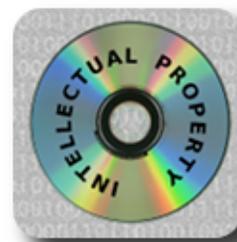


Intellectual Property Wypadki Spring 2012



Intellectual Property
Eric E. Johnson
University of North Dakota School of Law
*This document has not been reviewed by
Prof. Johnson for legal or factual accuracy.*

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Intellectual Property Wypadki

Spring 2012

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Some editing notes:

I eliminated the content that was included in "Preliminaries," as it appeared to consist of a separate, comprehensive, outdated alternative outline. It also appeared to me that the eliminated section was not intended to be included in the final wypadki.

I also eliminated a lot of material under the "Expression" part that was copied verbatim from an outside author. (See Syllabus §11-3.)

Also under "Expression," you will find two outlines of copyright. The "New" outline is material that a student sought to add via Blackboard, but was thwarted by some kind of problem that appears to have been on the server side. Therefore, I added that material manually. This "New" outline appears to be keyed to the material we studied this Spring 2012 semester. The second outline, which I have labeled "Legacy," is what came from Blackboard; it appears to be keyed in large part to a casebook I have not used since 2008.

Good luck!

- EEJ

Expression

COPYRIGHT NEW OUTLINE:

Copyright is meant to protect an artistic, literary, musical, dramatic, choreographic, audiovisual, or architectural work from being reproduced without the permission of the copyright owner. The copyright owner is one who originally authors the work. The copyright owner is given the exclusive rights of reproduction, public distribution, public performance, public display, and preparation of derivative works. Legal protection exists as soon as the work is expressed in a *tangible* form. Therefore, copyright law protects the physical expression of an idea, but not the idea itself. There are three primary requirements: the work must be an (1) original (2) work of authorship (3) fixed in a tangible medium of expression.

- **Federal, state, and common-law authority**
 - *Exclusively federal* for new works
 - Title 17, U.S.C.
 - *State law* for sound recordings prior to 1972
 - With a few exceptions, there has never been a common law of copyright infringement
- **History**
 - Trend of increasing scope of subject matter
 - Trend of longer and longer duration
 - Trend of decreasing formalities and requirements for protection
- **DMCA (Digital Millennium Copyright Act)**
 - Safe harbor
 - Individuals are not responsible for copyrighted content posted to their website by non-authorized individuals as long as you provide a means of letting the owner of the copyright contact you
 - Anti-circumvention
 - If you try to get around encryption measures, you are guilty of a crime
 - Does not matter if your use of the content is “fair use”

- It is the act of de-cryption that is a crime
- **What is copyrightable?**
 - In order to be copyrightable, a work must be
 - **Fixed in a tangible medium of expression; and**
 - **Original**
 - **Subject Matter:**
 - **Originality:** To be original means that a work is “independently created by the author (as opposed to copied from other works) and it possesses at least some minimal degree of creativity.”
 - **Copyright is all about creativity – creative works receive greater copyright protection.**
 - Must have some *minimal degree of creativity*
 - Standard is quite low.
 - The originality requirement demands that a work, in order to be copyrighted, be *independently created* by the author.
 - In order to be original, a work need not necessarily have novelty, artistic merit, truth, or lawful content.
 - Additionally, a work might be copyrightable even if it incorporates nonoriginal elements.
 - If an author arranges facts in an original or creative way, he may qualify for a copyright in the compilation.
 - Mere compilations of data are not copyrightable
 - Recall *Feist v. Rural Telephone Services* (the phonebook case)
 - **But** if the compilation of data is done creatively, the work might be copyrightable.
 - Therefore, if someone copies the compilation of data that has sufficient creativity, it would likely be copyright infringement.
 - Alternatively, if someone only took portions of the compilation of data, and did not copy the creative assembly of the data, it would likely not be infringement.

- It is the copying of the *protected elements* of the copyrighted work that makes it infringement.
- Facts are not copyrightable
 - Additionally, if the author *represents* her work as factual (even if it is not), she will be denied a copyright (“copyright estoppel”)
- “Sweat of the brow” theory rejected
 - Doesn’t matter if the work took a lot of work
- **Works of Authorship**
 - **Copyright applies to original “works of authorship”**
 - Any work that qualifies as an original work of authorship is copyrightable, irrespective of its artistic merit.
 - Regular, everyday conversation not copyrightable.
 - **Unless**, you make an explicit claim that you were going to exercise control over a certain utterance for publication.
 - Under the leading decision, it would “be required that the speaker indicate that he intended to mark off the utterance in question from the ordinary stream of speech, that he meant to adopt it as a unique statement and that he wished to exercise control over its publication.” – *Estate of Hemingway v. Random House* (1968)
 - Explicit claims would be necessary *only* for claims to copyright in conversation or everyday behavior as a “work of authorship,” where others would think it unrestricted.
 - Copyright not available for **words** and **short phrases**, such as names, titles, and slogans.
 - Words and short phrases are usually not sufficiently original.
 - “Coca-Cola” is not copyrighted; it is trademarked.
 - This is where trademark often comes in.
 - The requirement of “authorship” implies that an author created the work.

- Authorship requires a human creator – a purely mechanical process will not be eligible for a copyright.
 - E.g., a security camera mounted in a hotel lobby captures a dramatic event. Copyrightable? Probably not. There is likely no human author.
- “In order to be entitled to copyright registration, a work must be the product of human authorship. Works produced by mechanical processes or random selection without any contribution by a human author are not registerable.” – Compendium II: Copyright Office Practices 503.03(a)
- This will likely become more complicated as individuals may soon (and some already are) recording every moment of their life with a video camera (i.e., technology becoming more pervasive in everyday life). Are these recordings works of authorship?
- A person’s identity is not a work of authorship.
 - Even if one might adopt a *persona* which is created by the individual, there are other factors that are not within the scope of authorship (e.g., genetic makeup, life experiences, influence of others).
 - More importantly, such elements are not embodied in a *tangible form*, which would set the boundaries of the protected work.
- **Categories of works**
 - **Literary works**
 - Includes “works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.” – 17 U.S.C. §101
 - Basically includes anything made with letters, numbers, or other symbols.
 - **Includes software/computer programs**
 - Expressed through code (numbers, etc)

- “A set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.” – 17 U.S.C. §101
- Includes just about everything you might think could possibly be included – plays, short stories, novels, movie scripts, letters, emails, computer programs, recipes, etc.
- **Musical works**
 - Includes all musical genres.
 - NOTE: There is a Difference between musical works and musical *recordings*, made by a producer
 - A music producer would be the author of the *recording*, not the musical piece itself.
 - Thus, if someone makes an unauthorized copy of a CD, he may be infringing on two copyrights: the musician’s and the producer’s.
- **Dramatic works**
 - “Any work in which performed actions, speech, or incident, or all three, convey theme, thoughts or character to an audience.” – Paul Goldstein, *Copyright* at 2:110
 - The distinguishing characteristic of a dramatic work is that the actions are “intended to be performed,” as opposed to being “narrated or described.”
 - An opera would be a dramatic work, a novel would not.
 - A novel is not *intended* to be performed.
 - Even some performances (like rock concerts) are not *dramatic*; they are not performed in character to act out the drama or song.
- **Pantomimes and choreographic works**
 - Examples: Ballet, floor routines, or a choreographed wrestling match.
- **Pictorial, graphic, and sculptural works**
 - Includes “two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans.” – 17 USC §101

- Tends to be a very broad category
- **Motion pictures and other audiovisual works**
 - Audiovisual works are “works that consist of a series of related images which are intrinsically intended to be shown by the use of machines, or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.” – 17 USC §101
 - Examples: Video games, slide shows (even if primarily only text), and other forms of conceptual art.
 - Must have a *visual component*, but need not have accompanying sounds
 - The use of a machine or device is required
- **Sound recordings**
 - “Works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.” – 17 USC § 101
 - Examples: musical recordings, birdcall recordings, a student’s recording of a teacher’s lecture, or the recording of a hurricane
 - The author of the sound recording may be a different person than the author or performer of the underlying work.
 - Limitations: The author’s exclusive right to make copies only extends to reproductions of actual sounds.
- **Architectural works**
 - “The design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.” – 17 USC §101
 - Appears to only apply to buildings that people enter (houses, schools, etc) and not to structures like bridges and highways.
 - Limitations: If the building is visible from a public place, the copyright owner has no rights against the making, distribution, or

display of images of the building. Additionally, the owner of a building may alter or destroy it without obtaining permission from the owner of the copyright in the design of the building.

▪ **Compilations**

- “A work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resultant work as a whole constitutes an original work of authorship. The term ‘compilation’ includes collective works.” – 17 USC §101
- Examples: Phonebooks, a database of information, a collection of poetry, a CD containing photographs from *National Geographic*
- The compilation may be composed of noncopyrightable elements, but the compilation as a whole may be copyrightable.

▪ **Derivative Works**

- A derivative work is one based on another work.
- “A work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a ‘derivative work.’ ” – 17 U.S.C. §101
- Examples: A film based on an old novel, a lithograph based on an old master painting, a satirical version of a song, or a country version of a rock & roll song.
- A derivative work may have its own copyright, so long as it is sufficiently original.
- If the derivative work is based upon another copyrighted work, only the new creative expression of the derivative work will be copyrighted; not the elements copied from the underlying work.
- This area can get complicated:
 - If a work is under copyright, the copyright owner has the exclusive right to make derivative works based on the copyrighted work.

