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C. Instructions Specific to this Particular Exam

1. Structure

The final examination is designed to be two (2) hours in length. It consists of one integrated fact pattern and an assignment to write an analysis for the issues arising from that fact pattern.

2. Suggested Time Allocation

The emphasis of this examination is roughly proportional to the emphasis of the areas of intellectual property law covered in class.

Our class coverage by time was approximately: ten percent (10%) trade secrets; thirty percent (30%) patents; thirty percent (30%) copyright; and thirty percent (30%) trademarks. For a two (2) hour final, if one takes 20 minutes to read the problem and plan the answer, then one would spend the remaining time as follows: 10 minutes writing the trade secret answer, 30 minutes for patent law, 30 minutes for copyright, and 30 minutes for trademark.

3. BlueBook Use

Start a new bluebook before beginning your analysis of each major area or logical subdivision. This means that you should use a new BlueBook (or, if typing and allowed by the exam taking software, use its mechanisms to create a page break) before your analysis of each major area of law.

Remember to put your personal identification number on the cover of each bluebook.

4. Read the Assignment Section in Advance

Even if you do not read the “Background” and “Dispute” sections before starting, it is **strongly recommended** that you read the “Assignment” section before you begin.

No matter what you do, please read the “Assignment” section before you begin writing.

Further, it is **highly recommended** that you read the “Assignment” section first, before reading the “Background” and “Dispute” sections of the examination. The Assignment section is the portion of the examination made available before the exam date via the class web page.

5. *Starting and Stopping the Exam*

The actual examination problem(s) section describing the case/dispute has four (4) pages.

Without looking at the content of the examination problem(s), please count your pages now to ensure that your examination is complete. If not, notify the proctor immediately.

A proctor will provide “warning” that the end of the exam period is approaching by writing on the board in the exam room(s) the amount of time remaining at approximately the five minute mark.

When time is called, stop writing immediately.

DO NOT TURN THE PAGE UNTIL YOU ARE INSTRUCTED TO DO SO.

II. IP SURVEY FINAL EXAMINATION

1. *The Background*

Rhonda Balm, M.D., has been developing skin-care salves.¹ Balm's lab is a corner room on the second floor of her office building.² Balm loves sunlight, so her lab has large uncovered windows. She usually stores the formula and research data for her salves in a locked file cabinet in the lab, but sometimes she takes portions of this information downstairs to her clinic to test her concoctions. She did so one day and inadvertently left a page in the patient waiting area, tucked between two magazines. John Duck, a patient of Balm's, and a pharmaceutical chemist, found the page. One side had (i) half the formula for "Salve1" and (ii) a 4-column table.³ The page's other side had a 6-line poem authored by Balm. From the table and partial formula, Duck recognized the potential value of Salve1, but was unable to discern the rest of the formula. He rented a third-story office in the building across the street from Balm's office and undertook surveillance of Balm's lab. One evening Balm left the full formula for Salve1 on a table in the lab. With powerful, night-vision binoculars, Duck was able to see the full formula.

About a year later a U.S. patent issued to Duck for Salve1. In the patent's written description it disclosed the formula, and had an exact copy of the 4-column table, except that the colored rows were instead highlighted with shades of gray. Balm's 6-line poem made fun of pharmaceutical company drug representatives, which was off-putting to Duck, and inspired him to write a poem making fun of dermatologists:

¹ The word "salve" means: an analgesic or medicinal ointment.

² Balm operates a dermatology clinic on the first floor of the building.

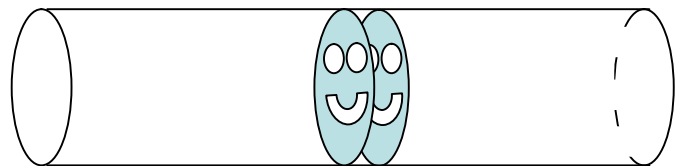
³ The table, printed in color, gave experimental results for Salve1. The first column held a date, the next two held values, and the last column held Balm's brief comments on the experiment. The table was ordered by date and had about 20 rows. The column headings were each a separate color. Some rows were highlighted in various colors; Balm's notes on the page indicated that the highlighting signals differing degrees of satisfaction with a row's results.

