Joint Works: basically can do something without asking permission in a joint work, but potentially have to pay royalties
  - 1. Aalmuhammed v. Lee
    - 1. Background
      - 1. For the movie “Malcolm X,” Plaintiff submitted evidence that he directed the actors during certain scenes, he created 2 scenes, translated subtitles, supplied his own voice for voice-overs, and edited during post production
      - 2. He was paid for his services, but was not given a writing credit, so he sued for copyright infringement
    - 2. Rule
      - 1. Per, Statutory Language, the 3 requirements for a “joint work” is
        - 1. Copyrightable work
        - 2. Two or more authors
        - 3. The authors must intend their contributions be merged into inseparable or interdependent parts of a unitary whole
      - 2. Nothing the Plaintiff did showed that he was in charge, or that he was the “inventive or master mind” of the movie
        - 1. Therefore, Plaintiff loses
- 2. Collective Works: work that is put together: i.e., newspaper, album
- 3. Works for Hire
  - 1. must qualify under one of two circumstances
    - 1. employment: created by an employee in the regular course of employment
    - 2. commission, if both requirements met
      - 1. “work for hire” agreement in writing
      - 2. one of 9 categories of works
        - 1. collective work
        - 2. motion picture or other audiovisual work
        - 3. translation
        - 4. supplementary work
        - 5. compilation
        - 6. instructional text
        - 7. test
        - 8. answers to test
        - 9. atlas
  - 2. Community for Creative Non-Violence et al. v. Reid
    - 1. Background
      - 1. Artist was hired by an organization to create a sculpture, but after it is made, they reach a disagreement and the artist won’t return it
      - 2. They are contesting the determination of copyright
      - 3. Sculpture was of the Nativity featuring homeless people
      - 4. CCNV wanted to take sculpture on tour, Reid wanted to take it on a smaller tour
        - 1. Reid sought copyright to prevent CCNV's tour
    - 2. Rule
      - 1. Copyright Act of 1976: Copyright ownership “vests initially in the author or authors of the work”
      - 2. If it is a work for hire, “The employer or other person for whom the work was prepared is considered the author” and owns the copyright. EXCEPTION: if there is a written agreement to the contrary
      - 3. Copyright Act of 1976: A work is for hire under 2 sets of circumstances
        - 1. It is prepared by an employee within the scope of his or her employment, or
        - 2. A work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a text, as answer material for a test, or as an atlas, if

- the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire
- 3. If someone is hired for only one specific task for a small amount of time, worked in their own workplace with their own materials, and is skilled at it, they are an independent contractor, not a work for hire
          - 4. Artist wins
  - 2. The Right to Prepare Derivative Works
    - 1. Anderson v. Stallone
      - 1. Background
        - 1. "Rocky IV" ("I must break you) case
        - 2. Plaintiff wrote/copyrighted a script for Rocky IV, which he claims Stallone used
      - 2. Rule
        - 1. Per Nichols v. Universal Pictures: Copyright protection is granted to a character if it is developed with enough specificity so as to constitute protectable expression
        - 2. Per § 17 USC § 106(2): When one creates a derivative work based upon characters created by someone else without permission, no copyright protection is given
        - 3. He didn't even have a claim, plus they said that his script wasn't similar enough
3. Government Works
  - 1. Court has ruled that the government cant obtain a copyright, but the government can hold a copyright if it acquired by another means
  - 2. Copyright Act does not expressly limit the protectability of works created by state government officers or employees in their official capacities
  - 3. courts have held that certain types of government works, such as statutes, opinions, etc. are inherently part of the public domain
4. DURATION
  - 1. [life of the author] + 70 years
  - 2. author unknown
    - 1. if published, 95 years
    - 2. if unpublished, 120 years

## Infringement

- 1. NON LITERAL INFRINGEMENT
  - 1. Copying
  - 1. Direct Evidence of Copying
    - 2. Indirect Evidence
      - 1. Access
      - 2. Substantial similarity
  - 2. Improper
    - 1. Substantial similarity
    - 2. Ordinary observer standpoint
    - 3. Expert testimony sometimes
    - 4. Quality of portion taken
    - 5. Scenes-a-faire copying ok
- 2. Arnstein v. Porter
  - 1. Arnstein sued Cole Porter for copyright infringement for copying some of his songs

- 2. Arnstein argued Porter could have stolen a copy of a song from his room, or had someone else do it
  - 3. copying
  - 4. improper appropriation
  - 5. Background: Plaintiff is suing, claiming that 3 of their songs was plagiarized by D
  - 6. Rule
    - 1. To prove a non literal infringement, 2 elements are required
      - 1. That D copied from P's copyrighted work
        - 1. An admission OR
        - 2. Circumstantial evidence
          - 1. Access or Substantial Similarity
      - 2. That the copying went so far as improper appropriation
        - 1. Requires standard from an ordinary observer
        - 2. Expert testimony
        - 3. Quality
        - 4. The greater the proportion the percentage of the P's work was taken means that there is an increased likelihood of infringement
          - 1. Increased percentage of D's work comprises of P's work is not relevant
    - 2. These are issues of fact, and this case was remanded to a jury
- 3. Nichols v. Universal Pictures Corporation
  - 1. Background
    - 1. P created/copyrighted a play about a Jewish family living in New York and a child gets married to a catholic
    - 2. D created a movie that was very similar
  - 2. Rule
    - 1. When the theme (in this case, the families in NY of Jewish and Catholic faith that have children that marry) is only a part of the copyrighted idea, it is not enough.
    - 2. Basically ones copyright of a written work does not cover absolutely everything that can be drawn from it
- 4. Selle v. Gibb
  - 1. Chicago band sued the Bee Gees for copying one of their songs
  - 2. Songs had been played in the Chicago area a few times, band sent demo tapes to 11 record companies
  - 3. Jury found for the Chicago band, judge entered j.n.o.v. for the Bee Gees
- 5. Steinberg v. Columbia Pictures Industries, Inc.
  - 1. Background
    - 1. New Yorker cover/"Moscow on the Hudson" case
    - 2. "Moscow on the Hudson" poster was very similar to and influenced by a New Yorker cover
  - 2. Rule
    - 1. With regards to the 2nd Element from Arnstein
      - 1. It is satisfied when the two works could easily be mistaken for one another
      - 2. It is also satisfied when someone can only be explained by copying
    - 2. In this case, they believed that each of the prior two lines were true

## Defenses

- 1. Fair Use
  - 1. Four Factor Test
    - 1. the purpose and character of the use (including whether such use is of a commercial nature or is for nonprofit educational purposes)
      - 1. Is it commercial?
      - 2. Public interest



- 3. Is it transformative or superceding? If transformative, this favors fair use. If superceding, this favors a finding against fair use. Fair use test on TRANSFORMATIVE vs. SUPERCEDING "the enquiry focuses on whether the new work merely supersedes the objects of the original creation, or whether and to what extent it is "transformative," altering the original with new expression, meaning, or message. The more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use."
  - 4. If there is a licensing mechanism, weighs in favor of fair use (Texaco case)
  - 2. the nature of the copyrighted work
    - 1. Fact/fiction - fiction gets more protection than factual wks
    - 2. published/unpublished - unpublished gets more protections than published b/c of rt to control 1st publication
  - 3. the amount and substantiality of the portion used in relation to the copyrighted work as a whole
    - 1. a lot or a little? qualitatively important?
  - 4. the effect on the market for the copyrighted work
    - 1. Direct substitution: ppl bough this from you rather than me
    - 2. Derivative wks: even if your good doesn't compete directly w/mine, you deprived me of the opportunity to sell my good
  - 2. Presumptive fair use (sec 107): teaching, news reporting, criticism, scholarship, research
  - 3. Harper & Row, Publishers, Inc. et al. v. Nation
    - 1. Background
      - 1. The Nation Magazine received from an undisclosed source an unpublished manuscript of Gerald Ford's autobiography that Time Magazine was going to soon publish
      - 2. The Nation quickly published it before the Time did, Time sued for copyright infringement
    - 2. Rule
      - 1. They applied the four factor rule
      - 2. You need infringement
      - 3. There's nothing you can do with copyright doctrine to prevent the publication of facts,
      - 4. Fair Use is about our "ideas" of what is fair
  - 4. Sony Corporation of America v. Universal City
    - 1. Background
      - 1. Universal is suing VCRs because people could record shows, create libraries, and skip through commercials
      - 2. They claim Sony is liable for guilty contributory infringement
    - 2. Rule
      - 1. You have to prove that your copyrighted work is devalued
      - 2. One making a product has a chance of being used to infringe, does not make them liable for contributory infringing
    - 3. VCRs were used mainly for time-shifting, not archiving
  - 5. American Geophysical Union, et al. v. Texaco Inc.
    - 1. Background: Texaco employed 500 research scientists who photocopied scientific journals to support their research
    - 2. Rule
      - 1. Failed the four factor fair use assessment
        - 1. The following actions contribute to a violation of Fair use
          - 1. Multiplying the number of available copies
          - 2. Using the works substantially
          - 3. Established a personal library of the copyrighted works
          - 4. Showing substantial harm to the plaintiff's copyrights, one is guilty
- 2. License
  - 1. implied

- 2. express
- 3. Statute of Limitations = 3 years

## Remedies

### Civil Remedies

- 1. Damages: lost profits plus additional defendant's profits
  - 1. statutory damages
    - 1. neither willful nor innocent = \$750-\$30,000
    - 2. willful = up to \$150,000
    - 3. innocent = down to \$200
- 2. fees and costs
- 3. impoundment and destruction
- 4. injunction

### Criminal Sanctions

- 1. DMCA
  - 1. safe harbor: a service provider shall not be liable for monetary relief, or . . . for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider
  - 2. anti-circumvention: Exemptions are granted when it is shown that access-control technology has had a substantial adverse effect on the ability of people to make non-infringing uses of copyrighted works.

## MORAL RIGHTS

Moral rights in copyright law are rights personal to authors, and as such viable separate and apart from the economic aspect of copyright. The modern conception of moral rights is based on the European, particularly French, notion of an author's right to protect the integrity and paternity of their work. A moral right generally requires the author of a work to be attributed for that work and to control all derivative works.

- 1. VARA, 17 USC 106A, provides certain moral rights to visual artists
- 2. i.e. A painter may sue the owner of his/her painting (under certain circumstances) for destroying it even if the owner lawfully owned it
- 3. State legislatures and judicial decisions have created limited moral rights protection
- 4. Moral rights include
  - 1. Right of attribution
  - 2. Right to have work published anonymously
  - 3. Right to the integrity of the work
    - 1. bars work from
      - 1. alteration
      - 2. distortion
      - 3. mutilation

# PATENT

## SUBSTANTIVE STANDARDS FOR PROTECTION

An inventor is entitled to a patent only if it is:

1. New, but an invention is not new if it is subject to:
  1. anticipation- i.e. the same invention is already in public use or has been published
  2. priority- i.e. someone invented the same invention
  3. deviation- inventor learned of the invention from someone else
  4. statutory bars- to be new, the inventor must file no later than she (or someone else) published, publicly uses, or offers for sale the invention.
2. Useful
3. nonobvious
  1. if the invention would be obvious to someone in the field, in light of everything published or public use, it is obvious.

## Subject Matter

PATENTABLE SUBJECT MATTER: 35 USC § 101: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor . . ."

- process
- machine
- article of manufacture
- composition of matter
- improvement

### DOESN'T INCLUDE:

- Manifestations or products of nature:
  - laws of nature
  - physical Phenomena
  - naturally occurring materials
  - plants found in wild
- abstract ideas
- inventions useful solely in connection with atomic weapons
- useless inventions
- inventions not reduced to practice(must either build or test a working novel, or set it out fully on paper "constructive reduction")
- mathematical algorithms

### SOMETIMES INCLUDES:

- algorithms(math in itself is not patentable, but in the process of machine , etc. maybe)
- business methods

### CASE LAW:

- *State Street*
1. data processing system was a "machine"

2. practical utility
  1. does it produce a "useful, concrete, and tangible result?"
- *Diamond v. Chakrabarty*
  - a live, human-made microorganism is patentable subject matter under statute providing for issuance of patent to a person who invents or discovers "any" new or useful "manufacture" or "composition of matter."

Note: Medical procedures, such as surgical procedures, are patentable- but cannot bring an infringement suit against a medical professional using your surgical technique.

## Novelty

The invention must be new at the time of invention. 35 USC § 102 contains the rules regarding anticipation, priority, and derivation.

## Anticipation

Anticipation bars a patent for an invention that was already publicly known on the applicant's date of invention.

