

Intellectual Property

Professor Grimmelmann

Final Exam - Fall 2012

I graded each essay question using a checklist, giving a point for each item (e.g., “City Hall can raise a *Sony* defense”) you dealt with appropriately. Ten percent of the credit in each each question was reserved for organization and writing style. I gave bonus points for creative thinking, particularly nuanced legal analyses, and good use of facts.

Model answers to the three questions are below. I recommend that you compare your essays with them. The model answers 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, have further questions after reviewing your exam, or would like to discuss the course or anything else, please email me. It will be hard for me to meet in person this semester, but I will be happy to talk on the phone or via Skype.

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

James

	Celebrity	Toy Story	Waterfront	Total
Median	16.8	14.5	16.0	47.0
Mean	16.6	15.2	15.6	47.4
Std. Dev.	5.3	4.1	4.5	11.6

(1) Celebrity Skin

Patent Infringement

Assuming that City Hall provides WMD-4 as part of the Face-2-Face, it would literally infringe claim 1 of the '103 patent. Fortunately, claim 1 is invalid. The uses by taxidermists in February 2003 predate Royce's 2005 filing date by more than a year, and do not appear to have been kept secret. The Face-2-Face does not literally infringe claim 2 by printing masks. While it is arguable that a Face-2-Face-printed mask is a "mannequin" with a "head portion" made of WMD-4 and "facial features" (e.g. eyes), nothing in the mask could be described as a "body portion." Even under the doctrine of equivalents, to find that a mask has a "body" would read that limitation out of the claim entirely. Thus, the Face-2-Face does not infringe the '103 patent.

Copyright Infringement

The copyright owners in *Eastside* could sue the Face-2-Face users acting out scenes for copyright infringement—most obviously the derivative works right. They could potentially raise a fair use defense, as their use is noncommercial and unlikely to compete with the original. But it is also unclear whether the use is transformative, so the defense might fail. This matters to City Hall because the copyright owners might try to hold City Hall secondarily liable. Fortunately, it is not a vicarious infringer because it lacks the right and ability to control what owners of a Face-2-Face do with the device. It has a *Sony* defense to contributory infringement because the Face-2-Face has noninfringing entertainment uses (e.g. family members imitating each other). And it does not appear that City Hall has marketed the Face-2-Face with the intent of encouraging its use to infringe copyright, so it is not an inducing infringer.

Right of Publicity

Perkins, Watkins, Davis, and others might claim that City Hall is infringing their rights of publicity. All of these claims seem too attenuated to succeed, for substantially the same reasons that secondary copyright claims against City Hall would fail. In addition, none of the uses by Face-2-Face owners seem commercial. There is a colorable First Amendment transformativeness defense for the use of Perkins and Watkins' faces, but the lack of any transformation in the sitcom scenes could doom it. Senator Davis may have a harder time raising a right of publicity claim as he is primarily a political figure. (Governator problem.) There is no right of publicity risk from George Washington or Sojourner Truth, both of whom have been dead for over a century, long before there were recognized rights of publicity.

Nerese Campbell

Although Nerese Campbell did not have the initial idea for the Face-2-Face, her algorithms appear to be the crucial step making it nonobvious. She may be considered a coinventor of the Face-2-Face and would need to be named in the patent application.

Whatever trade secret rights Campbell had in the Face-2-Face, she waived with her casual "Sure, knock yourself out"—an attitude that is inconsistent with the exercise of reasonable precautions to maintain the secret.

Campbell may have copyright claims worth considering. I would need to examine her algorithms and the Face-2-Face's version to know for certain, but it appears that your programmers have changed enough details that they borrowed only the uncopyrightable ideas of her program (what it does) rather than the copyrightable particular expression of them (the exact phrasing her program uses). If they did retain those details, however, the copyright infringement case is strong, because copying-in-fact would not be open to dispute. Your best argument is that

Campbell gave you an oral nonexclusive license to use the software; she might respond that “Sure, knock yourself out,” referred to the USB drive, not to City Hall’s extensive use of the program in the Face-2-Face. The circumstances here are more ambiguous than in *Effects Associates*, where the effects were prepared specifically for the defendant’s commercial use in its film. Campbell is not your employee, so this is not a work made for hire; you do not want to argue that you have created a joint work with her, as that would give her half ownership of the results. I recommend striking a deal with Campbell quickly: you might consider hiring her to help develop the Face-2-Face 2.