- If someone else makes an unauthorized derivative work, it may infringe the copyright.
 - If it does, the new creative work will not be protected.
 - Possible defenses?: Fair use.
- **Fixation requirement**
 - Must be fixed in a **tangible medium of expression**
 - “A work is ‘fixed’ in a tangible medium of expression 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 transitory duration.” – 17 U.S.C. §101
 - Until the work is fixed, it is not protected by federal copyright. As soon as the work is fixed, copyright attaches.
 - “If a speaker gives a speech, or a songwriter creates a song, or a choreographer makes a dance, all without reducing the works to any tangible form, the work is uncopyrighted. Anyone else who sells copies of the speech, or sings the song in concert, or performs the dance publicly is not infringing copyright.”
 - The author himself does not need fix the work in tangible form. Rather, the work can be fixed “by or under authority of the author.”
 - Conversely, unauthorized fixation does not serve to trigger copyright.
 - If a musician performed an impromptu musical performance, and a bootlegger recorded the performance, copyright does not apply.
 - Possible loopholes:
 - A live television program being broadcast isn’t fixed in a tangible medium of expression. So no copyright?
 - “A work consisting of sounds, images, or both, that are being transmitted, is ‘fixed’ for purposes of this title if a fixation of the work is being made simultaneously with its transmission.” – 17 U.S.C. §101
 - What about a live musical performance that isn’t being fixed?

- These situations receive special protection. The statute imposes liability for anyone who makes an unauthorized recording or transmission of such a performance, or who thereafter distributes recordings. – 17 U.S.C. §1101
- **Excluded Subject Matter:**
 - **Copyright does not protect *ideas***
 - Copyright only protects the elements of the work that are creative expression, such as the particular ways an author expresses an idea.
 - “In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” – 17 U.S.C. §102(b)
 - Copying ideas is not copyright infringement, even if the copying is deceitful, or in breach of a confidence, or otherwise underhanded.
 - **Idea vs. Expression (policy-based – rather than statute-based – distinctions)**
 - Ideas are not protected by copyright, but the original way an author expresses the ideas is protected. The distinction between nonprotected ideas and protected expression is key to the scope of copyright protection
 - **Literal copying:**
 - i.e., word-for-word copying of a novel, or a recording of a copyrighted song
 - This would be copying a protected *expression* – probably copyright infringement.
 - **Nonliteral copying:**
 - i.e., copying only the basic idea or premise of the big idea in a novel or a hit movie
 - This would be copying unprotected *ideas* – probably not infringement.
 - Pay attention to whether the alleged copyright infringement was merely a copying of an idea of the original author, or an actual copy of the way the author express his idea.

- This produces a significant area of potential litigation. Was the copying of the protected work a literal or nonliteral copy? Where does the line get drawn?
- **Not all copying of specific elements is deemed copying of expression.**
 - Elements that necessarily follow from unprotected ideas are also unprotected.
 - For example, if a movie is set in the Wild West, it is likely that the characters will be wearing similar costumes. The costumes themselves will not be copyright protected because they are elements that necessarily follow from the unprotected idea of the movie.
 - “Scenes a faire” Doctrine: Elements of a work may be unprotected if they are commonly found in works of that genre.
- **Merger Doctrine:**
 - Sometimes expression is constrained by the underlying idea. Perhaps the idea can only be expressed in one or a few ways. To the extent that the idea constrains its expression, the expression is unprotected.
 - For example, a cup of vanilla yogurt will almost always have a picture of a vanilla bean or a vanilla flower. The nature of the product (vanilla yogurt) has therefore constrained the expression of the company designing the packaging.
 - This nonprotection, however, will not extend to an exact copying of all elements of the packaging.
- **Possible methods of obtaining protection of an idea**
 - **Contract:** Before disclosing an idea, have those who will hear it sign a nondisclosure agreement (NDA).
 - This can be troublesome, however, since many firms have a policy to refuse signing NDAs.
 - **Secrecy:** Some ideas can be exploited without disclosing them (customer lists, trade secret, manufacturing process, etc)
 - But many ideas must be disclosed at some point

- **Attribution:** Acknowledgment or public respect given to the originator of the idea will often afford the artist or author a degree of reputation that will hinder others from copying.
- **Functional/Utilitarian Aspects of Works**
 - The functional aspects of a work are not copyright protected.
 - Copyright does not protect any “idea, procedure, process, system, [or] method of operation.” 17 U.S.C. §102(b).
 - This area is left to **patent protection**
 - **NOTE**, however, that a functional work may still have elements of creative expression which can be copyright protected.
 - A lamp stand may serve the functional purpose of holding the lamp up (not protected), but the stand is also made of silver with intricate carvings of ivy and grapes (protected).
 - The key is to differentiate between the functional and creative elements of a work.
 - **Analysis:** Plaintiff claims that Defendant copied the instructions used for the operation of a DVD player. Court should use the following analysis to determine whether infringement occurred:
 - Were there alternative ways to implement the functional purpose of the work? (I.e., were there many different ways to write the instruction?)
 - Yes. → Plaintiff would have copyright protection over the instruction.
 - No. → Plaintiff has no copyright over the instructions – there were only one or a few ways to write such instructions.
 - Many documents will never have copyright protection since they must use specific types of wording.
 - Many legal documents have little or no protection because the use of particular words and phrases is necessary to comply with applicable legal requirements.
 - **Software:** Courts will often emphasize the need to filter out all of the unprotected functional or nonoriginal elements of the software, to see if any nugget of original, creative expression remains. This tends to lead to a very thin level of protection.

- However, courts also need to consider whether unprotected functional elements in a computer program were put together in an original, nonfunctional way.
- A computer program might qualify for protection as a *compilation* of unprotected elements
- **Useful Articles**
 - The category of defined as “useful articles” is its own narrow category.
 - **Definition:** A useful article is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”
 - **Protection:** If a “pictorial, graphic or sculptural work” is a “useful article,” it is protectable *only* if its aesthetic features are separable from its utilitarian aspects.
 - **Conceptual Separability:** An article has a useful function, but also has an aesthetic, creative component.
 - **Example:** Clothing
 - Even if clothing serves to portray its own appearance, it also serves the purely utilitarian functions of clothing (keeping its wearer warm)
 - A clothing design, however, is copyrightable only if its aesthetic elements are *separable* from its function.
 - This doesn’t really happen very much
 - Function and form are generally so intertwined that copyright protection is negligible.
 - Trademark law often provides the needed protection for clothing designers.
- **Analysis:** Is the work a useful article under the statutory definition?
 - **Yes.** → Does the useful article have “pictorial, graphic, or sculptural features that can be identified separately from, and

are capable of existing independently of, the utilitarian aspect”?

- **Yes.** → It may be copyrightable.
- **No.** → It is not copyrightable.

▪ **Infringing Works**

- Copyright does not protect material created by infringing another copyright.
- “Protection for a work employing pre-existing material in which copyright subsists does not extend to *any part* of the work in which such material has been used unlawfully.” – 17 U.S.C. §103(a)
- Notice how this rule bars copyright for *original* expression that was created by unlawful use of other works.
 - Therefore, if an author takes another’s short story and expands it into her novel, the author may use the unprotected *ideas* of the original author without infringing.
 - However, if the author copies the protected *expression* of the original author, she is likely infringing on the original author’s copyright.

▪ **Government Works**

- Copyright protection “is not available for any work of the United States Government” – 17 U.S.C. §105
- A “work of the United States Government” is “work prepared by an officer or employee of the United States Government as part of that person’s official duties.” – 17 U.S.C. §101
- Examples: court opinions, federal laws and regulations, administrative reports, official photographs, etc.

○ **Ownership, Formalities, Duration**

- **Ownership:**
- Ownership arises from the first time the work is created. The author initially owns the copyright, and she may transfer any or all of her rights to anyone she chooses.
- Determination of ownership: Two questions
 - Who is the author or authors?

- Has ownership of the copyright (or some of the rights of the copyright holder) been effectively transferred to someone else (and if so, was such transfer subsequently terminated pursuant to contract or statutory right)?
- **NOTE:** Keep in mind that ownership is *usually* addressed through contract.
 - Therefore, determination of ownership will only arise when ownership has not been decided through contract or agreement of the parties.
- **Who is the Author?**
 - **Work is by an individual author:** Author is the initial owner of the copyright
 - If more than one person claims to be the author, courts look to such factors as who initiated the work, who contributed original creative expression, who controlled the production of the work, whom the parties considered to be the author, and whom third parties recognized as the author
 - **Work is a work made for hire:** Hiring party/employer owns the copyright. Types:
 - Works by employees within the scope of their employment
 - Certain specially ordered or commissioned works, where the parties expressly agree in writing that it is a work made for hire.
 - E.g., if a publisher hires a scholar to translate a book, the parties can agree that the work being done is a work for hire; publisher will retain copyright ownership of the translation.
 - Conversely, if the parties do not contemplate copyright ownership, there will be an implied, nonexclusive license for the hired party to use the work as contemplated by the parties' transaction.
 - The hired party will own the copyright.
 - **Work is by joint authors:** The joint authors are co-owners, with equal, undivided interests in the copyright. Each has the right to use or to license the work without requiring permission from the other (but must share profits).

- A work is not a joint work simply because more than one person has input
- A joint work is “a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.” – 17 U.S.C. §101
- Courts require (1) that each author contribute copyrightable expression and (2) that each author intend to be a joint author when the work is created.
- **The work is a collective work:** The author of a collective work will have a thin copyright in the work as a whole, but authors of individual portions may retain their separate copyrights.
 - A collective work is “a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.” – 17 U.S.C. §101
 - Examples: newspapers, magazines, encyclopedias, CD with various artists on it
 - The author of the collective work only acquires “the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.” – 17 U.S.C. §201(c)
- **Ownership of copyright distinguished from ownership of material object**
 - “Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any right in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object.” – 17 U.S.C. §202
- **Copyright as Property: Licensing, Recording, Termination, and Common Law**
 - **Licensing**
 - An author of a copyrighted work can engage in any number agreements to allow other parties to use and distribute the copyrighted work.

