

Final Examination Memorandum
Intellectual Property Fall 2015
Professor Grimmelmann

I graded each question using a checklist, giving a point for each item (e.g., “LAUREL is arbitrary for cookies.”) you dealt with appropriately. Ten percent of the credit in each question was reserved for organization and writing style. I gave partial credit for partially correct analyses; I gave bonus points for creative thinking, particularly nuanced legal analyses, and good use of facts.

Sample answers to the three questions are below. They aren’t perfect; no answer in law ever is. Indeed, it was frequently possible to get full credit while reaching different results, as long as you identified relevant issues, structured your analysis well, and supported your conclusions.

If you would like to know your scores on the individual essays, please email me. If you have further questions after comparing your essays to the model answers, or would like to discuss the course or anything else, please email me and we’ll set up a time to talk.

It has been my pleasure to share the past semester with you, to partake of your enthusiasm, and to learn from your insights.

James

	Laurels	Wedding	TimoLith	Total
Median	16.0	15.0	11.5	41.5
Mean	16.3	14.0	12.1	42.4
Std. Dev.	3.0	3.0	3.8	8.4

Question 1: Laurels

(1,223 words)

Owens Mills should change the laurel-wreath pattern on the top of its cookies to steer clear of Overleaf's copyright and design patent on the pattern. It should stop using the Laurel Jingle to avoid copyright risk. And it should consider tweaking its advertising campaign to emphasize that its Laurel cookies are an unaffiliated revival and that they are not created by or approved by Overleaf.

Trade Secret

Overleaf may have a trade secret in the process it used to create the "flaky chocolate" in the original Laurel. But Owens Mills obtained that process through lawful reverse engineering. Overleaf cannot prevent "devoted fans" from saving or selling Laurels they purchased, or Owens Mills from analyzing them.

Utility Patent:

Overleaf's '503 patent might or might not cover the process Owens Mills uses to assemble its cookies. But it doesn't matter, since the '503 patent has long since expired. Overleaf filed its application in 1984, so under the modern patent term rules, the patent expired in 2004.

Copyright in the Cookie Design

Overleaf cannot copyright a cookie consisting of graham crackers, marshmallow, and chocolate. It cannot copyright the flakiness of the chocolate or the way the ingredients are stacked. These could be copyrighted, if at all, only as sculptural works, but a cookie is a useful article. The use of the cookie – to be flavorful and pleasant to eat – is under the *Brandir* test inseparable from the allegedly copyrightable aspects.

Overleaf may have a valid copyright in the laurel-wreath design (I would need to see it to know whether it is sufficiently original). Because the design is a flat pattern, it is probably separable from the useful function of the cookie it is stamped on. That copyright is not registered, so there is no risk of statutory damages or attorneys fees. Still, this would provide a reason for Owens Mills to use a different pattern on top of its cookies.

Copyright in the Laurel Jingle

The Laurel Jingle is a copyrightable musical work (or perhaps a sound recording; the question is ambiguous). Whether it was written as a work made for hire (95 years from first publication) or not (life of the author plus seventy years), it is still within its copyright term. Owens Mills has used the Jingle verbatim in its commercials, so proof of copying is not seriously in question and substantial similarity is clear.

Owens Mills's only potentially viable defense is fair use, but its fair use case is weak. The use is commercial; indeed, the work is being used to sell cookies. The use is completely untransformative; it is being used in exactly the same form and for exactly the same purpose: to sell the same kind of cookies. The entire work has been copied. The only possible response is that since Overleaf is no longer selling cookies, it will not lose any revenue from the use. But this is a weak argument, given that the Jingle itself is not

the product being sold. It could be used to launch Overleaf's own revival, or on other cookies, or licensed to someone who would revive Laurels.

Trademark in LAUREL

LAUREL is arbitrary for cookies; it is a real pre-existing word but it has nothing to do with cookies. Consumers also have strong associations with the mark, given its extensive sales over decade. (If there weren't still goodwill in the LAUREL mark, there would be no point in trying to revive the cookies using that name.) Overleaf's federal trademark registration has been properly renewed every ten years and therefore gives it nationwide priority dating back to 1960. Except ...

Overleaf has probably abandoned the LAUREL mark by discontinuing use for more than three years (in, fact ten) with no intention to resume. While a mere interruption in sales does not constitute abandonment, ten years is a long time. And closing the factory that makes the cookies is strong evidence of an intent not to resume. This is not conclusive; it is possible that Overleaf has a stronger brand-maintenance program than P&G's, and I simply do not know about it. But I think that it is most likely that the mark has been abandoned, and like GALT HOUSE, is free for anyone to adopt, even though it still has residual goodwill.