Commercial

Even if Face-2-Face owners do not have a copyright in famous people’s appearances, they are almost certainly the authors of the photographs they have taken of themselves. As such, they are copyright owners, and you will need to obtain licenses from them to use in the commercial. We could argue that the contest creates an implied license, but I would rather have this be explicit. I will check the contest rules; if it does not contain a license, then you should email individually the users whose photographs you would like to use.

Patent Eligibility

The Face-2-Face is proper statutory subject matter for a patent. City Hall could draft claims on the masks as articles of manufacture, on the process of printing them, and on the machine (the Face-2-Face) that produces them. Even though the machine and process rely on computer software, they do so in the context of a tangible industrial process that turns the raw material WMD-4 into a new and different state.

The Face-2-Face and the masks it produces are useful, at the very least, for entertainment purposes, as amply shown by the uses made by Face-2-Face owners.

All of the potential claims described above, if properly drafted, would be novel. *Face/Off* described a similar general idea, but it was not an enabling reference, because it did not describe how to make these realistic masks. City Hall could not claim WMD-4 by itself, in light of taxidermists' uses and claim 1 of the '103 patent, but it could claim masks made of WMD-4, because these would add an element not present in the prior art. And by specifying that these masks would have a specific person's appearance and be crafted to fit another person's face, City Hall could also avoid claim 2 of the '103 patent by adding these additional elements.

These hypothetical claims would also likely be nonobvious, although I would need to know more about Campbell's algorithms and the state of the art. It appears that her program solved the most difficult part of the problem: making the masks fit one face and resemble another, based only on a scan and photographs. Even in light of taxidermy uses and claim 2 of the '103 patent, it does not appear that a PHOSITA would have been able to develop a procedure for producing such masks. Appropriately narrowed, the claims would therefore be nonobvious.

Unfortunately, you have been selling copies of the Face-2-Face for a month, creating a statutory bar issue. Section 102(b) of the America Invents Act does not contain a grace period for pre-filing sales, only for pre-filing disclosures.¹ My tentative conclusion is therefore that City Hall is ineligible to file for a patent on the Face-2-Face.

Miscellaneous

You did not specifically ask, but I think that FACE-2-FACE is a good trademark; it is suggestive of what the device does, and quite catchy. Consider registering it. You should also take appropriate steps to have your employees keep the details of the Face-2-Face confidential, to preserve your trade secret rights.

¹ I did not cover this distinction in class. Therefore, I also gave full credit if you raised the statutory bar issue and concluded that City Hall would need to file for a patent within a year.

(2) Toy Story

Copyright

The Fuzzy's songs in an invented language are copyrightable musical works. The only way that Herc has used those songs is by repeatedly playing them while analyzing how the Fuzzy works. This may constitute an infringing public performance, but Herc has a strong fair use defense because the use is transformative (to create a new and very different product) and it has no effect on the market for the songs.

The Fuzzy's appearance is original and fixed, but the Fuzzy is also a useful article because it listens and sings. The original aspects of the Fuzzy's appearance as a sculptural work that are copied in the Fuzzy-B-Gone—its green color and conical shape—are physically and conceptually separable from the Fuzzy's utilitarian function. This is a close call on infringement; the similarities are unnecessary but not overwhelming. Herc may ultimately prevail, but I do not believe that these similarities alone should qualify Herc for a preliminary injunction.

The computer program in the Fuzzy may be copyrightable as a literary work. But Carver only copied the idea of this program—what it does—rather than the expression—the particular sequence of commands used in the program.

Trademark

Herc is the senior user of FUZZY based on its nationwide actual use in 2011. (Its registration in September 2012, while helpful in terms of providing a presumption of validity, is too late to give priority, as Carver's use began in summer 2012.) FUZZY is a descriptive mark: the toy is actually fuzzy. It requires secondary meaning to be protectable as a trademark: the extensive sales of over five million Fuzzies make it likely that it does: it wouldn't be "the hit toy of the 2011 holiday season" without extensive name recognition.