- **Selling the copyright**
- **Exclusive licenses:** Allows copyright owner to retain some rights, while granting some rights to others.
- **Nonexclusive licenses:** A software company can sell a software program to a consumer, giving them a nonexclusive license (allows the consumer to have a license in the software, but this nonexclusive license does not allow the consumer to exclude others from using the software).
 - **Free use of copyright/Open Source/”Creative Commons” license:** Author allows others the freedom to use, copy, adapt, improve, or do anything they like with the software – provided that they do not impose any legal restrictions on use of the software or on the changes they make.
 - Author may impose limitations on such use (e.g., only noncommercial use; no derivative works may be based upon original works)
- **Formalities**
 - In order for many grants of copyright to be effective, there must be a writing signed by the copyright owner.
 - This includes exclusive licenses.
 - Nonexclusive licenses are the exception; they do not need to be evidenced by a writing.
- **Recordation**
 - Transfers of copyrights can be (but are not required to be) recorded in the U.S. Copyright Office.
 - Gives others constructive notice
- **Termination of Transfers and Licenses Granted by Author**
 - The 1976 Copyright Act
 - §304(c): Applies to pre-1978 grants
 - Congress extended the copyright term by 19 years

- In 1998, Congress extended this again by another 20 years
 - This meant that the original term of 56 years was now extended to 95 years.
 - This allowed authors who had licensed away their copyright to either re-license at the 56-year or 75-year point, or get their copyright ownership back.
- §203: Applies to post-1977 grants
 - Allows authors to terminate grants after 35 years
 - A two-year notice of termination required, and author must record a copy of the termination notice in order for it to be effective.
 - Author has 5 years to exercise termination rights after the January 1st of the 35th year.
 - Right to termination does NOT apply to works made for hire.
 - Effectively limits a conveyance of rights to 35 years.
- **Copyright as Personal Property**
 - Beyond the Copyright Act, copyrights are governed by common law property and contract principles.
 - Unless preempted by the Copyright Act, courts will need to look to state statutes governing personal property, as well as contract law, to determine the scope of transfers of copyright ownership.
- **Formalities: Copyright Notice, Deposit, and Registration**
 - **Old Law:** Up until 1978, copyright lasted 28 years (whether registered with the Copyright Office or not), with an additional 28 years of protection only if the copyright owner filed for the renewal term.

- Up until 1989, failure to give copyright notice (©), or failure to renew the application of an existing copyright, could result in a loss of copyright ownership.
- Even until 1992, it was necessary to file for renewal for pre-1976 works to receive the entire term of copyright.
- Failure to file for renewal caused many works to go into the public domain.
- An author could get federal copyright protection simply by including “© Allie Author 1966” on the copyright page. Failure to include such notice would result in a loss of her ability to claim copyright.
- In 1978, upon the effective date of the 1976 Copyright Act, there were several changes made to copyright law.
 - Law expanded to include both published and unpublished works
 - Copyright arose as soon as the work was fixed in a tangible form (rather than upon registration or publication)
 - Law continued to require attachment of copyright notice on the work (©)
 - If author failed to include ©, she could still lose her rights in the copyright.
 - But this would not occur if
 - (1) the omission was on relatively few publications to the public,
 - (2) the work was registered no later than five years after publication without notice, and reasonable efforts were made to add the notice on such materials,
 - (3) notice was omitted by a licensee in violation of the license agreement
- In 1989, Congress did away with the requirement of notice as a condition for copyright. However, the statute provides that authors may still use a copyright notice in practice if they so choose.

- **Registration**

- Copyright protection does not require registration.
- However, registering a copyright provides a number of advantages for the copyright owner:
- **Registration is a prerequisite for legal action:** An action for infringement of the copyright in a “United States work” cannot be brought until the copyright holder registers the copyright.
 - Therefore, even if the infringement took place before you registered the copyright, as long as you register prior to taking the legal action, you are in the clear.
- **Registration is a prerequisite for certain remedies:** Statutory damages and attorneys’ fees are generally only available for infringement of registered works (unless the work is unpublished, or is registered no later than 3 months after publication).
 - Therefore, in order to receive statutory damages and attorneys’ fees, the copyright **MUST** be registered before infringement takes place. Notice how this is different from the condition listed above.

- **Period of Protection**

- The period of protection depends on *when* the work was created.
- **Works published *on or after* January 1, 1978:**
 - Copyright lasts from the initial creation of the work until 70 years after the author’s death.
 - **“Life plus 70”**
 - **Joint works:** The 70 years runs from the death of the *last surviving* author.
 - **Works made for hire, anonymous works, or pseudonymous works:** Copyright lasts “95 years from the date of its first publication, or a term of 120 years from the year of its creation, whichever expires first.”
- **Works published *before* January 1, 1978:**
 - General rule is that the work has an effective term of 95 years from publication

- **Exclusive Rights: Their Enforcement and Limitations**
 - Exclusive rights of the copyright owner:
 - **Reproduction right (the right to make copies)**
 - Copyright owner may reproduce the work in copies or phonorecords
 - **Adaptation right**
 - Copyright owner may prepare derivative works based on the copyrighted work (e.g., a translation of a novel)
 - **Public distribution right**
 - Copyright owner may distribute copies or phonorecords of the work to the public by sale or other transfer of ownership, or by rental, sale, or lending
 - **Public performance right**
 - Copyright owner may perform the work publicly
 - **Public display right**
 - Copyright owner may display the work publicly
 - **Infringement: Analysis:**
 - **“Actual copying”:** Has the defendant copied from the copyrighted work, made a derivative work based on the work, distributed a copy of the work to the public, performed the work publicly, or displayed a copy of the work publicly?
 - Plaintiff must show that defendant actually copied from the copyrighted work
 - **Misappropriation:** Did defendant copy (or adapt, distribute, perform, or display) protected material, or did defendant only use nonprotected material (such as nonoriginal expression, facts, ideas, or functional elements)?
 - Plaintiff must show that defendant took protected material
 - Copying unprotected elements of a copyrighted work is not infringement.
 - **Substantial Similarity:** Is defendant’s work substantially similar?

- Plaintiff must show that the defendant's works was substantially similar to the copyrighted work
- **Wrongful intent not required:** Copyright infringement need not be for commercial purposes, result in financial gain, be deceptive, involve improper acts, or even be knowing or intentional. Defendant is liable even if he did not know he was using copyrighted material.
- **Limitations on the Exclusive Rights**
 - **Fair Use:** Allows use of copyrighted works without permission or payment – is not infringement.
 - **Favored uses:** “Criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research.” – 17 U.S.C. §107
 - **Four Factor Test:** A court should look to the following factors to determine whether the use of the copyrighted work will be deemed fair use:
 - **1.** The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
 - **2.** The nature of the copyrighted work;
 - **3.** The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
 - **4.** The effect of the use upon the potential market for or value of the copyrighted work
 - *Eldred v. Ashcroft:* Eldred held that copyright protection is generally not subject to First Amendment scrutiny, largely because copyright law has “built-in First Amendment accommodations,” such as the nonprotection of ideas and the right to make fair use of works for such purposes as education, criticism, news reporting, or research.
 - **First Sale Doctrine:** A copyright owner's exclusive rights to distribute copies and display copies to the public is subject to the first sale doctrine:
 - Once the copyright owner sells a copy, her rights with respect to that particular copy are limited.
 - The new owner may distribute the copy or display it (but cannot copy, adapt, or publicly perform the

work, unless protected by fair use, permission, or something else).

- First sale doctrine applies only to the particular copy owned
- First sale does not authorize an owner of a copy to make more copies.
- The copy must be a lawfully made copy
- **Safe Harbor:** Section 512 offers online service providers protection against liability of its users. An online service provider receives limits on liability for certain types of copying, if it takes certain actions designed to reduce the amount of infringement and facilitates suits against customers that infringe (a service provider *must act...*)
- **Remedies:**
 - **Injunction:** Courts may “grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.” – 17 U.S.C. §502
 - Injunction is a potentially very powerful remedy – think of a movie that was infringing...could result in an order to cease the showing of the film
 - **Damages and Profits:** A successful plaintiff may choose to recover *either* her actual damages, together with any additional profits of the infringer attributable to the infringement, *or* statutory damages. – 17 U.S.C. §504
 - Amount will depend on whether the infringer unknowingly or willfully infringed. (can be anywhere from \$200 per infringed work, all the way up to \$150,000 per infringed work)
 - **Impounding and Disposition of Infringing Articles:** The court may at any time order the impounding of copies or phonorecords produced or used in infringement and of articles used to produce them, such as film negatives or master recordings. – 17 U.S.C. §503
 - **Attorneys’ Fees and Costs:** Courts may award costs to the prevailing party, which may include reasonable attorneys’ fees. – 17 U.S.C. §505
 - **Criminal Offenses:** Criminal sanctions may apply if the infringement is done willfully and for commercial advantage or financial gain. – 17 U.S.C. §506

COPYRIGHT LEGACY OUTLINE (BUILT FROM OLD CASEBOOK):

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*

a. Rural would not give Feist a license to publish phone numbers, so Feist just copied Rural's white pages

b. compilations of facts are generally not copyrightable

c. a work must be original to the author

d. Even a directory that contains no protectable written expression, only facts, meets the constitutional minimum for copyright protection if it features an original selection or arrangement.

e. Alphabetical arrangement of names is not original enough to be protected

f. To establish infringement, two elements must be proven

g. ownership of a valid copyright

h. copying of constituent elements of the work that are original

7. *Roth Greeting Cards v. United Card Company*

a. Background: Roth copyrighted greeting cards, and United is selling similar greeting cards, and Roth sues them for copyright infringement

b. Rule

i. The White-Smith Music Pub. Co. v. Apollo Co. test

- "[W]hether the work is recognizable by an ordinary observer as having been taken from the copyrighted source?"

