

University of Dayton School of Law

FINAL EXAMINATION

INTELLECTUAL PROPERTY LAW

Professor Julie Zink

Summer 2016

INSTRUCTIONS

1. Record your exam number HERE: _____
2. Additionally, write your EXAM NUMBER in the appropriate place on Exam Soft or each bluebook you write in. Do not write your name anywhere on the exam materials.
3. You have **THREE (3) HOURS** to complete this examination, which is written on a total of TEN (10) PAGES. As to all trade secret inquiries, please presume that the Uniform Trade Secrets Act (UTSA) is the applicable law. As to all of the patent inquiries, please presume, unless otherwise noted, that the Patent Act, as amended by the America Invents Act, is the applicable law. As to all copyright inquiries, the U.S. Copyright Act is the applicable law. As to all of the trademark inquiries, the U.S. Lanham Act is the applicable law. **Please check NOW to ensure you have all 10 pages of the exam.**
4. This examination has 100 possible points. It consists of eleven (11) multiple choice questions (worth 2 points each for a total of 22 points); eight (8) short answer questions (worth a total of 32 points); and three (3) essay questions (worth a total of 46 points). **Answer all questions in the ExamSoft document or in the bluebook; there are no Scantron sheets.**
5. IF YOU ARE HANDWRITING YOUR ANSWERS IN BLUEBOOKS: Please write legibly; please write only on the front of each page; and remember to write your exam number on EACH bluebook.
6. This is a **CLOSED BOOK** examination. You may not consult any materials outside of this exam document.
7. As to the essay portion of the exam – If you need additional facts, or need to make assumptions, state so. You should include different views of an issue if there is different treatment of the issue by different courts. You should refer to the appropriate sections of the relevant Acts.
8. At the end of the exam, you must turn in your bluebook(s) (if applicable) *and the exam itself*. **Failure to return your exam will result in not getting a grade for the course.** You may NOT discuss this exam with other students until all students have completed it. **Violation of this rule will result in a failing grade.**

Multiple Choice Questions (worth 22 points; 2 points each)

– Choose the best answer, and write/type the accompanying letter in your bluebook or on your ExamSoft exam.

- 1) ABC Corp. keeps a mailing list of all of the residents in its service area. The list was purchased for a \$250 fee at the City Center. Although the list was relatively inexpensive to obtain, it has been and continues to be an indispensable part of ABC's marketing operations. As a result, ABC keeps its copy of the list under lock and key. It also keeps a backup copy in a secure location. Does the list of residents qualify as a trade secret?
 - A) No, because customer lists do not qualify as protectable information.
 - B) Yes, because customer lists are protectable trade secrets.
 - C) Yes, because ABC used reasonable secrecy measures to secure the valuable list.
 - D) No, because the list is available to anyone who wants to purchase it.

- 2) Which of the following fall within the subject matter of patents?
 - A) Biologist, trekking in the Flat Top Mountain, Alaska, encounters the Zaggo bird, a species of bird never before recorded.
 - B) Chemist experiments and creates a new alloy, which has many useful properties, by mixing titanium with a newly-discovered mineral, kabloondium.
 - C) Astronomer, after spending years studying satellite data, determines that there is a large, previously-unknown deposit of oil under Dayton, Ohio.
 - D) Attorney invents "a method and system for mandatory arbitration involving legal documents, such as wills or contracts."

3) Which of the following statements is false?

- A) Patent protection originated from Article I, Section 8, Clause 8 of the United States Constitution.
- B) As of June 1995, the term of a patent is twenty years from the date the original patent application was filed.
- C) A patent gives its owner the right to make, use, sell, or offer to sell the patented product within the United States.
- D) Under the America Invents Act, if two inventors independently create an invention, the only thing that matters is who files the patent application first – unless, the first inventor can prove that the applicant stole or plagiarized his invention.
- E) Infringement occurs when all of the elements of the asserted claim are found in the accused product, either literally or equivalently.
- F) The TSM test requires the accused infringer to show that some teaching, suggestion or motivation existed to combine known elements to form the claimed invention.

4) Which of the following statements is true?

- A) Conception means the formation in the mind of the inventor, of a definite and permanent idea of the complete and operative invention.
- B) Patent claims teach what the invention is and how to make and use it.
- C) An on-sale bar arises when the invention is (a) ready for patenting or (b) the subject of a commercial offer for sale.
- D) A public use for the purpose of experimentation is not permitted.
- E) In terms of determining priority, delays in reduction to practice caused by an inventor's efforts to refine an invention to the most marketable and profitable form are sufficient excuses for inactivity.
- F) In inequitable conduct cases, proving that the applicant knew of a reference, should have known of its materiality, and decided not to submit it to the PTO proves specific intent to deceive.

