# Intellectual Property
# Fall 2021
# Final Exam

I graded your essays as follows:

- Correct and complete legal analysis: 70%
- Strategic advice: 15%
- Clarity and organization: 15%

The bullet points in the following outline do not directly correspond to my grading rubric, but they do reflect the overall weight I put on different parts of the analysis. I awarded full credit for identifying an issue and analyzing it carefully even if you reached a different conclusion than I did. Indeed, in several cases I awarded bonus points for spotting an issue I missed, or for surprising me with an argument I had not thought of.

I will of course be happy to discuss your essays and your grades with you if you have any questions.

## Question 1: A Series of Unfortunate Inventions

### The Reptile Room

Montgomery should give up on his goal of using IP law to prevent people from talking about his zoo and sharing pictures of the animals.

- Animals are naturally occurring and are not patentable. The idea of a reptile zoo is an unpatentable abstract idea, is not novel, and is obvious.
- Animals are not original works of authorship. The selection and arrangement of animals into a zoo, even if original, may not be a work of authorship, and even if it is, will protect only against duplication of similar selection and arrangement, not against discussing or photographing the animals.
- Trade secret law will not protect the appearances of the animals if Montgomery opens it to the public.
- Montgomery could prohibit photography and demand that zoo visitors sign NDAs, but these rules will be difficult to enforce and likely to drive away visitors.
- Social media exposure would be *good* for the zoo; it is more likely to make people want to visit it than to substitute for a visit.

### The Wide Window

Anwhistle can sue CaptainSham for copyright infringement.

- Anwhistle's windows are original works of authorship.
- The windows are PGS works, and they are useful articles (they allow light to pass through), but they are copyrightable because the designs can exist separately from the windows' utilitarian function (as they do on CaptainSham's prints).
- As exact replicas, CaptainSham's prints are strikingly and substantially similar to Anwhistle's windows.
- The prints infringe Anwhistle's reproduction and distribution rights.
- CaptainSham cannot rely on fair use. The prints are nontransformative copies, they are copies of published expressive works, they replicate the complete work, and they compete with Anwhistle's ability to license or sell her own prints.

- Anwhistle should register her window designs with the Copyright Office, demand that CaptainSham stop selling the prints, and send a notice to Etsy of CaptainSham's infringement.
- Anwhistle should consider whether she wants to start selling her own prints. (She may, or she may not.)

**The Ersatz Elevator**

Squalor will probably need to change the spiral pattern on her panel, and may need to drop the business entirely.

- I need to investigate the utility and design patents that Gunther claims to hold, to see what they say and whether they read on Squalor's panels.
- A panel decorated to appear like an elevator is an apparatus, so while it may have novelty or obviousness issues, it is probably proper patentable subject matter.
- Although a panel decorated to appear like an elevator door is deceptive, its ability to reduce perceived wait times is a permissible utility under *Juicy Whip*.
- If Gunther's spiral design predates Squalor's then she faces a risk of copyright infringement. I will need to investigate further to determine whether it is possible that she could have copied from one of Gunther's designs subconsciously, and whether the two designs are substantially similar.
- The design on Gunther's door is probably not protectable trade dress. Because it is product design, Gunther would need to show secondary meaning (which seems unlikely). There is also a reasonable argument that it is aesthetically functional because it has the function of making the panel more appealing to landlords and to elevator users.
- It is very plausible that the design is protected by a design patent. A panel is an article of manufacture, and the spiral pattern could be a new and ornamental design.
- The fact that a panel decorated to look like an elevator door has the function of making users more patient does not bar design patent protection, because the particular spiral pattern is not the only possible way of decorating a panel to achieve this result.

- Squalor is not engaged in false advertising, because her panels are the product itself, not advertising or promotion for a product. In addition, the buyers of the product — building managers and contractors — are not misled about the nature or characteristics of the product.
- If Gunther also sells panels decorated to look like elevator doors, it is not in a good position to raise a false advertising argument against Squalor.