- United failed this test, they were too similar, so Roth won

- c. The art and text were not copyrightable in and of themselves, but the combination of the art and text was copyrightable
- d. Dissent: If neither the art nor text is copyrightable, then the combination is not copyrightable

II. 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

III. 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.

What is NOT considered copyrightable:

- 1. useful articles (conceptually separable): Must distinguish btw aesthetic elements (protectable) and utilitarian elements (no protectable)

a. *Brandir International, Inc. v. Cascade Pacific (bike rack)*

- i. "industrial designs not subject to copyright protection"
- ii. "the dominant characteristic of industrial design is the influence of non-aesthetic, utilitarian concerns"
- iii. Ribbon bicycle rack developed from sculptures
- iv. Bicycle rack was not conceptually separable from the sculpture
- v. Bicycle rack was a useful item, not copyrightable

2. 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

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

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

a. *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

b. *Characters* are in that they cannot be revealed in other creative works

c. *Musical works*: protects both the author and the performer; subject to compulsory licensing under sect 115 once they have been released to the public.

d. *Dramatic works*: cannot copyright simple steps or conventional gestures

e. *Pictorial, graphic and sculptural works*:

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."

f. *Motion pictures and other audiovisual works*

f. *Soundtracks* are treated as integral part of motion pictures and are protectable

h. *Architectural works*

Background

- ii. Morrissey created/copyrighted a "sweepstakes" game for people to play for a chance to win a prize
- ii. Procter and Gamble created an almost identical "sweepstakes" game with an almost identical rule

RULE

1. The court found that this matter was too simple, and therefore there was no infringement of the subject matter
2. Some ideas are so narrow that there are only a few ways to describe them
3. Granting a copyright would grant an unfair monopoly

OWNERSHIP

Breakdown of the Overview

I. Joint Works: basically can do something without asking permission in a joint work, but potentially have to pay royalties

1. *Aalmuhammed v. Lee*

i. Background

- a. 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
- b. He was paid for his services, but was not given a writing credit, so he sued for copyright infringement.

RULE - 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
- c. 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.

II. Collective Works: work that is put together: i.e., newspaper, album.

III. Works for Hire:

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:

i. "work for hire" agreement in writing

ii. 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

Community for Creative Non-Violence et al. v. Reid

1. Background

a. 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

b. They are contesting the determination of copyright

c. Sculpture was of the Nativity featuring homeless people

d. CCNV wanted to take sculpture on tour, Reid wanted to take it on a smaller tour

- i. Reid sought copyright to prevent CCNV's tour

2. **RULE**

- a. Copyright Act of 1976: Copyright ownership " vests initially in the author or authors of the work"
- b. 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
- c. Copyright Act of 1976: A work is for hire under 2 sets of circumstances
 - i. It is prepared by an employee within the scope of his or her employment, or
 - ii. 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
- d. 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
- e. Artist wins

IV. The Right to Prepare Derivative Works:

Anderson v. Stallone

1. Background

- a. "Rocky IV" ("I must break you) case
- b. Plaintiff wrote/copyrighted a script for Rocky IV, which he claims Stallone used

2. **RULE**

- a. 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

b. 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

c. He didn't even have a claim, plus they said that his script wasn't similar enough

V. Government Works:

1. Court has ruled that the government can't 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

VI. DURATION, NOTICE, DEPOSIT, and REGISTRATION:

Duration

1. [life of the author] + 70 years

2. author unknown: (1) if published, 95 years, and (2) if unpublished, 120 years

PERIOD OF PROTECTION

Works Created on/after January 1, 1978, the following rules apply:

- General rule is "life plus 70" with copyright enduring from creation of the work and terminate 70 years after the author's death. For joint works, the 70 years runs from the death of the last surviving author.

- For works made for hire, anonymous works, and pseudonymous works the term is "95 years from the date of its first publication, or a term of 120 years from the year of its creation, whichever expires first.

Works Prior to January 1, 1978:

- Work published before January 1, 1978, the general rule is that the work has an effective term of 95 years from publication.

- For works created but unpublished and unregistered on January 1, 1978, the term is at least until 2047.

NOTICE

Works Published Between 1909 and Dec. 31, 1977 [really, this is anything prior to 1977]:

- When 1909 Copyright Act was in effect, federal copyright applied primarily to published works and state copyright could potentially apply to unpublished works.

- Federal copyright protection was generally secured by placing a property copyright notice on copies of the work when it was first published.
- Some failures to comply with the notice requirement were excused under 1909 Act:
 - o Where copyright owner sought to comply, the omission by accident or mistake of the prescribed notice from a particular copy or copies did not invalidate the copyright.
 - o In order to come within this provision, the proprietor must have attempted to comply
 - o Copyright owner could not recover damages from an innocent infringer who relied on the lack of notice.
 - o Courts held "forfeiture" required a general publication, meaning the work be made available to members of the public without regard to their identity or what they intended to do with the work.
 - o There was no forfeiture by a limited publication

Works Published Between January 1, 1978 and February 28, 1989:

- Subject matter of copyright was expanded to include both published and unpublished material
- Copyright began as soon as the work was fixed in a tangible form
- Continued the rule requiring copyright notice on the publication, but it was less harsh.
- Although Author would not lose copyright, she would not be able to collect damages from an innocent infringer who relied on a copy with not copyright notice.

Works Published After March 1, 1989:

- Congress did away with the requirement of notice as a condition for copyright.
- Although there is no longer a requirement of copyright holders to use copyright notices, it continues to occur in practice
- Copyright notice identified the owner and makes clear that the person claims those rights.
- Notice serves as a warning to potential infringers and serves as a guide to potential licensees
- When a work consists predominantly of works of the U.S. government, the copyright notice must identify the portions that embody protected material.

REGISTRATION

- Copyright protection does not require registration
- Copyright owner may register the work at any time during the copyright term
- Both published and unpublished works may be registered.
- Advantages of Registration:
 - o An action for infringement of the copyright in a United States work cannot be brought until the copyright holder registers the copyright.
 - o Registration is also a prerequisite for certain remedies for infringement [register before you bring suit]
- § Statutory damages and attorney's fees are generally available only for infringement of registered works
- § NOTE: copyright registration is a condition for filing an infringement action, but it need not precede the infringement, only the filing of the subsequent lawsuit.

§ Registration must precede the infringement [or registration must occur no later than three months after publication] for statutory damages or attorney fees to be awarded.

- If you register the published work within the first three months of publication, you will get statutory damages from any person who infringes.
- After not registering for those three months, you will only get statutory damages for infringements which occurred after you registered.
- Regardless, you may only bring suit once you registered the copyright.

DEPOSIT

- Copyright owners that register works must make a deposit with the U.S. Copyright Office.
- Copyright owners of published works are also required to deposit two copies or phonorecords with the Library of Congress.
- Copyright owner is permitted to use the Library of Congress deposit to also fulfill the registration deposit requirement
- Copyright owners that neither register nor publish have no deposit requirement.
- All copies that are deposited become the property of the U.S. Government

Restoration of Lost Copyrights for Foreign Authors:

The United States agreed to restore some of the foreign copyrights due to failure to comply with U.S. formalities requirements. Under Trade-Related Aspects of Intellectual Property Agreement, certain copyrights of foreign authors were restored.

Restoration applies if the following conditions are met:

- 1) Work was first published in an eligible country at least 30 days before U.S. publication
- 2) The work has not passed into the public domain in its source country due to expiration of the period of protection
- 3) The work is in the public domain in the U.S. due to failure to comply with formalities, due to lack of protection before 1972 in U.S. for sound recording, or due to lack of national eligibility, AND
- 4) The author was a national of an eligible country.

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*

- a. Arnstein sued Cole Porter for copyright infringement for copying some of his songs
- b. Arnstein argued Porter could have stolen a copy of a song from his room, or had someone else do it

copying
- c. improper appropriation
- d. Background: Plaintiff is suing, claiming that 3 of their songs was plagiarized by D

Rule " NON-LITERAL INFRINGEMENT

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 something can only be explained by copying

2. In this case, they believed that each of the prior two lines were true

DEFENCES

1. Fair Use

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 superseding? If transformative, this favors fair use. If superseding, 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." < /span>

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 right 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: people bought this from you rather than me

2. Derivative wks: even if your good doesn't complete 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

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

Invention & Industry

Patent

SUBSTANTIVE STANDARDS FOR PROTECTION

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

1. Patentable subject matter
2. The person actually invented it
3. New -- but an invention is not new if it is subject to:
 - anticipation - the same invention is known to the prior art before its invention by the putative inventor
 - priority - someone invented the same invention earlier
 - deviation - inventor learned of the invention from someone else
 - statutory bars - the inventor waited to long after publishing, publicly using, offering for sale.
4. Useful
 - must general, specific, and beneficial utility
5. Nonobvious
 - if the invention would be obvious to someone in the field, in light of everything published or public use, it is obvious.
6. Disclosed (enablement)

1. Patentable Subject Matter

Whoever invents or discovers any of the following may obtain a patent:

- 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
- atomic weapons, immoral inventions, and medical procedures
- 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*
 - data processing system was a "machine"
 - practical utility, 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.

