

EXAMPLE ANSWER
COMPILED FROM STUDENT ANSWERS
FOR
IP SURVEY FINAL EXAMINATION
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DAY SECTION
FALL, 2004

NOTES:

The answers given below are compiled from several student answers. That is, the answer for the trade secret section may have been written by a different student than the answer written for the copyright section, etc.

The answers below were selected because they were the one of the highest point-obtaining answers for a specific area of law among a few of the student answers that earned an "A" on the examination. The answers are provided directly as written by the student, without any spelling or any other type of correction or editing.

These answers do not necessarily touch upon all point-obtaining issues, nor do they necessarily state all points of law and fact correctly. Moreover, they may discuss issues that are not point-obtaining. They are provided as a point of comparison, not as a suggestion that they are a perfect answer.

A. *Trade Secret*

Andy (a) and Nick (n).

A will probably win in the trade secret suit of AfterDry.

Under UTSA section 4, Trade Secret is established if info is (1) the right subject matter, (2) if it has economic value, (3) if it's generally not known to the public, and (4) if there were reasonable efforts to maintain secrecy. To be the right subject matter, a TS must be either a formula, pattern, compilation, program, device, etc. The AfterDry is a formula, so it meets (1).

After dry has economic value because it has marketable value in its environmental friendliness, so (2) is met.

(3) is contentious. Andy did mark his attachment that he emailed to N "confidential." So he took some steps to keep it secret. But he didn't take steps to protect from reverse engineering because the ingredients had signatures that would allow an expert to deduce the proportions. His rebut here will be that he didn't realize that, but that won't prevail because his ignorance of the reverse engineering possibilities are immaterial. Also, he accidentally disclosed to N. Accidental disclosed in the attachment to N his alleged trade secret. Accidental disclosure normally bars TS protection, but here there might be a confidential relationship between he and N. The relationship could arise from their being on the same committee.

There're 3 ways that N could've misappropriated the TS: fraud, improper means, or breach of confidential relationship (though obtained rightfully). A should focus on the last. There was no express restriction on N to put release A's info, but there could've been an implied one. See *Smith v. Dravo*. A could also consider the Rest. 3d of Unfair Compet section 41 to consider whether N breached A's confidence. One test to determine breach is whether N knew or had reason to know that disclosure was intended to be in confidence. The thing was marked "confidence," so I'd say that'd be reason enough, even though he mistakenly thought otherwise.

So because there probably was a special relationship between A and N, because A kept reasonable efforts to control the info, and because the info has economic value, A's TS will be protected (at least until someone actually reverse engineers it).

B. Patent

Andy will probably try to enforce his patent for EverAfter againsts Nick.

Novelty

Nick would probably argue that Andy's patent is invalid. He may first argue that Andy's patent is invalid based on Novelty. A patent is invalid on this ground if the invention was known or used by other in this country or patented or described in a printed publication in this or a foreign country before the invention thereof by the applicant. In this case, the Spencer article was published before the "date of invention" of Andy's product. However, in order to be successful, Andy would have to show that the prior art anticipated Andy's invention. A prior art invention anticipates the invention if each and every element/limitation of the claimed invention is disclosed by the prior art. In this case, the patent claim had the following elements: (1) CPS at 20% to 40%: Considering the fact that Spencer required CPS by 25%, it clearly anticipated this element, (2) Soybean liquid at 10-20%: Spencer disclosed soybean liquid extract at 15% which clearly anticipates this element, (3) PHM for the remainder: this may cause some problem for Nick since depending on what amount of CPS and Soybean is used, the "remainder" could mean somewhere between 70% to 40%, but because this range also includes 40%, and because Spencer disclosed 40%, Nick will be successful in showing that this element was anticipated. Although the specifications of Andy's patent disclosed that Lima, Pinto, and black bean will also work, typically, one cannot read a limitation into the claims from the specification. Therefore, Nick will argue that what was stated in the specifications does not count, and hence, since all elements of Spencer were disclosed in the patent, the Spencer reference anticipated Andy's invention. However, Andy might be able to argue that there was no anticipation because by stating that Lima, pinto, and black bean will also do, he meant to define what he means by the ranges that he was giving and that they merely help interpret the claim and therefore, Spencer article does not anticipate his invention since it does not disclose the use of lima, pinto and black bean. If Nick loses and court decides there is no anticipation, and hence, no novelty problem, Nick can say that the patent is invalid for obviousness.