- Anticipation includes an invention that was known to the public or in public use anywhere in the United States, or one that has been patented or published anywhere. Note the different geographic scopes for use vs. publication.
- to be new, the patent must not be referenced in the prior art (all things publicly known or published) that anticipates the invention
  - to be an anticipation, the reference in the prior art must contain all elements of the claimed invention
  - even if the inventor is unaware of the publication or public use, it is still unpatentable
  - the publication need not be widespread
- keep in mind the critical date for judging novelty is the date of invention; if the date of invention is before the date of the publication, novelty is not lost.
  - three different ways for judging the date of invention
    - date of conception (fully conceived of the invention in its operable form), as long as inventor then proceeded to diligently make the invention or file an application
    - absent a date of conception, invention occurs on reduction to practice: when the invention was made and tested
    - if the date of reduction to practice cannot be proven, the date of the filing is the date of invention

nonpublic use, use of the invention in another country, or an unpublished writing would not bar a patent for novelty (though there could be some priority or derivation issues)

To be anticipated, the reference in the prior art must disclose all elements of the invention. Put another way, every element of the claimed invention must be found in a single reference for the invention to be anticipated

- example- A claim involving elements A, B, and C is not anticipated even though there is a prior art reference with elements A and B and a prior art reference with B and C

## Inherency

under this doctrine, references include elements that, although not expressly stated, are necessarily present in the product or process described

- example- an alloy that has been patented cannot be patented again when new uses are discovered
- serves to guard against double patenting

However, a new process to make an old device is novel

## Derivation

Only the inventor is entitled to a patent. Even if the inventor freely discloses an invention and has no plans to patent it themselves, someone who merely learns of the invention cannot get a patent.

## Priority

All jurisdictions outside of the United States follow the first to file rule- if there are two pending patent applications, priority is given to the first to file.

United States follows the first to invent system.- § 102(g) RULE: first inventor to reduce his invention to practice (either actually, by making and testing the invention, or constructively, by filing a patent application) has priority; unless 1) that inventor abandoned, suppressed or concealed the invention, or 2) the other inventor conceived the invention (and proceeded with reasonable diligence toward making and patenting it) before the competing inventor had conceived the invention.

- **conception** is the formation in mind of inventor, of definite and permanent idea of complete and operative

invention, as it is to be applied in practice.

- **Invention** starts with “conception” and is completed upon “reduction to practice”
- **Reduction to practice** can be **actual**, by building and testing a physical embodiment demonstrating “that the claimed invention work for its intended purpose, or **constructive**, by filing a patent application.

### Priority rules in practice.

1) First to RTP is first to invent.

2) Filing date is presumed invention date.

- BUT, an inventor can use evidence to establish a pre-filing invention date
  - i.e., RTP will count as invention date

3) Second to RTP may nonetheless prevail by proving:

- conception prior to other’s conception, and
- diligent effort toward actual or constructive RTP from date prior to other’s conception

4) The first inventory by actual RTP date loses that date for priority purposes if they abandon, suppress, or conceal the invention.

- The inventor thereby having lost benefit of actual RTP is entitled to the resumption date as the

invention date.

- Once you stop diligent efforts to RTP, you also lose conception date (i.e., conception date =

resumption date if ceased diligent efforts).

5) If an inventor's conception is derived from another person, that other person is entitled to priority, regardless of who reduced the invention to practice.

### Limitations on priority

- Activity outside the U.S. cannot be relied upon to establish conception or RTP dates.
- Evidence of conception and RTP dates must be corroborated. Testimony of the inventor's

recollection alone is legally insufficient to establish conception or RTP dates.

### Loss of Right (§102(b))

once an invention becomes public knowledge, the inventor has one year to file her application

- this can be triggered by a patent or publication in the US or a foreign country or in public use or on sale in the United States.
- Can be triggered by others or the inventor herself.
- this rule prevents an inventor from delaying an application with the hopes of gaining a longer period of protection.
- many other countries are less forgiving, and once an invention is disclosed to the public, it cannot be patented.
- Again, the inventor does not have to be aware of the publication in order for the one year clock to start ticking.
- secret use of the invention for commercial purposes is deemed a public use.
- By contrast, experimental use by the inventor is not public use- see City of Elizabeth . Nicholson Pavement Co.

### City of Elizabeth v. Nicholson Pavement Co.

- inventor used his new and improved wooden pavement on a public toll road for six years
- however, the purpose of the use was to test the pavement's usefulness and durability was experimental.
- However, see Egbert v. Lippman

### Egbert v. Lippman

- It was public use to allow a close friend to wear an invented corset, under her clothes.
- the use was not really that public, but it was not for the purposes of experiment.

### Lough v. Brunswick Co.

- inventor came up with a new part on a boat motor
- he then gave it to a few of his friends to see how it would work
- whether a use is experimental is a question of law, examined by the totality of the circumstances
- such factors include:
  - the number of prototypes and duration of testing
  - whether records or progress reports were made concerning the testing
  - the existence of a secrecy agreement between the patentee and the party performing the

testing

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- whether the patentee received compensation for the use of the invention
- and the extent of control the inventor maintained over the testing

In the end, the court holds this use was not experimental, mainly because he wasn't keeping any notes on the alleged experiment.

### on sale bar

- inventor also loses the right to patent if the invention is on sale in the United States more than one year before the inventor files her application.
- two requirements: 1) the invention must be the subject of a commercial offer for sale and 2) the invention must be ready for patenting, meaning it has been reduced to practice or has been sufficiently described to do so.
  - Recall Pfaff v. Wells Electronics, where inventor accepted a purchase order for his invention. Even though it was not reduced to practice, it was ready for patenting.
- any commercial sale triggers the bar, even if the invention is far from available to the public.

### "Useful": the requirement of utility

- A modest requirement, met if the invention is capable of providing some identifiable benefit.
- The benefit need not be socially beneficial, however it must be more than just aesthetic or descriptive
  - Remember Juicy Whip v. Orange Bang, where the use was to deceive customers into thinking that they drink they were getting was from the reservoir tank. This was held to be useful enough.
- To have utility, the invention must work. Does not mean that it needs to work better than other things on the market. However, it must be capable of fulfilling its described function. i.e. you could not invent a machine and say it is useful to fill up a landfill.

The benefit must be specific, substantial, and practical.

- this requirement is troublesome to many newly discovered genes or chemicals- it is not exactly known what they do.
  - there is also a tension with the novelty requirement in scientific fields- may invent something new but it takes more than a year to figure out what it is useful for, and by that time the one year clock has run and your invention is barred from being patented.

### Nonobviousness

- §103 Non-Obviousness. Patent may not be obtained if differences b/w subject matter and prior art are

such that the subject matter would have been obvious at time invention was made to person having ordinary skill in the art to which said subject matter pertains.

Graham v. John Deere factors:

1. The scope and content of the prior art are to be determined
2. Differences between the prior art and the claims at issue
3. The level of ordinary skill in the pertinent art
4. In addition to the 3 above factors, must also look to secondary considerations such as commercial success, long felt but unmet needs, failures of others, etc.

### scope of the prior art

- in addition to the § 102 requirements (all prior art *at the time of the invention*), scope is restriction by §103 requirement that it be "reasonable pertinent" to the invention.
- Ask yourself if the reference falls within the field of the inventor's endeavor.
- If it is not, ask whether the reference is reasonably pertinent to the particular problem with which the inventor is involved.

### Differences in the prior art and the claims at issue

- note there must be differences, or the invention would not be novel
- differences can be of two types
  1. the invention adds elements that do not appear anywhere in the prior art. In this case, the question is whether adding the missing elements would have been obvious to a person skilled in the relevant art
  2. all of the elements of the claimed invention exist in the prior art, but not in a single reference. Here the question is whether it was obvious to combine the references.

### level of ordinary skill in the pertinent art

5 factors for determining the ordinary level of skill in the art

1. The types of problems encountered in the art
2. The prior art solutions to those problems
3. The rapidity with which innovations are made
4. The sophistications of the technology
5. The educational level of active workers in the field.

The skill of the actual inventor is not relevant. Therefore, an invention could be obvious to the inventor because she is a genius and much smarter than those in her field, but would not be obvious for the purposes of patent law.

### Secondary factors

Even after a prima facie finding of obviousness on the first three factors, these factors can rebut that finding. Court look to the following factors

1. Commercial success
2. long-felt but unsolved need- if opportunity was there to invent it but no one did, inference exists that it was not obvious
3. failure of others- if others have tried and failed, there is an inference that it was not obvious
4. copying- probative when others tried to solve the problem but resorted to copying
5. unexpected results or properties of the claimed invention- if the results were unexpected, the invention was likely not obvious
6. skepticism of experts- when experts did not see a solution, the solution was likely not obvious
7. licensing and acquiescence by others- if competitors licensed the patent rather than trying to solve the problem, suggests that the solution was not obvious to them
8. adoption by the industry- if the invention is adopted as an industry standard, maybe it was better than anything else out there

### KSR International v. Teleflex \

- court held it was obvious to use an electronic sensor on a gas pedal, where there existed in the marketplace a strong incentive to convert mechanical pedals to electronic pedals, and the prior art taught a number of methods for achieving this advance



Keep in mind that even though an invention may seem obvious after considering the technical issues (first 3 factors), a strong showing of secondary considerations may show the invention was nonobvious. However, obviousness may be so clearly established by the prior art analysis that the secondary considerations cannot change the result.

## The Patent Application and Examination

Unlike copyright and trademark, a patent requires an application to the USPTO and an argument persuading it to issue a patent. Second, the scope of rights depends on the inventor's application and the course of prosecution. How the applicant drafts and amends the application (especially the claims) will determine whether she is entitled to a patent, and (if a patent issues) how broad her rights to enforce the patent will be. 35 U.S.C. section 101

The patent application requires specifications, drawings, if necessary to understand the invention, and an oath by the applicant, together with the fee. (35 U.S.C. 112-114)

### Written Description Requirements

#### *Written Description*

1. The patent application must "contain a written description of the invention" in "clear, concise, and exact terms."
2. The test of the written description is whether it shows one skilled in the relevant art that the applicant was in possession of the invention at the time the application was filed.
3. The written description requirement can be met in several ways:
  1. the applicant can describe an actual reduction to practice
  2. she can show she was in possession of the claimed invention with words, drawings, sufficiently detailed formulas, or other ways to convey information

#### *Enablement*

1. Enablement requires that the applicant disclose to the public how to make and use the invention, as of the date of the application. The application must describe the:
  - manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same. 35 U.S.C. section 112.
1. Enablement serves 3 general purposes'
  1. Like the utility requirement, it bars inoperable inventions from patent protection.
  2. guards against overly broad claims.
  3. serves the disclosure role of patent law.

#### *Best Mode*

1. An applicant must "set forth the best mode contemplated by the inventor of carrying out his invention."
2. The purpose of the best mode requirement is to ensure that the inventor fully discloses the practical use of her invention.
3. If the inventor has developed special devices or methods that she considers to be the best way of practicing the invention, she must disclose them, even though they are not claimed as part of the invention.
4. Whether the applicant has a best mode is a subjective determination
  1. the inventor is not required to disclose the best mode for practicing the invention,

2. rather, the inventor is required to identify any mode that she actually considers to be the best mode of practicing the invention
  3. the inventor is not held to the level of skill of someone skilled in the art, with regard to the best mode requirement
1. The best mode requirement applies only to practicing the claimed invention, not to other activities associated with the invention.
  2. Unclaimed elements that are necessary to practice the best mode must be disclosed, even if such disclosure were not necessary for enablement.
  3. If the inventor does have a best mode, her disclosure must be sufficient to allow one skilled in the art to practice it.

## The Claims

In patents, the inventor must submit an application that "particularly" and "distinctly" claims the invention.

Patent rights depend not on what the inventor has invented, but rather on how she claims her invention.

The claims "measure the invention" -

1. whether the invention is new and useful is evaluated by comparing the claims against previous work in the field.
2. narrow patent claims get a patent more easily because the more narrowly the invention is claimed, the more likely it is to be new and useful, compared to previous work in the field.
3. broader patent claims are more valuable because the broader the claim is, the more products or processes it will cover, and the more rights it gives the patent holder.

A claim generally consists of 1 sentence with 3 parts:

1. a preamble that generally identifies the invention or puts it in context.
2. a transition that sets the stage for the body of the claim
3. The body lists the elements, or limitations, of the claim.

Claims are essential for determining both whether the applicant is entitled to a patent and later whether the actions of others infringe that patent.

## Ownership and Licensing

### *Inventorship (and Misjoinder)*

The actual inventor or inventors must apply for the patent. Two common issues arise:

1. when an employee invents, who owns the rights to patent the invention?
  1. an employee, not his employer, generally owns the rights to an invention he conceives or reduces to practice.
  2. the parties can expressly agree to assignment of patent rights. even absent express agreement, there may be an implied assignment that the employer owns the patent rights if the employee was hired to invent such products or processes or to solve such problems.
1. if more than one person is involved in the process, when are they deemed joint inventors?
  1. joint inventors need not work together, make the same sort of contribution, or contribute to every claim of the patent. 35 U.S.C. 116.
  2. a joint inventor must contribute in a significant manner to the conception or reduction to practice of the full invention - such contribution must be inventive.

3. it is not sufficient to explain existing concepts or simply supply resources to the real inventors.
4. joint owners of a patent may each exercise any of the patents rights, without the consent of other joint owners, and with no obligation to share revenue. 35 U.S.C. 262.