5) Kodak Camera makes and sells a patented single-use camera. A consumer typically buys the camera, takes a roll of photos, sends the entire camera off for processing, and receives her photos back from the processor. If the consumer wants to take more photos, she buys another single-use camera. MotoPhoto is in the business of processing such pictures. When it receives a single-use camera from a consumer, it carefully opens the camera, removes and processes the film, and returns the finished photos. But it does not then dispose of the single-use camera. Rather MotoPhoto inserts a new roll of film, resets the film counter, fixes the damage it did in opening the camera, cleans the camera off, and sells the used camera to consumers. Kodak sues MotoPhoto for infringement, arguing that MotoPhoto is making and selling the patented device without authority. Is MotoPhoto infringing?

A) No, once a patented product is sold, the patentee no longer has any rights; the subsequent users can make, use, repair, reconstruct, and sell the patented invention.

B) Yes, every element of Kodak's patent claim is met by MotoPhoto's device, and MotoPhoto has no applicable defense.

C) Yes, MotoPhoto has reconstructed the patented product, which is not a permissible right of subsequent owners.

D) No, MotoPhoto has repaired the patented product, which is a permissible right of subsequent owners.

6) Gabe arrives in Seattle, Washington and decides to take a photo of the Space Needle. Gabe sets up his camera on a tripod, frames the Space Needle, selects an angle that gives a pleasing shape to the structure, and waits for the moment when the sun rises. The photo that Gabe takes is quite similar to a number of photos that have already been published. Indeed, Gabe can point to nothing that distinguishes his photo from the many photos that have been taken of the Space Needle at sunrise. Is Gabe's photo copyrightable?

A) Yes, once he develops it.

B) Yes, Gabe's photo meets the originality requirement.

C) No, originality requires novelty, and Gabe's picture is not unique.

D) No, the picture includes preexisting material (i.e., the Space Needle).

7) The Dayton Daily News (DDN) employs Tony as a photographer. The DDN pays him a regular paycheck, withholds taxes, and provides him with employee benefits. While waiting for a long-overdue meeting to begin, Tony borrows a pad of paper and pen from a secretary and writes a short story about an adventurous celebrity photographer. Tony writes the story purely for personal purposes. Just after finishing the story, Tony discovers that actress Allison Janney is in town giving a speech at her alma mater, the Miami Valley School. Tony hurries off, camera in hand, and leaves his story sitting on his desk. An editor picks it up and decides to publish it in the DDN's Sunday entertainment magazine. Tony learns of this and demands an extra bonus. Who owns the copyright in the story?

- A) Tony owns the copyright in the story because the story was not created within the scope of his employment.
- B) Tony owns the copyright in the story because he is an independent contractor.
- C) The DDN owns the copyright in the story because Tony wrote the story during work hours.
- D) The DDN owns the copyright in the story because Tony used the DDN's pen and paper to write the story.
- E) The DDN owns the copyright because Tony is an employee.

8) Which of the following statements is false?

- A) Ideas, facts, and blank forms are not copyrightable.
- B) A work is "fixed in a tangible medium of expression" when it is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.
- C) If a copyright notice is included, then no weight will be given to a defendant's assertion of innocent infringement.
- D) Independent creation is a defense to copyright infringement.
- E) A work will not be copyrightable unless it falls into one of the eight categories listed in Section 102 of the Copyright Act.

- 9) Which of the following statements is true?
- A) Registration with the Copyright Office is required to obtain copyright protection.
 - B) The "Sweat of the Brow Doctrine" is applied in copyright cases.
 - C) The design of a useful article shall only be considered a pictorial, graphic, and sculptural work if the aesthetic features can be identified separately from the utilitarian aspects of the article.
 - D) Subconscious copying is a defense to copyright infringement.
 - E) Fair use is a question of law.
- 10) Justin Belvo decides to open Belvo Brands, a store selling products for use in home construction. Justin is a Xavier University graduate, and is a big fan of the basketball team. He decides to honor his alma mater and favorite team, and chooses to name his new business REIVAX, which is Xavier spelled backwards. The store opens under the REIVAX name in March 2015. Is REIVAX a distinctive mark?
- A) Yes, REIVAX is a fanciful term and is inherently distinctive.
 - B) Yes, REIVAX is an arbitrary term and is inherently distinctive.
 - C) No, Justin needs to establish secondary meaning in REIVAX before it will become a distinctive mark.
 - D) No, the REIVAX mark implies a false connection to Xavier University.

11) Belvo Brands (BB) makes and distributes a number of products for construction. BB has long used the trademark REIVAX to sell bricks and mortar. BB's CEO convinces the board to get out of production and to use the company's distribution expertise to operate an online marketplace for construction materials. As a signal to both investors and competitors that BB intends to put real resources into its new venture, the company announces that it will discontinue production of several product lines, including bricks and mortar. BB announces that it has permanently ended the use of the REIVAX mark. It sells the production facilities used to make the relevant goods, gives away its remaining inventory, and assigns the staff to new duties. Two years later, with its online marketplace floundering, BB decides to resume its discontinued lines. However, it learns that, in the interim, another company has begun using the REIVAX mark on bricks and mortar. BB contends that the rights to use the mark still belong to it. Meanwhile, the other company claims that BB abandoned the mark. What is the likely result?