Balm: The Drug Rep Rap	Duck: The Skin Doc Ditty
The reps all say their drug's the best	I've waited hours for the skin doc
Declaring superiority above all the rest	Sitting in this chair, like a big rock
Like flies they come and buzz around	Too quickly, the doc buzzes in and out
Bringing chocolate donuts by the pound	Nary a moment to hear me shout
I say "Be Quick!," I say "Be Fast!"	"I need good drugs, I need them fast!"
But they yap as if it were their last.	But the doc is gone, I'm in her past.

Pleased with his poetic efforts, Duck forms a non-profit organization that prints and sells a folding card with Balm's poem on the inner left side, and Duck's poem on the inner right side. All profits are donated to a charity that helps senior citizens purchase prescription drugs. To market the cards, Duck regularly attends events that senior citizens frequent, such as county fairs, and reads aloud the two poems from his booth where he sells the cards.

Balm obtained U.S. patent protection for an item unrelated to Salve1. Balm's patent has claim 1 as follows: A skin-moisturizer fractification⁴ apparatus, comprising: (a) a substantially elongated tube; (b) at least two fractifying plates located approximately near the middle of said tube's length, said plates having a distance between any two of them in the range of 1 to 2 centimeters, said plates being round and fixedly fitting inside said tube with the plane of said plates disposed at a 90° angle from the axis of said tube; and (c) said plates having a series of openings arranged in a face pattern. One embodiment disclosed in Balm's patent is as follows:

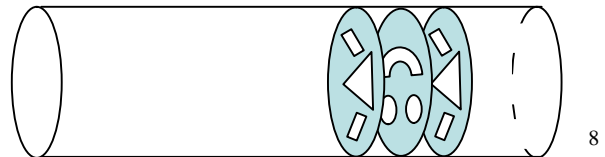
Balm's embodiment:



⁴ The word "fractification" means an imaginary process hypothesized for this examination. Assume that it signifies a process of eliminating the tendency of a paste, cream or similar substance to clump or harden. Thus, a fully fractified skin-moisturizer will, during its useful life, remain creamy, easy to apply, and oh-so-satisfying.

Balm markets her embodiment⁵ (shown above) under the name HappyFrac[®] to manufacturers of moisturizers and to companies that build machines for such manufacturers. Duck, as it turns out, makes and sells a product he calls SaddFrac[®].⁶ It fractifies saddle grease, which is used to moisturize and soften leather saddles. Duck's product, which he sells to saddle grease manufacturers,⁷ is as follows:

Duck's SaddFrac product:



2. *The Dispute*

Balm sues Duck for copyright (after registering her table and poem), patent and trademark infringement, and trade secret misappropriation. During the proceedings additional items are discovered and/or arguments, admissions and stipulations are made:

(i) Balm used her embodiment in a U.S. mall approximately one year before her U.S. patent filing date to fractify a new type of skin-moisturizer she tested on volunteer shoppers. She wanted to fractify the new product before shoppers' eyes to demonstrate how it obtained its uniquely creamy and oh-so-satisfying texture, and to facilitate obtaining test feedback.

(ii) Balm disclaimed any copyright protection in the plate face pattern of her embodiment. She alleges that Duck's use of her poem, as well as Duck's poem, infringe her

⁵ Customers use Balm's device to fractify skin-moisturizer by pumping the moisturizer through the tube under pressure. The plates, by passing the moisturizer through their openings, fractify the moisturizer.

⁶ Balm and Duck's word marks are each federally registered and incontestable.

⁷ Fifty percent of Balm's moisturizing manufacturing customers also make saddle grease and purchase Duck's SaddFrac product. These common customers, however, comprise only twenty percent of Duck's customers.

⁸ This picture (and the one above of the Balm embodiment) shows a perspective view: the Duck tube is round and so are the plates, and the plates are fixed at a 90° angle from the tube axis. Also, in Duck's SaddFrac product, the two spaces between the three plates are 1.93 and 1.99 centimeters, respectively. Duck developed SaddFrac completely independently, after Balm's patent issued, and after Balm's HappyFrac brand/mark became famous in the market.

copyright. She asserts that the embodiment's face pattern is a product shape/design mark infringed by Duck. Balm also asserts that SaddFrac infringes her mark HappyFrac, offering a survey showing that 50% of her customers who don't purchase SaddFrac (and who also had never heard of it) thought SaddFrac would be her product when shown the mark.

(iii) Balm says she probably would not have published or sold her Drug Rep Rap poem.