If the trademark is valid, then Owens Mills likely infringes. The marks are identical (LAUREL), the products are almost identical (extremely similar cookies), and Owens Mills used the mark specifically to cause consumers to identify its goods with the plaintiff's, thus establishing bad faith. Owens Mills could try to argue nominative fair use or comparative advertising – it needs to describe its' cookies as LAURELS to identify them to consumers, but the argument is likely to fail. "S'mores" is a perfectly reasonable name for the general class of cookies, and Owens Mills could do much more to avoid identifying itself with Overleaf's cookies. (Indeed, calling its cookies "the original" could give Overleaf a § 43(a) cause of action for sponsorship or affiliation confusion.)

In addition, Overleaf's use of the laurel-wreath pattern is probably protectable as unregistered trade dress. The shape of the cookie and its composition are probably functional, but the pattern is not. It too was probably abandoned through nonuse; it too would lead to a likelihood of confusion if Overleaf still has rights.

False Advertising

Calling Owens Mills' cookies "the original" and "authentic in every way" is literally false. The cookies are different from Overleaf's cookies: among other things, they are square and not round. So Overleaf might well be able to bring a false advertising claim against Owens Mills. The difficulty will be standing, since Overleaf no longer sells these specific cookies. But since – I will assume – it still sells other cookies, that would be good enough, since Overleaf could be diverting sales from them.

Design Patent

Overleaf's design patent was filed in 2004, so it is still within its fourteen-year term. But the design patent is invalid for lack of novelty. Overleaf's own extensive sales of Laurels bearing the patented design from the 1960s onwards should have been disqualifying prior art. They were identical to the claimed design, they were "on sale,"

and they predated the filing by more than a year. If a court were to analyze similarity between the patent and Owens Mills's cookie, it is a difficult question whether the cookie would infringe. On the one hand, it bears the laurel-wreath pattern; on the other, it is square rather than round.

Advice

Owens Mills's first priority should be to fix its commercials. It should stop using the Laurel Jingle, and it should describe its cookies as a "tribute to" or a "modern, updated imitation of" Laurels, or some other such formulation that makes the relationship clear, rather than as "the Laurel" or "the original." After that, Owens Mills should change the laurel-wreath pattern, and, if it wants to be completely safe, the name. It can continue to make cookies with graham crackers, marshmallows, and chocolate, and it can continue to combine them in the same way. I understand that it is important to you to stick as closely as possible to the original recipe, but given that you have already made yours square rather than round, I think these additional changes would be worth the legal safety they would provide.

Question 2: A Wedding at Camp Carrolton

(1,246 words)

Havre and Essex may have a copyright and right of publicity claim against the T-shirt vendors, and they may be able to bring a long-shot copyright claim against Caton and the *Carroltonian* for the photographs of the statue [not “statute,” as I incorrectly wrote on the exam]. A trade secret claim against Caton and the *Carroltonian* is also possible but faces some legal obstacles.

Trade Secret

Havre and Essex might try to argue that the details of the wedding were a trade secret. It probably did qualify as actually secret and as the subject of reasonable efforts to maintain secrecy, given the lengths that they went to including choosing a remote undisclosed location, inviting a small guest list, and tightly limiting access. And Caton’s method of obtaining her photographs – a low-level aerial overflight – would qualify as improper means under *Christopher*. She might argue that drones are now so common one should no longer expect privacy from aerial photography, but the treetop-level flight was so low as to be a trespass.

The more difficult problem for the couple is that a celebrity wedding is not economically valuable in the sense that trade secret law requires. It does not involve business plans, industrial designs, customer lists, or the other classic kinds of trade secret subject matter. It is valuable primarily as gossip. But, as in *RTC v. Netcom*, this may be enough. Many celebrities do sell exclusive access to their weddings and other events to favored publications, and this value would be preempted if competing publications could sneak in and appropriate it for themselves, as Caton effectively did for the *Daily Carroltonian*. So the same considerations that led to the recognition of the right of publicity in *Haelan* might apply here to allow a trade secret claim.

Liability here would probably be restricted to Caton, who obtained the images improperly, and the *Carroltonian*, which published them. The websites and T-shirt vendors were working only with images and information that were already widely known, and therefore no longer constituted trade secrets.

Copyright

Havre and Essex may or may not own a copyright in the statue of themselves – but if they do not, they can probably acquire it. The statue is a sculptural work, but it is not a useful article, since it has no use other than to be looked at. The bigger issue is ownership. The statue was created by Bowie, who would therefore be its author and copyright owner unless it qualifies as a work made for hire. A statue is not one of the specifically enumerated types of work that can be a work made for hire without a signed contract, so the analysis depends on the common-law agency factors. Based on what little we know, Bowie appears to be an independent contractor rather than an employee. But even if he is, Havre and Essex are in a good position to buy out the copyright from him, and indeed may already have done so.