2. Ownership and Licensing (you must have invented it)

1. 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 teh 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 exerise 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.

- 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)

2. Patents as property: Assignment and Licensing

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

Patent rights are freely assignable, but such assignemnts 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.

3. 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.

3. Novelty

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

- **A. Anticipation**

The applicant is not entitled to patent an invention that on the inventor's date of invention, was known to the public or in public use in the US, or had been patented or published anywhere.

- 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

- **B. 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.

- **C. 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
 - **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
 - 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.

- **D. 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.
- 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.
- Case law for determining experimental use is conflicting:

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.
- Because the purpose was experimental it was not public use

Egbert v. Lippman

- It was public use to allow a girlfriend 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 and gave it to a few of his friends to see how it would work
- Court held this use was not experimental, mainly because he wasn't keeping any notes on the alleged experiment.
- whether a use is experimental is a question of law, examined by the totality of the circumstances
- Factors to determine experimental use:
 - 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
 - whether the patentee received compensation for the use of the invention
 - and the extent of control the inventor maintained over the testing

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) invention must be the subject of a commercial offer for sale and
 - 2) 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

4. "Useful": the requirement of utility

- A modest requirement, met if the invention is capable of providing some identifiable benefit or some utility.

- The benefit need not be socially beneficial, however it must be more than just aesthetic or descriptive
- The benefit must be functional in nature
- 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 know 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.

5. Nonobviousness

- §103 Non-Obviousness. Patent may not be obtained if differences between 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. Secondary factors: commercial success, long felt but unsolved needs, failures of others, etc.

- **1. scope of the prior art**

- An invention is not patentable if it is obvious in light of the "prior art" (information in public use, published, etc.)
- in addition to the • 102 requirements (all prior art *at the time of the invention*), scope is restricted 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 its not, ask whether the reference is reasonably pertinent to the particular problem with which the inventor is involved.

- **2. 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.

- **3. 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 sophistication 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. Obviousness is judged from the point of view of the PHOSITA (Person having ordinary skill in the art).

- **4. 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 by others- 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
- 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.

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

6. 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:
 - the applicant can describe an actual reduction to practice
 - she can show she was in possession of the claimed invention with words, drawings, sufficiently detailed formulas, or other ways to convey information

1. Enablement(disclosure)

- 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.

- Remember: Specification must enable a PHOSITA (Person having ordinary skill in the art) to make or use invention
- 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.

2. 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.

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 {show presence of every element or its substantial 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

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.

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 jerk is insufficient. applicant must have acted with the intention to mislead, and the information must be material.

Implied License and First Sale

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

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.

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 statute of limitations, but more flexible, in that if wait too long lose right.

- versus estoppel, which requires reliance.

Antitrust and Patent Misuse.

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

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.

First-Inventor Defense.

- Applies only to business methods.

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.

Remedies

- preliminary injunction
- permanent injunction
- damages
 - - reasonable royalties
 - Plaintiffs lost profits (no defendant's wrongful gain): To get lost profits must show:
 1. demand for the good
 2. that there are non-infringing substitutes for the good
 3. market share
 4. components of profit

Trade Secret

Definition, According to Uniform Trade Secret Act:

Trade Secret is information that

1) derives actual or potential independent economic value from the fact that it is not known or readily ascertainable by proper means to others who can obtain economic value from its disclosure or use, **and**

2) is subject to reasonable efforts, under the circumstances, to maintain its secrecy

Examples: Customer lists, manufacturing methods, chemical processes, formulas, computer program codes, marketing data, blueprints from machines, genetic information

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 Secret Requirements:

1) Must Be Information

- a. Formula
- b. Pattern
- c. Compilation
- d. Program
- e. Device
- f. Method, Technique, or Process

2) Must Have Value

- a. Value to plaintiff's business
- b. Cost of developing the information
- c. Cost of security

3) Must Have Independent Economic Value

- a. Consider: Is the economic value of the information transferable in the sense that it would have economic value to another company to which the information is transferred in the same way it was valuable to the original company?
- b. Info. not in continuous Use = has economic value
- c. Info. not in positive Use = has economic value
- d. Info. not in use in a business = has economic value
- e. Info. not yet in use = has economic value
- f. Info. not give a competitive advantage = has economic value

- g. Information need ONLY be valuable, it need not be better than whatever competitors use
- h. To be valueable, information need NOT be vlueable to competitors

4) Economic Value Must Not Be Generally Known

- a. Reasonable measures to protect the information
- b. Value must come from the fact that information is secret
- c. Information need not be known among the public to be unprotected as a trade secret; rather, the relevant group is that group which can obtain economic value from its disclosure or use

5) Information Is Not "Readily Ascertainable"

- a. If Info. is gain through " improper means" = Not Readily Ascertainable
- b. "Readily ascertainable" means easy and relatively cheap; if competitor has to conduct lengthy, expensive work to duplicate information, then it is NOT readilyascertainabe.
- c. Information is readily ascertainable if it can be found easily in published source, such as trade journals or reference books.

Protecting Trade Secrets

NOTE: Economic value alone does NOT make information a trade secret; the owner must show information is subject of effects that are reasonable under the circumstances to maintain secrecy.

Reasonableness of Security Measures:

- Courts grant parties considerable latitude in deciding what level of security is reasonable
- Cases which find there was insufficient securit usually present facts in which the security was demonstrably lax.
- Determining whether securit measure were reasonable under the circumstances is made on a fact-bound, case specific basis.

Measures Used in Connection with Trade Secrets: [Under many circumstances, somone receiving trade ecret information is subject to implicit obligation not to disclose.]

(1) Confidentiality/Nondisclosure Agreements: If an employer institutes a program and requires present employees to sign on, court have held that there is no consideration for the nondisclosure agreement. Clause that purports to restrict information employee knew before employment or that is geneally known in the industry may not be enforceable.

(2) Covenants Not to Compete: Non-compete agreements by individual employees are unenforceable in some jurisdictions, but more jurisdictions will enforce non-compete agreements, provided they are reasonable.

(3) Assignment of Inventions Clauses: Courts generally deem trade secrets developed within the scope of employment to belong to the employer

Terminaton of Trade Secret by Public Disclosure:

- (1) Once a trade secret is public inforation, it is no longer a trade secret

(2) Government frequently requires disclosure of information, when compelled disclosure is sufficiently known then disclosure may terminate trade secret.

(3) Not every disclosure terminates the trade secret; however, disclosure can terminate trade secret if information no longer meets definition of secret because it is generally known or readily ascertainable.

Length of Protection: As long as trade secret is in use and kept secret

Formalities: None needed, as long as it is kept secret, no need to go to any office to register trade secret

Cause of Action under Trade Secret:

1) **Infringement:** Basic cause of action in trade secret law is misappropriation, not infringement.

2) **Misappropriation**

- 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.
- Bottomline: 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"?

3) **Defenses**

- **Reverse Engineering:** reverse engineering is a fundamental public policy good, but the product must be obtained from the open market. 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
- **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
 - 3) Non-competitive agreements: they are enforceable if they are "reasonable"

Remedies:

1) Injunctions

- a. Temporary/Perpetual Injunctions

2) Damages:

- a. Actual loss and restitution of defendant's wrongful profits
- b. Reasonable royalty

3) **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.

4) **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.

5) Other Remedies

- a. Contract remedies ("reasonable royalty" or "reasonable fee")
- b. Tort remedies: baseline monetary remedies of either actual loss to plaintiff or actual gain to defendant
- c. Property remedy: injunction (presumptive entitlement to an injunction)
- d. Criminal punishments: punitive damages awarded for up to 3x loss in case of willful misappropriation

Other

Design Patents (different from a utility patent)

1. Requirements: (1) novelty, (2) originality, (3) non-obviousness, (4) ornamental, not dictated by function, (5) on a functional articles, and (6) enabling disclosures
2. Priority based on foreign applications is different for design patents than utility patents
3. Term is 14 years from issuance (different from utility patent)
4. Design can include configuration/shape of article, surface ornamentation, or a combination or shape and surface ornamentation
5. Much less commercially valueable than utility patents; however, a design patent may allow protection for a short time, which allows time to create secondary meaning through selling products, and enables one to then receive trademark protection (while in the mean time one receives a patent)

Semiconductor Chip Protection Act (1984)

1. Protects original mask works for making semi-conductor chips
2. Must be registered with the Copyright Office for protection to commence
3. Duration of protection in 10 years

Vessel Hull Design Protection Act (1998)

1. Requirements: (1) subject matter must be vessel-hull design, (2) must be embodied in an actual vessel hull, and (3) staple or commonplace design cannot be protected
2. Must be registered with Copyright Office for protection to commence
3. Public Bar: Application for registration must be filed no later than two years after hull was publicly exhibited, or distributed or offered to public for sale with the design owner's consent
4. Duration of protection is 10 years

Plant Protection Act (1930)

1. Requirements: (1) Subject matter must be an asexually reproduced plant (included macro fungi, but not bacterium), (2) distinct in that it must be clearly distinguishable from other varieties, and (3) new
2. Can be invented or discovered, if discovered in a cultivated area
3. Patent covers the entire plant; however, there is no infringement when fruit, flowers, seeds, etc. are sold
4. Somative mutants are non-infringing of the parent plant patent and are potentially separately patentable
5. Duration of protection is 20 years from filing of application

6. In practice, an infringing plant must be a vegetative descendent of the patented plant

Plant Variety Protection Act (1970)

1. Requirements: (1) subject matter is sexually reproducing plant (not bacteria, fungi), (2) new, (3) distinct, (4) uniform and stable, from generation to generation characteristics must appear throughout each generation
2. Protects against creation of derivative plant lines
3. Allows farmers to save and plant seeds (otherwise, seed sales are infringing)
4. There is a research exemption which allows use of breeding to develop a new variety
5. Covers first-generation hybrids
6. Duration of protection is 20 years generally, and 25 years for trees and vines

Commerical Origin

TRADEMARK

- A trademark is a 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.
- Lanham Act: federal trademark statute
- Two ways to get a legally recognized trademark:
 - through common law
 - through federal statute registration scheme

SUBJECT MATTER

Names, symbols, logos, slogans, phrases, "trade dress," certifications, collective marks, product configuration/design that distinguish goods from those manufactured or sold by others.