Obviousness:

Nick can assert that the patent is invalid because the difference between the invention and the Spencer reference are such that it would have been obvious to POSITA at the time of the invention to make the improvement made by the invention. It is necessary that the motive and likelihood of success of making the particular improvement have their basis in the prior art. 4 factors are considered in obviousness analysis: 1. scope and content of prior art: PA did disclose the use of OFI at 20% by volume, (2) difference between the subject matter of the prior art reference and the invention based on the claim: in this case, the invention does not disclose the use of OFI and instead lists Pinto, soy and black beans as other possibilities, (3) POSITA: in this case the POSITA was present and testified that it would be relatively simple to make the improvement that Andy made over the prior art and further that a POSITA would make such improvement. Finally, considering the fact that there was no evidence of secondary indicia, it is likely that the court will find for Nick and hold that the patent is invalid on the obviousness ground. So although the reference did not disclose all limitations, Andy may prevail on the obviousness claim using the testimony of the POSITA.

Literal Infringement:

Assuming that Andy's patent is held to be valid, Andy must show that Nick's invention infringes his patent. A product literally infringes a claim in the patent if every element disclosed in the patent is also present in the accused product or device. In this case, Andy's claims had 3

elements: (1) CPS at 20-40%, (2) Soybean liquid extract at 10-20%, and (3) PHM at 40-70%. Nick's invention used PHM at 46%, CPS at 36% and black bean at 18%. Therefore, as to the first and 3rd element Andy can clearly establish literal infringement. There is no literal infringement of the second element of the claim since Andy uses Soybean and Nick uses Black bean extract. Andy will might be able to assert the DOE as to this element. Nick's expert agreed that the black bean extract used by Nick performs SSF in SSW and gives SSR as the soybean used by Andy. Therefore, Andy might be successful in asserting that there is infringement under the DOE. However, Nick will probably be able to use the dedication defense. When a patent holder discloses but declines to claim a subject matter, he has dedicated the unclaimed subject matter to the public. (*Johnson and Johnson v. RE service Co.*). In this case, Andy disclosed in his specifications that Lima, Pinto and black bean extract will also work. Therefore, he dedicated the use of the black bean extract and cannot sue Nick on grounds on DOE because Nick is using the Black bean extract. Therefore, Nick will probably prevail if on the DOE claim.

C. *Copyright*

Right to reproduce A's table.

To be copyrightable, a thing must have a modicum of originality (see Feist), authorship, and be in a fixed medium (for more than transitory time. section 101.). A will argue that the table is a taxonomy (a way of describing items in a body of knowledge). See *American Dental*. It's describing the formula to the ink. N will argue that it's not original because it's a form, something that section 102 bars from copyrightability. It's a form because it's only an idea, not an expression of an idea, and only expressions of ideas are copyrightable. See *Baker v. Sheldon*. N can further argue the merger rule. When there're only a few ways to express an idea, the idea merges with the expression, and thus isn't copyrightable. See *Morrissey v. Proctor and Gamble*. The table was alphabetical and had only a few critical elements, so this is a strong argument for N. But the originality threshold is extremely low, so A will be able to establish that the table deserves copyright protection.

did N infringe? To infringe the right to reproduce, ownership must be shown (see above), improper appropriation must've taken place, and copying must be shown. We should be able to show direct copying here because the two tables are exactly the same (minus the nonessential difference of color). But if we can't, then we can easily show indirect (circumstantial) copying because N intended to reproduce it on the website. Intent isn't necessary, but it's awfully helpful to show copying. N will lose here, and A will win.