(iv) Duck's SaddFrac marketing literature and advertising regularly includes the phrase: "happily frac your products with SaddFrac." Common parlance in the relevant customer group is to use the shorthand "frac" for fractification.

(v) At a recent trade show, with both Balm and Duck's customers in attendance, Duck played an advertisement on a screen displayed prominently above its booth. The voice-over said: "In the equestrian⁹ market, only one product belongs in the winner's circle." The audio-visual display showed the Balm embodiment plate with "HappyFrac" written on it, sitting on the top of a horse's rear end. The plate rolls off the horse via its tail, onto the ground, and rolls out of the winner's circle, lodging itself in a pile of horse manure, at which time the "HappyFrac" wording dissolves and runs down into the manure like watercolor paint in the rain.

(vi) Duck admits that his system has element (a) of the Balm's claim 1. Balm offers her expert who opines that Duck's plates are "approximately near the middle" of Duck's tube. Balm also gets Duck's expert to admit that Duck's plates perform a substantially similar function (SSF) in a substantially similar way (SSW) with a substantially similar result (SSR) compared to the claimed plates. Duck offers the following definition of "face pattern" – "a pattern of openings such that when superimposed on a human face the openings will correspond with the major structural components of the typical human face."¹⁰

⁹ The word "equestrian" means: of or relating to horseback riding or horseback riders.

¹⁰ The word "pattern" has multiple, potentially relevant dictionary meanings: 1. a. A model or an original used as an archetype. b. A person or thing considered worthy of imitation. 2. A plan, diagram, or model to be followed in making things: a dress pattern. 3. A representative sample; a specimen.

III. THE ASSIGNMENT

Write a short analysis for each of the issues raised by the facts enumerated in the examination question, ***based only on the law from the IP Survey class***. The analysis should communicate the following as briefly as possible based on the facts available: (i) discuss the arguments, positions and IP rights that the plaintiff should assert, or has asserted,¹ against the defendant(s); (ii) evaluate the arguments and substantive merits from plaintiff's perspective and defendant(s) perspective, articulating defenses and counter-arguments each should/might assert; (iii) assess the strength of each party's arguments; and (iv) determine for each issue who is likely to prevail and explain why. Your written answer, however, should not be organized according to these four points.

Rather, for each issue, your analysis should communicate the issue, and then state/apply the law to the issue's facts (applying counterarguments as well), and then conclude on the issue. An exception to this is that there is no need to restate a legal test that has already been stated; simply refer to the previous statement of the rule. For example, if there is a second copyright fair use issue, and you have already related the four fair use factors for an earlier issue, you can abbreviate your analysis by directly applying the law to the facts and concluding. Another way to say this is that if a second issue arises where there is a need to apply a legal test already related and discussed, you may analyze the second issue by exception, i.e., discussing the differences in application and outcome.

If you believe that there are any additional critical yet unsupplied facts that would materially impact the outcome of a particular issue, you should note what such facts would be. In such case, ***briefly*** describe how such critical facts might impact the outcome, i.e., indicate ***at most one and only one*** differing result that would ensue from different reasonable factual assumptions about such unsupplied facts.²

Organize your written answer logically by subdivisions within intellectual property law in the following order: (i) trade secret law; (ii) patent law; (iii) copyright law; and (iv) the law of marks. In addition, as a general matter, discuss any invalidity/protectability issues before any infringement issues. For example, in the patent law discussion, discuss any invalidity issues before any infringement issues.

¹ The examination question is written in such a way that certain issues are clearly "in" the case/dispute because they have been asserted by either plaintiff or defendant(s). You should analyze these issues, but there may be other issues to be analyzed as well that are not yet asserted by either side. In addition, the examination question may also indicate that certain other possible issues are "out" and not to be analyzed because the parties disclaim certain issues or protections.

² Please note that if you find yourself discussing alternative outcomes for supposedly critical yet unsupplied facts for every issue you analyze, you are probably engaging in too much analysis of such alternative outcomes.