If the correct inventor is not named as the applicant, or one of the inventors is not named, or a noninventor is named as one of the inventors, the patent may be invalidated by such nonjoinder or misjoinder.

1. an error may be corrected by the USPTO or court (with notice to all parties), provided there was no deceptive intent on the part of the true inventor (as opposed to deceptive invent by others, such as noninventors listed as inventors)

#### *Patents as property: Assignment and Licensing*

Patents are personal property - as such, patent owners may license their patents to others for various purposes.

Patent rights are freely assignable, but such assignments must be in writing.

1. assignments may also be recorded at the USPTO.
2. unless the an assignment is recorded, it is void against a subsequent purchaser or secured creditor.
3. whether this provision preempts state law recording of security interests in patent rights under the UCC has not been definitively determined.

Courts limit the ability of patentees to protect themselves from challenges to the validity of the patent.

#### *Duration*

The patent grant is effective for a term "beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed." 35 U.S.C. 154.

Until 1995, the term was 17 years from the date the patent issued.

#### **Case Law**

##### *Flick-Reedy Corp. v. Hydro-Line Mfg. Co.*

1. The patents in suit claimed a sealing arrangement to improve the pressure capacity of hydraulic cylinders ... etc. ...
2. A "special tool" was required to practice the inventions, but it was not described in the claim.
3. "best mode" divulgement.
4. If it's not the way you're using it in your factory it ain't going to pass the board.

## **Infringement**

A patent does not grant a right to the patented invention, but rather creates the right to exclude. The limits of patent rights are:

1. Specified rights to exclude: The patentee has a set of specific rights to exclude, not to general ownership of the invention.
2. Geographic limits: Infringement is defined as activity within the US.
3. Time limits: the patentee's rights are limited to the term of the patent.
4. Limited to claims and equivalents: Infringement must involve the patented invention, so the inventor's rights are limited to the invention as claimed in the patent.

A patent holder can seek to establish patent infringement by:

1. literally infringed
2. doctrine of equivalents {i.e., "show presence of every element or its subst'l equivalent in accused device"}

A person may be liable for infringement if they: (1) directly infringe a patent; (2) induce another to infringe a patent; (3) contribute to infringement; (4) import, sell, offer to sell, or use a product made through a protected process; or (5) manufacture or sell certain components of a patented invention to be assembled abroad.

What does infringement not require?

1. copying
2. commercial gain
3. harm
4. intent
5. bad-faith or negligence

**Literal Infringement** D's process or product must have every element set forth in the claim

1. Compare the claims of the patent to the accused product
2. If D's matter contains only some of the elements, it is not infringement
3. If D's matter has all of the elements plus more, D is liable for infringement (BUT may be able to get an improvement patent)
4. Case Law

**Doctrine of Equivalents.** "if it performs substantially the same function in substantially the same way to obtain the same result."

1. Doctrine of Equivalents prevents a defendant from avoiding liability through insubstantial changes that take a device or process outside the literal language of the patent claims.
2. Infringement occurs if it is determined that the defendant's device or process contains an element that corresponds (either identical or equivalent) to each element described in the patent claim.
3. Equivalency is an objective determination made on an element-by-element basis from the perspective of a person with ordinary skill in the art as of the time of the infringement.

**Four Limitations:**

1. prosecution history estoppel. if you amend claims during prosecution, and surrender a ground, then you cannot reclaim such ground through the doctrine. i.e., "file-wrapper estoppel" (estopped from claiming infringement suit later if it literally infringes on earlier claim)
2. prior art restriction. cannot use doctrine to encompass matter in prior art. (e.g., wood in prior art)
3. public dedication doctrine. that which is described in specification of patent, but not expressly claimed, then its assumed dedicated to public domain.
4. all-elements rule. must be equivalent to all elements in claim. that is, cannot say "whole invention is my invention," rather doctrine only allows to substitute chunks out of your claim.

**Canons of claim interpretation**

Courts have guidance in how to look - Patent law has a number of canons of interpretation. The canons do not provide a mechanical means for construing claims, but rather guide the court and implement patent law policy. These canons include:

1. Claims should be given the same meaning both for validity and for infringement
2. The language of a claim will be given its ordinary and accustomed meaning.
3. Claims should be construed as broadly as possible
4. If claims are ambiguous, they will be construed to preserve validity. But a court will not read a limitation into a claim simply to preserve validity.
5. The same term will not be given different meaning in different claims.

**Indirect Infringement** You don't have to directly infringe to be liable for infringement if there is a direct infringer. Two kinds of indirect infringement

1. active inducement
2. contributory infringement (where one offers, sells, or imports material she knows is a component of a patented invention or used in a patented process.)

## Defenses

### Laches.

- The defendant may establish laches by showing
  1. the patentee unreasonably and inexcusably delayed bringing an infringement action and
  2. the delay caused material prejudice to the D.

Equivalent to s/l, but more flexible, in that if wait too long lose right.

- versus estoppel, which requires reliance.

### Shop Rights.

- Person invents using Other's shop (e.g., tools), absent express K to contrary, inventor (Person) gets patent right to invention, but Other has shop rights to use invention in their business.

**Inequitable Conduct** deals with the conduct of the applicant during the prosecution of the patent application.

- can be affirmative misrepresentations
- failure to disclose information
- submission of false information
- other misleading conduct
- simply being a d-bag is insufficient. applicant must have acted with the intention to mislead, and the information at issue must be material.

### The “Experimental Use” Defense.

- Case law indicates you can practice invention if purely for philosophical inquiry, amusement, or to satisfy idle curiosity, but not okay if done in connection to make money. Incredibly tiny defense.
- Does not protect even basic scientific research, if the research could lead even indirectly to commercial results.

### First-Inventor Defense.

- Applies only to business methods.

**Patent Misuse.** (i.e., abuse patent)

- E.g., attempting to make patent monopoly into more than were granted under the law.

**Invalidity**

An issued patent is presumed valid. Alleged infringer may challenge validity, contending that the applicant failed to meet any of the requirements for patentability.

- Studies have found 1/3 to 1/2 of litigated patents held are invalid.

**Implied License and First Sale**

- An authorized sale of a patented article includes an implied license to use it.
- If inventor sells her patented product, she implicitly grants buyers a license to use them.

**First Sale Doctrine**

- authorizes the buyer to use and to sell the article.

**Repair and Reconstruction**

- Owner of a patented article has a broad right to repair it.
- you can also replace components of the article as they wear out, but not go beyond repair and reconstruct it after the entity, viewed as whole, becomes spent. This is very fact specific.

**TRADE SECRET**

-information that 1) derives actual or potential economic value from the fact that it is not known or readily ascertainable by others, and 2) is subject to reasonable efforts to maintain its secrecy

**Reverse Engineering:** it is ok to do this to some products to figure out how they work Example: recipes, the temperature that you heat things at, the method of manufacturing something

Protects against 2 things: 1) people who have the secret in confidence and reveal it, 2) people who try to sneak in and find out your trade secret by trespassing on your public property

Trade secrets are indefinite

**Trade Secret Requirements** 1) Secrecy: not generally known or "readily ascertainable" 2) Valuable: worth something 3) Value from secrecy: gets its value because it is not generally known 4) Protection: must take "reasonable efforts" to protect the secret

**Misappropriation/Infringement** Improper means: cannot violate "generally accepted standards of commercial morality" Breach in confidential relationship: most typical in the employee context; agent-principal relationship; partnership relationship; or a fiduciary relationship (like attorney-client or doctor-patient. Relationship can be express or implied, or a contractual agreement that the recipient will not disclose the secret without permission.

To sum it up: If you enter into a confidential relationship and do not keep information you get secret, you are liable for misappropriation.

**Elements of misappropriation** 1) Is there a secret? 2) Did you enter a "confidential relationship"? 3) Did you "use this information in violation of the relationship"?

**Defenses:** Reverse Engineering: reverse engineering is a fundamental public policy good, but the product must be obtained from the open market

**Employees:** Most courts find a confidential relationship in the employee/employer context. You can't take documents outside the building with you, but you can take "general knowledge" (most states).

**Employee argument:** 1) the information at issue was not a trade secret of employer (because it was information Employee knew independently, was already generally known in the industry, was readily available from public sources, or was not sufficiently protected because employer did not take reasonable measures to keep the information secret. 2) the employee had no duty of confidentiality (signed no confidentiality agreement and was not in a position in which confidentiality would be implied), so her disclosure and use of the information is not wrongful

Non-competitive agreements: they are enforceable if they are "reasonable"

**Best Remedies:** Injunction Contract remedies ("reasonable royalty" "reasonable fee") Tort remedies: baseline monetary remedies of either actual loss to P or actual gain to D Property remedy: injunction (presumptive entitlement to an injunction Criminal punishments: punitive damages awarded for up to 3x loss in case of willful misappropriation

**Attorney's fees.** If a claim of misappropriation is made in bad faith, a motion to terminate an injunction is made or resisted in bad faith, or willful and malicious misappropriation exists, that court may award reasonable attorney's fees to the prevailing party

**Statute of limitations** An action for misappropriation must be brought within three years after the misappropriation is discovered or by the exercise of reasonable diligence should have been discovered.

## TRADEMARK

Trademark: symbol used by a person in commerce to indicate the source of the goods and to distinguish them from the goods sold or made by others.

Symbol = word, phrase, design, image, sound, color, fragrance

- A trademark comes into existence when it is used in commerce.

### Categories of Marks

1) Service Marks - identifies a source of services.

- Ex. Federal Express, Google

2) Trade Dress - the total image of the product and its overall appearance

- Can be the design of the product itself or the design of the packaging of the product.
- Ex. Taco Cabana - the shape and appearance of exterior of restaurant, the identifying sign, floor plan, decor, menu, etc.

3) Collective Marks - includes marks indicating membership in a union, an association, or other organization.

4) Certification Marks - symbol used by a person other than its owner to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such person's goods or services or that the work or labor on the goods/services was performed by members of a union or other organization.

- Underwriter's Laboratory Approved - carries considerable weight with informed consumers

Source Identifying Function

- mark must indicate the source only in the sense that it distinguishes the goods from the goods of others.
- mark need not identify the mark owner--it is sufficient that consumers identify the mark with a single source, even if the source is unknown.

## Protectable Subject Matter

### Distinctive

To be protectable as a trademark, a mark must be distinctive -- it must identify and distinguish the goods or services.

- In determining whether or not a symbol creates a distinct commercial impression that identifies the source of the merchandise courts have looked at:

-symbol in context of marketplace -mark's size and placement -use of trademark notices or disclaimers -visual design elements -use of other marks -industry practices -any other factors that affect impression made by the mark

Three categories of distinctiveness: 1) inherently distinctive; 2) marks capable of acquiring secondary meaning; 3) generic terms

#### 1) *Inherently distinctive marks:*

- Mark is inherently distinctive if its intrinsic nature serves to identify a particular source. (almost automatically tells a customer that they refer to a brand)

Types:

a) Arbitrary marks: an existing symbol chosen to serve as a mark that has no logical relation to the goods (Apple)

b) Fanciful marks: one devised to serve as a mark that likewise does not name or describe the product (Kodak)

c) Suggestive Marks: suggest, but do not describe, the nature or characteristics of the product (Ex. Noah, for a zoological garden)

- suggestive marks fall between arbitrary and fanciful marks on the one hand and descriptive marks on the other hand.
- in differentiating b/t a suggestive mark and a descriptive mark - Ask, does the symbol literally describe the goods or some characteristic of them? (if yes, then descriptive) On the other hand, if a prospective customer must use imagination to infer something about the goods, the bymol may be suggestive.

#### 2) *Marks capable of acquiring "Secondary Meaning":*

- A merely descriptive term is not inherently distinctive, but a descriptive mark can acquire distinctiveness if it acquires "secondary meaning"



Standard:

- A mark acquires secondary meaning when, in the minds of the public, the primary significance of the mark is to identify the source of the product rather than the product itself. (Ex. Coca-Cola)

Types:

a) merely descriptive marks: descriptive term identifies a characteristic or quality of the goods or services ("Beer nuts", for nuts with salt, "5 Minutes", for fast setting glue)

b) primarily geographically descriptive marks: Not every geographic term is primarily geographically descriptive. Ask, is the consuming public likely to assume that the named location is where the product originated?

c) primarily a surname

d) deceptively misdescriptive marks - Ex. Iron Roof Restaurant: if this restaurant does not have an iron roof, then the trademark is deceptively misdescriptive. It is not deceptive b/c it's not material to the restaurant (noone cares if there is an iron roof or not).

- merely misdescriptive: Iron roof software - this is just an arbitrary name for a software company
- deceptive: Iron roof tornado shelters - if the roof is made of plastic it is deceptive. If the shelters actually have iron roofs, then it is probably generic.

e) color - capable of acquiring distinctiveness if used consistently over time

f) product design

### 3) *Generic Terms*

- If potential buyers understand a term to refer to a category of goods or services, as opposed to the source of the product, the term is generic.