**The Hostile Hospital**

Dr. Heimlich can probably protect her coding system against direct theft, but not against competitors who create their own functionally identical ones.

- An algorithm on recoding billing codes is vulnerable to an *Alice* challenge as an abstract idea. It is unclear whether the algorithm as she has implemented it sufficiently adds "something more" to the abstract idea. At least as it has been described to me, it does not.
- Trade secret will protect the implementation of the algorithm in software. Anyone who steals the code, and any employees who leak it, will be liable for trade-secret misappropriation.
- Trade secret, however, does not protect against reimplementation and reverse engineering. Anyone will be free to create their own system to achieve a similar result, including by observing the outputs of Dr. Heimlich's system. NDAs with clients may slow this process down but cannot stop it.
- Copyright will offer protection for the source code in Dr. Heimlich's system. But under *Google v. Oracle*, this protection is not likely to reach any further than trade secret does. It will protect against theft of the source code, but not against the recreation of a system that has the same functional results.

**The Slippery Slope**

Quagmire cannot stop Spats from selling playground equipment in Paltryville, but he can probably make her choose a different name.

- SLIPPERY SLOPES is a suggestive trademark. Although the slides may be slippery, it does not directly describe other equipment, like swings and climbing structures. It conjures up images of mountains, not playground equipment.
- It appears that Quagmire has priority in the Paltryville area. He has been selling playground equipment for two years, making him the senior user here.
- Spat's use of SLIPPERY SLIDES is likely to cause confusion. The marks are very similar in sight (two words, one of which is the same and the others of which have four letters in common), sound (the same), and meaning ("slopes" and "slides" both describe things that are slanted at an angle). The products are essentially identical. The color schemes are similar, although not identical, which could also help promote confusion.
- Quagmire may have some limited trade dress rights in the red-and-purple color scheme, if he has built up secondary meaning. The colors are possibly aesthetically functional, as children enjoy bright colors. At any rate, however, Spats's use of a blue-and-purple color scheme is unlikely to cause confusion. One color in the pair is the same, but the other is different.

**The Grim Grub**

Widdershins faces no serious IP risks in her recipes, but she cannot protect them against imitation using IP either.

- Recipes as such are not copyrightable. Processes are uncopyrightable under section 102(b).
- The specific expression of a recipe in particular words can be copyrighted. But when Widdershins sells premade meal kits, she does not copy the woridng of an existing recipe.
- Similarly, someone else who makes another meal kit with the same ingredients can avoid infringing as long as they do not use the same exact wording.
- Recipes are typically not patentable. Neither the mushroom-wasabi stir-fry nor the pasta puttanesca is novel to Widdershins. In addition, most recipes are obvious; a person of ordinary skill in the art of cook-

ing would be able to combine existing ingredients and techniques to create them.

**The Hotel Denouement**

Denouement can protect the Hotel's design against a complete imitation, but not against lesser similarities. But quite honestly, it is unclear why a competitor would want to make itself an exact duplicate of the Hotel. It is not as though there is a shortage of interior design concepts and details.

- Individual items, like wallpaper patterns and lamp bases, can be protected with copyrights and design patents. Denouement could commission original designs, or pay extra for exclusive licenses from designers. This would ensure that the particular items are unique to the Hotel. But it would not stop other hotels from using other items with similar overall feel. Given this, it is probably not worth the expense.
- A design concept as a whole is not a work of authorship. It cannot be protected with a design patent because a hotel as a whole is not an article of manufacture.
- Denouement may have trade dress rights in the overall presentation of the hotel to the public. Like a restaurant design, a hotel design could be inherently distinctive. His rights will be stronger if he ensures that the hotel has a strong and unusual design concept. Again, however, this will not protect against all similar hotel designs, only against ones that would cause consumer confusion about which hotel is which.