Your written answer does not need a general introduction. Proceed immediately to analyzing the issues. The location of final jurisdiction and/or venue for the expected case/dispute is unknown at this time, except that it will be in federal court.³

Apply only the majority rules from the applicable law. Thus, your memo can ignore any significant outcome-determinative differences in majority/minority rules and need not supply/apply minority rules. Probably the only way in which minority rules or dissents are relevant is that they sometimes provide inspiration for counterarguments. With respect to trade secret issues, the provisions of the Uniform Trade Secrets Act (“UTSA”) are the “majority” rule.⁴

You should analyze clearly presented (either explicitly or by the facts) infringement issues in the case/dispute even if your memo determines that the relevant item of intellectual property is invalid, unenforceable or not properly the subject matter of protection. An example of this principle in trademark law is the assertion of product shape/design as a mark, but where the trademark defendant might have a functionality defense. In a real court opinion, if the court holds that the defendant wins on the functionality issue, the court would typically not analyze the likelihood of confusion test to determine if the accused product shape infringes the product shape/design allegedly functioning as a mark. Your analysis, however, should evaluate both the functionality defense and infringement if clearly presented: even if you conclude that the shape/design is functional and thus not the proper subject matter of protection as a mark, go on to analyze whether the likelihood of confusion test is met for infringement of the shape/design mark. Similar examples exist within other areas of IP.

In this vein, some patent claims may have multiple issues of invalidity charged against them. Each invalidity issue raised by the problem’s facts should be evaluated even if your analysis determines that a patent claim is invalid due to one of the raised issues. Other areas of IP might also allow for multiple bases of invalidity.

A related problem exists for multiple types of infringement (and potentially for the predicate inquiry: claim construction). For example, in patent infringement, any particular element/limitation of a claim can be met by the accused infringing device/process either literally or under the Doctrine of Equivalents (DOE). Thus, you must make a determination whether to analyze only literal infringement for a claim element/limitation, or whether to analyze both literal infringement and DOE. Whether you additionally analyze DOE depends on the certainty of meeting the claim element/limitation under a literal analysis. If it is clear that the claim

³ Despite this jurisdictional orientation, the issues in this examination do not include jurisdictional and procedural issues, but rather focus on the substantive IP law and rights from the class materials. In addition, you are to analyze and discuss the probable ultimate outcomes under the substantive law studied. Do not analyze any intermediate standards, such as likelihood of success in obtaining a preliminary injunction. In addition, we did not study the details of potential remedies or damages, so do not discuss these items.

⁴ Although the UTSA is the majority trade secret law, the common law trade secret cases studied in class are relevant to “fill gaps” in interpreting terms/concepts used in the UTSA.

element/limitation is met under a literal analysis,⁵ do not analyze DOE. If, however, the literal analysis is contestable, i.e., it is reasonably and legitimately disputable, the safe route to avoid missing a possible points-earning examination issue is to evaluate both literal and DOE infringement for the element/limitation in question.

Here is a concrete example of this principle. A claim element/limitation on the examination says: “a nail made of steel or aluminum.” The accused infringing device described in the examination includes a nail made of steel. This element/limitation is clearly met under a literal analysis and you should forego DOE analysis.⁶ Even a diligent and prudent litigator would admit/stipulate that this claim/element is met.

An example going the other way is an examination claim element/limitation that says: “a square seat.” The accused infringing device has a square seat with rounded corners. Here, there is a reasonable question as to whether the square seat with rounded corners literally meets the claim element/limitation. A diligent and prudent litigator would also assert and contest the DOE analysis for this situation.

Another version of this problem is with the DOE analysis itself. In discussing DOE, one might note that there are several doctrines limiting DOE. Whether the test for any such doctrines should be described and analyzed depends on whether there are any facts relevant to such DOE-limiting doctrines. If no such facts are given, the analysis should probably stop after relating that “no facts are present to raise any of the various limitations on the reach or applicability of DOE.”

⁵ One way to think about whether a claim element/limitation is literally met is to ask whether a reasonable litigant (defendant) would admit that the element/limitation is satisfied by the accused infringing device/process. Parties to patent infringement suits regularly admit/stipulate that some claim elements/limitations are met in order to focus the issues to a small number of contested elements/limitations where the infringement count will be won or lost.

⁶ If you undertook DOE analysis for the nail, it would only hurt you in the sense of opportunity cost. DOE for the nail was not a points-earning issue on the examination, so the time spent analyzing it takes away from time you could spend on actual points-earning issues. Also, please note that if you find yourself undertaking DOE analysis for every element/limitation in the claim, you are probably undertaking DOE analysis for some non-points-earning issues. This in essence means that the examination does not consider these to be actual, disputable issues. The patent issues on an examination are unlikely to contemplate application of DOE for every claim element/limitation.