Two categories:

1) the claimant wants to use a word that is already generic as a mark 2) a distinctive mark becomes generic through widespread use and loses trademark protection (trampoline, aspirin, cellophane, thermos)

## Unprotectable Symbols

1) Likely to cause confusion with an existing mark: a mark is not protectable if it is likely to cause confusion with a prior mark.

2) Functional Matter: the green color of farm machinery. Black color of outboard boat motors.

- three ways that a feature can be functional: 1) it is essential to the use or purpose of the device; or 2) it affects the cost or quality of the device; or 3) its exclusive use by one seller would put competitors at a nonreputation-related disadvantage.

3) deceptive matter

4) primarily geographically deceptively misdescriptive marks: Ex. Wisconsin, used on cheese from Illinois.

- rule serves to protect producers in certain geographic locations from deceptive practices

5) Mark suggesting false connection: Lanham Act bars protection of marks that falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols.

6) Disparaging Marks: Lanham Act bars protection of marks that may disparage persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute. Ex. Redskins

7) Government Symbols: no protection for marks comprising the flag or coat of arms

8) Names or Likenesses of Individuals: no protection for marks that consist of or comprise wzan, portrait, or signature identifying a particular living individual except by his written consent.

## Ownership

- Priority: whoever was *using it in commerce* first. The owner of the mark is the person who controls the first use of the mark for the relevant goods or services in commerce.

Determining priority of use b/t competing owners: (first use may be actual, constructive, or analogous)

1) actual use: applicant has made sufficient use to support a registration, the date of use will serve as her priority date.

2) constructive use: established by the date of an intent-to-use application provided it results in subsequent registration on filing of a statement of actual use

3) analogous use: judicial doctrine under which priority is established by acts that are deemed sufficient to establish the mark as an indicator of source to the public. (before mark owner used mark on goods that were sold or transported, she may have used it in advertising, trade publications, or other marketing)

- analogous use must be sufficiently widespread to create an association in relevant market b/t mark and relevant source of goods.
- the symbol is not a mark until the owner makes a bona fide, lawful use of the mark in trade. Trademark may be on goods themselves or on the containers, associated displays, tags, or labels. Trademark must be on goods when sold or transported.
- Geographic Limitations: priority to mark owner is only in the geographic area in which the mark is actually used. Lanham Act gives nationwide priority for registered marks, but also provides that unregistered marks retain priority in their geographic area of use.
- Assignment: if trademark is sold, it must be sold with the associated goodwill of the business

## Abandonment & Loss of Rights

- Abandonment occurs in several ways:

1) owner discontinues use with intent not to resume use

2) mark becomes generic name for the relevant goods/services

- public comes to interpret the term not as a source identifier but as wzan for a category of goods or services

3) mark loses significance as a mark

- can occur by not policing activities of licensees or if widespread infringement is allowed

## Registration

- Trademark rights do not depend on registration. But it has a number of advantages: priority against similar marks, prima facie evidence of the validity of the registered mark, remedies for infringement are greater, registered marks can become incontestable after five years of continuous use, registration is constructive notice of claim of ownership, mark will show up in trademark searches by others.

Two types of applications for US marks are permitted:

1) use application: seeks to register a mark that is already in use

2) intent to use application: may be filed by one with a bona fide intention to use the mark in commerce

- does not make the intended mark enforceable--it only becomes enforceable on actual use.
- can file this if you intend to use within next six months to prevent someone else from using it until you get it into commerce

## Infringement

Elements: the alleged infringer 1) used the mark or similar mark in commerce; and 2) the use caused likelihood of confusion.

- Ask: will consumers be confused as to whether or not a product is coming from the same source as another?

Factors for Determining likelihood of confusion:

-strength of p's mark (commercial strength and distinctiveness) -degree of similarity b/t the marks -proximity of the products in the marketplace -likelihood that the prior owner will bridge the gap -actual confusion -D's good faith in adopting its own mark -quality of D's product -Care and sophistication of the relevant consumers

### Relevant Doctrines

*Implied Endorsement*: the confusion may be that the mark owner endorsed the goods

*Initial Interest Confusion*: finds liability when D's use of mark may attract attention of potential consumers looking for products associated with the mark, even though the confusion is dispelled before a sale is made.

*Post Sale Confusion*: Ex. Rolex watches - likelihood others that see watches being worn will be confused.

*Reverse Confusion*: D's use of the mark does not make consumers think that D is selling P's goods, but use of a well-known junior mark confuses consumers into thinking tha the senior mark is actually an infringer.

## Remedies

- injunctions
- monetary remedies
- dilution: uses that do not infringe a famous mark may still be prevented if they are likely to dilute the mark by blurring or tarnishment.
- Ex. using Kodak on bicycles may not be infringement (b/c it doesn't confuse consumers as to source), but might support dilution liability.
- only applies to distinctiveness of famous marks

## Defenses

- Fair Use - is established, no infringement even if likelihood of confusion
- Laches - too much time has gone by; they have been using the infringing trademark for so long it would be unfair to stop them
- Nominative use - where mark is used to refer to goods/services in question -- 3 elements 1) product or service in question is not readily identifiable without use of the trademark; 2) only so much of the mark is used as is reasonably necessary to identify the product or service; and 3) the user does nothing that suggests, in conjunction with the mark, sponsorship or endorsement by the trademark holder.
- license
- improper licensing
- abandonment
- genericide
- mark is functional
- fraudulent registration

# COPYRIGHT-2008 Wypadki

## Requirements

1. Originality
  1. Work must be original to qualify for protection: (1) author must have engaged in some intellectual endeavor and not just copied from a preexisting source; and (2) the work must contain a minimal amount of creativity.
  2. mere compilations of data are not copyrightable
  3. de minimis "works" are not copyrightable (words, short phrases, slogans, etc.)
  4. facts are discoverable, not created, therefore they are not subject to copyright (however, an author's original method of expressing facts is copyrightable)
  5. "sweat of the brow" theory rejected
  6. *Feist v. Rural Telephone Services*
    1. Rural would not give Feist a license to publish phone numbers, so Feist just copied Rural's white pages
    2. compilations of facts are generally not copyrightable
    3. a work must be original to the author
    4. Even a directory that contains absolutely no protectable written expression, only facts, meets the constitutional minimum for copyright protection if it features an original selection or arrangement.
    5. Alphabetical arrangement of names is not original enough to be protected
    6. To establish infringement, two elements must be proven
      1. ownership of a valid copyright
      2. copying of constituent elements of the work that are original
  7. *Roth Greeting Cards v. United Card Company*
    1. Background: Roth copyrighted greeting cards, and United is selling similar greeting cards, and Roth sues them for copyright infringement
    2. Rule
      1. The White-Smith Music Pub. Co. v. Apollo Co. test

1. "[W]hether the work is recognizable by an ordinary observer as having been taken from the copyrighted source?"
2. United failed this test, they were too similar, so Roth won
3. The art and text were not copyrightable in and of themselves, but the combination of the art and text was copyrightable
4. Dissent: If neither the art nor text is copyrightable, then the combination is not copyrightable
2. Fixation requirement
  1. Copyright Act of 1976 - a work is fixed "when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than a transitory duration."
  2. Contemporaneous fixation takes care of fixation
  3. State law can protect unfixed works
3. Expression (not ideas)
4. NOT useful articles (conceptually separable): Must distinguish btw aesthetic elements (protectable) and utilitarian elements (no protectable)
  1. *Brandir International, Inc. v. Cascade Pacific* (bike rack)
    1. "industrial designs not subject to copyright protection"
    2. "the dominant characteristic of industrial design is the influence of nonaesthetic, utilitarian concerns"
    3. Ribbon bicycle rack developed from sculptures
    4. Bicycle rack was not conceptually separable from the sculpture
    5. Bicycle rack was a useful item, not copyrightable
5. NOT scenes-a-faire: (incidents, characters, settings, or other elements that are indispensable, or at least standard, in the treatment of a given topic) creative works not protected when they are mandated or customary to the genre

## Subject Matter

1. 17 USC 102: Spans the broad spectrum of artistic and literary expression
  1. Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
    1. Literary works; musical works (including lyrics); dramatic works (includes music); pantomimes and choreographic works; pictorial, graphic and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works (this list is not meant to be exclusive)
    2. Some works might be encompassed by more than one category
2. Literary works (includes computer databases): includes the story and characters (the less developed they are, the less protected they are) and to non-literal elements such as structure, sequence, and organization
3. Characters are in that they cannot be revealed in other creative works
4. Musical works: protects both the author and the performer; subject to compulsory licensing under sect 115 once they have been released to the public.
5. Dramatic works: cannot copyright simple steps or conventional gestures
6. Pictorial, graphic and sculptural works:
  1. includes two-dimensional and three-dimensional works of fine, graphic, and applied art: photographs; prints and art reproductions; maps; globes; charts; diagrams; models; technical drawings; and "works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned."
7. Motion pictures and other audiovisual works
  1. Soundtracks are treated as integral part of motion pictures and are protectable
8. Architectural works
  1. Exceptions
    1. can take pictures

- 2. can make alterations to buildings
- 2. Owner of the building does not need permission to destroy the building from the copyright holder
- 9. Derivative Works and Compilations
  - 1. Derivative works - works based upon one or more preexisting works, such as translations, musical arrangements, dramatizations, fictionalizations, motion picture versions, art reproductions, etc.
  - 2. Compilations - works formed by collecting and assembling preexisting materials or data.
  - 3. Extends only to the work contributed by the author, as distinguished from the preexisting material employed in the work
  - 4. Keep a strong interest in anything that stems from the original work, book, then movie, then TV show, then toy, still has an interest in the toy
  - 5. Gives the ability to license others to sell in different markets
- 10. NOT words and short phrases
- 11. *Baker v. Selden*
  - 1. Background
    - 1. Selden got a valid copyright of a book that's purpose was to explain a specific system of bookkeeping
    - 2. Baker wrote book of forms using Selden's method
  - 2. Rule
    - 1. "The novelty of the art or thing described or explained has nothing to do with the validity of the copyright."
    - 2. Trying to get IP rights on something such as a system of bookkeeping, is a patent claim, not a copyright
- 12. *Morrissey v. Procter & Gamble*
  - 1. Background
    - 1. Morrissey created/copyrighted a "sweepstakes" game for people to play for a chance to win a prize
    - 2. Procter and Gamble created an almost identical "sweepstakes" game with an almost identical rule
  - 2. Rule: The court found that this matter was too simple, and therefore there was no infringement of the subject matter
  - 3. Some ideas are so narrow that there are only a few ways to describe them
    - 1. Granting a copyright would grant an unfair monopoly

## Ownership and Duration

- 1. OWNERSHIP
  - 1. Joint Works: basically can do something without asking permission in a joint work, but potentially have to pay royalties
    - 1. *Aalmuhammed v. Lee*
      - 1. Background
        - 1. For the movie "Malcolm X," Plaintiff submitted evidence that he directed the actors during certain scenes, he created 2 scenes, translated subtitles, supplied his own voice for voice-overs, and edited during post production
        - 2. He was paid for his services, but was not given a writing credit, so he sued for copyright infringement
      - 2. Rule
        - 1. Per, Statutory Language, the 3 requirements for a "joint work" is
          - 1. Copyrightable work
          - 2. Two or more authors
          - 3. The authors must intend their contributions be merged into inseparable or interdependent parts of a unitary whole
        - 2. Nothing the Plaintiff did showed that he was in charge, or that he was the "inventive or master mind" of the movie
          - 1. Therefore, Plaintiff loses

2. Collective Works: work that is put together: i.e., newspaper, album
  3. Works for Hire
    1. must qualify under one of two circumstances
      1. employment: created by an employee in the regular course of employment
      2. commission, if both requirements met
        1. "work for hire" agreement in writing
        2. one of 9 categories of works
          1. collective work
          2. motion picture or other audiovisual work
          3. translation
          4. supplementary work
          5. compilation
          6. instructional text
          7. test
          8. answers to test
          9. atlas
    2. *Community for Creative Non-Violence et al. v. Reid*
      1. Background
        1. Artist was hired by an organization to create a sculpture, but after it is made, they reach a disagreement and the artist won't return it
        2. They are contesting the determination of copyright
        3. Sculpture was of the Nativity featuring homeless people
        4. CCNV wanted to take sculpture on tour, Reid wanted to take it on a smaller tour
          1. Reid sought copyright to prevent CCNV's tour
      2. Rule
        1. Copyright Act of 1976: Copyright ownership "vests initially in the author or authors of the work"
        2. If it is a work for hire, "The employer or other person for whom the work was prepared is considered the author" and owns the copyright.  
EXCEPTION: if there is a written agreement to the contrary
        3. Copyright Act of 1976: A work is for hire under 2 sets of circumstances
          1. It is prepared by an employee within the scope of his or her employment, or
          2. A work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a text, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire
      3. If someone is hired for only one specific task for a small amount of time, worked in their own workplace with their own materials, and is skilled at it, they are an independent contractor, not a work for hire
      4. Artist wins
2. The Right to Prepare Derivative Works
  1. Anderson v. Stallone
    1. Background
      1. "Rocky IV" ("I must break you) case
      2. Plaintiff wrote/copyrighted a script for Rocky IV, which he claims Stallone used
    2. Rule
      1. Per Nichols v. Universal Pictures: Copyright protection is granted to a character if it is developed with enough specificity so as to constitute protectable expression
      2. Per § 17 USC § 106(2): When one creates a derivative work based upon characters created by someone else without permission, no copyright protection is given
      3. He didn't even have a claim, plus they said that his script wasn't similar enough