- Source Identifying Function
 - To be a trademark, the mark must be used as a source identifier; it must distinguish the goods of the mark's owner from the goods of others
 - The mark need not identify the mark owner
 - Ex. "Huggies" can be a mark for diapers without consumers knowing that the Kimberly-Clark Corp. makes them
 - TEST for whether mark acts as a source identifier:
 - The symbol must create a separate and distinct commercial impression that identifies the source of the merchandise to customers; it must differentiate the product from others in the market
- Trade Dress
 - The design and appearance of the product together with the elements making up the overall image that serves to identify the product presented to the consumer
 - includes the design of the packaging of the product

- *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
 - if trade dress is inherently distinctive, trade dress will be protected
 - can include size, shape, color, color combinations, texture, graphics, etc.
 - if trade dress is descriptive, must look for secondary meaning for the protection
- Color, Fragrance, Sounds
 - *Qualitex Co. v. Jacobson Products Co.*: Dry-cleaning press pads w/ distinctive green-gold color. Ct. held this was protectable, but only upon a showing of secondary meaning. Color, over time, could signify a brand.
 - Functionality prevents odor and taste from being trademark
 - unless it's for something that doesn't require odor for functionality, like bubblegum scent for industrial lubricant.
- *Walmart Stores v. Samara Bros*: Product design (i.e. children's clothes) can only be protected if it has secondary meaning
- Collective Marks
 - A trademark or service mark used by members of a group or organization
 - Includes marks indicating membership in a union, an association, or other organization
 - Used to distinguish the goods and services of members of the group from nonmembers
- 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
 - Used to certify to potential purchasers that their goods or services meet the standards set by the mark's owner
 - Ex. The Underwriter's Laboratory (UL) mark indicates that products bearing the UL mark have been tested and approved by UL
 - Owners of certification marks must maintain control over its use or risk losing its certification mark status

DISTINCTIVENESS

To qualify as a mark, a symbol must be distinctive -- it must identify and distinguish the goods or services (if a symbol is not distinctive, its use by

others would not cause confusion as to source, so protecting it would not serve the purposes of trademark law!)

Scale of Distinctiveness:

- Fanciful -- you're golden
- Arbitrary -- you're silver
- Suggestive -- you're bronze
- Merely Descriptive -- you're going to have to fight for protection by showing acquired secondary meaning
- Generic -- you're dead

Claimed marks fall into three categories of distinctiveness:

1. INHERENTLY DISTINCTIVE MARKS

- A mark is inherently distinctive if it "inherently signals to the potential buyer that it designates the source of the product rather than some other type of information."
- Because the mark is inherently distinctive, it is protectable without showing that it has acquired distinctiveness in the public mind.
- Three categories:
 - **Fanciful**
 - A fanciful mark is one devised to serve as a mark that does not name or describe the product
 - *Ex.* Kodak for film (made up name)
 - **Arbitrary**
 - an arbitrary mark is an existing symbol chosen to serve as a mark that has no logical relation to the goods
 - A fanciful mark is one devised to serve as a mark that does not name or describe the product
 - *Ex.* Apple for computers
 - **Suggestive**
 - Suggestive marks suggest, but do not describe, the nature or characteristics of the product
 - *Ex.* Base Camp for refrigerators and Noah for zoological garden
 - *Labrador Software v. Lycos*: A picture of a Labrador retriever was held descriptive for Internet search engine services. Ct. said the image of the dog does not literally describe using a database to help users find relevant web pages, but the retriever is a common industry metaphor for such information retrieval services.

1. MARKS THAT ARE CAPABLE OF ACQUIRED DISTINCTIVENESS

- These marks can obtain protection only after they acquire "secondary meaning"
- 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* (term is descriptive because it describes a cola drink derived from the coca plant. But name has become so well known as a mark that the primary significance of Coca-Cola is not as an identifier of source--to distinguish Coca-Cola beverages from others such as Pepsi)
 - Merely Descriptive Marks
 - identifies a characteristic or quality of the goods or services
 - Whether a mark is descriptive is judged by its meaning to the likely purchaser of the relevant goods or services
 - *Ex. of marks held to be descriptive: Beer Nuts for nuts with salt, Tender Vittles for cat food, Trim for nail clipper, Vision Center for optician services, World Book for encyclopedia*
 - Primarily Geographical Descriptive Marks
 - Not every geographic term is primarily geographically descriptive. Question is whether the consuming public is likely to assume that the named location is where the product originated.
 - *Ex. "Alaskan" used as a designation for water (consumers are likely to interpret the water comes from Alaska) BUT, "Planet Jupiter" for same water is NOT geographically descriptive because public would not think the water came from Jupiter.*
 - Primarily a Surname
 - Has to acquire secondary meaning before its protectable
 - *Ex. of Surnames that have acquired secondary meaning: McDonald's and Sears*
 - Deceptively Misdescriptive Marks
 - Under the Lanham Act, "deceptive" marks are not protectable, but "deceptively misdescriptive" marks are if they acquire secondary meaning.
 - *Ex. Farmer's Crimson Apples (when the apples are not red). It would be deceptive, and thus not protectable, if the description affects whether a buyer would decide to buy the apples. But, if the misdescription is not material to potential buyers, the*

mark is protectable if it acquires secondary meaning. So here, if buyers come to regard Crimson primarily as a source indicator rather than a description of the apples.

- Color
 - A color may be protected as a trademark, but has to acquire secondary meaning--if color is used consistently over time, the consuming public might come to associate that color with one source
 - Ex. Greenish Goldish iron board covers
 - Careful--color can be functional! You're not going to be able to trademark orange for construction cones.
- Product Design
 - Think trade dress
 - *Wal-Mart Stores v. Samara Brothers*: P claimed trade dress protection in the design of a line of children's clothing arguing the design was inherently distinctive, and therefore protectable, without showing secondary meaning. Ct. differentiated between trade dress that is the design of the product itself and trade dress that is product packaging. Because consumers are likely to view distinctive product packaging as an indication of source and are not as likely to regard a distinctive design as an indicator of source, a product design can be protected as trade dress only on a showing of secondary meaning.

1. 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 and NOT protectable as a mark.
- Can be a mark that is already generic (like "bar" for a bar or "restaurant" for a restaurant), or can become generic through widespread use (like "Frisbee")

UNPROTECTABLE SYMBOLS

- Classes of symbols that are unprotected as marks
- Likely to cause confusion with existing marks
- "The very purpose of a mark is to distinguish the source of goods and services. A mark is not protectable if it is likely to cause confusion with a prior mark."
- Likelihood of confusion is determined by factors such as:
 - - Strength of marks
 - Degree of similarity

- proximity of the products in the marketplace
 - actual confusion
 - defendant's good faith in adopting its mark
 - the care and sophistication of the relevant consumers
- Functional matter
- - Trademarks DO NOT protect functional matter
 - 3 ways a feature can be deemed functional:
 - - It is essential to the use or purpose of the device; or
 - It affects the cost or quality of the device; or
 - Its exclusive use by one seller would put competition at a significant nonreputation-related disadvantage.
- Deceptive Matter
- - Deceptive matter is NOT protectable
 - To qualify as deceptive, the matter must be material to a potential buyer's decision (i.e. if the misrepresentation makes no difference to consumer, protection of the mark does not harm them)
- Primarily Geographically Deceptive/Misdescriptive Marks
- - A "geographically deceptively misdescriptive mark" is NOT protected, even if it does not rise to the level of deceptive
 - Ex. Cheese from Illinois labeled "Wisconsin Cheese"
- Marks Suggesting False Connection
- - Marks that "falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols" are NOT protected
 - True even if the consumers do not deem the connection material in their decision to buy
- Immoral or Scandalous Matter
- - is NOT protected as a mark
 - Matter is scandalous if it is shocking to the sense of decency and offensive to moral feelings--to be judged by a substantial composite of the general public in the context of contemporary attitudes.
 - There is little case law determining what is immoral
- Disparaging Marks
- - Matter that may disparage "persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute" are NOT protected
 - When the term references a group, its meaning is to be judged not from the standpoint of the public at large, but

rather, from the view of the group referenced (from Redskins name case)

- Government Symbols
- - Matter that consists of or compromises the flag or coat of arms or other insignia of the U.S. or any State or Municipality, or foreign nation is NOT protected.
 - Does not bar portraying the Capitol Building, Statute of Liberty, or incidental use of the flag within a mark.
- Names or Likenesses of Individuals
- - Cannot use name, portrait, or signature of a living person except by written consent.