- A) BB wins because it had only stopped use for two years, and abandonment requires a three-year period of non-use.
- B) BB wins because there were insufficient manifestations of the company's intent to abandon the mark.
- C) BB loses because it discontinued use with intent not to resume use.
- D) BB loses because another company has already begun using REIVAX.

Short Answer Questions (worth 32 points total)

- 1) What are the underlying policies used to support and oppose trade secret protection?
(2 points)

- 2) What are the underlying policies used to support and oppose patent protection?
(2 points)

- 3) List the potential defenses against a claim of patent infringement. (3 points)

- 4) What are the requirements for proving copyright infringement? (10 points)

- 5) What are the factors (and sub-factors) considered in copyright fair use cases?
(worth 8 points)

- 6) What are the underlying policies used to support and oppose trademark protection?
(worth 2 points)

- 7) What is secondary meaning, when is it needed, and how do you prove it?
(worth 2 points)

- 8) What are the requirements for proving trademark dilution, by blurring and by tarnishment? (worth 3 points)

Essay Questions (worth 46 points total)

After years of R&D investment, Bailey Brands (BB), a small Detroit company, is now able to produce concentrated mango juice more efficiently and effectively than any of its competitors. The advantage of BB's unique pulping machine is that it performs faster and more reliably than any other pulping machine in the industry. Sampling of the juice produced from the machine also resulted in a finding of improved taste. A review of industry patents, publications, and equipment indicates that no one outside the company knows how to build this unique machine. Therefore, BB has limited access to the prototype to two design engineers and three technicians, each of whom have signed non-disclosure agreements. While not intending to sell its pulping machines commercially, BB anticipates expanding its business so as to meet the demand of forecasted rising sales. Thus, it might consider adding partners and/or entering into licensing relationships in the future.

1) Can BB protect its pulping machine as a trade secret? Explain your answer using relevant facts and law. (worth 16 points)

2) Can BB obtain patent protection for its new pulping machine? Explain your answer using relevant facts and law. (worth 12 points)

3) Eleanor Alexander, the owner of Ellie's Country Cupboard, has been using the name ELLIE'S COUNTRY CUPBOARD without interruption since 1996 in connection with her antiques and crafts store located near the Ohio River in Cincinnati, Ohio. Eleanor does not presently anticipate opening any additional stores, but does supplement her in-store sales with online sales through the store's webpage, www.elliescountrycupboard.com. The ELLIE'S COUNTRY CUPBOARD mark was registered with the U.S. Trademark Office in 1999, and has since achieved incontestable status.

In November 2015, Ella's Country Cupboard, an antiques and crafts store located in Yellow Springs, Ohio, opened its doors. Shortly thereafter, the www.ellascountrycupboard.com site went active. Ella's Country Cupboard is owned by Ella-Mae Jones. Ms. Alexander did not give Ms. Jones permission to use the "Country Cupboard" mark. Ella's Country Cupboard is located approximately 80 miles from Ellie's Country Cupboard. There are no other antique and craft stores in Ohio that include the terms "Country Cupboard" in their names.

Ms. Alexander became aware of Ella's Country Cupboard when she saw an advertisement in the Dayton Daily News. Ms. Alexander occasionally advertises Ellie's Country Cupboard in the same manner. In February, Ms. Alexander visited Ella's Country Cupboard and discovered that it carries the same types of goods carried by Ellie's Country Cupboard (e.g., candles; flags; stationary; wall hangings; dolls; birdhouses; ornaments). Additionally, the sign over the front door of Ella's Country Cupboard uses the same script and size as shown in the sign over the front door of Ellie's Country Cupboard. However, the colors are different – Ellie's Country Cupboard uses blue text, while Ella's Country Cupboard uses red text.

Last year, Ellie's Country Cupboard earned \$90,000 in profits (approximately \$7,500 per month). Since the opening of Ella's Country Cupboard in November, profits to Ellie's Country Cupboard have been cut in half (i.e., \$3,750 per month). Ms. Alexander believes that this drop in sales has occurred as a result of customers' mistaken belief that Ella's Country Cupboard sponsors or is affiliated with Ellie's Country Cupboard. Ms. Alexander informed us that she has received several telephone calls asking where her new store is located, and two customers have mistakenly attempted to return items purchased at Ella's Country Cupboard at Ellie's Country Cupboard.

Ms. Alexander has asked our firm to analyze whether she has a good chance of succeeding in a trademark infringement suit against Ms. Jones. Please do so now. (worth 18 points)

END OF EXAMINATION