Since the statue is copyrightable, any photographs of it are derivative works. This includes the medium shot of the statue and the wide-angle shot of the entire site, but not the close-up of Havre and Essex. Thus, Caton prepared a derivative work, and also reproduced the statue (in her photographs) and distributed it (when she gave her

photographs to the *Carroltonian*). The *Carroltonian* similarly infringed the reproduction and distribution rights by printing and selling newspapers with the photographs, as did the websites and T-shirt vendors.

Caton can argue that her photographs constitute transformative fair uses: they include her own authorship in how she composed the shots and they put the statue in the context of the larger wedding. This is not much of a transformation of the authorship in the statue; the stronger argument is that this is a fundamentally different purpose, as in *City of Inglewood*. They are being used for news reporting, a favored purpose under the first fair use factor. Her sale of them might compete with Havre and Essex (or Bowie's) own sales of them to other papers, and the entire case has a bit of *Harper and Row's* unethical access to unpublished material about it. Essentially the same considerations apply to the *Carroltonian's* own fair-use argument. Once the story has been reported, the controversy itself is news, which bolsters the fair-use cases for the websites. Many of them are also engaged in critical commentary, which is favored under the first factor and *Campbell*. The T-shirt vendors have a thinner case for parody or critical commentary; their commentary consists of a single sarcastic slogan.

If the *Carroltonian* is liable for copyright infringement, then Caton is contributorily and vicariously liable for providing it with the photographs. For contributory liability, she knew how it planned to use them and made a material contribution by supplying the photographs. For vicarious liability, she had the ability to prevent the *Carroltonian* from using the photographs by withholding them, and she financially benefitted when she "sold" them to the newspaper. She is not contributorily or vicariously liable for the actions of further downstream users: the websites and T-shirt vendors. She had no advance knowledge of their plans, she cannot control their actions, and she receives no financial benefit from them.

Calvert is not secondarily liable for Caton's infringement, or for anyone else's. He did not know how she planned to use the drone, he had no financial stake in how she used it, and under *Sony* it was a device with substantial noninfringing uses.

Right of Publicity

Havre and Essex have a right of publicity in their names and likenesses. While some states require that people be commercially exploiting their identities to have a right of publicity, both Havre and Essex easily meet this threshold: Havre through her triple-threat career in the arts and Essex by starring in his own commercials. Photographs of the couple feature their likenesses, thereby putting the right of publicity in play against the *Daily Carroltonian*, the websites and bloggers who used the photograph, and the T-shirt vendors. (Caton herself did not use the photographs to advertise or sell anything; she is not a direct infringer.)

Unfortunately for the couple, not all of the uses they object to are for advertising or trade in the sense that the right of publicity protects against. The *Daily Carroltonian* used the photographs to illustrate a news article about the wedding. The photographs themselves documented the wedding, offering vivid proof that it happened as described. Particularly given the unusual hundred-foot statue and what it says about the couple's characters, the details of the ceremony are of legitimate public interest. The wide-angle

shot of the wedding site does not even feature the couple prominently, so it arguably doesn't even use their likenesses. The websites and blogs that followed up on the *Carrolltonian's* scoop similarly use the photograph as part of their reporting and commentary.

Only against the T-shirt vendors do Havre and Essex have a plausible case: there is no particular news value in a T-shirt. The vendors might assert a transformativeness defense as in *Comedy III*. The cases here are in too much disarray to predict an outcome with confidence. On the one hand, the couple themselves are not much transformed, much as in *Comedy III* itself. On the other, the sarcastic caption could be seen as a kind of critical commentary on the couple.

Question 3: TimoLith

(1,272 words)

Burnie and BurnCo have no rights under idea protection/contract law but may be able to bring a claim for trade secret misappropriation. If the patent issues – and it should, eventually – at that point they will be able to sue Westminister for infringement if it continues selling it semiconductors. BurnCo has no trademark rights in TIMOLITH; on the contrary, Westminister probably owns the mark and can prevent BurnCo from using it.

Idea Protection

It is possible that Westminister took advantage of the idea for a timonium/lithincum [NB: not “lithium”] semiconductor Burnie disclosed to Hall during their negotiations. The timing is suspicious: Burnie estimated that it would take five years of work to produce one, exactly the length of time from when he disclosed the idea to when Westminister started selling one. This is not conclusive; it is possible that Westminister was *already* working on a timonium/lithincum semiconductor at the time of the negotiations and that Hall lied about thinking it unlikely to work to prevent Burnie from realizing. Or Westminister might subsequently have started work on one for unconnected reasons. But the most straightforward inference is that Hall lied about not being interested and then used Burnie’s idea.

Unfortunately, contract law offers no protection here. Burnie did not negotiate for a promise to pay for the use of the idea as in *Apfel*; he did not even negotiate for a promise of confidentiality, as in *Learning Curve*. Instead, as in *Desny*, he blurted out his idea before obtaining a promise as consideration from Hall.