3. Government Works
  1. Court has ruled that the government cant obtain a copyright, but the government can hold a copyright if it acquired by another means
  2. Copyright Act does not expressly limit the protectability of works created by state government officers or employees in their official capacities
  3. courts have held that certain types of government works, such as statutes, opinions, etc. are inherently part of the public domain
4. DURATION
  1. [life of the author] + 70 years
  2. author unknown
    1. if published, 95 years
    2. if unpublished, 120 years

## Infringement

1. NON LITERAL INFRINGEMENT
  1. Copying
    1. Direct Evidence of Copying
    2. Indirect Evidence
      1. Access
      2. Substantial similarity
  2. Improper
    1. Substantial similarity
    2. Ordinary observer standpoint
    3. Expert testimony sometimes
    4. Quality of portion taken
    5. Scenes-a-faire copying ok
2. *Arnstein v. Porter*
  1. Arnstein sued Cole Porter for copyright infringement for copying some of his songs
  2. Arnstein argued Porter could have stolen a copy of a song from his room, or had someone else do it
  3. copying
  4. improper appropriation
  5. Background: Plaintiff is suing, claiming that 3 of their songs was plagiarized by D
  6. Rule
    1. To prove a non literal infringement, 2 elements are required
      1. That D copied from P's copyrighted work
        1. An admission OR
        2. Circumstantial evidence
          1. Access or Substantial Similarity
      2. That the copying went so far as improper appropriation
        1. Requires standard from an ordinary observer
        2. Expert testimony
        3. Quality
        4. The greater the proportion the percentage of the P's work was taken means that there is an increased likelihood of infringement
          1. Increased percentage of D's work comprises of P's work is not relevant
    2. These are issues of fact, and this case was remanded to a jury
3. *Nichols v. Universal Pictures Corporation*
  1. Background
    1. P created/copyrighted a play about a Jewish family living in New York and a child gets married to a catholic
    2. D created a movie that was very similar
  2. Rule



1. When the theme (in this case, the families in NY of Jewish and Catholic faith that have children that marry) is only a part of the copyrighted idea, it is not enough.
  2. Basically one's copyright of a written work does not cover absolutely everything that can be drawn from it
4. *Selle v. Gibb*
    1. Chicago band sued the Bee Gees for copying one of their songs
    2. Songs had been played in the Chicago area a few times, band sent demo tapes to 11 record companies
    3. Jury found for the Chicago band, judge entered j.n.o.v. for the Bee Gees
  5. *Steinberg v. Columbia Pictures Industries, Inc.*
    1. Background
      1. New Yorker cover/"Moscow on the Hudson" case
      2. "Moscow on the Hudson" poster was very similar to and influenced by a New Yorker cover
    2. Rule
      1. With regards to the 2nd Element from Arnstein
        1. It is satisfied when the two works could easily be mistaken for one another
        2. It is also satisfied when someone can only be explained by copying
      2. In this case, they believed that each of the prior two lines were true

## Defenses

1. Fair Use
  1. Four Factor Test
    1. the purpose and character of the use (including whether such use is of a commercial nature or is for nonprofit educational purposes)
      1. Is it commercial?
      2. Public interest
      3. Is it transformative or superceding? If transformative, this favors fair use. If superceding, this favors a finding against fair use. Fair use test on TRANSFORMATIVE vs. SUPERCEDING "the enquiry focuses on whether the new work merely supersedes the objects of the original creation, or whether and to what extent it is "transformative," altering the original with new expression, meaning, or message. The more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use."
      4. If there is a licensing mechanism, weighs in favor of fair use (Texaco case)
    2. the nature of the copyrighted work
      1. Fact/fiction - fiction gets more protection than factual wks
      2. published/unpublished - unpublished gets more protections than published b/c of rt to control 1st publication
    3. the amount and substantiality of the portion used in relation to the copyrighted work as a whole
      1. a lot or a little? qualitatively important?
    4. the effect on the market for the copyrighted work
      1. Direct substitution: ppl bough this from you rather than me
      2. Derivative wks: even if your good doesn't compete directly w/mine, you deprived me of the opportunity to sell my good
  2. Presumptive fair use (sec 107): teaching, news reporting, criticism, scholarship, research
  3. *Harper & Row, Publishers, Inc. et al. v. Nation*
    1. Background
      1. The Nation Magazine received from an undisclosed source an unpublished manuscript of Gerald Ford's autobiography that Time Magazine was going to soon publish
      2. The Nation quickly published it before the Time did, Time sued for copyright infringement

2. Rule
    1. They applied the four factor rule
    2. You need infringement
    3. There's nothing you can do with copyright doctrine to prevent the publication of facts,
    4. Fair Use is about our "ideas" of what is fair
  4. *Sony Corporation of America v. Universal City*
    1. Background
      1. Universal is suing VCRs because people could record shows, create libraries, and skip through commercials
      2. They claim Sony is liable for guilty contributory infringement
    2. Rule
      1. You have to prove that your copyrighted work is devalued
      2. One making a product has a chance of being used to infringe, does not make them liable for contributory infringing
    3. VCRs were used mainly for time-shifting, not archiving
  5. *American Geophysical Union, et al. v. Texaco Inc.*
    1. Background: Texaco employed 500 research scientists who photocopied scientific journals to support their research
    2. Rule
      1. Failed the four factor fair use assessment
        1. The following actions contribute to a violation of Fair use
          1. Multiplying the number of available copies
          2. Using the works substantially
          3. Established a personal library of the copyrighted works
          4. Showing substantial harm to the plaintiff's copyrights, one is guilty
2. License
  1. implied
  2. express
3. Statute of Limitations = 3 years

## Remedies

### Civil Remedies

1. Damages: lost profits plus additional defendant's profits
  1. statutory damages
    1. neither willful nor innocent = \$750-\$30,000
    2. willful = up to \$150,000
    3. innocent = down to \$200
  2. fees and costs
  3. impoundment and destruction
  4. injunction

### Criminal Sanctions

1. DMCA
  1. safe harbor: a service provider shall not be liable for monetary relief, or . . . for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider
  2. anti-circumvention: Exemptions are granted when it is shown that access-control technology has had a substantial adverse effect on the ability of people to make non-infringing uses of copyrighted works.

## MORAL RIGHTS

Moral rights in copyright law are rights personal to authors, and as such viable separate and apart from the economic aspect of copyright. The modern conception of moral rights is based on the European, particularly French, notion of an author's right to protect the integrity and paternity of their work. A moral right generally requires the author of a work to be attributed for that work and to control all derivative works.

1. VARA, 17 USC 106A, provides certain moral rights to visual artists
2. i.e. A painter may sue the owner of his/her painting (under certain circumstances) for destroying it even if the owner lawfully owned it
3. State legislatures and judicial decisions have created limited moral rights protection
4. Moral rights include
  1. Right of attribution
  2. Right to have work published anonymously
  3. Right to the integrity of the work
    1. bars work from
      1. alteration
      2. distortion
      3. mutilation

## TRADE SECRET

**Definition:** information that (1) derives actual or potential economic value from the fact that it is not known or readily ascertainable by others, and (2) is subject to reasonable efforts to maintain its secrecy.

1. Any process, etc., that you have and you use in the course of your business and is not generally known
2. It is ok to reverse engineer some product to figure out how it works
3. EXAMPLES
  1. recipes
  2. the temperature that you heat things at
  3. the method of manufacturing something
4. Protects against 2 things
  1. People who have the secret in confidence and reveal it
  2. People who try to sneak in and find out your trade secret by trespassing on your property
5. Trade secrets are indefinite
6. Requirements
  1. Secrecy: not generally known or "readily ascertainable"
  2. Valuable
  3. Value from Secrecy: gets its value because it is not generally known
  4. Protection: must take "reasonable efforts" to protect the secret (UTSA)
7. Misappropriation/Infringement
  1. Improper means: cannot violate "generally accepted standards of commercial morality"
  2. Breach in confidential relationship: most typical in the employee context; agent-principal relationship; partnership relationship; or a fiduciary relationship (like attorney-client or doctor-patient) - relationship can be express or implied, or a contractual agreement that the recipient will not disclose the secret without permission
    1. If you enter into a confidential relationship and do not keep information you get secret, you are liable for misappropriation
    2. Elements of misappropriation
      1. Is there a 'secret'?
      2. Did you enter a 'confidential relationship'?
      3. Did you 'use this information in violation of the relationship'?
8. Defenses

1. Reverse engineering: reverse engineering is a fundamental public policy good, but the product must be obtained from the open market
9. Employees
  1. Most courts find a confidential relationship in the employee/employer context. You can't take documents outside the building with you, but you can take "general knowledge" (most states)
    1. non-competitive agreements are enforceable if they are "reasonable"
    2. look at employer's interest, employee's interest, and public policy
  2. CA has developed a rule against non-competitive agreements
    1. Then the doctrine of inevitable disclosure is used: If D goes to work for the competitor, s/he will inevitably disclose our trade secrets, and the only way to prevent that is to have an injunction against that person working for the competitor
    2. Elements
      1. Former employee has knowledge of the plaintiff's trade secrets
      2. New job duties are similar or related to former position and it would be difficult for employee not to rely on or use plaintiff's trade secrets
      3. Cannot rely on former employee or new employer to avoid using the trade secrets
    3. Remedy = injunction
    4. NOTE: Doctrine of inevitable disclosure is controversial
10. Remedies
  1. Contract remedies: i.e. "reasonable royalty" - reasonable license fee
  2. Tort remedies: baseline monetary remedies of either actual loss to P or actual gain to D
  3. Property remedy: injunction (presumptive entitlement to an injunction)
  4. Criminal punishments: punitive damages awarded for up to 3x loss in case of willful misappropriation
    1. Has a state of mind requirements: knowledge that this is a TS
    2. Jail: states and feds punish TS misappropriation criminally
11. Related Cases
  1. *Metallurgical Industries, Inc. v. Fourtek, Inc.*
    1. Background
      1. Metallurgic had a trade secret regarding how to make tungsten carbide
      2. They did this for Therm-O-Vac, which went bankrupt, and some of their former employees formed Fourtek, and used the trade secret
    2. Rule
      1. *Wiseman v. Boucher*
        1. "Matters of general knowledge in an industry cannot be appropriated by one as his secret"
      2. Per Restatement of Torts, § 757
        1. One may without losing trade secret protection communicate to employees their trade secret if necessary
          1. Disclosures that don't lead to losing trade secret are:
            1. Disclosures made in hopes to further business
            2. Those to confidential relationships
            3. When the trade secret had time, effort, and money expended on it
      3. Metal won
  2. *Rockwell Graphic Systems, Inc. v. DEV*
    1. Background
      1. Rockwell is a manufacturer of printing presses used by newspapers
        1. They had drawings that demonstrated their trade secret
        2. Two people given access to the drawings formed a company and used the drawings. Rockwell sued
    2. Rule
      1. Drawings can be a trade secret, as long as reasonable measures are taken to maintain the confidentiality of them
      2. Rockwell won
  3. Misappropriation of Trade Secrets

1. *E.I. DuPont deNemours & Co. v. Rolfe*
  1. Background
    1. Aerial photographs are taken of DuPont's facility and obtained trade secrets
  2. Rule
    1. Per Restatement of Torts § 757
      1. "One who discloses or uses another's trade secret, without a privilege to do so, is liable to the other if:
        1. "(a) he discovered the secret by improper means, or
        2. "(b) his disclosure or use constitute a breach of confidence reposed in him by the other in disclosing the secret to him
    2. *Brown v. Fowler*
      1. The means of discovery may be obvious, but they can't be unfair
      2. Aerial photography is an unfair method of discovering trade secrets.