Herc's case for infringement is solid. The plaintiff's mark is quite strong. The marks both share the FUZZY root; while FUZZY-B-GONE adds two additional "words," they both clearly modify FUZZY, so that the overall impression is still focused on the FUZZY. The goods are not directly competing, but they are closely related; the one is designed to work with the other. Although the Fuzzy is a children's toy, children are not likely to be clamoring for a product that shuts it up, so the relevant consumer is likely to be a more discerning parent or other adult who dislikes Fuzzies.

Herc can also allege a likelihood of sponsorship or endorsement confusion. Although Carver could argue that no one would think that Herc itself would make an anti-Fuzzy product, Herc's plans to make a line of Fuzzy accessories mean that the name and function alone do not clearly establish that the Fuzzy-B-Gone really is unaffiliated with Herc.

Similarly, Herc can claim dilution by tarnishment. The Fuzzy-B-Gone makes the Fuzzy work less well, and the TV commercials are deliberately designed to harm the public's impression of the Fuzzy.

Carver's best defense is nominative fair use. One cannot reasonably market a Fuzzy-disabling remote control without referring to the Fuzzy by name, Carver could argue parody or the First Amendment, but the case is weak: Carver is not really making fun of the Fuzzy trademark, and it is not transforming the mark in any significant way.

Trade Dress

Herc can claim trade dress rights in the design of the Fuzzy, including the conical shape and the green felt it shares with the Fuzzy-B-Gone. This is product design, so it requires secondary meaning to be protectable, no matter how distinctive it is standing alone. Given the Fuzzy's high sales and the mass popular reaction to it, Herc is likely to be able to establish secondary

meaning. Nor are the conical and green fuzzy aspects of the Fuzzy functional; others could product talking dolls in other shapes and colors.

Here, Carver’s nominative fair use defense is weaker than for the trademark. The Fuzzy-B-Gone doesn’t need to be conical and green to work in disabling a Fuzzy.

False Advertising

The claims that the Fuzzy “ruined Christmas” and “killed JFK” are obvious hyperbole, making them non-actionable puffery.

Trade Secret

The work that Carver did in reverse engineering the Fuzzy is completely legal. But it crossed the line when it relied on inside information from a Herc engineer. That information—assuming that Herc took reasonable precautions to keep design details secret—is a trade secret that Carver acquired through a breach of confidence. It does not matter that this command could theoretically have been discovered by systematically observing the infrared signals sent to and from Fuzzies: Carver’s failure to discover it after extensive effort shows that the signal is not “readily obtainable” by competitors.

Injunction

Herc is likely to succeed on its trade dress infringement claim and its trade secret misappropriation claim. It may succeed on a copyright claim or a trademark claim, but its chances there are significantly more uncertain. It is not likely to succeed on its false advertising claim.

The harder question is whether Herc will suffer irreparable harm without an injunction. In one sense, it will not: sales of the Fuzzy-B-Gone are easy to calculate and so damages will suffice. But in another sense, Herc is at greater risk because the Fuzzy-B-Gone is designed to

make the Fuzzy less useful. The widespread distribution of Fuzzy-B-Gones will depress Fuzzy sales because the Fuzzies won't work as designed. While Herc has no right in general to prevent the sale of such a competing product, Carver's violation of Herc's trade secret rights shows that it is using confidential information to gain an unfair edge.

Speaking personally, I would argue that the public interest favors silencing these remarkably annoying toys, but I understand that this is not the kind of concern you can address in your opinion.

(3) On the Waterfront

My assessment is a qualified “yes.” The publication process should proceed, but we may need to omit the photograph and Templeton’s sources should be examined more closely.

Photograph

Although the photograph depicts historical events, it almost certainly contains copyrightable expression in the photographer’s choice of angle and timing. The problem is identifying the copyright owner to obtain permission. We can and should inquire further with the union to see if they have any leads on who it might be. If that fails, unfortunately, the safest path is to remove the photograph from the book.

If the copyright owner did reappear after publication, he or she might be content to be bought off with a licensing fee, but it would likely be much higher than one negotiated before we infringed by reproducing the photograph in the book. We could attempt to argue fair use, but many of the factors would work against us. The photograph is unpublished, and we would be using the complete work in a commercial publication without transforming it. In the worst case, we could be required to pay substantial statutory damages or even be subject to an injunction prohibiting sales of the book until the photograph is removed.