## Question 2: Trouble with a Capital NFT

### Cook's Musical Work Copyright

Cook has a plausible case against MCMarcellus and Preston for infringing her musical-work copyrights in the songs on the *Live from River City* album.

- By advertising the chiptunes as "a newly-created chiptune version of *Live from River City*," Preston has all but conceded copying in fact.
- I will need to listen to the chiptunes to confirm substantial similarity, but I assume that they are.
- The chiptune tracks are derivative works of the songs on *Live from River City*, so MCMarcellus has directly infringed the adaptation right.
- It is possible that Preston is liable as an inducing infringer for commissioning the chiptunes from MCMarcellus, although further investigation is required.
- By providing the tracks to ProfessorHill via Barbershop, Preston has also infringed the reproduction and public distribution rights.
- Assuming that it properly complies with the DMCA, Barbershop is likely shielded from liability for its role in the distribution.
- ProfessorHill has infringed the reproduction and public distribution rights for uploading the chiptune.
- Because no copy of the musical work is created or transferred when a transfer of the NFT takes place, the unknown buyer is probably not an infringer. They may be difficult to identify and sue in any event.
- Although the Internet users who downloaded the chiptune may have infringed the reproduction right, identifying them will be difficult and suing them is likely to be fruitless.
- MCMarcellus and Preston could argue fair use. Making chiptune versions is a change in genre, which might or might not be considered transformative. Preston's use is commercial; it is less clear whether MCMarcellus's use is. The songs are published and expressive. Although chiptunes omit many *performance* details, they use al-

most all of the original expression in the *musical work*, so the amount copied favors Cook. Finally, there is a good argument that chiptunes either directly substitute for the originals or exist in a market for which a licensing market could exist. On balance, I think a fair use defense would fail, but the issue is difficult.

- Because the public performance rights are not in play, Cook's license via ASCAP is irrelevant.
- Although the songs are potentially eligible for the mechanical license under section 115, there is no indication that MCMarcellus or Preston has actually obtained such a license. Even if the license were paid on the copy downloaded by ProfessorHill, the public reproductions caused by ProfessorHill's public posting of the chiptunes are uncontrolled, uncompensated, and infringing.

**Shipoopi's Sound Recording Copyright**

Shipoopi and UMG have no copyright infringement case against anyone. The copyright in a sound recording only protects against the copying of the actual sounds fixed in a phonorecord. But a chiptune consists of digitally synthesized sounds, so MCMarcellus did not engage any such copying.

**Howard's Photographic Work Copyright**

Someone has a plausible infringement case against Preston and the unknown digital artist who created the pixel-art version of the album cover.

- It is likely that Howard licensed the photograph to Shipoopi for the album cover. I do know know enough to know whether Howard retained ownership of the copyright or assigned it to Shipoopi.
- The pixel-art version is a derviative work of the photograph.
- The creator of the pixel-art version is unknown, but their identity could probably be obtained in discovery in a lawsuit against Preston.
- The analysis above of the musical-work copyright for copying in fact, substantial similarity, exclusive rights, and secondary liability also applies to the photographic copyright.

- The fair use analysis is very similar too. One difference may be that under factor three the pixel-art version uses somewhat less of the original photograph, because it deliberately discards details.

**The Album Title**

Cook should not bother suing over the use of the *Live from River City* album title.

- The use of the title by itself can create no liability. The title is not protectable as a trademark under the single-creative-work rule, nor is Cook using the title as a trademark. Similarly, titles are not copyrightable.
- An unfair-competition suit on the theory that describing the NFT as "exclusive" creates a false claim of association or endorsement is just plausible. However, the "in celebration of" language undercuts this theory by implying that the NFT is an independent tribute, and the NFT is "exclusive" in the sense that only one person can own the NFT.

**Cook's Right of Publicity**

Cook has a weak claim for violation of her right of publicity.