## PATENT

### Utility

1. Jurisdiction and Governing Law: federal, Patent Act of 1952, Federal Circuit
2. Rights: (exclusive right) To exclude others from making, using, or importing the invention claimed, for a limited term - NOTE: no right is granted to make or use
3. Utility Cases
  1. *Brenner v. Manson* (Utility)
    1. Background
      1. Chemical compound case
      2. A patent was applied for a chemical compound, and the creator sought to get a patent on all possible uses of it
    2. Rule
      1. "A process patent in the chemical field, which has not been developed and pointed to the degree of specific utility, creates a monopoly of knowledge which should be granted only if clearly commanded"
        1. It was not specific enough. He wanted all uses not a specific one. If he had attempted to patent it for a specific use, it would have been patentable.
        2. You cannot get a patent on something that's sole utility is its potential role in the future
  2. *In Re Fisher* (Utility)
    1. Background
      1. Fisher invented 5 purified nucleic acid sequences
      2. When he applied for the patent, he did not know the precise function of them, and put down several uses
    2. Rule
      1. If the uses alleged on the patent are application are too general, then no patent will be granted
      2. Also, if those uses apply to several other similar items, a patent will not be granted either
  3. *The Incandescent Lamp Patent*
    1. Background
      1. A patent was obtained that was broad in that it was intent to encompass any fiber/paper that could be used to make it
    2. Rule
      1. Per Rev. Stat. § 48888

1. The application shall contain a written description of the device “and of the manner and process of making, constructing, compounding, and using it in such full, clear, concise and exact terms as to enable any person, skilled in the art or science or with which it is most nearly connected, to make, construct, compound, and use the same”:
  1. This has to be a specific description with specific materials, one cannot patent all possible materials that could be used
  2. “The fact that the paper happens to belong to the fibrous kingdom did not invest them with sovereignty over the entire kingdom, and thereby practically limit other experiments to the domain of minerals”
4. Requirements (SEE sections below for in-depth info on each requirement)
  1. Subject Matter
    1. 35 USC 101: Any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof. (An invention will be "useful" (or "have utility") if there is a current, significant, beneficial use for the invention or, in the case of patenting a process, the product of the process. An invention may also be denied a patent for lack of usefulness if it does not operate as the application claims it does.)
    2. ISSUE: improvements and blocking patents
    3. Applies to "man-made" things, NOT:
      1. laws of nature
      2. natural phenomena
      3. naturally occurring species
      4. abstract ideas
      5. useless inventions
      6. inventions not reduced to practice
    4. Sometimes
      1. algorithms
      2. business methods
      3. medical procedures, with limited remedies
  2. Novelty
    1. 35 USC 102(a): entitled to patent unless any of the following: (1) the applicant's invention was known by others before the invention; (2) it was used by others before the applicant's invention; (3) it was described in a printed publication before the applicant's invention; or (4) was patented before the applicant's invention. Focus is on the actions of other persons prior to the date of application.
  3. Nonobviousness
    1. 35 USC 103: invention is not patentable if it would have been obvious to a person having normal skill in the pertinent art at the time invention was made. Must ascertain: (1) the scope and content of the prior art; (2) the difference between the pertinent prior art and the invention; and (3) the ordinary level of skill in the pertinent art.
  4. Enablement

## Subject Matter

§ 101: process, machine, article of manufacture, composition of matter, and improvement of thereof

1. **NOT Patentable:** manifestations or products of nature (laws of nature, physical phenomena, naturally occurring materials, plants in wild); abstract ideas; in connection w/ atomic weapons; pure mathematical algorithms (e.g., EKG case (bound up on machine)).
2. **But see** State Street (data process system was “machine,” practical utility – does it create a ‘useful, concrete, and tangible result’?)
3. **Special Cases:** business methods, biotechnology, methods of medical treatment (sx technique, but no damages)
4. Case
  1. *Diamond v. Chakrabart*
    1. Background

1. A microbiologist made a micro-organism and wants to patent it
2. Rule
  1. Thomas Jefferson in the Patent Act of 1793 defined statutory subject matter as:
    1. "Any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement."
  2. "His discovery is not nature's handiwork but his own; accordingly it is patentable subject matter"

## Novelty and statutory bars

**§102(a) Novelty.** focus on people other than inventor and date of invention.

1. must not have been known or used in U.S. prior to invention.
2. must not have been described in printed publication or patented anywhere prior to invention.

**§102(b) Statutory Bars.** focus on inventor and date of application.

1. no public use or sale more than one yr prior to appl'n
2. not described in printed publication or patented anywhere more than one yr prior to appl'n
3. Cases
  1. *In re Hall* (Statutory Bar = Publication)
    1. Background
      1. Appellant applied for a patent resissue and tried to include a doctoral thesis which had been publicized.
      2. Hall wanted to patent something that was published in Foldi's dissertation
      3. The application was rejected because it had been previously published
    2. Rule: When something has been publicized such as this, it's not patentable
  2. *Egbert v. Lippman* (Statutory Bar = Public Use)
    1. Background
      1. Plaintiff made an invention that only his wife used (corset springs), for over two years
      2. The issue was whether or not this constitutes public use
    2. Rule
      1. "To constitute the public use of an invention it is not necessary that more than one of the patented articles should be publicly used. The use of a great number may tend to strengthen the proof, but one well defined case of such use is just as effectual to annul the patent as many."
      2. (Defining public)
        1. "Whether the use of an invention is public or private does not necessarily depend upon the number of persons to whom its use is known. If an inventor, having made his device, gives or sells it to another, to be used by the donee or vendee, without limitation or restriction, or injunction of secrecy, and it is so used, such use is public, even though use and knowledge of the use may be confined to one person."
        2. One is also likely to lose on this if they do not go out and get a patent on it, in this case it was 11 years without getting one
        3. Plaintiff loses

**§102(g). Priority.** "first to invent" system (U.S.). cf. 'first to file' everyone else in world

1. In short: first inventor to reduce to practice the invention unless the rival was:
  1. first to conceive of the invention; and
  2. exercised diligence in reducing the invention to practice

1. **Interference.** procedure by which priority is determined b/w two pending applications or a pending application and issued patent.
2. **“Invention”** starts with “conception” and is completed upon “reduction to practice”
3. **Conception** formation in mind of inventor, of definite and permanent idea of complete and operative invention, as it is to be applied in practice.
4. **Reduction to Practice**
  1. **Actual.** building and testing a physical embodiment demonstrating ‘that the claimed invention work for its intended purpose’
  2. **Constructive.** by filing a patent application.

### Invention Priority Rules.

1. First to RTP is first to invent.
2. Filing date is presumed invention date.
  1. BUT, an inventor can use evidence to establish a pre-filing invention date
    1. RTP will count as invention date
3. Second to RTP may nonetheless prevail by proving:
  1. conception prior to other’s conception, and
  2. diligent effort toward actual or constructive RTP from date prior to other’s conception
4. The first inventory by actual RTP date loses that date for priority purposes if they abandon, suppress, or conceal the invention.
  1. The inventor thereby having lost benefit of actual RTP is entitled to the resumption date as the invention date.
  2. Once you stop diligent efforts to RTP, you also lose conception date (i.e., conception date = resumption date if ceased diligent efforts).
5. If an inventor’s conception is derived from another person, that other person is entitled to priority, regardless of who reduced the invention to practice.

### Limitations.

1. Activity outside the U.S. cannot be relied upon to establish conception or RTP dates.
2. Evidence of conception and RTP dates must be corroborated. Testimony of the inventor’s recollection alone is legally insufficient to establish conception or RTP dates.

## Nonobviousness

**§103 Non-Obviousness.** Patent may not be obtained if differences b/w subject matter and prior art are such that the subject matter would have been obvious at time invention was made to person having ordinary skill in the art to which said subject matter pertains.

1. **Primary Factors {Combining References}:** [i.e., whether one who is aware of all prior art would think to create claimed invention, which involves an analysis of combination of ideas from different sources of prior art (references)]
  1. scope and content of prior art
  2. differences b/w prior art and claims
  3. level of ordinary skill in prior art
2. **Secondary (Objective) Factors:** commercial success, long felt but unsolved needs, failure of others, commercial acquiescence (people pay for invention or refrain from practicing it), prof’l recognition (e.g., awards), contrary to teaching of prior art, fact that  $\Delta$  chose to copy
3. Obviousness - court may also look at factors including:
  1. the commercial success of the invention;
  2. how long a need for the invention had been felt before it was made;
  3. level of acquiescence of others to the patent;
  4. movement of persons skilled in the art in a different direction from the inventor’s;
  5. existence of skepticism on the part of experts regarding the inventor’s approach; and



6. fact that the defendant copied the invention, rather than existing alternatives. A nexus must be demonstrated between the factor and the issue of obviousness.
4. Cases
  1. *Graham v. John Deere Co.*
    1. Background
      1. Graham created a clamp that would lead to less damage when plowing.
        1. He obtained a patent and sold it
      2. John Deere, the plow manufacturer, sued him
    2. Rule
      1. Test of Obviousness
        1. Whether “the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.”
      2. It was not obvious enough, Graham wins
  2. *KSR International Co. v. Teleflex Inc.*
    1. Background
      1. Teleflex patented a design for a pedal system that included the adding of a modular sensor to make the system compatible with more vehicles
      2. KSR added the sensor to one of their pedals
      3. Teleflex sued, KSR is alleging that it was too obvious
    2. Rule
      1. The marketplace created a strong incentive to convert mechanical pedals to electronic pedals
      2. Also, the claim as the result of ordinary skill and common sense rather than innovation
        1. This made it too obvious

## Enablement

### §112 Enablement (disclosure).

1. specification must enable PHOSITA (person having ordinary skill in art) to make/use invention
2. bargain vis-à-vis trade secret
3. claims must correspond to disclosure (Lamp case)
4. must be done correctly in original appl'n (i.e., no 'new matter' in amendments)
5. must disclose 'best mode' known to inventor for carrying out invention

## Infringement

A patent holder can seek to establish patent infringement by:

1. literally infringed
2. doctrine of equivalents {i.e., “show presence of every element or its subs'tl equivalent in accused device”}

A person may be liable for infringement if they: (1) directly infringe a patent; (2) induce another to infringe a patent; (3) contribute to infringement; (4) import, sell, offer to sell, or use a product made through a protected process; or (5) manufacture or sell certain components of a patented invention to be assembled abroad.

**Literal Infringement** D's process or product must have every element set forth in the claim

1. Compare the claims of the patent to the accused product
2. If D's matter contains only some of the elements, it is not infringement

3. If D's matter has all of the elements plus more, D is liable for infringement (BUT may be able to get an improvement patent)
4. Case Law
  1. *Larami Corp. v. Amron*
    1. Background
      1. Larami made "Super Soakers"
      2. TTMP is suing them for infringement, when 7 of the 35 claims on their patent for a watergun are being used by Larami
    2. Rule
      1. *London v. Carson Pirie Scott & Co.*
        1. "A patent holder can seek to establish patent infringement in either of two ways
          1. (a) is literally infringed or
          2. (b) Is infringed under the doctrine of equivalents"
        2. If something is not an exact duplicate or close to it, it will not encompass literal infringement or under the Doctrine of Equivalents.

**Doctrine of Equivalents.** "if it performs substantially the same function in substantially the same way to obtain the same result."

1. Doctrine of Equivalents prevents a defendant from avoiding liability through insubstantial changes that take a device or process outside the literal language of the patent claims.
2. Infringement occurs if it is determined that the defendant's device or process contains an element that corresponds (either identical or equivalent) to each element described in the patent claim.
3. Equivalency is an objective determination made on an element-by-element basis from the perspective of a person with ordinary skill in the art as of the time of the infringement.

#### Four Limitations:

1. prosecution history estoppel. if you amend claims during prosecution, and surrender a ground, then you cannot reclaim such ground through the doctrine. i.e., "file-wrapper estoppel" (estopped from claiming infringement suit later if it literally infringes on earlier claim)
2. prior art restriction. cannot use doctrine to encompass matter in prior art. (e.g., wood in prior art)
3. public dedication doctrine. that which is described in specification of patent, but not expressly claimed, then its assumed dedicated to public domain.
4. all-elements rule. must be equivalent to all elements in claim. that is, cannot say "whole invention is my invention," rather doctrine only allows to substitute chunks out of your claim.

## Defenses

### i. Laches.

1. Equivalent to s/l, but more flexible, in that if wait too long lose right.
2. versus estoppel, which requires reliance.

### ii. Shop Rights.

1. E'ee invents using E'or shop (e.g., tools), absent express K to contrary, inventor (e'ee) gets patent right to invention, but e'or has shop rights to use invention in their business.

### iii. The "Experimental Use" Defense.

1. Case law indicates you can practice invention if purely for philosophical inquiry, but not okay if done in connection to make money. Incredibly tiny defense.