OBTAINING PROTECTION

- Trademark rights begin when the mark is used and last as long as the owner keeps using the mark
- Trademark rights are keyed to the purpose of trademark law--use of the mark to distinguish the seller from others
- The symbol becomes a mark upon bona fide use of the symbol as a mark in commerce in connection with the relevant goods or services --does not depend on registration
- Trademark Searching
- - A putative mark is not protectable if it is likely to cause confusion with a mark that was already in use
 - If someone is already using a similar mark for similar goods or services (or if the mark dilutes a famous mark) the existing mark has priority
 - The most common problems for would-be trademark owners are:
 - - choosing a descriptive term; and
 - choosing a symbol that is not likely to cause confusion with an exiting mark
 - Similarity alone does not bar protection, rather, it requires similarity that is likely to confuse
- Acquisition of Trademark Rights
- - A trademark must be on the goods when they are sold or transported
 - - Can be on the goods themselves, containers, associated displays, tags, or labels
 - Service marks must be used in displays or advertising, and the services covered must be rendered in commerce

- If goods or services are sold before the use of the mark--subsequent ownership of the mark is not forfeited, rather it simply delays the time of the ownership
- Sales without the mark do not forfeit the mark--but they could count against the owner in an infringement analysis
- The use must be a "bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in the mark."
- Courts look to the totality of the circumstances--including continuing efforts to establish the mark as a source identifier.

PRIORITY & OWNERSHIP

Ownership

- Owner is person who controls first use of mark for relevant goods or services
 - Employer generally controls (even though employees or independent contractors use the mark)
 - Parties may specify right to trademark in contract
 - Ownership questionable when used in venture without clarifying respective rights
- Authorship irrelevant
- Only one owner per trademark (SOURCE)
- To establish rights: must use in commerce!

Priority

- Same mark cannot be used on same type of goods/services in same market because no longer identifies source
- - ACTUAL USE required to support an application for registration
 - Priority date = date of use, not filing of application
 - Registration is not required to establish priority
 - CONSTRUCTIVE USE established by date of intent-to-use application if it results in subsequent registration upon filing of statement of actual use (see "Registration" below)
 - Applicant must attest that no one else had right to use same/similar mark on similar goods/services
 - ANALOGOUS USE is judicial doctrine which deems the mark sufficient to establish the mark as indicator of goods/services to the public
 - - Required showing is higher than for actual use

- Descriptive marks protectable only after acquiring secondary meaning!
- Geographic Limitations
 - - Common Law = use of mark establishes trademark rights/priority to the owner only in geographic area in which mark is actually used
 - Lanham Act = establishes nationwide priority for registered marks
 - - unregistered marks retain priority in geographic area
- Priority: First to use in commerce wins
- Questions to ask in a priority dispute:
 - - Use: Did he make use of the TM in commerce (or register w/intent to use in commerce)?
 - Where did he use the mark?
 - - Priority is measured with respect to a given geographical market
 - If mark is registered, you get nationwide protection except where people are already using the mark (i.e. UND logo and Notre Dame Logo)
 - In what products and/or in what goods?
 - - TMs do not extend to the universe of all goods, but rather to goods you are going to sell
 - NO confusion if the marks are in different categories
 - *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 sue standard, L'Oreal would have lost.
 - How similar are the marks?
 - Is there inherent or acquired distinctiveness?

Assignment

- If trademark is sold, must be sold with goodwill of business
 - - Courts look to whether transferee will deliver substantially the same product as to not mislead consumers
 - If trademark is sold for use on completely different goods/services, consumers may be misled
- If trademark is licensed to numerous sellers with different standards for goods/services, trademark fails for function

- If invalid assignment/license, court may hold assignment invalid or cause abandonment of the mark

Abandonment and Loss of Rights

- Discontinued use with intent not to resume
 - - Intent governs (state of mind) - courts look to relevant facts and circumstances
 - Failure to use alone is not abandonment
 - Nonuse for 3 consecutive years is prima facie evidence of abandonment
 - - Use of in promotional activity is insufficient to constitute use
 - Rebutable with evidence of continuing intent to use
 - Must have specific plan to use in reasonably foreseeable future
 - May have contingencies to plan, such as financing, market research, etc.
- Mark becomes generic
 - - Public interprets the trademark not as source identifier, but name for category of goods/services
 - - Ex. Frisbee
- Lost significance (as indication of source)
 - - Trademark assigned without associated goodwill
 - Uncontrolled/"Naked" licensing
 - - Need to retain contractual power or control over quality of products
 - Permit widespread infringement (used by legitimate sellers and bootleggers)

Prosecution & Registration

- Trademark rights do not depend on registration--but there are a number of advantages to registering
- Cannot register immoral, deceptive, scandalous, or marks which will cause confusion with existing marks
- Applications require fee, application, verified statement, and requisite specimens of mark as used
- Two types of registration:
 - - Use applications (mark already in use);

- verifies ownership of mark
 - the mark is in use in commerce
 - no other person has right to such mark in identical form or near resemblance
 - Note: a similar mark may be used on similar goods or service by sellers in different geographic registrations
 - Intent-to-use applications (must have bona fide intent to use in commerce, not simply reserving option to use)
 - - Intent to use filing date may be used as priority date against competing trademarks
 - Applicant verifies entitlement to use; before use no enforceable mark
 - Must file statement of actual use upon trademark in commerce
- Advantages to registering:
 - - Filing application is constructive use (nationwide effect) for priority against similar marks (*Example*: Notre Dame vs.. UND use of interlocking "ND" symbol)
 - Certificate of registration is prima facie evidence of validity of registered mark/registration of mark
 - Infringement remedies are greater
 - Validity of registered marks "incontestable" after five years of continuous use
 - Registration is constructive notice of claim of ownership
 - Broader protection than unregistered marks for unauthorized importation
 - Can use circled-R symbol rather than just TM with unregistered marks
 - Mark will show up in trademark searches
- Mark is published in the Official Gazette of the Patent and Trademark Office
 - - Within 30 days of publication, anyone who believes he would be damaged by registration may file an opposition in the USPTO
 - - Opposer must have "real interest" in outcome, not just "mere intermeddler"
 - If mark is registered, damaged party may bring cancellation proceedings
 - If more than 5 years after registration, grounds for cancellation are limited
- Incontestability--after registered mark is in continuous use for 5 consecutive years after registration, mark owner may file affidavit of incontestability with USPTO

- - Other parties in litigation may not challenge validity, registration, or ownership of the mark (or merely claim descriptive or that mark is confusingly similar)
 - Can still make claims based on generic, functional, abandonment, fraudulent registration, immoral, deceptive, scandalous, disparaging, or equitable principles such as estoppel, laches, or acquiescence
 - *Park n Fly v. Dollar Park n Fly*
 - - 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
- Registrations remain effective for 10 years
 - - unlimited renewals every 10 years
- Appeals:
 - - Application refusal, and results to interferences, oppositions, applications for concurrent use, and cancellation proceedings may be appealed to Trademark Trial and Appeal Board (TTAB)
 - May appeal adverse decision of TTAB to federal district court (reviews de novo) or the federal appellate court (decision on the record)

INFRINGEMENT

Elements of an action for infringement of registered trademark

- (1) Ownership of valid registered mark
- (2) The alleged infringer used
- (3) In commerce
- (4) The mark or a similar symbol

Likelihood of Confusion

Use must be likely to cause confusion, mistake or deceive; actual confusion not necessary.

because the property the owner has is the right to exclude others from using symbols that are likely to cause confusion as to source of goods/services.

Necessary Showing of Confusion

Courts require probability of confusion, not just slight possibility " judged from point of view of reasonably prudent purchaser.

Question whether 2 products in same or related markets have similar marks. Also check to see if there is implicit sponsorship (reverse confusion).

Implied Endorsement

- The confusion may not be that the mark owner actually made, sold, distributed the goods, but that the mark owner simply endorsed them.
- Note that a lot of marks don't require authorization for use, even if it is famous“ only infringement where it is likely to cause confusion.

Initial interest confusion

• Doctrine finding liability when defendant's use of the mark may attract the attention of potential consumers looking for the products associated w/mark, even though confusion is dispelled before a sale is completed. • Kodak is advertised as on sale, arrive at store and there are no Kodak cameras available. Consumers will likely buy the "other" cameras b/c they were misled by the use of the Kodak mark in the advertising and spent time and money coming to the store.

Post-Sale Confusion

- Applied when the likely confusion occurs after the sale and the party confused is not the buyer.
 - Sell fake Rolex for cheap " buyer knows it isn't Rolex, but third party person mistakenly believes it is.

"Reverse Passing Off “

• Miraclesuit was name brand but small company in swimwear. Miracle Bra was big in the lingerie market " but much bigger company. When they expanded into swimwear and used the same mark, Miraclesuit can now be perceived as just a knock off of the Miracle Bra swim line. As first users in the swimsuit market, Miraclesuit has first priority to there is liability for reverse confusion.

Factors For Determining Confusion (guide, not exhaustive list)

Strength of Plaintiff's mark Refers to its distinctiveness (along spectrum of generic, descriptive, suggestive, arbitrary) and to its commercial strength (how strong it is in relevant market)

Degree of similarity between the marks

- Infringement doesn't require use of Plaintiff's mark; use of a similar mark may suffice. Courts look to the sight, sound and meaning of the 2 marks in assessing similarity. Other factors: which entered the market first, use of additional marks, how they are displayed.

Proximity of the products in the marketplace

The more similar the goods and services (and their marketing) more likely the confusion.

Are parties selling the same thing? Using the same types of media for marketing? Target the same buyers? In same geographical area?