- Cook is named explicitly on the promotional website. She may or may not be directly identifiable in the pixel art. But because the photograph is "iconic," she may be identifiable if viewers recognize the pixel art as the photograph, as intended.
- The use of her name and image are commercial.
- As in *Armstrong v. Eagle Rock Entertainment*, Cook may not be able to prevent the use of her name and image to promote the sale of creative works with which she is actually associated. This could be described in terms of a First Amendment newsworthiness right, as a right-of-publicity analogue to descriptive or nominative fair use, or as a kind of preemption of the right of publicity by copyright in those works.

**Preston's Patent Threats**

Preston's patent threats are baseless.

- As far as I know, Preston has no patent on the NFT.
- It is highly unlikely that Preston could obtain a patent on it. The NFT as described is completely standard and basic, so it probably does not satisfy the "something more" of *Alice* step 2.

**Preston's Copyright Threats**

Preston's copyright threats are weak.

- Any copyrights in the chiptunes and pixel art are irrelevant. Cook 's NFT does not reproduce or distribute them. If they are infringing derivative works, they are not even separately copyrightable.
- Preston may hold a copyright in the code of the smart contract. It is unclear whether he created it, had someone create it for him, or copied a standard smart contract.
- Under *Google v. Oracle*, it may be fair use to copy the smart contract's code. The code is published and only minimally expressive. Cook's use is nontransformative and commercial. She copied the whole of the code. But this copying may be justified on the basis that a public smart contract is provided to the world to execute and inspect, as any code on the blockchain is. And finally, there appears to be no sale or licensing market for basic NFT smart contracts, given how many thousands of such contracts are now in use.

**Preston's Trademark Threats**

Preston's trademark threats are weak.

- The mark LIVE FROM RIVER CITY NFT is used on the webpage and in the smart contract. There is a good but not definitive argument that neither of these is a designation of source. Instead, they identify the NFT in the way that the title of a creative work identifies its contents.
- The mark is descriptive. Although NFT by itself is generic, when combined with LIVE FROM RIVER CITY it becomes descriptive of this specific NFT. There is weak evidence of secondary meaning: Preston has a webpage, two buyers have purchased the NFT. and various Internet users have downloaded the chiptunes and pixel art.

- To the extent Preston is using the mark as a mark, he is using it in commerce to identify his NFT for sale.
- To the extent that Preston's offering violates copyright or other IP law, he may be making legal use of the mark sufficient to acquire trademark rights.
- Preston lost any rights in the mark when he sold the NFT. He is no longer selling the NFT the mark described. Indeed, he is incapable of selling it. The unknown buyer may or may not have succeeded to Preston's rights in the mark.
- Because there are no trademark rights in LIVE FROM RIVER CITY by itself, to the extent that Preston has rights in LIVE FROM RIVER CITY NFT he is the senior user.
- In any infringement suit, the likelihood of confusion would be high as the goods and marks are identical.
- Cook would have a strong descriptive fair use defense, because she is selling a *Live from River City* NFT.
- Preston's best argument might be that Cook is literally passing off her NFT as his under section 43(a). His actions in creating an NFT of her concert without her permission, however, might lead a court to conclude that any resulting confusion is his fault, not hers.

**Advice**

- Cook can safely ignore Preston's threats. They are bluster, as his confusion about IP areas shows.
- Because Cook feels warmly about fellow artists, she should reach out to MCMarcellus to learn whether he knew that she had not given her permission for the chiptune cover.
- Cook should also reach out to Howard to find out what he knows about this business.
- Because Cook hates Shipoopi for exploiting her, there is no reason to involve the record label, which could capture some of Preston's profits or reach a settlement to cut her out.
- Cook should make her displeasure with Preston and the NFT publicly known, which will likely depress the value of the NFT and harm Preston's reputation in future NFT sales.

- Given the degree of interest shown by the sale of the NFT, Cook should consider doing a 30th anniversary concert, or a re-recording, or commemorative posters, or other ways to connect with her fans.
- But not an NFT. That well is poisoned now.