2. *City of Elizabeth v. Pavement Co.* (Experimental Use Exception)

1. Background
  1. Pavement Company invented a new and improved pavement, and to test it, they laid it down in a city
  2. The pavement was in the process of being patented
  3. The issue is once again whether or not this is public use
2. Rule
  1. When a machine/technology is in experimental use, the public can incidentally receive a benefit from it without it constituting public use
    1. When no one is allowed to use a machine/technology such as this, and it is not being sold, it is not public use
  2. Pavement won

**iv. First-Inventor Defense.**

1. Applies only to business methods.

**v. Patent Misuse.** (i.e., abuse patent)

1. E.g., attempting to make patent monopoly into more than were granted under the law.

## Ownership

### Duration

1. 20 years from the date of application
2. previously, 17 years from date of issue

### Ownership

1. absent pre-issuance K (e.g., employ't agrmt), patents are owned by inventor(s)
2. multiple inventors results in tenants-in-common, each owning an undivided interest in whole
3. each joint owner may exploit patent w/o permission of or acct'g to any other joint owner (i.e., permission of one owner is complete defense) (versus copyright law, in which may exploit, but must share profits) (versus trademark law, no co-owners)
4. each and every owner must consent to bringing any infringement action

## Remedies

1. reasonable royalties
2. lost profits: principal of lost profits, but in no instances should a patentee get less than a reasonable royalty
  1. To get lost profits must show: (1) demand for the good, (2) that there are non-infringing substitutes for the good, (3) market share, and (4) components of profit
3. injunction

## Prosecution

1. Prosecution defect that can invalidate patents is inequitable conduct (e.g., failure to disclose relevant prior art during prosecution invalidate patent if proved in litigation)

## DESIGN PATENT

1. 35 USC sect. 171-173, with 102, 103, 112, and other sections applicable as well
2. Enabling statute: 35 USC 171 Patents for designs: "Whoever invests any new, original, and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title. The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided."
3. Requirements:
  1. Ornamental (not dictated by function)
  2. Novelty
  3. Non-obviousness
  4. On a functional article
  5. Enabling disclosure
4. Statutory bars apply
5. Term: 14 years from issuance
6. Can include:
  1. Configuration/shape of article
  2. Surface ornamentation
  3. Combination of shape and surface ornamentation
  4. I.e. fonts and computer icons
7. Not per se excluded from overlapping TM protection: Can get TM and design patents at the same time if it is the right thing (i.e. can get a design patent for 14 years and then establish a secondary meaning in order to get a TM)

## PLANT PATENT

Asexually produced strain

### Plant Patent Act (1930).

1. **Requirements:** 1] Subject Matter: {1) asexually produced (grafting); and 2) plant (macro fungi, but not bacteria)} 2] Distinct. 3] New.
2. Can be invented or discovered if discovered in cultivated area
3. Covers entire plant (BUT, not infringement to sell fruit, flowers, seeds)
4. Administered through USPTO

### Infringement:

1. Sports are non-infringing of parent patent and potentially separately patentable
2. Infringing plant must be vegetative descendant of patented plant.

**Duration:** 20-yr term from filing of application

## PLANT VARIETY PROTECTION

Sexually produced variety

### Plant Variety Production Act (1970). (Ag Section)

1. **Requirements:** 1] Subject Matter: {1) sexually producing; and 2) plant (not bacteria, fungi)}. 2] New. 3] Distinct. 4] Uniform. 5] Stable
2. Covers first-generation hybrids

**Comparison to Patents.**

1. Administered through USDA, not PTO
2. Protects against creation of derivative plant lines
3. Allows farmers to save and plant seeds (but seed sales are infringement)
4. Research exemption allows use for breeding to develop new variety

**Duration:** 20-yr generally, 25-yr for tree and vines.

**MASK WORK PROTECTION**

1. Semiconductor Chip Protection Act (1984)
2. 17 USC sect. 901-904
3. Protects original mask works for making semi-conductor chips
4. A mask work is a 2- or 3- dimensional layout of an integrated circuit on a semiconductor chip
5. Must be registered with the Copyright Office for protection to commence
6. Duration of protection is 10 years
7. Computer chips made by special lithographic process

**VESSEL HULL PROTECTION**

1. 17 USC sect. 1301-1332
2. Requirements
  1. Subject matter: vessel-hull designs
  2. Must be embodied in an actual vessel hull (no protection for designs existing only in models, drawings, or representations)
  3. Staple or commonplace designs cannot be protected
3. Must be registered with the Copyright Office for protection to commence
4. Made-public bar: An application for registration must be filed no later than 2 years after the hull was publicly exhibited, or distributed or offered to the public for sale with the design owner's consent
5. Duration of protection is 10 years
6. Only 396 have been registered
7. Another boat manufacturer cannot buy one of your boats, create a mold, and use it to make new hulls identical to yours

**TRADEMARK**

1. Serves as an identifier of source
2. Actions
  1. Infringement/passing off
  2. Reverse passing off - no credit given
  3. Dilution

**Subject Matter**

Names, symbols, logos, slogans, phrases, 'trade dress', certifications, collective marks, product configuration/design

1. Color, Fragrance, Sounds
  1. *Qualitex Co. v. Jacobson Products Co.*: Dry-cleaning press pads w/ distinctive green-gold color. Ct held this was protectable, but only upon showing of secondary meaning. Color over time could signify a brand.

2. Functionality prevents odor and taste from being trademark
  1. Unless its for something that doesn't require odor for functionality, bubblegum scent for industrial lubricant
2. Trade Dress
  1. *Two Pesos v. Taco Cabana*: P sought trade dress protection for colorful Mexican restaurants. Ct holds this protectable trade dress b/c it is inherently distinctive
    1. If trade dress is inherently distinctive, trade dress will be protected
    2. If the trade dress is descriptive, must look for secondary meaning for protection
  2. *Wal-Mart Stores v. Samara Bros*: Product design (i.e. children's clothes) can only be protected if it has secondary meaning

## Distinctiveness

1. Fanciful: something made up that didn't exist before (i.e. Exxon)
2. Arbitrary: marks that have existence in the real world but nothing to do with product (i.e. Apple Computers)
3. Suggestive: marks that suggest something about the product (i.e. Coppertone sun tan lotion)
4. Merely descriptive: makes that suggest something about the product (i.e. Joe's Crab Shack). NOTE: Can only be TM if the name has acquired secondary meaning
5. Generic (NO TM): works that are standard (i.e. car, computer)

## Priority and ownership

1. Priority: First to use in commerce wins
2. Authorship irrelevant
3. Only one owner per trademark (SOURCE)
4. To Establish Rights: Must Use In Commerce!
5. Questions to ask in a priority dispute
  1. Use: Did he make use of the TM in commerce (or register w/ intent to use in commerce)?
  2. Where did he use the mark?
    1. Priority is measured with respect to a given geographical market
    2. If mark is registered, you get nationwide protection except where people are already using the mark (i.e. UND logo and Notre Dame logo)
  3. In what products and/or in what goods?
    1. TMs do not extend to the universe of all goods, but rather to goods you are going to sell
    2. NO confusion if the marks are in different categories
    3. *Zazu Hair Designs v. L'Oreal*: L'Oreal was sued for using a mark for its hair products that was already used by a hair salon. L'Oreal won on the grounds that the mark was not in extensive use. Today with an intent to use standard, L'Oreal would have lost.
  4. How similar are the marks?
  5. Is there inherent or acquired distinctiveness?

## Prosecution and registration

1. Categories
  1. Trademark
  2. Service mark
  3. Certification mark: a mark where someone is certifying other people's goods and services
  4. Collective mark: a mark that means that you belong to a certain organization or certain collective
2. Principal (all the rights from registration) and secondary register (pretty much useless)
3. Intent-to-use: Reserve, commence use within 6 months or file for extensions
4. Incontestability: If you register your mark, and continue to have it for 5 years, eventually people cannot contest the mark
  1. *Park N Fly v. Dollar Park and Fly*

2. Rule: All an incontestable status gives a TM holder is the right to be protected from challenges on the grounds that the mark lacks secondary meaning.

## Infringement

1. Trademark Use
  1. *1-800 Contacts v. WhenU.com*
    1. Background
      1. WhenU used proprietary software to create pop-ups advertising 1-800 Contacts' competitors when people were visiting their website
      2. 1-800 in alleging that this was infringing on their trademarks by including 1-800's website address (which is similar to the trademark) in their software
    2. Rule
      1. Including a website address that is nearly identical to a trademark in an unpublished director does not trigger trademark infringement
        1. Neither does causing popup ads to appear
2. Likelihood of Confusion (Test from Sect. 43 (a) of the Lanham Act)
  1. Source Confusion: confusion as to the source of the product
  2. Relationship/Affiliation Confusion: confusion about the relationship of D to P's goods
  3. Post-Sale Confusion: people making a negative association with the product after the sale
  4. Initial Interest Confusion: the TM makes consumers lured to a particular place/product
  5. Reverse Confusion: small TM owners infringed upon by big companies. Is actionable if P can show that D adopted the same TM in the same good.
3. *AMF Incorporated v. Sleekcraft Boats*: Ct issued 8 factor test and concluded that, give that the markets overlap, there was likelihood of confusion even if there was no evidence of actual confusion. **8 Factor Test:**
  1. Strength of the mark: Where is the mark on the inherent distinctiveness scale? Is there secondary meaning?
  2. Similarity of the mark: Total commercial impression, evaluated w/ sight, sound, and meaning
  3. Type of goods
    1. If the marks are identical and the goods are very similar, then there is infringement
    2. If the marks are identical and the goods are unrelated, there is no infringement
    3. If it's in the middle, must do other elements of the test
  4. Proximity of the goods
  5. Marketing channels used: How are goods sold? Will the way they are sold make it more/less likely that consumers will be confused?
  6. D's intent in selecting the mark: If there is an intent to deceive, this is a powerful factor in favor of finding infringement.
  7. Likelihood of expansion of product lines: How likely are these marks to come into conflict w/ one another in the future?
  8. Evidence of actual confusion

## Dilution

1. Famous marks (prerequisite): The mark must be famous to come under the dilution statute
  1. Factor test: (1) degree of inherent or acquired distinctiveness, (2) duration and extent or use of the mark in connection with the goods or services with which the mark is used, (3) duration and extent of publicity and advertising of the mark, (4) geographical extent of the trading area in which the mark is used, (5) channels of trade for the goods or services with which the mark is used, (6) degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom injunction is sought, (7) nature and extent of use of the same or similar marks by 3rd parties
2. Injury
  1. Tarnishment: Creating a negative association with a product
  2. Blurring: loss of uniqueness or distinctiveness

3. *Nabisco v. PF Brands*: Another company wants to introduce crackers in the shape of fish. P sues a dilution/tarnishment theory. Ct holds that the product configuration is distinctive and that the junior use will dilute.
  1. *Pepperidge Farm Goldfish v. Nabisco CatDog* fish-shaped crackers
  2. There is a danger of post-sale confusion
4. Cyber-squatting: If I grab your TM as a domain name, this is dilution in circumstances where the mark is famous. NOTE: The statute requires "commercial use in context", and if the website is not used (but merely reserved), cybersquatting should not come under dilution law.
3. Five necessary elements to a claim of dilution
  1. Senior mark must be famous
  2. Must be distinctive
  3. Junior must be a commercial use in commerce
  4. It must begin after the senior mark has become famous
  5. Must only show dilution, very easy to get at

## Defenses

1. Fair use:
  1. A junior user of the term is not liable for infringement of an established mark if the mark is being used in its descriptive sense
  2. The fair use defense is available vis-a-vis descriptive TMs w/p secondary meaning as long as there is no consumer confusion
2. Laches: equitable version of SoL
3. License: consented to allow me to use the trademark
4. Improper licensing: Trademark is an indication of course so if you blanket someone to use your TM, you will lose it. Licensor must have control of the quality of the product.
  1. RULE: IF you license your TM to someone else, you must police their use of the mark to ensure that they are making products that retain characteristics and quality the public has come to associate with the mark
  2. *Dawn Donut v. Hart's Food Stores*: Allegation of abandoned TM due to inadequate quality control/supervision on part of licensee.
5. Abandonment: Sect. 45 of Lanham Act. If you stop using a trademark, it is not longer yours as a trademark.
  1. Abandonment under the Lanham Act requires both non-use and intent not to resume use
  2. presumptive abandonment after 3 years
6. Functionality: Functional trade dress is not protectable under TM
  1. What is functional? Any attribute that is essential to the function of the product or that is related to price or quality
  2. *Trafix Devices v. Marketing Displays*: A wind-spring system for traffic signs is not protected by TM b/c it is functional.
7. Genericide: When a term refers to a general class of products, it is deemed "generic" and cannot serve as a TM
  1. 2 ways a TM can become generic:
    1. they were born that way and refused registration b/c they are generic
    2. they become generic over time through "genericide"
  2. *Murphy Bed Co. v. Interior Sleep System*: Murphy Bed is a generic term b/c the mark has entered the public domain
  3. RULE: The consumer rules. If the consumer is using the term generically, it is generic
8. Related Cases
  1. *Mattel v. MCA*
    1. Background
      1. Aqua made the "Barbie Girl" song
        1. In this song they spoke of being blonde and stupid and whatnot
      2. Mattel is suing, claiming that there will be a likelihood for confusion
    2. Rule
      1. *LL Bean*



1. "Trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing their Point of View."
2. *Rogers v. Grimaldi*
  1. Titles are not Trademark infringement unless it misleads the source of the work
3. If you do a parody, that does not try to make up any claims about the subject being parodied, there is no trademark infringement
2. *Lindy v. Bic Pen*
  1. Background
    1. Lindy was making pens, they were in the process of getting the word "Auditors" trademarked, and Bic started using it, Lindy contacted them and Bic sopped
    2. 14 years later, Bic adopted the legend "Auditors Fine Print" to describe a certain model
      1. Lindy sued for trademark infringement, unfair competition, breach of contract, and trademark dilution
  2. Rule
    1. If one proves trademark infringement, they still have to prove that it led to damages
      1. If one cannot prove damages, they will not be awarded any
    2. In a nutshell, the court said, "Lindy, no one cares about you, and Bic using your pen, while infringing, cost you no money"
3. Big O
  1. Background
    1. Big O is making "Big O Big Foot" which they have a trademark on
    2. Goodyear announced they were selling their own tires with the title "Big Foot" on them
      1. Big O contacted them, Goodyear spent millions advertising and marketing on it anyway
      2. Big O sued
  2. Rule
    1. There is nothing really to get out of this case. Big O won, Goodyear had to give them the amount of money needed to reverse the advertising that Goodyear did, and they were awarded punitive damages since Goodyear infringed on the copyright knowingly

## Remedies

1. Injunction: You are entitled to an injunction, not damages.
2. Damages (Limited to cases where D acted willfully - point is to deter the D)
  1. Under Lanham Act, P can recover (1) D's profits; (2) any actual damage sustained by P; and (3) the costs of the action
  2. Infringer's Gain and Mark Owner's Loss: *Lindy Pen v. Bic Pen*
  3. Corrective Advertising: *Big O Tire Dealers*: The ct orders 25% of the money spent on infringing advertising to be spend on corrective advertising to correct the consumer confusion.