Likelihood prior owner will bridge the gap

Courts recognize right of natural expansion where P might be reasonably expected to expand • Actual Confusion

- Not required " but awesome evidence. Use a small group/segment of the public and show their confusion, then it is easier to believe that many people across nation might also be confused. Thus establishing "likely."
- Defendant's good faith in adopting its own mark
 - Just note, this is not a defense, but where it can be shown it will be factored into decision.
- Quality of Defendant's Product
 - It is no defense for defendant to show that her product was just as good, or better than the mark owner's product
- Care and Sophistication of the relevant consumers

- Smarter people and those who can read are likely to be less confused " so courts also consider how sophisticated the "target market buyers" are.

v DEFENSES

- Invalidity of Mark

- Unregistered or registered but has not become incontestable, D may raise any of the grounds for protection. This can be raised if mark is immoral, deceptive, or scandalous.

- All marks " incontestable or not " subject to the following:

- (1) fraudulent registration

- (2) abandonment

- (3) use of mark to misrepresent the source of the goods or services on or in connection with which the mark is used

- (4) fair use of mark by defendant as an individual's name or as descriptive term to describe the goods or services of such party, or their geographic origin.

- (5) rights of a junior user of a mark subsequently registered by a senior user as above

- (6) use of mark to violate antitrust laws

- (7) Mark is functional

- (8) equitable principles, including laches, estoppels, and acquiescence.

- *1-800 Contacts v. WhenU.com*
- WhenU used proprietary software to create pop-ups advertising 1-800 Contacts' competitors when people were visiting their website
 - - 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
 - Rule
 - - Including a website address that is nearly identical to a trademark in an unpublished director does not trigger trademark infringement
 - Neither does causing popup ads to appear
- Likelihood of Confusion (Test from Sect. 43 (a) of the Lanham Act)
 - Source Confusion: confusion as to the source of the product
 - Relationship/Affiliation Confusion: confusion about the relationship of D to P's goods
 - Post-Sale Confusion: people making a negative association with the product after the sale
 - Initial Interest Confusion: the TM makes consumers lured to a particular place/product
 - 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.
 - *AMF Incorporated v. Sleekcraft Boats*: Ct issued 8 factor test and concluded that, give that the marketoverlap, there was likelihood of confusion even if there was no evidence of actual confusion.

8 Factor Test:

- o Strength of the mark: Where is the mark on the inherent distinctiveness scale? Is there secondary meaning?
- o Similarity of the mark: Total commercial impression, evaluated w/ sight, sound, and meaning
- o Type of goods
 - If the marks are identical and the goods are very similar, then there is infringement
 - If the marks are identical and the goods are unrelated, there is no infringement
 - If it's in the middle, must do other elements of the test
- o Proximity of the goods
- o Marketing channels used: How are goods sold? Will the way they are sold make it more/less likely that consumers will be confused?
- o D's intent in selecting the mark: If there is an intent to deceive, this is a powerful factor in favor of finding infringement.
- o Likelihood of expansion of product lines: How likely are these marks to come into conflict w/ one another in the future?
- o Evidence of actual confusion

False Designation of Origin

-• 43 (a)(1) of the Lanham Act provides a cause of action for use of symbols or false designation that are likely to cause confusion about the origin, sponsorship, or approval of goods, services, or commercial activities.

-A common use of §43(a)(1) is to bring an action for infringement of an unregistered trademark. The basic standard is likelihood of confusion, and an unregistered mark nevertheless can be a very strong trademark.

-"The origin of goods and services" cannot be read too broadly.

DILUTION

- Famous marks (prerequisite): The mark must be famous to come under the dilution statute
 - o Factor test: (1) degree of inherent or acquired distinctiveness, (2) duration and extent of 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 Injury

- o Tarnishment: Creating a negative association with a product
- o Blurring: loss of uniqueness or distinctiveness
- *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.
 - o *Pepperidge Farm Goldfish v. Nabisco CatDog* fish-shaped crackers
 - o There is a danger of post-sale confusion
- 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.
- Five necessary elements to a claim of dilution
 - o Senior mark must be famous
 - o Must be distinctive
 - o Junior must be a commercial use in commerce
 - o It must begin after the senior mark has become famous
 - o Must only show dilution, very easy to get at

DEFENSES

- Fair use:
 - o 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
 - o The fair use defense is available vis-a-vis descriptive TMs w/p secondary meaning as long as there is no consumer confusion
- Laches: equitable version of SoL
- License: consented to allow me to use the trademark
- 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.
 - o 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
 - o *Dawn Donut v. Hart's Food Stores*: Allegation of abandoned TM due to inadequate quality control/supervision on part of licensee.
- Abandonment: Sect. 45 of Lanham Act. If you stop using a trademark, it is not longer yours as a trademark.
 - o Abandonment under the Lanham Act requires both non-use and intent not to resume use
 - o presumptive abandonment after 3 years
- Functionality: Functional trade dress is not protectable under TM
 - o What is functional? Any attribute that is essential to the function of the product or that is related to price or quality

- o *Trafix Devices v. Marketing Displays*: A wind-spring system for traffic signs is not protected by TM b/c it is functional.
- Genericide: When a term refers to a general class of products, it is deemed "generic" and cannot serve as a TM
 - o 2 ways a TM can become generic:
 - they were born that way and refused registration b/c they are generic
 - they become generic over time through "genericide"
 - o *Murphy Bed Co. v. Interior Sleep System*: Murphy Bed is a generic term b/c the mark has entered the public domain
 - o RULE: The consumer rules. If the consumer is using the term generically, it is generic
- Related Cases
 - o *Mattel v. MCA*
 - Background
 - Aqua made the "Barbie Girl" song. In this song they spoke of being blonde and stupid and whatnot. Mattel is suing, claiming that there will be a likelihood for confusion
 - Rule
 - o *LL Bean*
 - "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."
 - o *Rogers" v. Grinaldi*
 - Titles are not Trademark infringement unless it misleads the source of the work
 - If you do a parody, that does not try to make up any claims about the subject being parodied, there is no trademark infringement
 - o *Lindy v. Bic Pen*
 - Background
 - 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. 14 years later, Bic adopted the legend "Auditors Fine Print" to describe a certain model.
 - Lindy sued for trademark infringement, unfair competition, breach of contract, and trademark dilution
 - Rule
 - o If one proves trademark infringement, they still have to prove that it led to damages
 - o If one cannot prove damages, they will not be awarded any

- o In a nutshell, the court said, "Lindy, no one cares about you, and Bic using your pen, while infringing, cost you no money"
- o Big O
 - Background
 - Big O is making "Big O Big Foot" which they have a trademark on
 - Goodyear announced they were selling their own tires with the title "Big Foot" on them
 - Big O contacted them, Goodyear spent millions advertising and marketing on it anyway
 - Big O sued
 - Rule
 - o 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

- Injunction: You are entitled to an injunction, not damages.
- Damages (Limited to cases where D acted willfully - point is to deter the D)
 - o Under Lanham Act, P can recover (1) D's profits; (2) any actual damage sustained by P; and (3) the costs of the action
 - o Infringer's Gain and Mark Owner's Loss: *Lindy Pen v. Bic Pen*
 - o 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.

- 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.
- 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 TMLaw to dilution.
- *Matel v. MCA Records*

Right of Publicity

- Cause of action against someone who makes unauthorized commercial exploitation of one's name, likeness, voice or other indicia of identity
- Trimmed by:
 - 1. First Amendment (takes huge chunk out of actionable right of publicity infringement)
 2. Copyright preemption (note - if you take a photo, you still need to get permission from subject in order to place in ad)
 3. Judge nullification (judge finds intellectually deceivable way/general uncomfortableness = judge puts own spin on law)
- States have been allowing post-mortem right of publicity
- False endorsements - successfully protected (can't use image in advertisement without permission (Obama wearing Weatherproof jacket))
- Music allowed if permission from record company; photos not allowed with mere permission of photographer
- Can't put image, etc. on merchandise, but can use in magazines, etc. (1st Amendment)
 -
- **Right of Privacy as tort** (four different torts)
 - 1. Intrusion upon solitude (peeping Tom);
 2. Public disclosure of embarrassing facts;
 3. False light (misrepresenting something about person);
 4. Right of publicity

Marginalia

Moral Rights

- Work is a part of the artist - if you infringe, you are infringing on heart of artist (France)

Undeveloped Ideas

- Mostly in toy/entertainment industry
- Property-type theory
 - - Breach of confidence
 - Breach of fiduciary duty
 - Fraud
 - Breach of express contract
 - Breach of implied-in-fact contract

Example: agent makes pitch to executive while out at lunch, executive produces movie based on idea but doesn't pay.

- Breach of implied-by-law contract

Example: no actual contract, but the law treats it as though there is one

Misappropriation ("passing off"; "Hot news")

- Elements
- 1. P generates or gathers information at a cost
 2. The information is time sensitive
 3. D's use of the info constitutes "free riding" on P's efforts
 4. D is in direct competition with a product 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

Example: INS v. Associated Press; NBA v. Motorola (SportsTrax paggers)

- Note: misappropriation doctrine does not have continuing validity b/c it is now common to credit sources
 - - **Sportscasting** - it is misappropriation to do radio play-by-play of game, but OK to announce scores, etc.

International Intellectual Property (Take-aways)

1. Globalized IP has a ratcheting effect - keeps getting tighter - more expansive and broader (IP law becomes inflexible)
2. Best of Europe/Best of USA system - minimums that French/European model wants to US model wants - get more coverage all around, and don't get less coverage of a particular type of IP
3. Makes things easier by helping with procedures
4. National Treatment - everyone (foreign citizens) must be treated as well as domestic citizens (don't have to treat domestic citizens as well as foreign)
5. Substantive minima imposed about duration/scope (must have at least life + 50 years copyright term...can be longer)

Relation to world trade and north v. south Issues (rich v. poor)

Federal Preemption

1. Bonito Boats v. Thunder Craft
2. --
3. --
4. --
5. --
6. --