What They Need Is a Union

There are significant similarities between Parenti’s book and Templeton’s manuscript. Because Parenti’s book was widely published and is the “leading” history of the strike, Templeton would have had access to it. Fortunately, most of these similarities consist of factual material about the strike. Facts are uncopyrightable, so these similarities are noninfringing as a matter of law. The same goes for the choice to include some of the same facts. No book about the strike could avoid discussing New Charles, Chester Sobotka, or angry debates in the union hall:

that Templeton's manuscript also chooses to include them does not mean that it has copied protectable expression from Parenti's book.

The hardest issue here is Parenti's theory that Sobotka was the Greek. This theory is not, strictly speaking, an established fact; Parenti in some sense invented it. But the theory is an attempt to describe the world accurately; it is Parenti's best effort at stating the facts of what actually happened. As such, we could make a strong argument that this "theory" is so closely bound up with the facts of the strike that it is also uncopyrightable. Put another way, theories like "Chester Sobotka was the Greek" are unprotectable ideas. Similar reasoning applies to treating Sobotka as a "conflicted family man torn between his different loyalties."

Whiting Press

You can safely tell Whiting to go pound sand. The idea of a book about the strike is not copyrightable; it has no right to preempt other books on the same subject. You may want to point out, privately or publicly, that the books are unlikely to be competing, and may well enhance each others' sales.

The Dickensian Aspect

This quotation is too long for the similarity to be a coincidence; they constitute a striking similarity for purposes of proving copying-in-fact. (Since Gutierrez's story is published, it is completely plausible that Templeton had access to it.) We could argue that this similarity is *de minimis* in the context of the overall short story—two sentences is not very much. If there are no other similarities, *Blood on the Patapsco* might well be noninfringing because it almost certainly has a different total concept and feel than *The Dickensian Aspect*.

Even if this argument fails, we can make a strong fair use defense, because the similarity is so quantitatively small. We could emphasize that the overall manuscript of *Blood on the*

Patapsco departs strongly from *The Dickensian Aspect*, arguing that it is transformative of the expression in this sentence. We could add that the two works are not likely to be market substitutes. In light of the small quantity of copying, our argument would be strong.

Thomas Pakusa

Assuming that the manuscript really was returned to Pakusa in 2004, he likely has no case. His idea for a novel about the strike is uncopyrightable. The harder part for us may be establishing that Templeton had no access to Pakusa's manuscript. We have only the reliability of our records to go on; if Pakusa were to sue, he could argue that the records are inaccurate and that Haynes House staff secretly passed it along to Templeton. Disproving access on these facts may be difficult. It would help to be able to examine Pakusa's manuscript to see whether there are similarities beyond just the general idea of a novel about the strike.

Beatrice Russell

As the author of *Dope on the Table*, Templeton was the initial owner of any copyright in the Russell character. The copyright either remained with him or was assigned to us in the publishing contract. Either way, between Templeton and Haynes, we have all the rights we need to use the character in *Blood on the Patapsco*. We should make sure that the contract is explicit on the point that any necessary permissions to create a derivative work of *Dope on the Table* are granted.

PATASPSCO Waste Hauling

Weems' trademark is prima facie valid. PATAPSCO is either descriptive for waste hauling (if the company is located in the Baltimore area near the Patapsco river) or arbitrary (if it is not). But consumer confusion between a waste hauling company and a novel is extremely unlikely: the goods are so completely unrelated that unless the trademark is famous (which I assume it is not), no consumer would make the connection. Moreover, we could make a strong descriptive

fair use argument: the novel really is about conflict on and around the Patapsco. Indeed, use of the word in the title of the novel might not even be considered to be use of the trademark at all.

Rights of Publicity

Potentially, either the people depicted in the photograph or Chester Sobotka could make a right of publicity claim for using their likenesses and names, respectively, in the novel. We could defend by arguing that the use is justified as news reporting. This will be a bit tricky, as the novel is a work of fiction, not reportage. But because it is historical fiction, it necessarily has to discuss actual people and events.

Further Research

While I am not directly concerned by the potential copyright claims raised by Parenti, Gutierrez, and Pakusa, I am concerned that there are so many other sources kicking around. Templeton may have drawn extensively on these other writers, and I would like to read each of their works carefully, in case there are other similarities that have escaped our attention so far.