Right to reproduce A's poem. N reproduced the poem on the trade association website. This, just like the table, looks like direct evidence for copying. But if it fails, we can easily use one of three tests for infringement: the look and feel test (see *Roth Greeting Cards*), the patterns of abstraction test (see *Nichols v. Univ Pictures*), and the substantial similarity test. This is really a nonissue because the infringing is so obvious. Any test will pass. But N can defend by arguing fair use. He can argue that the purpose and character of the use was non-commercial/nonprofit. It's unclear whether the trade association is a non-profit organization, or whether the website is for non-profit use, but if they are, then N has a slightly stronger argument. But A can respond that the effect on the potential market for the copyright was great. First, it was an unpublished work, and he lost the right of first publication. See *Harper Row v. Nation*. And not only did he lose it, but he lost \$100,000 because of the loss. And if it was worth that much to publish first, we could imagine how much he would've lost overall. It definitely hurt A's ability to make money. See *American Geophys v. Texaco*. To A will likely prevail because he's been economically harmed, even though the use of the poem might've been for non-profit purposes.

Right to perform A's poem. Under 101, the right to perform or display "publicly" means the exclusive right to perform a work at a place open to a public or where substantial number of persons are gathered. This right includes the limit of use of A's poem. Here N was reading the poem at the trade show. The reading is a performance, and the trade show is public because it's open to everybody, and there're a substantial number of persons gathered. A will win here clearly.

N's poem infringing on A's. See 601(1). The contentious issue here is whether N copied A. We'll have to look for circumstantial copying, using one of the tests named above. Generally, we look to whether the two poems are substantially similar. The first lines share the same words. The 2nd line talks of ink. And the general themes of "great ink" are similar. Here A can further the similarity by saying that N was privy to the original, and even "gave credit to where credit was due" by websiting up the source of N's poem. unlike in *Arnstein*, where Porter was not so privy

to the original. This is similar to the Steinberg v. Columbia case, where there're superficial difference between the two artworks, but not enough to warrant substantial difference (in my opinion). N can try to get out of it by saying his is a parody of the original, but a parody requires the accused to make some sort of critical comment, not just to make fun. Campbell v. Acuff. N's poem makes no critical comment, so I say A will win this.

D. Trademark

EVERAFTER v. NEVERALTER:

Andy can bring a claim for likelihood of confusion against Nick for his use of NeverAlter. Nick will probably assert that the mark is not protectable in this case on grounds that it is merely descriptive and has not acquired a secondary meaning. The mark is clearly descriptive since it reflects a characteristic of the permanent ink, namely that it will last forever. Secondary meaning is acquired when in the minds of the public, the name identifies the source of the product, rather than the product itself. Survey evidence can be used to show that secondary meaning has been acquired. In the survey, only 32% of the retail customers were able to identify the mark with Andy's company and 75% of the wholesale customers. Nick will probably argue that because most buyers of the ink are retail purchasers, the 32% statistic counts and tends to show that there is no secondary meaning. Andy will probably argue that the 75% is the better estimate of the "public" since those are the people who are engaged in the market for the particular product. The court will probably find for Andy on this issue and that the TM has acquired secondary meaning. Where the goods produced by an alleged infringer compete with that produced by the TM owner, infringement of the TM rights will be found where the marks are substantially similar and confusion can be expected. In this case, both Nick and Andy were selling an ink permanent compound and hence, their products are clearly competing. Therefore, we only consider the similarity of the marks as to sight, sound, meaning and overall presentation. The overall sound of the names is very close, the meaning is somewhat different but is still close, and although the two do not have the same number of letters, they do look substantially similar. Nick might argue that the two are not close enough to cause confusion since they clearly mean different things, and do not have a work in common. The court will probably find for Andy on this issue and find that there was infringement of this federal trademark. If the court decides that the goods were merely related because they attracted a different set of customers, Andy may still be able to bring a claim against Nick based on dilution by blurring. Owner of a famous mark shall be entitled to bring a suit for dilution if 5 requirements are met: (1) the senior mark must be famous: the case here, (2) the senior mark must be distinctive: the case here since Andy will probably be able to show that his mark had acquired secondary meaning. No dilution claim if Nick prevails on this issue, (3) the junior use must be commercial: the case here since Nick's product was also sold commercially, (4) Nick's use did begin after Andy's (5) Junior use must be causing the dilution (lessening the capacity of the famous mark to identify and distinguish the goods. The court will consider these factors for blurring: (1) Distinctiveness: the Everafter mark was probably descriptive with secondary meaning, (2) similarity of the marks: the marks are very similar as to sight and sound, but not as to meaning, (3) proximity of the product: the products were practically the same and so there was great proximity, (4) the mark was distinctive, the junior mark was highly similar and goods were proximate, (5) shared consumers: they did share the same consumer in this case, (6) sophistication of consumers: probably not much when buying ink, (7) actual confusion: there was clear evidence of actual confusion here since Andy did receive calls about using NeverAlter, (8) Nick's use did not have an adjectival quality. Therefore, considering all these factors, the court would probably find that there was dilution of the senior mark by blurring and Andy will probably prevail on his claim of dilution by blurring.