## Non-trademark/nominative use, parody, 1st Amend.

1. Non-Trademark/Nominative Use: Descriptive use of the TM is ok. The nominative fair use defense applies when D uses a TM to refer to the P's product. If the use of the trademark is non-deceptive, it is acceptable.
2. Parody: Non-commercial parody use of a TM is protected free speech. BUT if the parody does not convey the message that its a parody (making consumers think it is the real thing), then it is vulnerable under TM law to dilution.
3. *Matel v. MCA Records*

## DOMAIN NAMES AND CYBERSQUATING

“Cybersquatting.” the bad faith, abusive registration and use of distinctive trademarks of others as Internet domain names, w/ intent to profit from goodwill of trademarks.

1. Anticybersquatting Consumer Protection Act. ACPA. illegal to register or use domain name that corresponds to trademark where the domain name registrant has no legitimate interest in using the name and acts in bad faith to deprive trademark owner of the use of the name.
2. *Shields v. Zuccarini*
  1. Background
    1. Shields is a graphic artist who has a popular website, joecartoons.com
    2. Zuccarini was a wholesaler of domain names, and got 5 world wide variations: Joescartoon.com, joecartoon.com, joescartons.com, joescartoons.com, and cartoonjoe.com
      1. They were “mousetrapped” sites which meant that when you went there, you had to close a lot of popup advertisements
    3. Shields is suing
  2. Rule
    1. To prove an ACPA (Anticybersquatting Consumer Protection Act ) claim, Shields had to prove that
      1. “Joe Cartoon” is a distinctive or famous mark entitled to protection
        1. 2 That Zuc’s domain names were “identical or confusingly similar”
      2. 3 Zuc registered the domain names with bad faith intent to profit from them
    2. Shields won
      1. If it’s blatant bad faith, it’s a violation
3. *PETA v. Doughney*
  1. Background
    1. PETA had Peta.com
    2. Defendant registered peta.org, which he entitled “People Eating Tasty Animals” as a parody of PETA
  2. Rule
    1. If a domain name is made purposely to confuse Internet users from accessing another’s website, it is in bad faith, and is a violation of ACPA

## GEOGRAPHICAL DESIGNATIONS OF ORIGIN

1. allows monopoly for appellations of geographic origin; monopoly inures to place (not firm, as w/ TM)
2. e.g., Champagne (a.k.a. sparkling wine).
3. might be protected in U.S. as collective mark or certification mark, if not generic.

## RIGHT OF PUBLICITY

1. Applicable when someone's name or image is used in a commercial context w/o consent
2. RULE: An individual has the right to control his/her name/likeness in a commercial context. The right is violated by unauthorized exploitation of likeness for commercial purposes.
3. What is protected? Name, picture, voice, context
  1. *Midler v. Ford*
    1. Background
      1. In a campaign, Ford got someone who sounded like Bette Midler to sing a Bette Midler song
      2. Bette Midler sued
    2. Rule

1. Using a sound-alike to give the impression that it is someone else singing, is actionable and protected from appropriation
4. Elements
  1. Commercial Context
  2. Identity used via an identifiable likeness
5. Limitations: 1st Amend. concerns
6. Protects an individual's marketable image or persona.... It affords a property-type interest in the use of their name, likeness, photograph, portrait, voice, and other personal characteristics in connection w/ marketing of products and services.
  1. 1st Caveat: use in book, newspaper, magazine, topical tv show is okay b/c protected by 1st Amendment, but beyond that, such as merchandising photo on tee-shirt is violation of publicity.
  2. 2nd Caveat: use in adv'g is violation unless adv'g something that is not right of publicity violation. e.g., cannot put Micheal Vick image on billboard to adv'g dog food, but adv'g dvd is okay

**Bottom Line:** Law is fuzzy, but has effect of shying people away from violation. i.e., footprint of law is bigger than the law itself.

## MISAPPROPRIATION

1. *International News Service v. Associated Press*: P sued D for taking P's new reporting and selling it as D's own. Ct found D guilty of the tort of misappropriation.
2. Elements
  1. P generates or gathers information *at a cost*
  2. The information is *time sensitive*
  3. A D;s use of the info constitutes *free riding* on the P's efforts
  4. The D is in *direct competition* with a produce or service offered by P
  5. The ability of other parties to free ride on the efforts of P or others would *so reduce the incentive to produce the product* that its existence or quality would be substantially threatened
3. [i.e., passing off, yet called misappropriation, or "HOT NEWS].
4. Note: misappropriation doctrine does not have continuing validity b/c it is now common to credit sources (e.g., if credit its ok, otherwise 'passing off', BUT: as to sports-casting, it is misappropriation to radio play-by-play of game, but it is ok to announce 'scores,' etc.

## CONTRACT AND IDEA SUBMISSION

1. *Nadel v. Play by Play Toys*
  1. Background
    1. Nadel had a toy idea and told Wasserman, an executive for a toy manufacturer
    2. Wasserman used an idea of Nadel's and did not ask him for any permission and did not compensate him at all
  2. Rule
    1. If an idea is not original, damages cannot be awarded upon the idea being stolen
    2. An idea is original, if it is novel to the person who stole the idea
      1. This is an issue of material fact

## FEDERAL PREEMPTION

The 1976 Copyright Act includes a federal preemption of state common law, which did not exist in the 1909 Act.

**17 U.S.C. § 301(a)** On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed

exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

1. *Bonito Boats v. Thunder Craft Boats*
  1. In 1976, a Florida company created a hull design, no federal patent application was ever filed for either the design aspects of the hull or the manufacturing process.
  2. In 1984, the company brought an action for an injunction, accounting of profits, damages, and attorney's fees, under a Florida statute against a Tennessee company in the Circuit Court of Florida.
  3. The Circuit Court dismissed the complaint, on the ground that the Florida statute conflicted with the federal patent law and was therefore invalid.
  4. The US Supreme Court affirmed. The unanimous view of the court held that under the Federal Constitution's supremacy clause, the operation of the federal patent system preempted the state law.
2. *ProCD, Inc. v. Zeidenberg*
  1. Background
    1. Appellant sells software, which includes a shrink-wrap license
    2. Appellee ignored the license and the Appellant is suing
  2. Rule
    1. If a license is in shrink wrap, it's still valid

## INTERNATIONAL ASPECTS

### PATENTS

1. Territoriality
2. Internationally in order for a patent to be valid one must get the patent in that jurisdiction.
3. **FOREIGN FILING LICENSES:**
  1. Invention Secrecy Act:
    1. In the US one must get a foreign filing license to get an "International Patent" from USPTO.
    2. This stems from a national security concern.
    3. The Gov must allow you to get a license, ostensibly to keep secret info out of the hands of undesirable countries.
    4. If the PTO denies the license then the inventor can seek compensation.
  2. A US Patent Application is deemed to include an application for a foreign filing license.
4. **THE PARIS CONVENTION of 1884:**
  1. Has 173 signatories compared to the 193 currently recognized sovereign countries.
  2. Requires its members to give each other National Treatment.
  3. There had been a Foreign Dependence implemented against foreign inventors prior to this treaty. The Treaty requires an independence of patents for its signatories
  4. A question to consider with regard to National Treatment or IP enforcement, To what extent do "reprisals" play a part in a State's motivation for compliance?
5. NATIONAL TREATMENT: treat foreign inventors as you would your own domestic inventors. Eg: same patent length and no extra fees.
6. INDEPENDENCE OF PATENTS: if a patent expires in one country it means nothing in the other countries. The victories or defeats in one country have no effect on the validity of the patent in other countries.
7. FOREIGN DEPENDENCE: Any foreign patent was invalid or expired the domestic one was as well.
8. INTERNATIONAL PRIORITY:
  1. If a Patent application is filled in any signatory State, all subsequent applications in other signatories within one year are given priority back to the first-country filing date.

2. However, in the US if the product is offered for sale more than 1 year prior to patent application – it is not viable
9. The most ground gained internationally is in the Procedural aspects of IP
10. **THE PATENT COOPERATION TREATY:**
  1. 139 signatories
  2. It deals with Procedural Aspects of obtaining a Patent
  3. It Provides a Partially Internationalized process: One international application begins the process in all signatories
11. Essentially the PCT starts the process in all the countries, giving it the initial filing date across the board, but not really useful otherwise
12. CHAPTER ONE PROCEEDINGS: The applicant gets an international search report and a non binding preliminary report on patentability
13. CHAPTER TWO PROCEEDINGS:
  1. Used by those who received an unfavorable report in Chapter 1.
  2. The applicant can make amendments and communicate with examiner before obtaining the 2nd report, but it is still not a binding decision.
14. **EUROPEAN PATENT CONVENTION:**
  1. Single European Patent office can make decision for all 34 European Patents – but you get 34 different patents.
  2. It also consolidates the prosecution and filing process, however Independence still applies this is simply to eliminate the need to file separately in 34 countries.
15. **TRIPS:**
  1. Came out of GATT, the precursor to World Trade Organization, meeting in Uruguay in 1994.
    1. Covers Multiple forms of IP
    2. TRIPS is required for WTO members
    3. 153 WTO members
    4. creates national min. standard obligations for national patent laws
16. **MINIMUM STANDARDS:**
  1. There is a 20 year term from filing date, this is the min term.
  2. Applicants must provide an enabling disclosure
  3. Subject Matter: all fields of tech provided it is new, have an inventive step (non-obvious), and are capable of industrial application
  4. Exceptions – Macro organisms like trees, certain methods of medical treatment, and immoral inventions
  5. Must have Judicial Review
17. Enforce TRIPS through World Intellectual Organization
18. Compulsory license must be revocable. No room for adjustment in TRIPS, it is what it is

## **COPYRIGHT**

1. **THE BERNE CONVENTION:** Berne revised 6 times most recent: 1971 in Paris.
  1. The Convention is Euro-Centric. The US joined in '89.
  2. Subject matter protected: Architecture (US got around to it eventually), compilations and derivatives, moral rights are included
  3. In the US remedies for moral rights can generally be found in contract or tort law - such as unfair competition.
  4. Doesn't include "news of the day" or facts
  5. Precludes formalities – like notice
  6. Min term: life + 50 yrs, 50 for anonymous works
  7. Retroactive protection of foreign copyright

## **TRADEMARK:**

1. **PARIS CONVENTION:** (same as patent) mostly procedural but priority period is 6 months instead of 1 year. US is a signatory
2. **TRADEMARK LAW TREATY:**

1. Harmonizes and simplifies application requirements
2. US is a signatory
3. MADRID AGREEMENT:
  1. Effectively an "International Trademark" because registration provides automatic protection in all signatories
  2. Allows Central Attack: provision permits an international application for registration to be canceled, within five years of filing, if the national registration upon which it is based was canceled.
  3. Use is not a requirement
  4. Because of these two provisions the US not a signatory
4. MADRID PROTOCOL:
  1. got rid of those two provisions, then the US signed
  2. Under the Madrid Protocol, however, a modified central attack provision now permits the trademark applicant to reapply in each designated foreign country while retaining the priority date of the original international application. This modification to the central attack provision was paramount in convincing the United States to finally become a signatory to the Protocol.
  3. Effective in US in Nov. 2003
5. NOT RECOGNIZED IN THE US:
  1. Database rights
  2. Geographical Indications
6. GEO INDICATION:
  1. Allows a monopoly for appellations of geographic origin
  2. Monopoly privileges inure to a place, not a firm as with TM
7. Examples:
  1. Champagne (Sparkling Wine)
  2. Parmesan cheese
  3. Might be protected in the US as collective marks or certification marks, if not currently generic

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