Trade Secret

Trade secret law may offer Burnie better protection. There is no question that the idea for a timonium/lithincum semiconductor is valuable business information. It was also not generally known to those in a position to make use of it. The prior art (see below) includes no references to the semiconductive properties of such a combination, nor did Burnie reveal it widely beyond his business. He disclosed the idea to only two people, one of them the defendant. This probably also constitutes reasonable efforts to maintain secrecy.

The issue, then, is whether Westminister’s use of the idea constitutes misappropriation in violation of a duty of confidentiality. The facts are not as clear-cut as in *Learning Curve*, where there was an express mutual nondisclosure agreement. But the context – a negotiation over a potential business venture, where the idea needed to be disclosed to make the negotiations possible at all – is one where a court might imply a duty of confidentiality, as in *Kamin*. If so, then Burnie can sue Westminister for trade secret misappropriation.

Patent

Burnie currently has no enforceable patent rights against Westminister. But if he can get the USPTO to issue a patent based on his application, Westminister will at that point be a literal infringer of both claims. It is using a combination of timonium and lithincum at 27 ppm of lithincum, within the range of 22 to 28 ppm (as in claim 1), and it is using

that combination as a semiconductor (as in claim 2). And this patent should issue; the USPTO is wrong on all of its grounds for rejection.

First, the application claims proper statutory subject matter. Claim 1 is directed to a composition of matter, and claim 2 is directed to a process that involves taking advantage of specific physical properties of the combination. If these claims are invalid, then it is hard to see how any claim to a composition of matter or the use of one would ever be valid. The USPTO may believe that the claims are directed to a “law of nature” under *Alice*, but while it may be a law of nature that timonium and lithincum in particular proportions have these properties, claims to those specific proportions (which are not, so far as I know, naturally occurring) goes far beyond just stating a law of nature and saying to “apply it.”

Next, the invention has utility. Semiconductivity is a substantial utility for all of the reasons that computers are useful; they facilitate a wide range of modern life. The utility is specific; very few combinations of metals have these valuable properties. And the utility is credible; Burnie has the testing data to show that it works.

Further, both claims are novel even in view of the alleged prior art. The CJMS article predates Burnie’s filing date, to be sure, and it qualifies as a “printed publication” under 35 U.S.C. § 102(a)(1). But it does not anticipate either claim. As for claim 1, the article illustrates combinations of timonium and lithincum at concentrations of 10, 20, 30, and 40 ppm of lithincum – none of which fall within the range of 22–28 ppm in claim 1. There is no evidence that the authors ever made a combination within that range. (This case is the opposite of *Titanium Metals*, where the article included a data point within the claimed range.) As for claim 2, the article says nothing about semiconductivity, so it is missing one of the elements of the claim. Nor does Burnie’s disclosure to his friend constitute invalidating prior art. The napkin is not a printed publication because Burnie kept it. Unlike the inventor in *Egbert*, Burnie did not make a public *use* of the invention: he merely described it, rather than demonstrating it for his friend. He did not sell or offer to sell the product. And discussing the idea to one person probably does not make it “available to the public.” There is a possibility that Westminster’s sales of TimoLith are prior art if they predated Burnie’s filing in 2014, but I would need more information about when “meanwhile” refers to.

And finally, both claims are nonobvious, even over the CJMS article. In the first place, it is not even clear that the CJMS article should be considered analogous art; it describes solving a problem in corrosion resistance, not a problem related to semiconductivity. But even if it is considered analogous art, there is neither a teaching, suggestion, or motivation to try a concentration around 25 ppm of lithincum nor are the semiconductive properties at that concentration readily predictable. Indeed, previous research taught away from the solution, as in *Adams*, the battery case discussed in *KSR*.

Trademark

Unfortunately, Westminster has better rights to TIMOLITH than BurnCo does. True, Burnie came up with the name, but that counts for nothing in trademark law. Burnie and BurnCo never used the name to indicate the source of goods, and hence have no trademark rights in it. Westminster appears (I assume) to be using the mark to describe

its timonium-lithincum semiconductor, giving it common-law priority everywhere it has been selling the product. I expect its registration to issue, at which point it will have nationwide priority as of its filing date.

The one counter-argument would be that TIMOLITH is merely descriptive, so that if it lacks secondary meaning, BurnCo is free to use it (or could use it as a descriptive fair use). “timo” comes from “timonium” and “lith” from “lithincum,” so the name describes a timonium-lithincum combination. But as in *Innovation Ventures*, the better argument is that this is a suggestive mark; some thought is needed to understand that the name refers to the two elements and that they are being combined to make a semiconductor. Thus, Westminster has trademark rights in the name and can stop BurnCo from using it. (If BurnCo can force Westminster to stop selling the product, perhaps its trademark rights will lapse from non-use, enabling BurnCo to start using it.) BurnCo is better off picking a different brand name.