AFTERDRY v. AFTERFRY:

Nick can not use the defense of Descriptiveness on this issue since the mark is incontestable. Andy can sue Nick for likelihood of confusion based on Nick's use of the mark AFTERFRY. In determining if there is a LOC the court will consider the following factors: (1) Strength of the mark: the marks seem to be generic seems it is an environmentally friendly ink and the name

does not show a character of the product. Moreover, because the mark is incontestable, descriptiveness is not a defense that can be used by Nick., (2) proximity of the goods: one good is an ink and the other product is sued as a grill cleaner therefore the products are not proximate, (3) similarity of the marks: The marks are very similar in sight and sound but not in meaning, (4) evidence of actual confusion: there is no evidence of actual confusion in this case between the Afterdry and Afterfry marks, (5) marketing channels used: these marketing channels would probably be different since ink and grill cleaners are not typically sold in same places, (6) degree of care exercised by purchaser: the purchaser in this case will probably not exercise a high degree of care when purchasing a grill cleaner, especially since it is not an expensive purchase, Nick may argue those who would care about the similarity are people who care about the environment and hence will exercise care in the purchase, (7) defendant's intent: in this case Nick clearly had a bad intent, (8) likelihood of expansion of product lines: there is not a high likelihood of expansion in this case. Considering all these factors, especially Nick's bad intent, the court is likely to find that there is a LOC.

EVERLAFTER v. EVERAFTER:

Andy can bring a claim of dilution against Nick for tarnishment of his TM. In order to bring a dilution claim, Andy must show that: (1) his mark is famous: established here by the facts: (2) his mark is distinctive: As shown above, if Andy can show that his mark on everafter has acquired secondary meaning, then he can bring this dilution claim, but if Nick prevails and the mark is determined to be descriptive w/o a secondary meaning, there can be no claim for dilution, (3) the junior use must be commercial: in this case Nick was handing out the coins at trade shows and hence, Andy can probably show that the use was commercial. Nick may argue it was not but will probably fail, (4) the junior use must be after the senior mark is famous: that was clearly the case here, (5) the junior use must cause dilution of the distinctive quality of the senior mark. In this case, the dilution claim can be based on tarnishment whereby the junior use undermines the image that the consumer holds of the famous mark by using the mark to advertise unsavory products. This is clearly the case here since Nick is associating the mark EverAfter with something negative by showing that the ink is used to say "divorce". The factors considered in determining whether there has been dilution by tarnishment are: (a) Distinctiveness: in this case Andy must be able to show that his mark has acquired secondary meaning. If he prevails, then he can progress. He can probably get even more protection if he shows the mark was generic but this is unlikely. (2) similarity of the mark as to sight, sound, meaning and overall presentation: the marks are highly similar as to sight and sound, and only differ in their meaning. There is only one letter added in everlafter and hence, there is great similarity although the meaning is different, (3) proximity of the goods: this is not really a factor in tarnishment analysis and is of little importance. In this case the coins were handed out to Andy's customer's and so there was some proximity, (4) interrelationship among distinctiveness of the senior mark, similarity of the junior mark, and the proximity of the product: this is also of less importance in tarnishment analysis, in this case the senior mark was probably somewhat distinctive, the similarity of the marks was rather substantial, and the products were proximate, (5) shared consumers and geographic limitations: this factor is also of little importance in tarnishment, but the consumers in this case were clearly shared between Andy and Nick, (6) sophistication of the consumers: this is also of less importance in tarnishment but seems to be little sophistication in this case, (7) actual confusion: this is not an element for tarnishment since tarnishment, unlike blurring deals with negative association which was clearly established in this case since Andy's customers told him that it is hard to take his company seriously after seeing the everlafter coins, (8) adjectival or referential quality of the junior use: this factor is also of little importance. The court will probably find that there was dilution by tarnishment in this case and hold Nick liable.